

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, November 27, 2018, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor John LeTourneau
Councilmember Debra Musgrove
Councilmember Chris Riley
Councilmember Melody Shryock

Members Absent: Councilmember Jill Johns
Councilmember Mark Kuzma

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
Councilmember Elect Nadine Heinrich
Planning Commissioner Bruce Anderson

1. CALL TO ORDER

Mayor LeTourneau called the City Council Work Session to order at 5:34 p.m.

2. TOPICS FOR DISCUSSION

2.01: Continued Discussion of 2019 Budget and Levy

City Administrator Ulrich reviewed the memorandums that were included in the staff report from the different departments, providing the information requested by the Council after the last discussion.

Finance Director Lund provided final numbers for the proposed budget, which incorporates the outside information the City was awaiting and shows the impact to the different home values. She explained that lower priced homes are seeing an increase to their taxes payable because of the increase in value, while the higher priced homes and commercial properties are seeing a decrease because those property values have not increased at the same rate.

Councilmember Riley referenced the issue of Andover contracting for services with Anoka County for police services and stated that his point was simply to investigate further to determine the difference in costs compared to the services received. He stated that the proposed increase for Ramsey is much higher than the increase for Andover for their contracted police services and simply asked staff to determine the reason for that difference in increase.

City Administrator Ulrich stated that another element would be to consider whether Anoka County is fully recovering the amounts required to fund the program from the cities served or whether additional costs are spread across the County tax base.

Fire Chief Kohner noted that the City of Andover fire services costs are significantly higher than the fire services costs for Ramsey.

Mayor LeTourneau stated that the expectation would be that there will be a discussion at the regular Council meeting on December 11th at which time the decision would need to be made to adopt the budget for 2019.

Councilmember Riley stated that the Council has reviewed the five-year budget, which balloons in the future, and the decisions made today impact the rate at which that budget will balloon. He believed that the Council would be making a mistake in allowing the budget to grow at this rate. He stated that in reviewing the five-year staffing plan, he views that more as a wish list.

Mayor LeTourneau noted that the plan simply provides an idea, and nothing is committed to at this point. He stated that it is hard to predict the rate of growth at which Ramsey will continue to grow and the staff that will be needed to support that growth.

Councilmember Shryock suggested that a tighter discussion occur tonight, if there are potential changes to be made, as this will be the last discussion prior to the regular meeting on December 11. She stated that her concern is the long-term commitment for staffing. She believed that the Council should review the positions to determine what is really needed at this point. She stated that the first priority should be to properly compensate the staff members that already are employed with the City, as some of those positions are not equal to the market rate and therefore those employees should be fairly compensated to ensure longevity. She noted that the next priority would be whether to add staff.

Mayor LeTourneau stated that in the past number of months during the budget discussion there has been a discussion of priorities and retention has been discussed and has been resolved with the COLA that has been agreed upon. He stated that the positions proposed at this time seem to align with the priorities which have been rated as public safety, public works and then parks and trails. He felt that the staffing has been balanced out without going too far.

Councilmember Riley stated that overall, he would like to see the City at a rate that factors in the growth plus cost of living. He believed that the proposed budget is probably double where he would like to be.

Mayor LeTourneau appreciated the comment but stated that still leaves the discussion of what will be done now and the recommendation that will be made.

Councilmember Musgrove asked if the budgets are created using the adopted 2018 figures or whether the budget begins at zero and builds from that point.

Finance Director Lund explained that the purpose of showing the prior years of budgeting and how that information is used by each department to build their proposed budget for the next year, which also anticipates future needs.

Councilmember Musgrove asked if the department heads have reviewed this more in depth to find savings that could equalize the additional staff positions that are being requested.

Finance Director Lund explained that during the budget discussions there were different options for personnel reviewed. She stated that there were costs savings found to help offset some of the positions requested to be added.

Mayor LeTourneau stated that he would like to know if the City is a continuous improvement organization, which continually reviews actions to determine if improvements could be made.

Finance Director Lund reported that monthly reports are created, and those reports are used to justify the budgets that are then created each year and plan for future expenditures. She noted that some line items cannot be planned for, such as the amount of salt needed as that is weather dependent and will fluctuate from year to year.

Councilmember Riley stated that if he were to make a counter proposal, he would take the one position for police, one for fire, and the part-time parks position to add and would drop the other three positions. He stated that he would then ask staff to reduce the budget by \$47,000.

Mayor LeTourneau stated that the City is a service organization and by having these positions proposed in place, that will help to maintain the level of service that is expected by residents. He stated that he would welcome input from staff on the impacts to service that would occur if those three positions were removed from the budget.

Administrator Services Director Lasher acknowledged the comment that was made by Councilmember Shryock in regard to taking care of the existing staff. She stated that there are a number of ways in which an organization takes care of staff and she is concerned that if these positions are not approved, the Council runs the risk of burning out the existing staff members. She used the example of City Engineer Westby. She stated that the part-time assistant is currently working full-time and even then, that department runs tight and she is concerned with the work/life balance of City Engineer Westby. She stated that when there is a call and no back up available, Fire Chief Kohner has to respond and therefore she is concerned with burning him out. She stated that Public Works Superintendent Riemer often has to get out in a plow truck and handle other duties that he should not be handling and therefore she has a concern that he is being burned out and not able to address other duties.

Police Chief Katers stated that he asked for two positions and the direction from the Council was to find savings and push the start date to October. He stated that he would still like to have two officers beginning January 1st, noting that he was able to find a cost savings. He stated that the calls for service have only increased over the years. He stated that he can get by with whatever the Council approves, but there will be a cost to service and some services will be cut. He noted that obviously, there will be response to emergency calls, but the community programs would perhaps need to be cut. He stated that his goal is to keep pace with the rate of growth that Ramsey has seen rather than falling further and further behind. He stated that he would not request an excessive amount of staff, noting that this is not a wish list and is something he sees as needed.

Mayor LeTourneau stated that the City conducts a citizen survey every two years and one of the repeated comments is that the residents enjoy living in a safe community and this request for two officers is what Police Chief Katers feels is needed to maintain the current level of services.

Public Works Superintendent Riemer stated that street maintenance continues to be one of the biggest issues for the City and this position would be a large part of that program. He stated that the City continues to fall behind and without this added position, the City will continue to fall further behind.

Parks and Assistant Public Works Superintendent Riverblood stated that he would also like to advocate for the maintenance worker position. He stated that public safety is a focus of public works. He explained that maintenance is highly visible and is important to residents. He agreed that the City is on the cusp of falling behind and if this position is not added, the City will continue to fall further behind and it will be noticeable.

Mayor LeTourneau stated that each member of the Council is a taxpayer in the community and believed that the Council is being responsible in a manner that ensures that the City can continue to maintain its level of service.

Councilmember Shryock recognized the issue of burning out employees. She stated that her primary concern is with bonding for road debt. She stated that there will be a future discussion on funding for road debt and that method for funding could change, but that is not a guarantee that the method will change. She stated that adding positions will have a compound impact in the future in terms of cost of living increases and benefits increases. She stated that although those are separate issues, both issues continue to compound as time moves forward. She appreciated the ideas given by Councilmember Riley. She stated that she would love to keep all the positions proposed. She asked and received confirmation that the PIR funds that are being used to offset some of the budget increases this year is not a source that could be used every year.

Finance Director Lund explained how the PIR fund is replenished.

Councilmember Shryock stated that by using the PIR fund this year, the budget was reduced by one percent, so that appears to be an artificial decrease that will reappear in the future budgets. She stated that perhaps another option would be to delve more into line items to determine what

is critical and which items could be decreased based on the value received in return. She stated that there will need to be hard decisions made in the long-term.

Mayor LeTourneau stated that an assumption that has not been talked about is that the budget will continue to grow, and staff will continue to be added. He stated that there have been times in the past when the City is not growing, and the budget has then leveled out along with staffing requests. He stated that it is realistic to state that the needs for service will be based on the growth of the community.

Councilmember Shryock stated that the Council cannot assume that new positions will be added each year, but the positions added this year will increase in cost in future years because of the cost of living and benefit costs.

Mayor LeTourneau agreed that the role the Council is in is difficult and the discussion that began in June on the budget was based on what the Council wants for the community. He stated that at this point, the Council is saying that they do not want this level of service and is willing to let the street maintenance fall behind, the police will fall behind, and the current staff will continue to be stressed and will burnout. He stated that the proposed budget holds the standards that have been put in place. He stated that this is a choice that the Council is making, and the Council will need to answer to the residents in the community.

Councilmember Shryock stated there is no question that the staff is wanted or needed, but the question is how the City can afford this. She stated that if these positions are added this year, perhaps in the next year or two there are not positions added. She stated that she wants to maintain the current staff that the City has and if they feel that these positions are necessary, they would know better than the Council. She stated that if the City needs these positions now, then there needs to be an understanding that requests next year may not be approved. She stated that she would like a review of the non-crucial line items in the next year to determine if additional budget cuts could be made in the next year based on the value that is received in return. She stated that the Council does not want to sacrifice the health of staff or the services provided to residents. She stated that if this is approved there will need to be changes made in the future.

Mayor LeTourneau stated that the reality is there are development plans for key employees and specific needs have been identified in the strategic plan and therefore he would assume that there have been specific figures budgeted to support those elements. He stated that the Council would also need to change the expectations of staff. He stated that he supports having these conversations in the next year to re-evaluate the priorities of staff development but did not believe that could occur before the budget adoption in December.

Councilmember Shryock agreed that would be a discussion to be held in the next year.

Councilmember Musgrove stated that almost every department has an “other” column and asked if that “other” is described somewhere.

Finance Director Lund replied that is capital outlay.

Parks and Assistant Public Works Superintendent Riverblood provided background information on how the calculation was made to determine the maximum lifespan of equipment. He noted that the lifespan of equipment is weighed against maintenance costs and trade-in values.

Councilmember Musgrove stated that perhaps seasonal equipment could be rented at a lower cost.

Public Works Superintendent Riemer replied that some of those items would not be available for rent and stated that in the case where equipment has been rented, the cost is often higher.

Mayor LeTourneau stated that is an example of the level of thought that staff has put into the budget to optimize the lifespan of equipment.

City Administrator Ulrich stated that some adjustments will be made to the budget, noting that a higher-level police officer recently retired and therefore that adjustment will be made as an entry-level position will replace that position and would provide a cost savings.

Mayor LeTourneau acknowledged that two Council members are not present tonight and therefore while this has been a good discussion, those members will have input as well.

Finance Director Lund asked for clarity on what she should present at the December 11th meeting.

City Administrator Ulrich stated that he suggests that the staff recommended budget be presented, as it was tonight and if there are additional comments from the Council those could be made at the meeting.

Councilmember Riley stated that he believes that the increases are too much and the decisions in this budget will have an impact on next year's budget. He stated that the personnel increases and bond sales will be built into the budget for next year and will provide a sizable increase to the budget without even discussing additional items that may be requested.

Mayor LeTourneau stated that property values and additional homes and property constructed in the next year is also unknown.

Councilmember Riley stated that he would also like to see an option presented which removes the three positions and reduces the budget by an additional \$47,000.

Mayor LeTourneau stated that the alternative should remain open and based on discussion rather than being that significant.

2.02: Review Administration of Enforcement of City Code Violations

Community Development Director Gladhill reviewed the staff report.

Councilmember Riley stated that he agrees with the recommendation of staff. He stated that he has not heard that the City's approach is poor in that the City is doing too little or too much. He stated that the only comment he has heard is the process and length of the process in that one specific case. He stated that if a problem has been identified and the property owner is aware of the problem, the process should be quicker.

Councilmember Shryock agreed that this is a good start but stated that she would like to have one more discussion on the topic. She stated that the one case that had been brought forward in the past had a concern with the length of the process. She stated that the City has taken the approach of primarily only addressing complaints and if prosecution is escalated too quickly in some cases, the City should be mindful of the complaint-based approach.

Mayor LeTourneau agreed that this is a good start, but further discussion will be needed.

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:

Katie M. Schmidt
Administrative Assistant

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.