

City of Ramsey
Agenda
City Council Work Session
Tuesday, April 24, 2018
5:30 pm
Lake Itasca Room, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Topics for Discussion**
 1. Debt Review Continued
- 3. Topics for Future Discussion**
 1. Review Future Topics/Calendar
- 4. Mayor/Council/Staff Input**
- 5. Adjournment**

Meeting Date: 04/24/2018

Information

Title:

Debt Review Continued

Purpose/Background:

At the March 27, 2018 work session staff presented a 10-year debt summary that outlined possible future debt that the city could incur related to road reconstructions, capital equipment, trail reconstructions and a public works campus.

This debt summary has been amended to reflect the following:

1. Remove all road related debt with the possibility of funding from franchise fees and/or other funds such as MSA. (See attachment below labeled Road Funding Concept Scenario).
2. Removed all trail reconstruction. Upon further review, staff has determined that trail reconstruction would be better served under the annual General Tax Levy (include in General Fund Budget) with an estimated increasing cost ranging from \$50,000 in 2019 to a high of \$100,000 in year 2027.

Council had also requested what the debt levy would have/would look like if road financing had not been bonded and levied for. (See attachment below titled 'Debt Levy Comparison Road Debt - No Road Debt).

Lastly, WSB also presented at the March 27, 2018 work session in regard to implementing franchise fees as a possible funding source for road reconstructions/overlays in lieu of debt, special assessments, and debt levy. City council had asked the impact of a \$4/\$5 per month franchise fee if the city were to go this route. A Franchise Fee option sheet is also attached. The options presented follow the two models currently in place by the cities of Elk River and Rogers.

Timeframe:

20-25 minutes

Funding Source:

Responsible Party(ies):

Finance Director

Outcome:

For review and discussion only.

Attachments

Road Funding Concept Scenario

Debt Levy Comparison Road Debt - No Road Debt

Franchise Fee Options

Graphs 10 year 10 with/without new road debt

Graphs 10 year dept by category2

Form Review

Inbox

Kurt Ulrich

Form Started By: Diana Lund

Final Approval Date: 04/19/2018

Reviewed By

Kurt Ulrich

Date

04/19/2018 01:51 PM

Started On: 04/17/2018 07:08 AM

Road Reconstructions & Overlays-Based on Engineers Estimates
 Concept Funding Scenario

CIP Year	Road Reconstructions	Overlays	Project Cost Estimate - Road Recon	Project Cost Estimate - Overlays	Total Project Costs	Reduction in Administrative costs if no assesments (4%)	Net Project Costs if No Assessments	POSSIBLE FUNDING SOURCES			
								Debt Issuance & Assessments	Franchise Fee Estimate	MSA Funding	Additional Funding Needed
2018	River's Bend / Stanhope Terrace **	2018 Overlay Project	\$ 607,530.43	\$ 722,197.94	\$ 1,329,728.37		\$ 1,329,728.37	\$ (1,329,728.37)	\$ -		\$ -
2019	Ford Brook Estates / HY 10	2019 Overlay Project	\$ 1,679,234.44	\$ 541,145.53	\$ 2,220,379.97	\$ (88,815.20)	\$ 2,131,564.77		\$ (1,158,036.00)		\$ 973,528.77
2020	Barthels Rum River Acres 2nd / 161st Avenue / Section 01 Unplat	2020 Overlay Project	\$ 2,407,226.25	\$ 474,759.65	\$ 2,881,985.90	\$ (115,279.44)	\$ 2,766,706.46		\$ (1,158,036.00)	\$ (1,000,000.00)	\$ 608,670.46
2021	Riverdale Drive - Feldspar St to Tungsten St	2021 Overlay Project	\$ 2,329,573.79	\$ 223,536.58	\$ 2,553,110.37	\$ (102,124.41)	\$ 2,450,985.96		\$ (1,158,036.00)	\$ (1,000,000.00)	\$ 292,949.96
2022	Autumn Heights / Variolite Street	2022 Overlay Project	\$ 2,729,495.03	\$ 305,777.40	\$ 3,035,272.43	\$ (121,410.90)	\$ 2,913,861.53		\$ (1,158,036.00)	\$ (1,000,000.00)	\$ 755,825.53
2023	Nature View / Sorteberg's 6th Addn	2023 Overlay Project	\$ 1,048,308.20	\$ 609,645.21	\$ 1,657,953.41	\$ (66,318.14)	\$ 1,591,635.27		\$ (1,158,036.00)		\$ 433,599.27
2024	Rodeo Hills Estates / Valley View Acres	2024 Overlay Project	\$ 1,155,080.34	\$ 484,818.11	\$ 1,639,898.45	\$ (65,595.94)	\$ 1,574,302.51		\$ (1,158,036.00)		\$ 416,266.51
2025	Alpine Drive - Puma St to Armstrong Blvd	2025 Concrete Overlay Project	\$ 1,819,979.52	\$ 600,000.00	\$ 2,419,979.52	\$ (96,799.18)	\$ 2,323,180.34		\$ (1,158,036.00)	\$ (1,500,000.00)	\$ (334,855.66)
2026	Whispering Pines Estates Plat 3	2026 Overlay Project	\$ 1,456,718.96	\$ 330,950.26	\$ 1,787,669.22	\$ (71,506.77)	\$ 1,716,162.45		\$ (1,158,036.00)		\$ 558,126.45
2027	Sports Haven / Section 1 Unplatted	2027 Overlay Project	\$ 953,731.20	\$ 319,337.97	\$ 1,273,069.17	\$ (50,922.77)	\$ 1,222,146.40		\$ (1,158,036.00)		\$ 64,110.40
MSA Eligible		TOTALS	\$ 16,186,878.16	\$ 4,612,168.65	\$ 20,799,046.81	\$ (778,772.74)	\$ 20,020,274.07	\$ (1,329,728.37)	\$ (10,422,324.00)	\$ (4,500,000.00)	\$ 3,768,221.70

**Projects proposed to be assessed for 2018

Annual Total **DEBT** Levy

Comparison with road debt & no road debt

	With Road Debt	With Road Debt % Levy Change	Without Road Debt	Without Road Debt % Levy Change	Levy Reduction
2016	\$ 1,609,736	17.52%	\$ 1,506,592	9.99%	\$ (103,144)
2017	\$ 1,704,442	5.88%	\$ 1,433,056	-4.88%	\$ (271,386)
2018	\$ 1,875,172	10.02%	\$ 1,517,859	-5.92%	\$ (357,313)
2019 Est	\$ 2,088,845	11.39%	\$ 1,595,411	5.11%	\$ (493,434)
2020 Est	\$ 3,357,448	60.73%	\$ 2,633,762	65.08%	\$ (723,686)
2021 Est	\$ 3,613,456	7.63%	\$ 2,656,607	0.87%	\$ (956,849)
2022 Est	\$ 3,832,229	6.05%	\$ 2,676,587	0.75%	\$ (1,155,642)
2023 Est	\$ 4,039,193	5.40%	\$ 2,697,867	0.80%	\$ (1,341,326)
2024 Est	\$ 4,175,511	3.37%	\$ 2,638,583	-2.20%	\$ (1,536,928)
2025 Est	\$ 4,507,033	7.94%	\$ 2,810,987	6.53%	\$ (1,696,046)
2026 Est	\$ 4,613,625	2.37%	\$ 2,811,331	0.01%	\$ (1,802,294)
2027 Est	\$ 4,667,151	1.16%	\$ 2,810,131	-0.04%	\$ (1,857,020)
2028 Est	\$ 4,742,564	1.62%	\$ 2,811,823	0.06%	\$ (1,930,741)

Note: 1% deduction in tax capacity rate = \$272,000 deduction in debt levy

Franchise Fee Options: All are **PER MONTH** Charges
 # of accounts and amounts generated are estimates

Option 1:		
(Rogers Currently Using)		
	Gas	Electric
Residential:	\$ 4.00	\$ 5.00
Com - A	\$ 7.00	\$ 7.00
Com/Ind-B	\$ 20.00	\$ 45.00
Com/Ind-C	\$ 70.00	\$ 45.00
SVDF - A	\$ 148.00	\$ 45.00
SVDF - B	\$ 148.00	\$ 45.00
LVDF	\$ 800.00	\$ 210.00
Annual Franchise Fees Generated: \$1,158,036		

Option 2:		
(Elk River Currently Using)		
	Gas	Electric
Residential:	\$ 4.00	\$ 5.00
Com - A	\$ 4.00	\$ 25.00
Com/Ind-B	\$ 16.00	\$ 70.00
Com/Ind-C	\$ 50.00	\$ 70.00
SVDF - A	\$ 70.00	\$ 70.00
SVDF - B	\$ 70.00	\$ 70.00
LVDF	\$ 70.00	\$ 100.00
Annual Franchise Fees Generated: \$1,194,732		

Option 3:		
(Rogers Example for Commercial only)		
	Gas	Electric
Residential:	\$ 4.00	\$ 4.00
Com - A	\$ 7.00	\$ 7.00
Com/Ind-B	\$ 20.00	\$ 45.00
Com/Ind-C	\$ 70.00	\$ 45.00
SVDF - A	\$ 148.00	\$ 45.00
SVDF - B	\$ 148.00	\$ 45.00
LVDF	\$ 800.00	\$ 210.00
Annual Franchise Fees Generated: \$1,042,080		

Option 4:

(Elk River Example for Commercial only)

	Gas	Electric
Residential:	\$ 4.00	\$ 4.00
Com - A	\$ 7.00	\$ 7.00
Com/Ind-B	\$ 20.00	\$ 45.00
Com/Ind-C	\$ 70.00	\$ 45.00
SVDF - A	\$ 148.00	\$ 45.00
SVDF - B	\$ 148.00	\$ 45.00
LVDF	\$ 800.00	\$ 210.00

Annual Franchise Fees Generated: \$1,087,656

Option 5:

(Rogers Example for Commercial only)

	Gas	Electric
Residential:	\$ 5.00	\$ 5.00
Com - A	\$ 7.00	\$ 7.00
Com/Ind-B	\$ 20.00	\$ 45.00
Com/Ind-C	\$ 70.00	\$ 45.00
SVDF - A	\$ 148.00	\$ 45.00
SVDF - B	\$ 148.00	\$ 45.00
LVDF	\$ 800.00	\$ 210.00

Annual Franchise Fees Generated: \$1,250,844

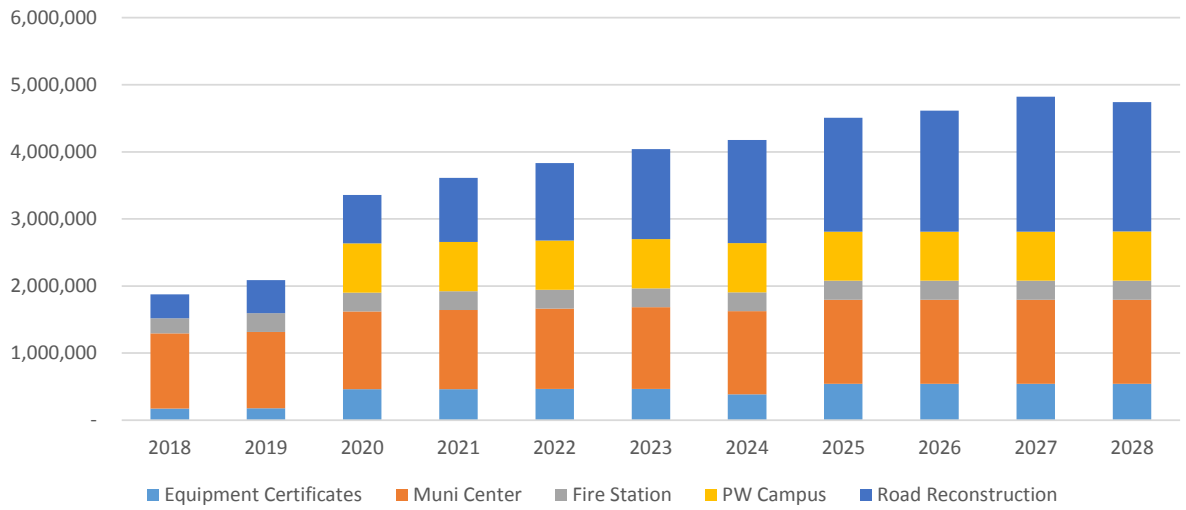
Option 6:

(Elk River Example for Commercial only)

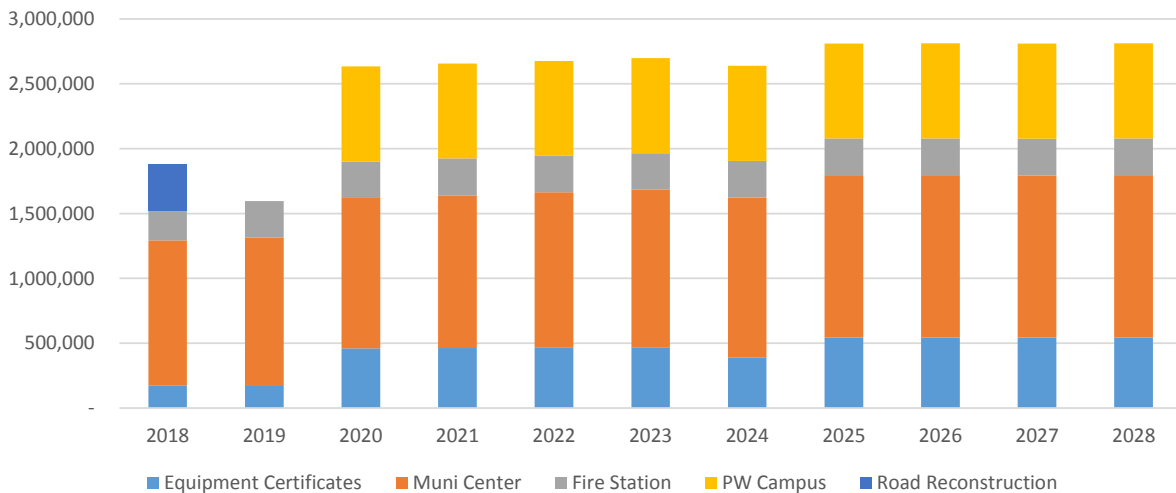
	Gas	Electric
Residential:	\$ 5.00	\$ 5.00
Com - A	\$ 7.00	\$ 7.00
Com/Ind-B	\$ 20.00	\$ 45.00
Com/Ind-C	\$ 70.00	\$ 45.00
SVDF - A	\$ 148.00	\$ 45.00
SVDF - B	\$ 148.00	\$ 45.00
LVDF	\$ 800.00	\$ 210.00

Annual Franchise Fees Generated: \$1,296,420

Annual Levy - Existing & Possible Future Debt

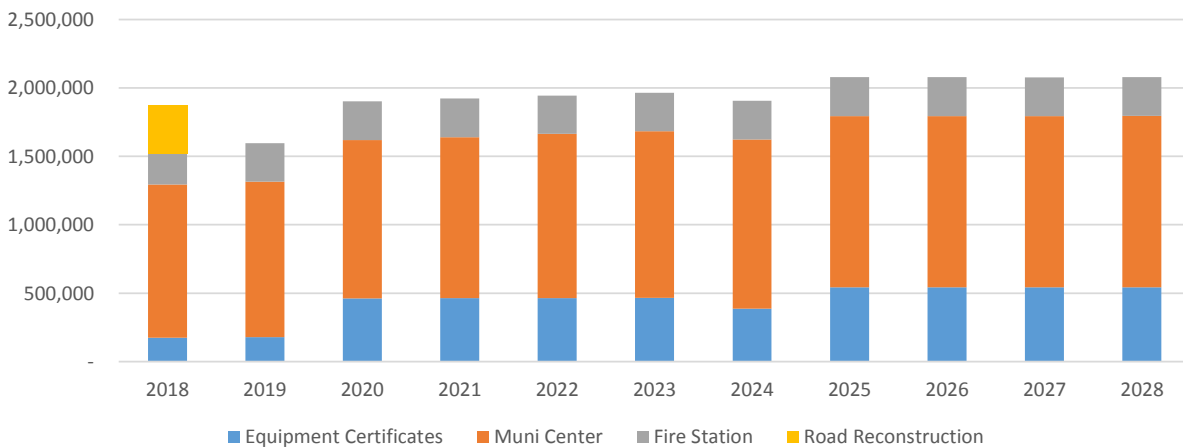


Annual Levy - Existing & Possible Future Debt With no Future Road Debt



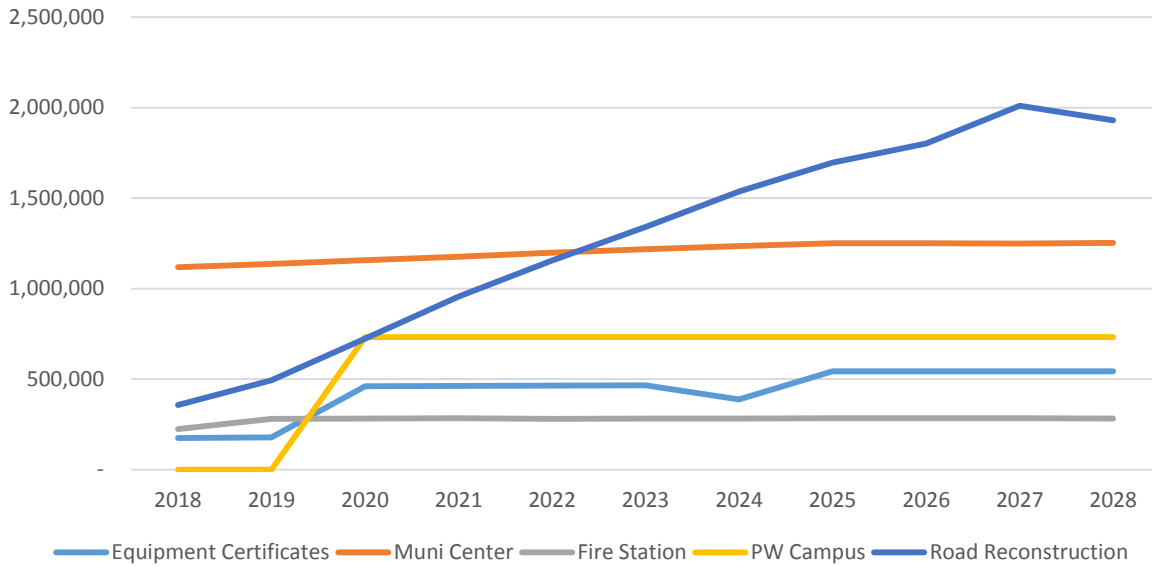
Assumes all Road Assessments are gone year 2019 and forward

Annual Levy - Existing & Possible Future Debt - PW Campus & Future Road Debt Removed

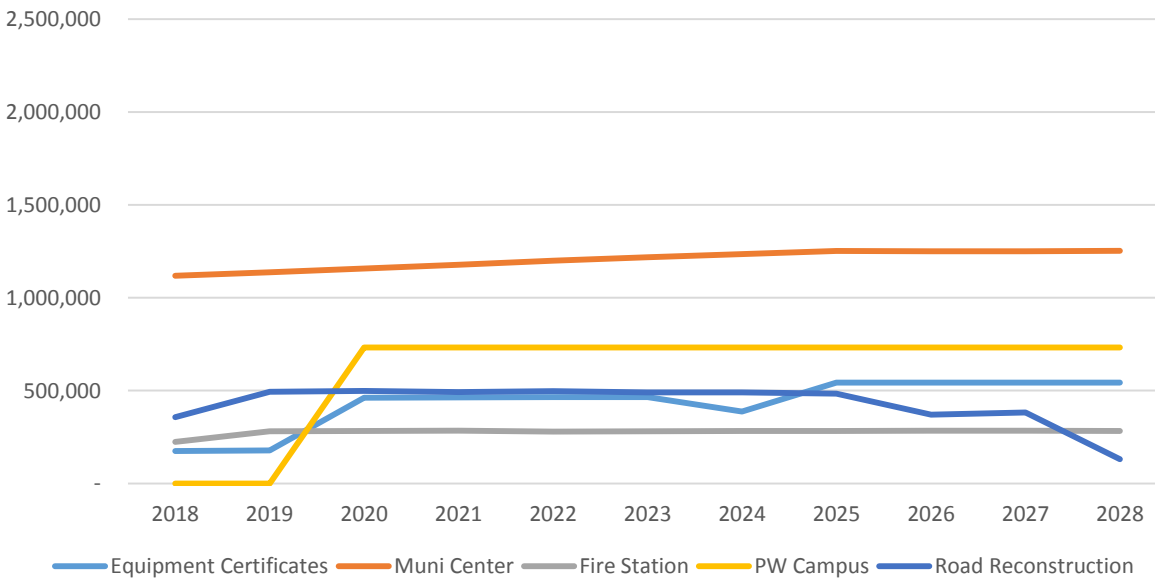


Assumes all Road Assessments are gone year 2019 and forward

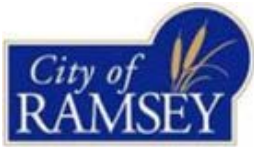
Annual Levy By Category - Existing & Possible Future Debt



Annual Levy By Category - Existing & Possible Future Debt (Removing Future Road Debt)



Assumes current road assessments remain in place



Our Mission: To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services.

CC Work Session

3. 1.

Meeting Date: 04/24/2018

Submitted For: Kurt Ulrich, Administrative Services

By: Jo Thieling, Administrative Services

Information

Title:

Review Future Topics/Calendar

Purpose/Background:

Attached is the current list of future topics for work session discussion. Items are drawn from Council requests at meetings, or are related to topics that have been identified in the City's strategic plan. Tentative dates have been assigned.

Recommendation:

N/A

Action:

For Council review - no formal action necessary.

Attachments

Future Topics

Form Review

Inbox

Kurt Ulrich

Form Started By: Jo Thieling

Final Approval Date: 04/19/2018

Reviewed By

Kurt Ulrich

Date

04/19/2018 01:46 PM

Started On: 04/19/2018 11:47 AM

City Council Future Topics – Work Session
(Draft)

Date	Topics for Discussion – Council Action
May 22	AFSCME Career Ladder (<i>Lasher</i>)
May	Lease Agreement: Power Lodge
May 8	Energy Savings Contract for Municipal Buildings (<i>Ulrich</i>)
May	Approve Paving Contract for Former Sunfish Lake Gas Station Site
May	Intersection Control Evaluation for Spot Improvements on Armstrong (<i>Westby</i>)
May	Introduce Ordinance #18-02 Authorizing the City of Ramsey to Sell Three (3) Parcels of Real Property
July	Preliminary Budget Review (Lund)
October	Review and Consider Adoption of Ramsey’s Portion of Previous Highway 47 Study (<i>Westby</i>)
October	Cost Share for Corridor Study of Nowthen Blvd/CR5 (<i>Westby</i>)
Date	Topics for Discussion – Regulatory
Date	Topics for Discussion – Policy
May	Review Naming Policy (<i>Riverblood – Thieling</i>)
May	Review Non-Profit Funding Policy (<i>Ulrich</i>)
June	Review Policy for Nuisance Code Enforcement (Gladhill/Katers)
July	Newsletter Policy to Address Advertising and Content Control (<i>Brama</i>)
August	Trail Maintenance Policy (<i>Westby</i>)
August	Stormwater Pond Maintenance Policy (<i>Westby</i>)
Date	Topics for Discussion – Planning and Budget
May	Summary of Compensation/Development Plan for Employees (<i>Lasher</i>)
Date	Topics for Discussion – Information
April	Met Council Update on Surface Water Supply Planning Funding Assistance (<i>Westby</i>)
May 23	Comp Plan (<i>Gladhill</i>)
June	Receive Update on Rental License Program Implementation (<i>Gladhill</i>)
July	2017 Business Retention and Expansion Program Report (<i>Brama</i>)
November	Ferry Street Traffic Control (<i>Westby</i>)