

**City of Ramsey**  
**Agenda**  
**City Council Work Session**  
**Tuesday, May 8, 2018**  
**5:30 pm**  
**Lake Itasca Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Topics for Discussion**
  1. Economic Development Authority Interviews
  2. Discussion Regarding the Economic Development Manager/Assistant City Administrator Position and Staffing / Department Restructures
  3. Presentation Regarding Possible Energy Savings for Municipal Buildings
- 3. Topics for Future Discussion**
  1. Review Future Topics/Calendar
- 4. Mayor/Council/Staff Input**
- 5. Adjournment**

Meeting Date: 05/08/2018

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**Information**

**Title:**

Economic Development Authority Interviews

**Purpose/Background:**

Background: The City recently filled open seats on the Environmental Policy Board, Park and Recreation Commission and the Planning Commission. One seat remains open on the Economic Development Authority (EDA). The City Council directed staff to re-advertise the EDA opening in hopes of attracting candidates interested in serving on the EDA. As a result, candidates for the open seat on the EDA will be interviewed this evening.

**Timeframe:**

Up to 30 minutes.

**Funding Source:**

Not applicable.

**Responsible Party(ies):**

Colleen Lasher, Human Resources Manager

**Outcome:**

For the City Council to select a candidate for appointment to the Economic Development Authority.

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**Attachments**

*No file(s) attached.*

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**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Colleen Lasher

Final Approval Date: 05/03/2018

**Reviewed By**

Kurt Ulrich

**Date**

05/03/2018 03:19 PM

Started On: 05/02/2018 10:11 PM

Meeting Date: 05/08/2018

**Information**

**Title:**

Discussion Regarding the Economic Development Manager/Assistant City Administrator Position and Staffing / Department Restructures

**Purpose/Background:**

The City's Economic Development Manager/Assistant City Administrator submitted a letter of resignation indicating his last day of employment will be May 25, 2018. The purpose of this case is to consider options for the continued performance of the duties of this position once it is vacated; as well as options for transitioning the role of City Clerk and other position modifications.

**Economic Development Manager/Assistant City Administrator (EDM/ACA)**

The EDM/ACA will be vacant after May 25, 2018. The position is responsible for the economic development initiatives of the City and assisting the City Administrator. The position currently supervises the IT function and staff and Communications function and staff. The position also works with staff, City Council, appointed external partners, and is responsible for helping with planning and implementation of the commercial and business development for the city. It may be interesting to note the chart below showing the staffing history related to this position.

<b><u>Economic Development Role</u></b>	<b><u>Start Date</u></b>	<b><u>End Date</u></b>
Economic Development Coordinator	5/8/2000	3/3/2010
Economic Development/Marketing Manager	11/8/2010	3/23/2012
Economic Development Manager	11/18/2013	9/19/2014
Economic Development Manager/Assist. City Adm.	9/15/2014	5/25/2018

**CityClerk**

The City Clerk is currently participating in PERA's phased retirement and is expected to separate from employment on or near December 31, 2019. The City Clerk is responsible for elections, data practices and records; as well as working with staff, City Council and serves as the staff liaison to the Charter Commission, along with many other duties. Note, licensing duties have been transferred to the Community Development Department.

**Staffing / Restructure Proposal:**

Staff recommends the following proposal and seeks feedback from the City Council:

**Economic Development Manager – Actions/Restructure**

- Immediate recruitment of an Economic Development Manager.
- The position would continue to supervise the part-time Economic Development Administrative Assistant.
- The position would report to the Community Development Director and no longer oversee IT and Communications.
- This position would focus on economic development and no longer perform Assistant City Administrator duties

**Community Development Director – Actions/Restructure**

- The Economic Development Manager position would report to the Community Development Director rather than the City Administrator.
- The Community Development Director would be assigned Acting City Administrator duties rather than the Economic Development Manager.

**Finance Director – Phase One Actions/Restructure**

- The Finance Director would begin supervision of the IT function and staff.

**Human Resources Manager – Actions/Restructure**

- Create an Administrative Services Director position, to be filled by the current Human Resources Manager (this position to be eliminated).
- Assign supervision of the communications function and staff to the Human Resources Manager.
- Transition the City Clerk role to the Human Resources Manager over the next year during current transition of part-time City Clerk.

Other:

- Adding a part-time Administrative Assistant working up to 29 hours per week to assist with administrative duties.
- Consider increasing this position to a 40Hr/week position upon the current City Clerk's retirement, anticipated on or near December 31, 2019.

**Timeframe:**

Work-session: Up to 45 minutes.

Actions: Implement as of June 1, 2018 and fill proposed positions as soon as practicable, with priority on filling the Economic Development position.

**Funding Source:**

The cost of the proposal is being developed with the intention of staying within the current budget; detailed information will be provided at the meeting. Additionally, compensation adjustments will be recommended to recognize market rates and additional responsibilities.

**Responsible Party(ies):**

City Administrator Ulrich.

**Outcome:**

City Council direction to proceed with restructuring based on discussion, as proposed or modified.

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**Attachments**

*No file(s) attached.*

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Kurt Ulrich	Kurt Ulrich	05/03/2018 04:39 PM
Form Started By: Colleen Lasher		Started On: 05/02/2018 10:53 PM
Final Approval Date: 05/03/2018		

Meeting Date: 05/08/2018

**Information**

**Title:**

Presentation Regarding Possible Energy Savings for Municipal Buildings

**Purpose/Background:**

The purpose of this case is to introduce the concept of a guaranteed energy savings contract and hear a proposal from Ms. Laura Malwitz who represents the Siemens corporation. In September of 2017, Ms. Malwitz and her team did a preliminary assessment of the energy consumption at three of our municipal buildings. Those buildings were the Municipal Center, Fire Station # 1 and the Municipal Parking Ramp. Laura's presentation will review those findings, Siemens recommendations for increased efficiencies and an explanation of the next step in the process, should the council wish to further investigate this project. The presentation and a draft copy of the project development letter and approval to proceed are attached to this case.

Connexus Energy supports these types of retrofit programs and offers rebates on some of the upgrades that would be recommended.

**Timeframe:**

20-25 minutes

**Funding Source:**

Initial funding would come from the City Public Facilities Fund to be paid back with savings in building operations over time.

**Responsible Party(ies):**

Kurt Ulrich and Grant Riemer

**Outcome:**

Informational only at this time. Siemens is a qualified contractor, however, due to the size of the proposed contract, staff recommends soliciting competing quotes from qualified contractors to do this work under a similar contract.

**Attachments**

Presentation

Draft Approval Letter

**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Grant Riemer

Final Approval Date: 05/03/2018

**Reviewed By**

Kurt Ulrich

**Date**

05/03/2018 04:09 PM

Started On: 05/02/2018 12:41 PM



# Preliminary Assessment

City of Ramsey, MN – Council Work session - April 24, 2018

# Preliminary Assessment: Goals

- **CONFIRM** our understanding of the City's strategic objectives and direction
- **UNDERSTAND** the City's opportunities for improving their built environment
- **INITIATE** a Guaranteed-Based Solution that meets the City's vision and goals



## City of Ramsey Facilities

Can we solve existing issues and gain an additional 20/30/40% + efficiency?



## UMN Resilient Cities Alignment

The University of Minnesota's Resilient Communities Project (RCP) is pleased to announce that the City of Ramsey has been selected as its partner community for the 2017 – 2018 academic year. Starting in September 2017, Ramsey and the University will begin collaborating on 20 multidisciplinary projects that advance community priorities from Ramsey's Strategic Plan focused on a stable tax base, a connected community, smart citizen-focused government, and an efficient organization

# A Comprehensive Approach to Reaching Your Goals



## Key Challenges



Energy and operational inefficiencies



Aging building systems



Technology upgrades



Light pollution

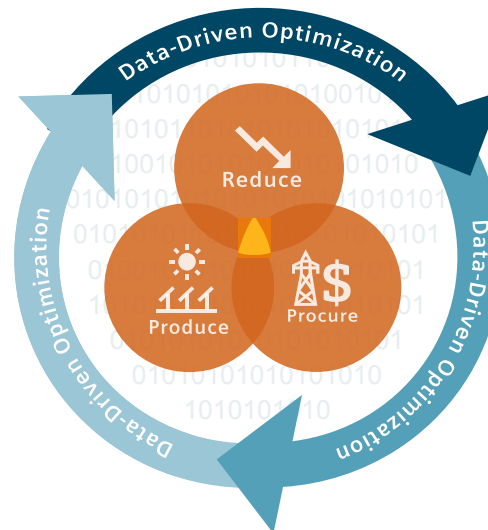


Fiscal responsibility



Optimize facilities for future

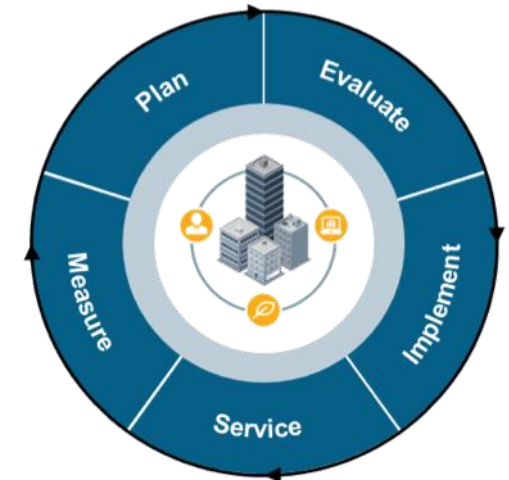
## Develop & Implement the Solution



### Total Energy Management

A complete suite of services and technologies designed to cohesively manage energy and increase business performance

## Ensure your Continuous Success



- Lifecycle approach
- Advanced IoT technology
- Innovative financial solutions
- Global reach and local touch

# A Comprehensive Approach to Reaching Your Goals

Why are we here?



**Address City's  
Key Challenges**

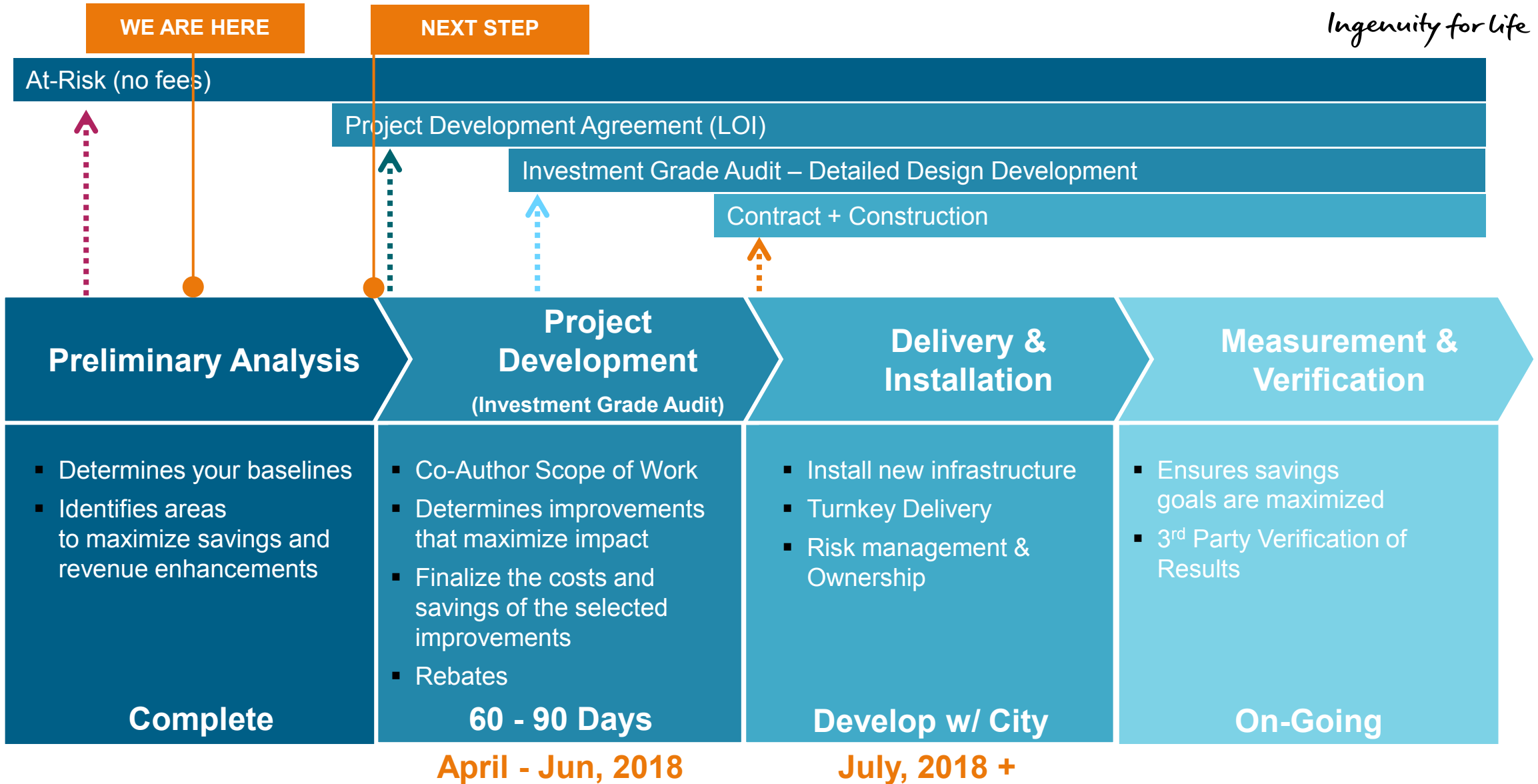
**Immediate & Long Term  
Economic Benefit**

**Process + Partnership**

- Remedy immediate facility needs
- Improved function
- Improved staff and citizen service
- Reduce utility costs, immediately
- Reduce long-term operations and maintenance costs
- Proactive vs. reactive plan (cost of doing nothing )
- Potential CIP offset (\$126 Million 2017 – 2026)
- Low risk process - guaranteed cost, schedule, savings, results
- Economic development
- Long term partnership

**Achieve more, for less, now**

# Simple Process





**SIEMENS**

*Ingenuity for life*



**Recommended Solutions**

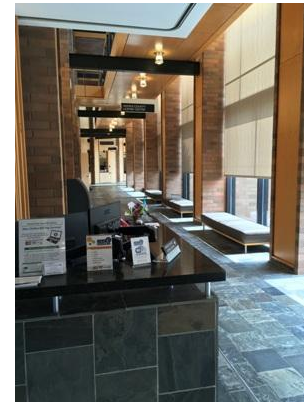
**Address City's Key Challenges**

# A Comprehensive Approach to Reaching Your Goals

## Recommended Scope of Work

**SIEMENS**  
*Ingenuity for Life*

- Lighting Upgrades
- Retro Commissioning
- Envelope Improvements
- HVAC Improvements
- Energy Management System
- Onsite Generation – Solar PV



# A Comprehensive Approach to Reaching Your Goals

## Municipal Ramp Recommendations

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*Ingenuity for Life*

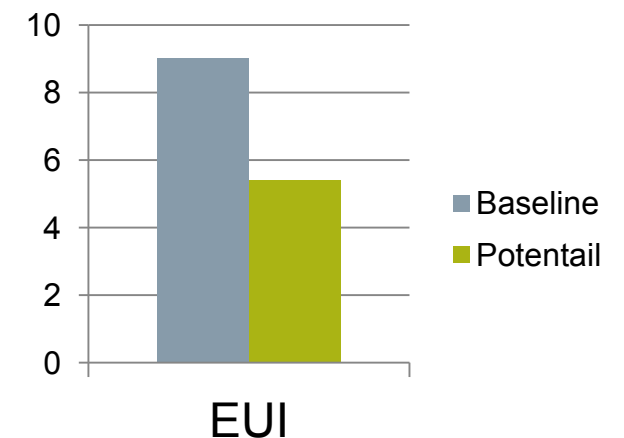
### Description & Assumptions

- Lighting upgrade to LED
- EMS
- Security
- Lighting studies – address light pollution, controls, sensors, occupancy, traffic, etc.



### BENEFITS

- Gain 40% efficiencies
- Upgrade lighting system – longer life cycle, improved durability & vision
- Reduce light pollution outside; improve light quality inside
- Optimize control & remote notification
- Integrate with security needs
- Comply with building code
- Improve staff and community service
- Standardize lighting solution



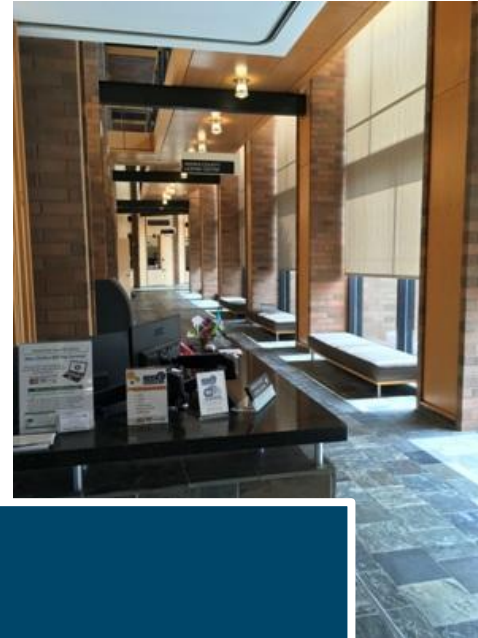
# A Comprehensive Approach to Reaching Your Goals

## Municipal Center Recommendations



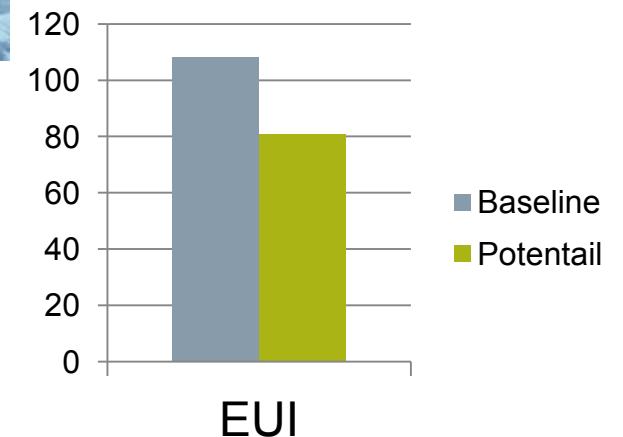
### Description & Assumptions

- Lighting
- Retro Commissioning
- Automate Blinds
- Synchronous belts
- Duct Sealing
- Power Factor Correction
- Low Flow Faucets



### BENEFITS

- Gain 25% efficiencies
- Upgrade lighting system – longer life cycle, improved durability
- Standardize lighting solution City-wide
- Maximize comfort and control
- Optimize system operation
- Simplify maintenance needs
- Reduced utility expenditures



# A Comprehensive Approach to Reaching Your Goals

## Fire Station #1 Recommendations

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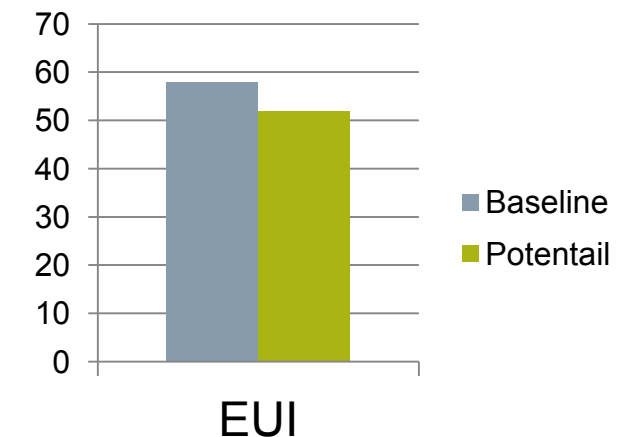
### Description & Assumptions

- Lighting
- Retro Commissioning
- Synchronize controls, scheduling
- Duct Sealing
- Low Flow Fixtures
- Water Heater Replacement



### BENEFITS

- Gain 10% efficiencies
- Upgrade lighting system – longer life cycle, improved durability
- Standardize lighting solution City-wide
- Optimize system operation
- Improve system efficiency



The background of the entire image is a photograph of a modern, multi-story office building with large glass windows and brick accents. The sky is bright blue with scattered white clouds. In the foreground, there are some trees and a parking lot with a few cars. The Siemens logo and tagline are overlaid in the top right corner, and a large teal banner with white text is at the bottom.

**SIEMENS**

*Ingenuity for life*

**Why Choose Comprehensive  
Immediate and Long Term Economic Benefit**

# A Comprehensive Approach to Reaching Your Goals

Why are we here?



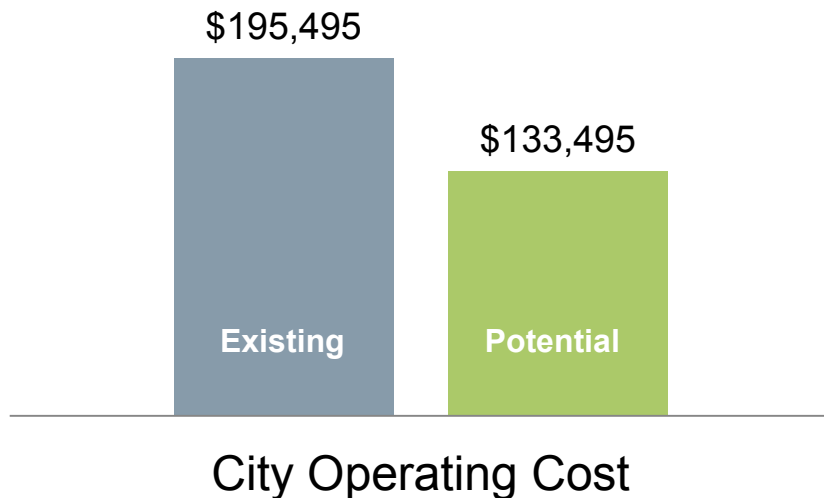
## Infrastructure Investment:

- \$ 755,000 - \$925,000 (est.)

## Reduction to City Budget (estimates)

- Reduce City's operating costs by : **\$ 51,000 - \$62,000 / yr**
  - **\$1.86 Million** over life of equipment
  - Reduce City's operating costs by **32%**
- Reduce immediate and long-term operations & maintenance costs
- No change orders savings
  - (+10-20% /per self-implement project): **\$168,000**
- Mobilization savings:
  - (~\$10,000/ self-implement project): **\$30,000**

Annual Utility Spend  
Existing Baseline vs. Potential Optimized



# Evaluate Potential Project Scenarios



**Project Cost** **\$755,000 - \$925,000 (est.)**

**Energy & Operational Savings** **\$51,000 - \$62,000 (est.)**

EVALUATE SCENARIOS	#1 Conservative	#2 Modest
Est. Project Cost	\$840,000	\$840,000 <u>(\$340,000)</u> 500,000
Est. Savings/ YR (Energy and Op)	\$55,600	55,600
Est. Simple Payback	14-15 Yrs	8-9 Yrs
<i>ASSUMPTIONS: City capital contribution and/or increased revenue and/or capital cost avoidance and/or rebates/ grants, etc.</i>		\$0 <span style="float: right;">\$300,000</span>

The background of the slide is a photograph of a modern, multi-story office building with large glass windows and brick accents. The sky is blue with scattered white clouds. In the top right corner, the Siemens logo is displayed in a white box. The logo consists of the word "SIEMENS" in a bold, teal, sans-serif font, with the tagline "Ingenuity for life" in a smaller, black, cursive font below it.

**SIEMENS**

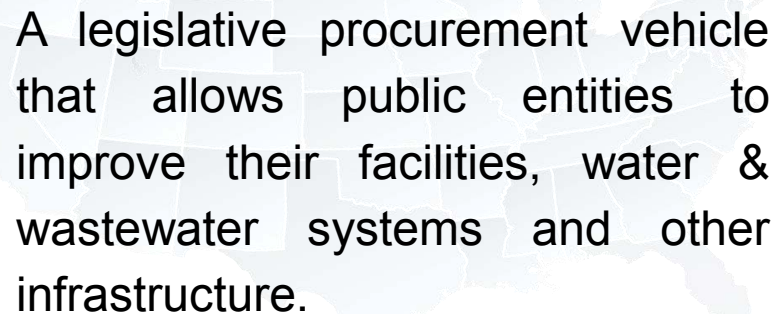
*Ingenuity for life*

# Process + Partnership

## Why Performance Based Design Build

# Legislative Procurement Vehicle

## Guaranteed Design Build Process

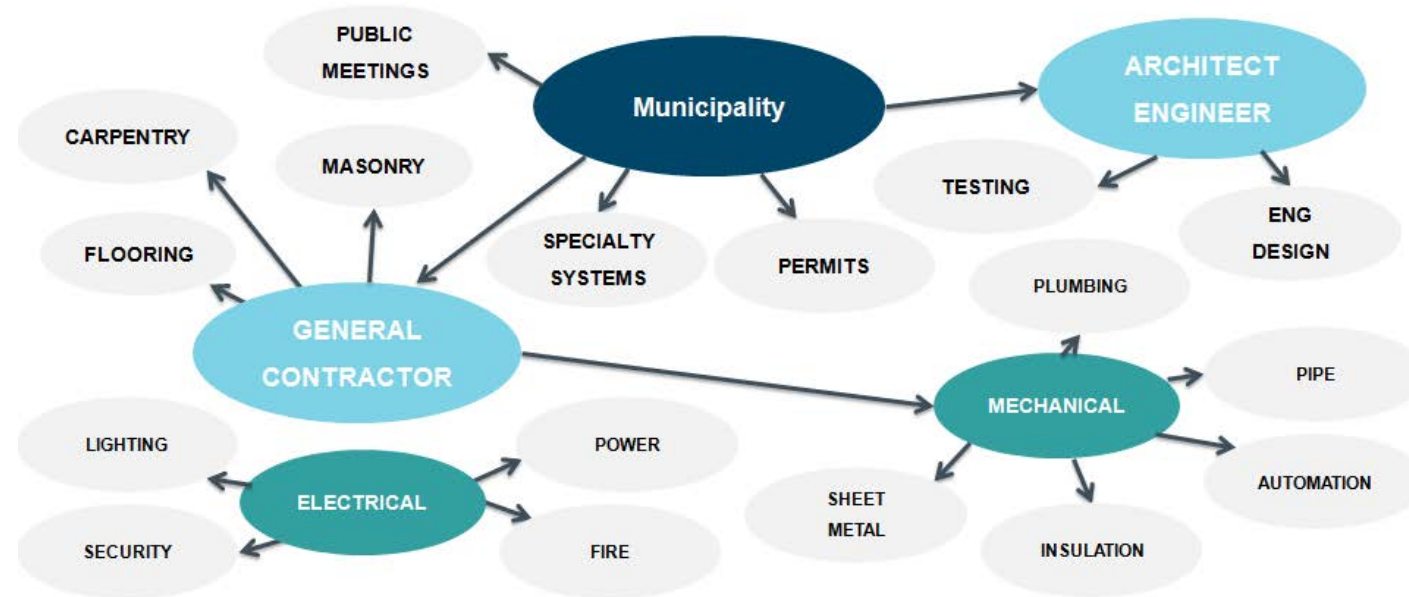
A light blue, semi-transparent map of the United States is positioned behind the text. The map shows the outlines of the states and is centered on the page.

A legislative procurement vehicle that allows public entities to improve their facilities, water & wastewater systems and other infrastructure.

**Minnesota Statutes: 471.345**

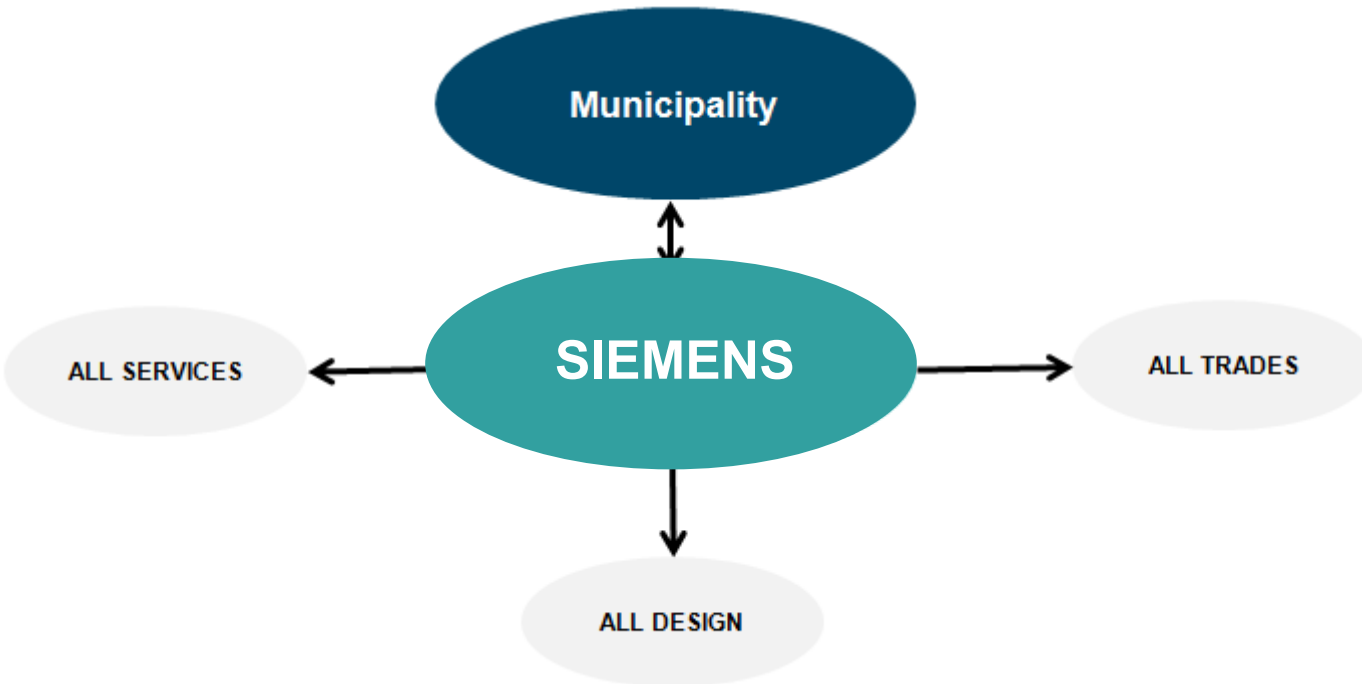
- **Design Build procurement process**
- **Guaranteed results - savings, revenue, functionality**
- **Escalated implementation schedule**
- **Trusted partner – long term**
- **One responsible party - Single contact; single point of accountability**
- **Turnkey solution / No change orders**
- **Local subcontractors**
- **Potential for little upfront capital investment**
- **Option for savings & revenue to help fund project**

# Managing Risk – Typical Complex Project Organization



- Requires a **LARGE** amount of city staff time
- Contractors respond to spec as low as possible, then actively look for change orders
- “Finger pointing” between parties, leading to an adversarial project environment
- Higher risk for Municipality
- Lack of ultimate accountability

# Managing Risk - Siemens Streamlined Project Organization



- Turn-Key, Single-Source Model of Accountability
- Collaborative effort between Qualified Provider Team & Local Government
- **RESULT:** Firm Fixed Cost w/ **NO CHANGE ORDERS**

## How Change Orders Impact Projects:

### Average Change Order Amount:

In-house management:

- **10.9%**

### Average Total Project Change:

Original project duration:

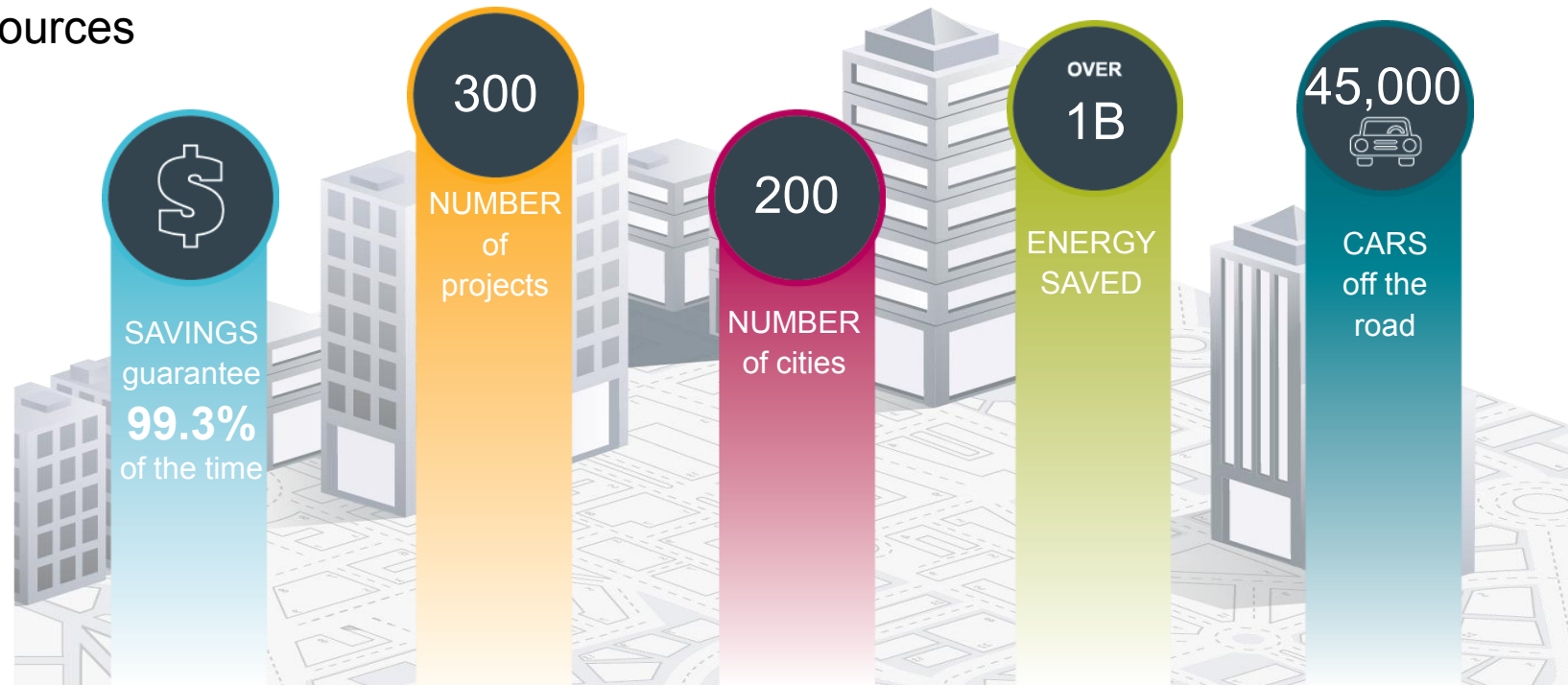
- **+10% - 20%**

# Siemens as a Long-Term Strategic Partner



A global innovator and industry leader with the local presence and know-how to positively impact the economy and environment through:

- Local Presence with Global Resources
- Innovation
- Economic Development
- Workforce Development
- STEM Education
- Sustainability and Resilience
- Supplier Diversity
- Creative Financing



## Next Steps: Project Development Phase Letter of Intent



Address City's  
Key Challenges

Immediate & Long Term  
Economic Benefit

Process + Partnership

**No upfront cost to proceed**

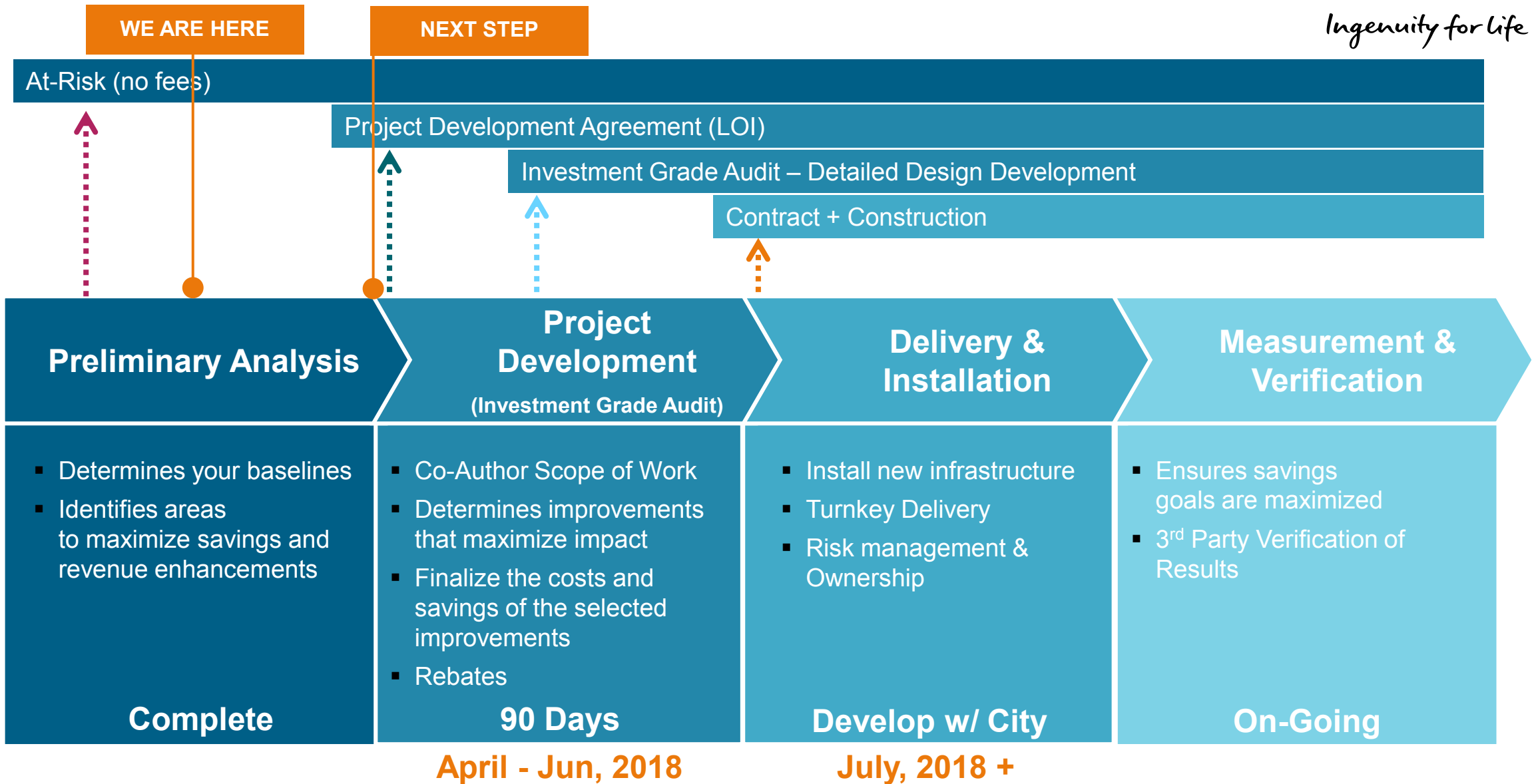
**Design the plan to achieve your goals**

**Project development outcomes:**

- Rebates and additional funding sources
- Conduct stakeholder workshops:
  - IPEX, design review, scope of work scenario evaluation, financial review, community communications plan, M& V, etc.
- Scope of Work selection
- Guaranteed do not exceed price
- Guaranteed savings and results
- Financial review & cash flow
- Local contractor engagement based on best value to the City
- Implementation/ construction schedule

**Achieve more, for less, now**

# Simple Process



## **Laura Malwitz, M.B.A.**

Business Development Manager

Building Performance and Sustainability

Local Government – Minnesota & Wisconsin

Mobile : **612-805-3404**

E-mail: **[laura.malwitz@siemens.com](mailto:laura.malwitz@siemens.com)**

**[siemens.com](http://siemens.com)**

INSERT CITY LETTER HEAD

April 24, 2018

Re: Project Development Letter and Approval to Proceed with Investment Grade Audit  
Energy Savings Project

Dear Ms. Malwitz:

City of Ramsey, MN ("City") intends to contract with the Building Technologies Division of Siemens Industry, Inc. ("Siemens") to implement a performance contracting project in order to improve its infrastructure and operational efficiencies ("Project"). The Project will be comprised of a variety of facility improvement measures ("FIMs") to be assessed through an investment grade audit ("Audit").

The Audit will be performed at the following location(s):

- Municipal Center
- Municipal Ramp
- Fire Station #1

1. The Audit will evaluate the following systems: Heating, Ventilation and Air Conditioning; Building Automation and Controls; Building Envelope and sources of Air Tightness; Water; Sources of Renewable Energy (Solar/Photovoltaic/Thermal); Lighting; Digitalization and IT; sources of Alternate Energy.
2. The purpose of the Audit will be to identify opportunities to: improve facility infrastructure and performance; reduce operating and utility costs; upgrade existing equipment; enhance revenue (if allowed); improve comfort and control; and reduce the City's carbon foot print.
3. In order to accomplish the Audit, the City shall provide Siemens the following data (if not already provided): Three-year history of utility bills (electric, gas, water, etc.); maintenance and operational costs for addressed systems; access to facilities and design drawings; audited financial statements for the past three years; and a point of contact for the Audit team.
4. The objectives of the Project to be assessed during the Audit are as follows: Siemens will provide a written guarantee of projected utility savings and reduced operational costs in compliance with applicable law.
5. The City and Siemens will cooperate to finalize the technical, legal and financial components of the Project, and the City will pursue financing, possibly with assistance from Siemens. The City will also prioritize the FIMs to be implemented, and Siemens will use the results of the Audit as the basis for a draft Performance Contracting Agreement ("Agreement").

6. Siemens and the City jointly commit to provide the necessary resources and information in order to meet the following Project development schedule:

Milestones	Target Completion Date
Presentation of Audit Results	Nov 14, 2017
IGA/ Project Development Begins	April, 2018
IGA/ Project Development	Duration: approx. 90 days from Project Development Start Date
Design Development	
Workshops – Design (Scope), Finance, Guarantees, Community Communications Plan	
Presentations(s) to City Stakeholders	
IGA Deliverable	June, 2018 – Council Mtg Date _____
Begin Procurement of Financing	June, 2018
Select Financial Provider	July, 2018
Finish Negotiating Agreement	July, 2018
Council Approval	Aug, 2018 – Council Mtg Date _____
Execution of Agreement	Aug, 2018
Implementation Begins	

7. If Siemens is unable to produce an Agreement that meets the above Objectives, than it shall receive no payment for its efforts to develop the Project. If Siemens presents an Agreement that meets the above Objectives, and the parties do not execute it within forty-five (45) days thereafter, then the City agrees to pay Siemens a termination fee of **\$27,000** (twenty seven thousand dollars and no cents) within sixty (60) days of invoice. Alternatively, if Siemens provides an Agreement which meets the Objectives defined above, and the parties execute the Agreement, then the costs associated with the Audit will be incorporated into the price of the Agreement.

On behalf of the City, this Project Development Agreement is approved as the date above.

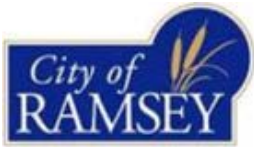
Sincerely,

City of Ramsey, MN

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title



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:** 05/08/2018

**Submitted For:** Kurt Ulrich, Administrative Services

**By:** Jo Thieling, Administrative Services

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**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.

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**Attachments**

Future Topics

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**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Jo Thieling

Final Approval Date: 05/03/2018

**Reviewed By**

Kurt Ulrich

**Date**

05/03/2018 03:19 PM

Started On: 05/03/2018 09:43 AM

**City Council Future Topics – Work Session**

*(Draft)*

<b>Date</b>	<b>Topics for Discussion – Council Action</b>
May 22	AFSCME Career Ladder <i>(Lasher)</i>
May	Lease Agreement: Power Lodge
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>
<b>Date</b>	<b>Topics for Discussion – Regulatory</b>
<b>Date</b>	<b>Topics for Discussion – Policy</b>
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>
<b>Date</b>	<b>Topics for Discussion – Planning and Budget</b>
May	Summary of Compensation/Development Plan for Employees <i>(Lasher)</i>
<b>Date</b>	<b>Topics for Discussion – Information</b>
May	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>