

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, August 28, 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
 Community Development Director Timothy Gladhill
 City Engineer Bruce Westby

1. CALL TO ORDER

Acting Mayor LeTourneau called the City Council Work Session to order at 5:30 p.m.

2. TOPICS FOR DISCUSSION

2.01: Continued Discussion of 2019 Budget/Levy and Review of 5-Year Budget (2019-2023)

Finance Director Lund reviewed the staff report.

Councilmember Kuzma asked and received confirmation that the projections do figure in projected growth of both residential and commercial properties.

Councilmember Riley asked for more information on the PIR fund; how the balance was generated and what the fund is typically used for.

Finance Director Lund stated that any road improvements, outside of reconstruction and project that use Municipal State Aid (MSA), utilize the PIR fund and provided examples of projects that have utilized such fund.

Councilmember Kuzma asked where funds are allocated from the sale of City owned property.

Finance Director Lund replied that the City has two internal loans that are still being paid back with the land proceeds and advised that after those loans are paid, the funds will be allocated to park improvements. She noted that is the current policy but it can be changed with Council direction.

Acting Mayor LeTourneau asked how and why the PIR fund strategy showed up in this discussion.

City Administrator Ulrich explained that they did not want to lower the general fund budget that was allocated for streets and based on the discussion on road debt financing it was determined that this would be a good opportunity to utilize the PIR fund to allocate to the general fund. He stated that another funding source may be determined within the next year and until that time, this was found to be a good opportunity to use a small portion of the PIR fund to contribute.

Acting Mayor LeTourneau asked and received confirmation that the use of the PIR fund was not intended to be perpetual funding but as a one-time funding source to offset some of the general fund expenditures.

Finance Director Lund stated that the excess revenue transfer that goes into the PIR fund comes from the excess in the general fund at the end of the year and therefore some of the funds currently in the PIR fund have come from the general fund in the past.

Councilmember Riley asked for additional information on MSA funds.

Finance Director Lund stated that \$140,000 to \$150,000 is included in the budget annually from MSA funds to the general fund and is then applied to road projects that would be eligible for MSA funding.

Councilmember Kuzma asked the comparison of the proposed levy to the 2018 levy.

Finance Director Lund replied that the 2018 levy was 41.73 compared to the proposed 2019 levy of 41.72. She stated that all the options provided are at the same level or lower.

Councilmember Kuzma referenced the discussion regarding whether to add one police officer or two officers. He stated that he would like to hold the ratio of 1,000 residents to each police officer and stated that the difference in adding the second police officer is only an increase of \$7 per year for the average value home and believed that residents would find that to be a good investment.

Finance Director Lund explained that the purpose of including the five-year budget is to show the impact of adding those personnel items going into future years. She noted that the fiscal disparities and TIF numbers are not yet finalized and are estimates from the County at this time until the final numbers are received. She provided a brief review of the other budget options.

Councilmember Riley stated that one of the increased expenses is health insurance. He noted that in the past when there was a decrease that was shared with employees and asked if the increase is also being shared with employees.

Finance Director Lund stated that as proposed the ratio for the City and employee would be kept at 60/40.

City Administrator Ulrich noted that element will be included in the upcoming contract negotiations.

Councilmember Riley stated that the overall increase with all the positions included would be 8.43 percent and did not feel that is appropriate and therefore would not support that increase. He stated that the five-year budget is important because it shows the impact of hiring additional staff as positions that are hired in this year increase in cost each year. He stated that he does not like seeing perpetual staff increases each year and does not feel that is necessary. He stated that if the Council follows this that would equate to a 50 percent increase simply on staffing over the next five years and did not believe that to be sustainable. He appreciated the suggestion of using the PIR fund to help offset costs this year and could find his way to support levy option three.

Finance Director Lund stated that the tax rate quoted was incorrect and the rate that would include all the positions would be 7.55 percent. She also provided clarification on the staffing cost, noting that the cost quoted by Councilmember Riley would be five years of cumulative staffing costs and not the cost of just year five.

Acting Mayor LeTourneau asked for options around the second police officer and whether there is anything that could be offered to possibly stage that differently.

Councilmember Kuzma asked if the 7.55 percent includes the second police officer and the use of the PIR fund.

Finance Director Lund stated that the 7.55 percent would include all the options and no use of the PIR fund. She stated that option two would include all positions and the use of the PIR fund.

City Administrator Ulrich stated that originally the second officer included the purchase of a squad car, but funds were obtained through a forfeiture that offset the cost of that vehicle. He noted that he and Police Chief Katers have discussed beginning that second officer in the second half or even the last quarter of 2019 but acknowledged that would still have an impact on the budgets for future years.

Councilmember Kuzma stated that he feels strongly that the City needs to keep staffing levels up for the police department and would not want to short change that department as they already have difficult jobs. He asked Police Chief Katers for input.

Police Chief Katers stated that he would like to grow with the growth of the City rather than attempting to play catch up, which would have an impact on the level of service provided. He

stated that he would like to have the officers to support the calls for service that are being received.

Finance Director Lund stated that in the five-year budget plan, following the addition of these two officers, there would be an additional officer to be added each year.

Acting Mayor LeTourneau noted that is based on projected growth.

City Administrator Ulrich stated that it is difficult to predict certain types of growth that would generate higher calls for service and that is why the positions are included in the projected budget.

Councilmember Shryock asked and confirmed that the PIR fund would only be proposed to be used this year to offset costs.

City Administrator Ulrich stated that the future year budgets included in the five-year plan currently incorporate debt service for road financing and do not take into account if another option is chosen to finance road maintenance and reconstruction.

Councilmember Kuzma stated that the road debt continues to be a large expense that drives the budget up. He stated that the option of a franchise fee appears to be a way to spread that cost fairly rather than hitting people with large assessments.

Acting Mayor LeTourneau agreed that bonding for the road debt continues to be a large portion of the increased budget and the City will continue to review its role in public infrastructure and public safety as the community continues to grow.

City Administrator Ulrich stated that if the second officer is added in October that would provide a savings of \$30,000 to this proposed budget but recognized that the cost would continue to go into future budgets.

Police Chief Katers stated that the need is currently for two officers. He noted that the department is attempting to plan five years out using projected growth numbers. He stated that the department is aware of the number of calls received and would like to adequately respond to those calls. He noted that the budgeting of one additional officer per year is simply a placeholder based on the projected growth of the City. He explained that if the growth does not continue at this rate, he would simply not submit the request for additional officers in future years that do not demand that increase.

Acting Mayor LeTourneau stated that it appears that either option one or two would be preferred based on discussion.

City Administrator Ulrich noted that if option three is selected, the second officer could still be added in the second half of 2019 if needed.

Councilmember Kuzma proposed that the Council support option two as he believes that it is important to provide the police department with the needed number of officers to respond to the calls for service, noting that the impact to tax payers is a minimal difference.

Councilmember Johns stated that she would agree with using the PIR funds as a one-time method of funding but would not support use of that fund on a continued basis.

Councilmember Shryock stated that it does make her a bit nervous to add the second officer because the City will not have the use of PIR funds in the future to offset the cost. She stated that she would prefer option three at this time.

Councilmember Riley confirmed his consensus with option three.

Acting Mayor LeTourneau stated that he is more aligned with option three but would select option two in order to provide flexibility for that second officer position or perhaps an option 3A.

Councilmember Johns confirmed her agreement with option three or 3A.

The consensus of the Council was to select option 3A, which is to hire two police officers (one starting October 1, 2019), using the PIR fund and using the levy amount of option 3, meaning that about \$30,000 related to the October 1 hiring of the second officer needs to come from cuts in other line items in the budget.

Finance Director Lund clarified that once the preliminary levy is set, the amount could be lowered prior to final certification in December but could not be raised.

City Administrator Ulrich noted that an option 3A could be provided as well, which could include flexibility to add a second officer in a later quarter of 2019.

Councilmember Riley stated that if that second officer is added he would like to see where funds could be cut to support that addition.

Councilmember Shryock stated that if the Council feels that safety is important, then perhaps the requested police and fire positions are added, and an office position is not added in exchange. She asked why those positions were not bumped to the top of the list.

Councilmember Riley stated that the Council asked staff to prioritize the positions and the second officer was listed as the last position and therefore it appears that staff has prioritized their requests. He stated that based on the resident survey, residents do feel safe in the community.

City Administrator Ulrich stated that the staff recommendation was made by him. He acknowledged that a second officer is inevitable but did not believe that there would be a large impact if that position is not added in January of 2019. He stated that other areas of the City are also important, and the support staff is also needed to ensure that the City is able to continue

function and provide service to the community. He stated that staff can look to determine how the budget could be cut in other ways to support adding that second officer later in 2019.

2.02: Purple Light Initiative for Domestic Violence Awareness

City Administrator Ulrich reviewed the staff report.

Mary Sheie stated that since she met with the group in May, a site survey was conducted to review where purple lights could be placed, and research was done on types of lights and possible funding options. She reviewed potential locations for purple lights including the use of tree lights, flood lights or up lights, and rope lights. She provided examples of the different types of lights and also provided estimated costs for the purchase or rental of the lights. She provided information on fundraising that is being done to contribute to the cost and other potential funding options. She provided her recommendation to try out the lights the following week in the different locations to determine which would be feasible. She stated that it was her sense that the priority would be to ensure that the lighting is visible from Highway 10 to ensure the highest level of interest. She asked that the City of Ramsey consider contributing 50 percent of the minimum cost, which would be \$500. She stated that if the City cannot contribute, she will still attempt to raise funds but that could result in a smaller impact for the lighting. She noted that if the City invests in the lighting, rather than renting, that would allow the City to participate in future years. She noted that when replacement lighting is budgeted, the City could consider investing in bulbs that can change colors which could be utilized for many different events. She stated that if this does move forward, the City could work with a representative from the Alexandra House to provide educational outreach materials to residents on the issue of domestic violence.

Cathy Green stated that, in the worst-case scenario, if all the funding falls through and funds are not generated, at minimum perhaps she and her mom could purchase purple ribbons themselves to put along the street lighting in The COR and the educational outreach materials could still be done.

City Administrator Ulrich agreed that the color changing flood lights could be beneficial when replacing lighting as this would not only help this process but could be used for different occasions as well.

Councilmember Riley stated that he would think Sunwood Drive would be a priority over Highway 10 as that is the main roadway through The COR and because of the distance from the lighting to Highway 10 he believed that would have a lesser impact. He did not believe that \$500 would be that much to contribute and stated that he could support that contribution.

Mary Sheie stated that Zion will be lighting the top of the cross purple during the month and a sculpture at the church will be dedicated in honor of survivors and victims of domestic violence.

Councilmember Kuzma stated that perhaps there would be space in the lobby of City Hall to place information and make a display.

City Administrator Ulrich confirmed that there would be space in the lobby for a display and literature.

It was the consensus of the Council to approve a \$500 contribution for the purple light initiative.

Mary Sheie stated that she would provide feedback after they test out the lighting in the different locations and would appreciate information on the priority locations for lighting.

2.03: Consider Options for Temporary Fulfilling Needed Building Inspection Services

Community Development Director Gladhill reviewed the staff report.

Councilmember Shryock asked if increasing the hours of the employee would trigger additional benefits.

Community Development Director Gladhill stated that is something that has to be offered but the employee will be waiving that option. He noted that the increase in revenue from the building permits exceed the cost for this temporary increase in hours for the existing employee.

The consensus of the Council was to move forward with the staff recommendation to utilize the current 20 hour per week part-time employee that currently works in the engineering department, allocating an additional 20 hours per week for that employee that would be allotted to building inspection services.

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 6:57 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.