

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, April 9, 2019, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor John LeTourneau
Councilmember Nadine Heinrich
Councilmember Mark Kuzma
Councilmember Debra Musgrove
Councilmember Chris Riley
Councilmember Melody Shryock

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Police Chief Jeff Katers
Parks and Assistant Public Works Superintendent Mark Riverblood
Public Works Superintendent Grant Riemer
City Engineer Bruce Westby
Economic Development Manager Sean Sullivan
Kristin Gray, WSB
Angie Bershaw, Bolton & Menk

1. CALL TO ORDER

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

2. TOPICS FOR DISCUSSION

2.01: Discuss Updates on Interim Public Works Facility Options

Public Works Superintendent Riemer reviewed the staff report.

Councilmember Heinrich commented that she appreciates staff taking into account the fact that this would not impact the transportation for the school year.

Mayor LeTourneau asked if this would create a hardship for the school.

Public Works Superintendent Riemer stated that the buses are housed in Mounds View and so that would cause an increase for the school. He noted that the City could really use this space.

Councilmember Riley asked if the City already uses the neighboring building.

Public Works Superintendent Riemer stated that the City uses the front half of this building for police and public works. He commented that the City is not using the neighboring building.

Councilmember Kuzma stated that this seems to be a good temporary solution to provide relief to public works and therefore he will support this action.

Mayor LeTourneau stated that he is glad things are moving quickly and fitting together. He asked if the activity around this building and the termination of this lease is contingent on other actions.

Public Works Superintendent Riemer stated that he would like to purchase the Quality RV building to relocate utilities to that building and then terminate the lease on this building to use as a temporary solution for public works.

Mayor LeTourneau stated that a few meetings ago the focus was on a new public works facility option. He asked if the acquisition of this lease would provide the temporary solution or whether this would be used in a long-term solution as well.

Public Works Superintendent Riemer stated that this would provide a temporary solution. He noted that a public works facility would still be needed in the future.

Councilmember Shryock stated that since this is not costing much and would alleviate the strain, she would be in favor of proceeding with this portion of the option.

Public Works Superintendent Riemer continued with his presentation.

Councilmember Heinrich referenced the connection to City sewer and water and asked if the cost shown was just for that connection or all improvements.

Public Works Superintendent Riemer commented that estimate is just for the connection. He estimated that the cost for floor drains could be \$50,000 to \$60,000.

Councilmember Riley asked what changed the mind of staff on the temporary solution.

Public Works Superintendent Riemer stated that combined with the bus storage building, this seems to be a good temporary option.

Councilmember Riley stated that he likes this idea.

Public Works Superintendent Riemer stated that the nice thing about moving utilities is that they can act as a standalone function for the time being, as they do not use the heavy equipment.

Councilmember Kuzma asked how this temporary solution would impact the timeline for the public works facility. He asked for input on the option that this option was bypassed and the public works facility moved forward today.

City Administrator Ulrich stated that if the public works facility started today there would be a year of planning and engineering along with construction, which would be about 2.5 years. He explained that this temporary solution would provide a more relaxed schedule and could buy another year or two for that process. He stated that staff is hopeful that the redevelopment prospects for the building might have commercial value in the future.

Public Works Superintendent Riemer stated that Anoka County has this building for sale and does have other offers.

Councilmember Shryock stated that she is comfortable with this option including the RV building and the leased building. She stated that if staff believes that this will work, it seems to be a good alternative and is a reasonable financial investment.

Economic Development Manager Sullivan stated that the location and building both lend themselves to future value. He stated that the building could be leased or sold in the future, should that be the desire. He noted that the land would also have value in a redevelopment scenario.

Councilmember Heinrich asked if this would remove the need for the doublewide trailer on the current public works campus. She also asked if staff would be comfortable with this solution for a couple years before moving forward with the new public works facility.

Public Works Superintendent Riemer stated that the trailer would stay. He stated that he would not want to exceed two years before seriously moving on the new public works facility. He stated that this is a temporary solution that will provide an interim solution while the new facility continues to move forward.

Councilmember Musgrove stated that she appreciates the creativity of staff and the thorough presentation. She commented that this seems to be a good way to increase the effectiveness and efficiency of the public works department. She stated that she would still want to continue with the new public works facility process because of other financial needs that will arise in the future.

Councilmember Kuzma stated that he is torn. He understands that this is an interim solution. He commented that by taking the garage over that would provide additional space but he would like to see the public works facility plans continue to move forward. He stated that the improvements for this option could simply be spent on the new public works facility.

Councilmember Shryock asked for a recap on the costs and timeframe to get the interim option up and running.

City Administrator Ulrich stated that there would be about one year of planning and bidding for the new public works facility, with an additional one year to 18 months of construction. He reviewed the costs and timeframe for the interim solution to be ready.

Public Works Superintendent Riemer estimated that the interim solution would be up and ready by this fall.

Mayor LeTourneau stated that the public works staff is already stretched thin and this would create additional work for the members of that department. He stated that the additional cost for this interim option, and by putting the public works facility off for even a short amount of time, could have an additional impact of \$1,000,000. He stated that the City is not in the business of acquiring land and yet this option would acquire more land. He stated that there is reasonable financing available now and believes that the City should move on the new facility.

Councilmember Shryock stated that her impression was that the public works facility process would continue to move forward, this would simply provide an interim option during that planning and construction process. She stated that the question becomes can the public works department function during that planning and construction process. She stated that when the Quality RV site is sold in the future, that would recoup some of the costs that are incurred through the interim option.

Public Works Superintendent Riemer explained that staff is simply providing options for the Council to review.

Councilmember Kuzma stated that it is the fiduciary responsibility of the Council to manage the City's resources as best as they can. He does not believe that spending this additional money would be a good solution. He noted that roads will continue to be a challenge in budgeting. He stated that he wants to move forward on the campus now and would support taking the garage space back from PACT to provide additional space.

Councilmember Riley stated that this discussion would be a lot easier if taxes had not been raised the past few years. He stated that the last financing included an interest only option for ten to 12 years, which he believes would not be affordable for the City.

Economic Development Manager Sullivan stated that there are many projects that he was involved with in the mid-2000s that focused on redevelopment. He stated that from an economic development perspective there are advantages to the City having control of the Quality RV building.

City Administrator Ulrich stated that staff is looking for direction on whether to negotiate with the County to determine what the cost would be. He stated that staff could also bring in the public works facility schedule, with additional financing options.

Mayor LeTourneau confirmed the consensus of the Council with the direction summarized by City Administrator Ulrich.

2.02: Update Regarding Local Road Funding

City Administrator Ulrich reviewed the staff report.

Councilmember Shryock stated that she believes that this process should continue. She noted that the feedback from residents that she has received is that they would like more information. She stated that she would like more input from the Charter Commission and how the properties that have been assessed would be handled should franchise fees go forward.

Councilmember Riley stated that he would also like to hear more and have this go forward. He stated that at the meeting he attended, the strongest proponent for franchise fees were residents that have been assessed. He stated that there is data on the assessment process and residents have been vocal on their dislike for assessments. He stated that his biggest takeaway from the meeting he attended was the cost savings that would be provided through franchise fees, as that would be a cost savings for all taxpayers.

Councilmember Kuzma stated that he would also like additional information on how the properties that have been assessed would be handled. He stated that the residents that he has spoken to have expressed support for franchise fees.

Councilmember Heinrich stated that she has received mixed feedback, almost a 50/50 split. She was unsure if going forward in the process would help the Council make the decision. She asked why the decision is just not made on the information that has been given. She stated that she is not comfortable with the open house meeting format that has occurred thus far. She noted that her opinion was that the open house was a sales pitch for franchise fees rather than an open house. She commented that residents opposed to franchise fees were afraid to raise their hand as they felt their opinion would be shot down. She stated that if more public outreach efforts occur, she would prefer a different format. She was unsure if she had a clear position on whether this should move forward. She did not feel that the community has been educated enough, and felt that more education and outreach need to occur. She stated that a part of her thinks the Council is going to make the decision anyways, so the decision should just be made.

Councilmember Shryock stated that education will be a huge component, explaining what the difference would mean to residents. She stated that perhaps something can show the difference people would pay comparing an assessment to franchise fees.

Mayor LeTourneau stated that the City is still very early in the process and this seems to be a milestone in the process. He agreed that if the Council chooses to move forward there would be more work to do.

Councilmember Musgrove stated that she believed that financial information would be part of the discussion. She stated that she has a different perspective, as she owns a smaller portion of property and with the franchise fee; she would not have the same benefit as others. She stated that she does not believe churches and schools should have to pay. She explained that churches and schools have members that belong to the community and those residents are already paying taxes or would be paying franchise fees for their homes. She stated that there is a portion of people that do not have utilities and asked how that would be equal. She stated that this is a regressive tax, as there is already a property tax. She stated that she would like additional information on financials, including the franchise fee and how this would look on the taxes. She asked what is being prioritized above roads currently. She stated that she is looking forward to

moving on and reviewing additional financial information. She stated that businesses will also not have to pay as much with franchise fees, and those users use the roads more. She stated that she would like to make an informed discussion and therefore would support continuing to move forward.

Mayor LeTourneau confirmed the consensus of the Council to continue to move forward in the next phase of this process.

Councilmember Kuzma stated that the public meetings have been publicized and there was still not the best turnout. He stated that people have elected the Council to represent them and at some point, the Council will need to make the decision on behalf of the people.

Councilmember Heinrich stated that she has heard from some of the church community that there would be concern with the franchise fee option. She explained that when someone provides a tithe to the church, a portion of that would be going towards franchise fees if the churches have to pay.

Kristin Gray, WSB, stated that she is present as a resource and did take notes of the conversation to assist in moving forward.

2.03: Receive Update on Highway 10 Planning Efforts (Ramsey Gateway)

Angie Bershaw, Bolton & Menk, reviewed the staff report.

Councilmember Heinrich referenced the tight diamond with west frontage road for Ramsey Boulevard, which is the highest cost option. She stated that seems to be significantly higher than the other options and was unsure why that would be presented to the public.

Ms. Bershaw acknowledged that is an option that would most likely not move forward in the long run, but it should be presented to the public to help educate on why the other options would be better.

Councilmember Riley agreed that showing that option did help to answer questions on the other options. He stated that he believes the City should be more proactive in the rest stop and weigh station elements. He appreciated that Bolton & Menk had some of those conversations but believed that the City should also be involved.

Mayor LeTourneau stated that he would be interested in holding joint meetings with some of the Commissions to gain additional input.

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 6:48 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Katie M. Schmidt
Administrative Assistant

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.