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

The Ramsey City Council conducted a regular meeting on Monday, August 12, 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

Members Absent: None

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
Administrative Services Director Colleen Lasher
Community Development Director Timothy Gladhill
City Engineer Bruce Westby
Communications and Events Coordinator Megan Thorstad

1. CALL TO ORDER

Mayor LeTourneau called the regular meeting of the Ramsey City Council to order at 7:05 p.m., followed by the Pledge of Allegiance led by Mayor LeTourneau.

2. PRESENTATION

None.

3. CITIZEN INPUT

None.

4. CONSENT AGENDA

Motion by Councilmember Riley, seconded by Councilmember Kuzma, to approve the following items on the Consent Agenda:

4.01: Approve Licenses

- 4.02: Approve Rental Licenses
- 4.03: Adopt Resolution #19-186 Approving Cash Disbursements Made and Authorizing Payment of Accounts Payable Invoicing Received During the Period of July 18, 2019 through August 7, 2019
- 4.04: Adopt Resolution #19-161 Approving a Conditional Use Permit for an Oversized Accessory Building at 15800 Traprock St. NW, Case of James Couch
- 4.05: Adopt Resolution #19-163 Authorizing Letter of Support for Anoka Conservation District's Grant Application for Rum River Bank Stabilization Projects
- 4.06: Adopt Resolution #19-181 Granting an Interim Use Permit to a Religious Institution at 6937 Highway 10; Case of Freedom Church
- 4.07: Adopt Resolution #19-182 Granting an Interim Use Permit to Operate a Religious Institution at 7101 143rd Avenue NW; Case of St. Katharine Drexel
- 4.08: Adopt Resolution #19-183 to Grant a Conditional Use Permit for an Oversized Second Ground Sign at 8390 Highway 10 NW (Project No. 19-128); Case of LazyDays RV
- 4.09: Adopt Resolution #19-187 Approving Code Enforcement Action Plan at 5431 164th LN NW
- 4.10: Adopt Resolution #19-188 Approving Right of Re-Entry Agreement for Lot 1, Block 1, Anderson Dahlen South Addition; Case of Knoll Properties LLC
- 4.11: Adopt Resolution #19-192 Approving Development Agreement for Armstrong West Retail Mall, Case of PSD, LLC dba Armstrong West Retail Mall, LLC
- 4.12: Adopt Resolution #19-193 Approving Updated Development Agreement for Anderson Dahlen (Project #19-109); Case of Knoll Properties (Anderson Dahlen)
- 4.13: Adopt Resolution #19-194 Approving the Release of a Conditional Use Permit and Vacation of an Existing Drainage and Ponding Easement on Lot 1, Block 1, and Outlot A, Bury and Carlson Addition (Project #19-109); Case of Anderson Dahlen
- 4.14: Adopt Resolution #19-196 Approving Multiple Agreements Related to the Delta ModTech Project:
 - Right of Entry Agreement
 - Stormwater Treatment and Ponding Maintenance Agreement
 - Trail Easement
- 4.15: Adopt Resolution #19-184 to Backfill the Engineering Technician II Position
- 4.16: Adopt Resolution #19-185 Promoting an Engineering Technician II to Engineering Technician IV
- 4.17: Adopt Resolution #19-195 Approving a Restructure to the Paid-on-call Firefighter Pay Scale
- 4.18: Report from Public Works Committee:
 - 1) Update on Pavement Maintenance Plan for Ferret Street and 147th Avenue Intersection – *Ratify the recommendation of the Public Works Committee to approve the consensus of the Committee direction to suspend improvements to the intersection of Ferret Street and 147th Avenue in 2019.*
 - 2) Update on Variolite Street Reconstruction Options – *Ratify the recommendation of the Public Works Committee to approve the consensus of the Committee direction for staff to proceed on development of the Variolite Street reconstruction project for 2020.*

Motion carried. Voting Yes: Mayor LeTourneau, Councilmembers Riley, Kuzma, Heinrich, and Musgrove. Voting No: None.

5. APPROVE AGENDA

Motion by Councilmember Musgrove, seconded by Councilmember Kuzma, to approve the agenda as presented.

Motion carried. Voting Yes: Mayor LeTourneau, Councilmembers Heinrich, Kuzma, Musgrove, and Riley. Voting No: None.

6. PUBLIC HEARING

6.01: Public Hearing: Introduce Ordinance #19-09 Vacating Right-of-Way for River Walk Village; Case of Don Kveton/Village Bank (Project 18-163)

Presentation

Community Development Director Gladhill reviewed the staff report and recommendation to approve Ordinance #19-09 vacating right-of-way for River Walk Village.

Councilmember Riley asked how the City would ensure there is trail access when vacating this right-of-way.

Community Development Director Gladhill noted that this ordinance would not be executed until the plat is provided with the trail.

Public Hearing

Mayor LeTourneau called the public hearing to order at 7:11 p.m.

Citizen Input

There was none.

Motion by Councilmember Musgrove, seconded by Councilmember Heinrich, to close the public hearing.

Motion carried. Voting Yes: Mayor LeTourneau, Councilmembers Musgrove, Heinrich, Kuzma, and Riley. Voting No: None.

The public hearing was closed at 7:12 p.m.

Council Business

Motion by Councilmember Kuzma, seconded by Councilmember Riley, to introduce Ordinance #19-09 Vacating Right-of-Way for River Walk Village.

Motion carried. Voting Yes: Mayor LeTourneau, Councilmembers Kuzma, Riley, Heinrich, and Musgrove. Voting No: None.

7. COUNCIL BUSINESS

7.01: Adopt Resolution #19-197 Approving Amended and Restated Assessment Agreements for Hageman Holdings Related to Delta ModTech Project

Community Development Director Gladhill reviewed the staff report and recommendation to approve amendments to both Assessment Agreements as presented tonight.

Councilmember Musgrove asked where the payments of assessment would be allocated once received.

Finance Director Lund replied that the assessment would go into the debt service fund.

Motion by Councilmember Riley, seconded by Councilmember Musgrove, to Adopt Resolution #19-197 Approving Amended and Restated Assessment Agreement (2011) and Release from Assessment Agreement (2017) for Lot 2, Block 1, Amsterdam Extension.

Motion carried. Voting Yes: Mayor LeTourneau, Councilmembers Riley, Musgrove, Heinrich, and Kuzma. Voting No: None.

7.02: Introduce Proposed Ordinance #19-11 Implementing a Gas Franchise Fee on Centerpoint Energy for Providing Gas Service Within the City of Ramsey, Introduce Proposed Ordinance #19-12 Implementing an Electric Franchise Fee on Connexus Energy for Providing Electric Service Within the City of Ramsey and Introduce Proposed Ordinance #19-13 Implementing an Electric Franchise Fee on the City of Anoka Electric for Providing Electric Service Within the City of Ramsey

City Administrator Ulrich reviewed the staff report and recommendation for the Council to provide feedback and order a public hearing for September 10, 2019 to introduce the ordinances, should that be the direction the Council wishes to choose.

Councilmember Musgrove stated that when property owners paid their assessment, they also received a higher return on the investment in their property as the improved road would increase their property value.

City Administrator Ulrich confirmed that an assessment is linked to the amount of benefit that property received in return for the project. He explained that those paying assessments are paying the brunt of the cost for that project.

Councilmember Musgrove asked who would take the brunt if franchise fees are used.

City Administrator Ulrich stated that using franchise fees each property would pay an equal share, therefore each residential property would pay the same amount, \$14 per month, which would be used for road improvements. He stated that everyone uses the roads the same amount in the community, regardless of property value.

Councilmember Musgrove stated that lower property values and those on a fixed income would have a higher cost as some of those people may not drive and therefore it may not be an equal split.

Councilmember Riley used the example of the Jarvis Street and Andre Street assessments. He explained that those are through streets where much of the wear and tear on the road is caused by others in the neighborhood rather than those property owners and yet their assessments exceeded \$6,000.

Councilmember Heinrich asked the number of projects that residents have petitioned against in the past five years.

City Engineer Westby replied that there were two projects successfully petitioned against in the past five years.

Councilmember Heinrich asked if a franchise fee would tax nonprofit organizations.

City Engineer Westby confirmed that to be true.

Mayor LeTourneau asked the number of projects that were completed in the past five years and the percentage that those petitioned projects would be.

City Engineer Westby replied that there were 12 assessment projects in five years and therefore one sixth of the projects have been petitioned and canceled.

Councilmember Musgrove asked if businesses would pay less under the franchise fee model compared to an assessment.

City Administrator Ulrich confirmed the franchise fee would be less than an assessment. He explained that the assessment is only paid for a project that benefits the business, whereas franchise fees would collect an amount each month from the business to fund road improvements.

Councilmember Musgrove stated that businesses have an easier way of accommodating changes in fees, as they can pass charges onto their customers, whereas some residents do not have that option as they are on a fixed income. She stated that residents in lower tax brackets will have a higher impact compared to those in higher priced homes. She asked if the City would have to do a rebate for those residents that paid assessments during the past five years.

City Administrator Ulrich stated that the City would not have to do the rebate, explaining that was developed through the discussions that have occurred.

Councilmember Kuzma stated that the Council has looked at assessments and he does not feel comfortable passing on \$6,000 assessments to property owners. He stated that the roads are the biggest asset in the community, and they need to be taken care of. He stated that everyone uses the roads, regardless of age or income level. He stated that garbage trucks and others use the roads in a neighborhood and yet the assessment is charged only to those residents that live on the road under the current model. He stated that the franchise fee is a tax and they are not trying to hide that. He stated that this would be a dedicated road funding source and would equate to \$168 per year. He believed that this would be a better option than charging residents large assessment amounts. He stated that this program would be a five-year option that would give the City the option to try this method.

Councilmember Riley stated that this is a tax. He stated that this option would also have a cost savings as there would not be the interest that is currently charged on the bonds and the elements required for assessments would no longer be required. He stated that this is not an option of a franchise fee or nothing; this would be a franchise fee or a tax increase. He stated that the assessment numbers are real and range from \$1,500 to \$6,700, and eventually every road will need to be reconstructed and would therefore be assessed. He stated that while it is difficult to plan for a large assessment, is it much easier to plan for the franchise fee.

Mayor LeTourneau stated that this process began in 2013 when the Council took responsibility for a lack of or underfunded street maintenance program. He stated that the roads continue to be a problem as they continue to age. He stated that in 2013 a similar discussion took place and the City chose the assessment policy. He stated that the City also developed a very robust program to rate the roads and schedule maintenance in an attempt to increase the quality and lifespan of roadways. He noted that the decision was also made to review the issue after five years. He stated that they began to review the topic of road funding about 18 months ago as assessments seem to be an expensive way to fund roads. He stated that franchise fees would provide a better cost scenario because of the ability to not have to pay interest on bonds and the administrative costs that follow the assessment process. He stated that the City would like to review the franchise fee method for five years, noting that if the City is not fond of the funding method the choice can be made to change that at any time. He appreciated the large amount of time that has been spent learning about this topic and involving the public. He stated that tonight the Council has the responsibility to bring this forward and order a public hearing to gather more input.

Councilmember Musgrove asked if there would be an option to change the funding method during the five-year period if the franchise fee is implemented.

City Administrator Ulrich confirmed that the Council could change the funding method during the five-year period should that be the choice.

Councilmember Heinrich stated that she would like to open it up to a public hearing.

Mayor LeTourneau stated that tonight is not a public hearing. He explained that should this move forward; a notice would be provided for a public hearing on September 10.

Councilmember Riley noted that there are residents present that wanted to speak and he felt that they should be able to speak.

Mayor LeTourneau stated that he will stand firm as this is not a public hearing. He stated that residents will be given the opportunity to speak on this topic on September 10th, should this move forward. He noted that notice would be provided for the public hearing for all residents that would be interested in speaking on the topic.

Motion by Councilmember Kuzma to order a public hearing for September 10, 2019 to Introduce Ordinances #19-11 implementing a gas franchise fee on Centerpoint Energy for providing gas service within the City of Ramsey, #19-12 implementing an electric franchise fee on Connexus Energy for providing electric service within the City of Ramsey, and #19-13 implementing an electric franchise fee on the City of Anoka Electric for providing electric service within the City of Ramsey.

Motion failed for lack of a second.

Motion by Councilmember Riley, seconded by Councilmember Musgrove, to table this topic for a later date.

Further discussion: Mayor LeTourneau stated that he would prefer to follow the path and hold a public hearing on September 10th. Councilmember Heinrich thanked the residents that came tonight that were willing to speak publicly for or against franchise fees. Mayor LeTourneau echoed those comments but noted that he is attempting to be consistent and transparent and wants to ensure that everyone has a chance to share their voice at a public hearing.

Motion failed. Voting Yes: Councilmembers Riley and Musgrove. Voting No: Mayor LeTourneau, Councilmembers Heinrich and Kuzma.

Councilmember Kuzma stated that if the franchise fee is not implemented, that will not solve the topic of road financing. He stated that there could potentially be an increase of 26 percent if the road financing is added to the budget.

Finance Director Lund stated that if the total road funding were placed on the tax levy there would be a proposed 26 percent increase, with 18 percent of that related to road funding.

City Administrator Ulrich stated that a possible solution would be to consider September 10th an open house meeting rather than a public hearing, should that be preferred. He noted that the public could be invited to an open house/worksession. He stated that there have been three public open house meetings already, but another meeting of that type could be an option.

Mayor LeTourneau stated that the three public open house meetings that were held were productive but solid direction was not received from the residents that attended.

Councilmember Heinrich asked why the ordinance would not die at this time.

Mayor LeTourneau stated that it is his assumption that the action before the Council tonight was to call for a public hearing to introduce the ordinance and not to vote on the ordinance.

City Administrator Ulrich stated that any ordinance requires two readings. He stated that the item on the agenda tonight has failed but the item could still appear on a future Council meeting agenda.

Councilmember Kuzma stated that he is disappointed in his colleagues tonight for letting this lapse. He stated that the Council is elected to do a job, and this is not doing the job. He noted that there are many comments about the poor condition of roads and this action tonight was simply to call for a public hearing and the Council could not even pass that.

Councilmember Riley stated that he could not remember a case in six years where people from the public were not allowed to speak, until tonight.

Mayor LeTourneau stated that this is one of the most significant activities that the Council has undertaken in its career and the Council needs to be sensitive to the process. He echoed the comments that the Council is not able to move forward on this topic. He stated that this is a challenging moment. He stated that they are committed to the issue of roads and challenged by the cost to maintain the asset. He hoped that the Council could come to a point tonight where the discussion could be continued to a public hearing. He stated that not fixing the roads is not an option.

7.03: Adopt Resolution #19-198 Denying a Massage Therapy License

Police Chief Katers reviewed the staff report and stated that after completion of the required background check, he recommends denial of the licenses for Therapeutic Massage Establishment for “The Gateway Massage” to be located at 14037 St. Francis Boulevard NW and denial of the license for Therapeutic Massage Therapist for the applicant, Qu Xiaoxin. The basis for the denial recommendation is the missing or incomplete information provided in the application(s). In addition, the applicant failed to disclose involvement in other massage businesses in other cities.

Don Cho, attorney representing the applicant, asked if the applicant should have received a letter alerting them to attend the meeting. He stated that the applicant was not notified of the recommended denial.

Police Chief Katers stated that his involvement is with the background check and a recommendation based on that information.

Mr. Cho stated that they checked the website and found the agenda item, which is how they were alerted to the possible denial of the request.

Community Development Director Gladhill noted that a letter was sent to the applicant to the address on the license application. He noted that perhaps that letter was not yet received by the applicant.

Mr. Cho stated that his client filled out one application for the business and one for personal. He stated that on the business application stated to list previous business involvement within the past five years, which the applicant listed two locations. He noted that on the personal application she listed several other locations where she had worked, so combining the two lists would equate her experience. He submitted a letter from the owner of a massage establishment in White Bear Lake stating that she never worked at that location. He explained that she did obtain a license in White Bear Lake when she was going to accept a job but did not accept the position. He noted that there was another location in Oklahoma where she had worked but could not remember the name. He stated that the incomplete application was not intentional and asked that perhaps more time be given to allow additional discussion.

Councilmember Musgrove asked if there is a process to withdraw the license.

City Administrator Ulrich noted that this could be tabled to allow Police Chief Katers to follow up on the information provided tonight.

Councilmember Heinrich asked if Police Chief Katers could state if the current application and the establishments linked to the omitted information were linked to criminal activity.

Police Chief Katers stated that he could not say if there was a link to establishments. He could only state that he found additional information in his search that was omitted from the applicant. He stated that his recommendation would stand at denial because of the information in the background check and the information submitted.

Councilmember Riley asked if the applicant could reapply in the future if this is denied tonight.

Police Chief Katers stated that there is not a preclusion that the applicant could not reapply.

Motion by Councilmember Heinrich, seconded by Councilmember Musgrove, to adopt Resolution #19-198 Denying Application from The Massage Gateway for a Massage Establishment License and Denying Application from Qu Xiaoxin for a Therapeutic Massage Therapist License.

Motion carried. Voting Yes: Mayor LeTourneau, Councilmembers Heinrich, Musgrove, Kuzma, and Riley. Voting No: None.

7.04: Adopt Resolution #19-176 Approving PRIME Advertising Contracts for Ramsey Resident Newsletter and Annual Community Resource Guide

Communication and Event Coordinator Thorstad reviewed the staff report and recommendation to adopt Resolution #19-176 approving PRIME Advertising contracts for Ramsey Resident newsletter and the annual community resource guide.

Councilmember Riley commented that this case is being sold as a savings of money, but it really is not a savings in money but a reduction in service. He stated that residents now receive six issues per year, and this would be a reduction to four issues. He stated that the Ramsey Resident is a good source of information and therefore he will not be supporting this item.

Councilmember Heinrich stated that she does see this as a cost savings, noting that the City would still meet the requirements of the Charter. She noted that this would also free up additional staff time.

Councilmember Kuzma stated that he is not in support of this process as he likes having the Ramsey Resident and believes that there are cost savings measures that could be gained keeping the item in house.

Councilmember Musgrove stated that she supports this action as this would be a cost savings and would free valuable time for City staff to complete other tasks.

Motion by Councilmember Musgrove, seconded by Councilmember Heinrich, to Adopt Resolution #19-176 Approving PRIME Advertising Contracts for the Ramsey Resident Newsletter and Annual Community Resource Guide.

Further discussion: Councilmember Heinrich thanked staff for increasing communication on social media as well. Mayor LeTourneau stated that he agrees with all the comments made tonight. He stated that this would provide a cost savings and would create efficiency. He stated that the Ramsey Resident is a great source of information for residents and would hate to see the number of issues reduced. He agreed that social media is also gathering speed as a communication tool.

Motion failed. Voting Yes: Councilmembers Musgrove and Heinrich. Voting No: Mayor LeTourneau, Councilmembers Kuzma and Riley.

7.05: Adopt Resolution #19-189 to Backfill the Vacant Part-Time Recreation Specialist Position

Administrative Services Director Lasher reviewed the staff report and recommendation to hire Ms. Abigail Proulx as the City's Part-Time Recreation Specialist, effective on or near August 19, 2019 at Step 1 of the 2019 wage scale.

Councilmember Musgrove asked for the experience of the applicant.

Administrative Services Director Lasher stated that the applicant has far more experience than the position requires and is completing these duties for another city.

Parks and Assistant Public Works Superintendent Riverblood stated that he is excited to have the applicant join his team and read some excerpts from the applicant's cover letter.

Councilmember Heinrich stated that she was opposed to filling this position this year and is still not convinced that this is a needed position and therefore is not going to support this action.

Councilmember Kuzma stated that as part of the Ramsey Foundation he knows that having this person to work with is instrumental in making the community events possible. He stated that community events and park programming are important parts of the community.

Motion by Councilmember Kuzma, seconded by Councilmember Riley, to Adopt Resolution #19-189 to Hire a Part-Time Recreation Specialist Filling the Vacant Position.

Further discussion: Councilmember Musgrove asked who would handle these duties if this person is not hired. Parks and Assistant Public Works Superintendent Riverblood provided background information on this topic. He explained that if the position is not hired, he would be ceasing almost all recreation programs.

Motion failed. Voting Yes: Mayor LeTourneau, Councilmembers Kuzma and Riley. Voting No: Councilmembers Heinrich and Musgrove.

7.06: Adopt Resolution #19-191 Approving Centralized Water Treatment Request for Proposals and Authorizing Solicitation of Proposals

City Engineer Westby reviewed the staff report and recommendation to adopt Resolution #19-191 approving the draft Centralized Water Treatment Request for Proposals and authorizing solicitation of proposals.

Councilmember Riley asked if this study would have separate components that would allow the Council to choose the elements it would like to move forward with.

City Engineer Westby confirmed that a price would be requested for each of the areas and those elements could then be chosen.

Councilmember Riley stated that he would like to see the water softener element removed as that is an expensive option and people can choose to do that for their own home.

Motion by Councilmember Musgrove, seconded by Councilmember Riley, to Adopt Resolution #19-191 Approving Request for Proposal to Analyze Source Water, Develop Water Model, Prepare Preliminary Design Report, and Authorize Solicitation of Proposals for Centralized Water Treatment Facility, separating the water softener item to a separate line item.

Motion carried. Voting Yes: Mayor LeTourneau, Councilmembers Musgrove, Riley, Heinrich, and Kuzma. Voting No: None.

8. MAYOR, COUNCIL AND STAFF INPUT

City Administrator Ulrich announced upcoming meetings and events.

9. ADJOURNMENT

Motion by Councilmember Musgrove, seconded by Councilmember Riley, to adjourn the meeting.

Motion carried.

The regular meeting of the City Council adjourned at 9:11 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Katie M. Schmidt
Administrative Assistant

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.