

**CITY COUNCIL WORK SESSION
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Ramsey City Council conducted a City Council Work Session on Tuesday, July 10, 2018, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Acting Mayor John LeTourneau
 Councilmember Jill Johns
 Councilmember Mark Kuzma
 Councilmember Chris Riley
 Councilmember Melody Shryock

Also Present: City Administrator Kurtis Ulrich
 Finance Director Diana Lund
 Fire Chief Matt Kohner
 Police Chief Jeff Katers
 Parks and Assistant Public Works Superintendent Mark Riverblood
 Public Works Superintendent Grant Riemer
 Administrative Services Director Colleen Lasher
 Community Development Director Timothy Gladhill
 City Engineer Bruce Westby
 Communications and Event Specialist Megan Thorstad
 Planning Intern PeggySue Imihy
 City Planner Chloe McGuire Brigl

1. CALL TO ORDER

Acting Mayor LeTourneau called the City Council Work Session to order at 5:35 p.m.

2. TOPICS FOR DISCUSSION

2.01: Begin 2019 Budget Discussions

Acting Mayor LeTourneau explained that he asked staff to do things a bit differently this year and develop a presentation that will help the Council to see things from a broader angle rather than focused solely on numbers.

City Administrator Ulrich provided an overview of how the discussion will be guided tonight to begin the budget discussions and reviewed the staff report.

Finance Director Lund reviewed the major factors that will influence the 2019 budget expenses.

Acting Mayor LeTourneau noted that now he Council will receive a list of high priority items for the budget, noting that the lower priority items will show how the City can support the continued

growth of the community. He stated that not all of the items need to appear in the budget but would be on the table for discussion.

City Administrator Ulrich noted that the Council will now receive short, high level presentations from each of the departments regarding staffing.

City Engineer Westby thanked the Council for approving the part-time administrative assistant position for his department last year, noting that the additional help has contributed significantly to his department. He noted that the position was approved for part-time and has functioned in that capacity for six months. He stated that based on the performance, skills and abilities of the employee, he can see a lot of other duties that could be delegated to the employee and therefore is asking that the position be increased from part-time to full-time. He noted that there has been a phased retirement of another employee in his department, with that employee reducing to part-time and therefore this additional time for the administrative assistant would continue to allow delegation to her with the other engineering employees then able to focus on larger tasks. He reviewed some of the tasks that the administrative assistant currently handles as well as tasks that she could assist with in the future should the increase to full-time be approved. He stated that the additional hours would allow engineering to work more efficiently and respond to tasks and customer service requests in a more timely manner.

Councilmember Kuzma asked for details on the phased retirement position and its impact on the budget.

City Engineer Westby stated that the employee began phased retirement in July 2017 and therefore has already been accounted for in the budget process.

Acting Mayor LeTourneau noted that it appears that there has been a lot more value added to the organization because of the skill set of the engineering administrative assistant than originally anticipated.

Fire Chief Kohner stated that firefighter staffing levels has not increased since 2004 and there has been a steady increase for calls for service and therefore he is asking for one additional firefighter. He noted that about 50 percent of the calls are daytime calls and it is becoming harder to find paid on-call firefighters that can respond during the day. He stated that because he is responding to daytime calls, he is not able to fully focus on his operational duties. He stated that when not responding to daytime calls, the firefighter would complete code compliance inspections. He stated that the neighboring communities have a lower number of calls, lower growth rate and yet have a higher number of employees. He stated that the position will align with three of the City's strategic initiatives.

Parks and Assistant Public Works Superintendent Riverblood stated that he is requesting a full-time recreation specialist. He provided background information on the strategic goal of creating a robust opportunity for recreational programming and the City's progress since that time. He stated that in 2017 the City had an intern that was focused on recreational programming, which was a great assistance. He stated that the department made a request for the position the previous year that was not approved. He noted that the department has two recreational interns this year and

estimated that there has been a minimum of 40 hours of staff time spent thus far bringing those interns up and running. He stated that the process of using interns is not efficient because of the staff time spent bringing those interns up to speed and the short time the City has access to those interns, as they only stay for eight to ten weeks. He reviewed some of the tasks that the department has but is not able to complete in a timely manner because of a lack of staff. He stated that if the recreation specialist is not added, he would recommend scaling back dramatically on the park programming to allow him to focus on the other higher priority tasks for the parks department.

Police Chief Katers stated that there has been an increase in calls for service based on the actual growth with an anticipated continued growth of the community. He stated that he is asking for two full-time patrol officers to allow the department to continue to provide a high level of service to the community. He stated that if the positions are not approved, he would need to reallocate staff that currently participate in community programming and other tasks. He stated that there has been growth in all areas of the community and all of those different areas make calls for police service. He stated that the department runs very efficiently and are good stewards of the tax payer dollars but noted that makes it difficult when an employee is on leave for military duty or illness. He stated that Ramsey has the lowest police operating cost of any community in Anoka County.

Public Works Superintendent Riemer stated that 2016 was the last time a staffing request was made. He stated that in 2016 there were 510 requests for service and currently, year to date, in the past six months there have already been 523 requests. He stated that the department is running behind, and the community continues to grow. He stated that his department is running out of employees to respond to calls and requests and continues to fall behind. He stated that his other request would be to move a parks maintenance worker to parks lead, which would be a position reclassification. He stated that this person would handle the part-time seasonal employees and rink attendants. He noted that the reclassification would free up the parks supervisor to focus on larger tasks for the department.

City Administrator Ulrich reviewed some of the options that are available to contain costs.

Councilmember Riley asked if the health insurance rate has been given to the City or whether that is estimated.

Human Resources Director Lasher stated that the health insurance rate has been given to the City.

City Administrator Ulrich noted that the negotiable part of that element would be the amount the City contributes.

Councilmember Kuzma stated that every year that he has been on the Council there has been increases to every employee for salary. He stated that while he acknowledges that the requests from the departments for staffing are needed and accurate, he would ask that the City negotiate through the contracts in 2019. He suggested that perhaps the COLA increase not be given in 2019 in return for approving the additional staff positions. He stated that the workforce has not participated in supporting the additional positions and perhaps this is the time to ask for that help.

Councilmember Riley stated that he pushes each year for something of that nature. He stated that he would support an increase but not to the requested level.

Acting Mayor LeTourneau received consensus from the Council to perhaps develop another method for COLA that is not quite the requested amount.

Administrative Services Director Lasher stated that there are always comparisons and if the City falls behind on what others are paying there can be a catch-up effect. She stated that it is difficult to negotiate a contract for lesser than what others are paying and noted that recruitment is also difficult.

Finance Director Lund stated that the police have binding arbitration and therefore if neighboring communities are offering 2.75, Ramsey will get that in their negotiation too.

Acting Mayor LeTourneau stated that while he would support a possible lower level for COLA, he also is glad to have the additional background information. He asked that staff provide additional information for discussion at the next meeting showing the budget differences and impacts.

Councilmember Johns stated that there should be a package effect with the healthcare. She noted that healthcare is a much bigger increase and therefore if there is a COLA of 2.75, then perhaps more of the health insurance costs are passed on to the employees.

Councilmember Kuzma asked for details on the level of funding that the City provides for health insurance.

Administrative Services Director Lasher provided additional details on the current City funding for employee health insurance.

Councilmember Kuzma stated that perhaps that cost could be shared more with employees. He noted that in the private sector that cost is being adjusted more towards the employee.

Councilmember Johns stated that rather than discussing COLA and health insurance as separate line items, she would request that those two items be bundled together as part of the employee compensation package.

Finance Director Lund stated that if the current City funding of health insurance is kept, the full 12.7 percent would be the City's cost. She stated that contract negotiations will not be done before the budget process is complete.

Councilmember Shryock asked and received confirmation that the union negotiations do not cover all City employees.

Administrative Services Director Lasher stated that there are four unions within the City and there are also non-union employees. She noted that the attempt has been to keep those salaries very

close to avoid conflict. She stated that the City is part of a consortium to negotiate for health insurance and other benefits.

Councilmember Shryock stated that at some time she would like additional information on the trails system, similar to the rating system for the roads and long-term maintenance planning.

Councilmember Kuzma asked if that could be funded through park trust fund or public revolving fund.

Finance Director Lund replied that 2019 would be the first year that element would be included in the general fund. She stated that the park trust fund currently has about \$590,000 and if the cost for trail maintenance is \$50,000, that would only cover ten years of maintenance and would not include the additional park maintenance needs.

Acting Mayor LeTourneau asked if the Council is in favor of removing the cost from the levy temporarily and continuing discussions in the future.

Councilmember Johns stated that there has to be a plan for the trail maintenance, similar to road maintenance. She stated that she would prefer to spend the time to do the plan right and that should be a priority for the year. She stated that unless numbers have been prepared, the work would not need to begin in 2019.

Parks and Assistant Public Works Superintendent Riverblood stated that the condition of the trails has been inventoried already. He stated that the needs and overall costs are known, the existing funding levels are simply outstripped by the needs. He stated that the funding request has been made in attempt to stay on top of the maintenance needs.

Acting Mayor LeTourneau confirmed the consensus of the Council to keep the trail paving maintenance item in the budget for further discussion.

Parks and Assistant Public Works Superintendent Riverblood provided background information on the previous funding for trail maintenance, noting that in 2018, \$50,000 was included in the trail maintenance line item.

Finance Director Lund explained that the park trust fund cannot be used for maintenance. She stated that she will provide additional information on the impact to the levy and another choice, showing if the capital maintenance fund is used.

Councilmember Shryock stated that grant funds have been received in the past and it would be important to know in the future if there are maintenance needs specified in return for receiving the funds.

City Administrator Ulrich provided background information on the Alexandria House, which works with the police department to provide a place of refuge for those that have been abused. He stated that the City has contributed \$5,000 annually for the past ten years. He stated that the United

Way funding decrease for Alexandria House has hit the organization hard. He explained that the proposed increase is based on the usage of the organization by Ramsey residents.

Councilmember Riley suggested a smaller increase than asked of maybe \$5,000 to \$10,000.

Councilmember Kuzma agreed. He asked if the County is also participating.

City Administrator Ulrich agreed that the County has also been asked for an increase.

Finance Director Lund asked for input on the health insurance costs.

Administrative Services Director Lasher stated that there are four unions, and non-union employees, and negotiations have not yet begun. She stated that she would like to leave the COLA at 2.75 percent because she is not sure how the negotiations will go.

Councilmember Kuzma asked and received confirmation that the previous year there was a savings to the health insurance cost that was shared with employees.

Councilmember Riley stated that he is not okay with a COLA of 2.75 percent and would support 1.85 percent. He stated that the previous year the savings from the health insurance were saved and noted that he would like to see a similar strategy on how the additional cost could be shared.

Councilmember Kuzma stated that he would support two percent and would agree with Councilmember Riley,

Councilmember Shryock stated that the Council can say 1.8 percent but that does not allow for negotiation. She asked for additional details on the how the negotiation process works.

City Administrator Ulrich stated that if the desire of the Council is 1.8 that would be put on the table and determine how they could get there. He stated that the direction he is getting is that salary and benefits be looked at as a package. He stated that staff can bring back information on the budget impact difference between 1.8 percent and 2.75 percent. He noted that part of the negotiation process includes non-monetary items.

Councilmember Kuzma asked the ramifications of a wage freeze.

City Administrator Ulrich stated that the wage freeze was used during the recession. He noted that there is binding arbitration in the police contract and potential fall back from other unions could be strike or other ramifications. He stated that also creates ill will. He noted that if the City keeps giving lower than other communities, it puts the City at a disadvantage.

Councilmember Shryock stated that she likes viewing wages and benefits as a whole package. She stated that while she would prefer two percent COLA over 2.75, she would like to focus more on wages and health insurance being a package.

City Administrator Ulrich confirmed the consensus of the Council to look further into CPI for wages and viewing wages and insurance as a whole package.

Acting Mayor LeTourneau stated that he is sensitive that people are the biggest asset that the City has, and this could be creating additional stress on that asset. He stated that he would be more interested in the actual monetary difference between 2 percent and 2.75 percent. He noted that the City could then determine where that cost difference could be made up in the budget in another area.

Councilmember Riley stated that a COLA should be measured and 2.75 percent cannot be measured.

Acting Mayor LeTourneau noted that is market driven.

Councilmember Riley stated that he appreciates the presentations on staffing and would like to see a prioritization of the positions requested. He stated that in his opinion not all the staffing requests can be granted and therefore prioritization will be important.

Councilmember Shryock stated that it would be helpful to have direction from residents on an area of need.

Councilmember Johns agreed that perhaps if an area of service is identified on the resident survey.

Acting Mayor LeTourneau noted that the department heads are using the matrix and are at a tipping point of not being able to provide the previous level of service. He stated that if the position is not approved, the Council will then need to decide where it would like to decrease the level of service because of the increased demands from the growing community. He stated that the community continues to grow, and staff is not able to stay on pace. He asked staff to do some number crunching and provide history on the levy. He stated that the levy has been somewhat stable for the last ten years and would like to open a conversation on how those numbers can be interpreted.

Finance Director Lund stated that people tend to focus on the last few years and not ten years.

Acting Mayor LeTourneau stated that looking back further allows the community to see that the City is accurately managing the taxpayer funds.

City Administrator Ulrich stated that one of the routine exercises is to look five years forward and perhaps the be done backward as well to provide levy and budget history.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

None.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:59 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.