

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

The Ramsey City Council conducted a City Council Special Work Session on Tuesday, September 3, 2019, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor John LeTourneau
Councilmember Nadine Heinrich
Councilmember Mark Kuzma
Councilmember Jeff Menth
Councilmember Debra Musgrove
Councilmember Chris Riley

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

1. CALL TO ORDER

Mayor LeTourneau called the City Council Work Session to order at 5:37 p.m.

2. TOPICS FOR DISCUSSION

2.01: 2020 General Fund/Levy Review – Continued Discussion

City Administrator Ulrich stated that this is a special worksession focused on budget discussion. He stated that the intent would be to have a preliminary levy adopted by the second meeting in September, which allows the City to submit that information to the County prior to the deadline. He noted that a number of revisions have been made in attempt to present a lower levy amount.

Finance Director Lund reviewed the staff report.

Mayor LeTourneau asked for clarification on whether the Recreation Specialist and Police Officer position were included in the budget.

Finance Director Lund confirmed that the Recreation Specialist and the Police Officer position, approved in the 2019 budget, were included in the budget as presented tonight. She noted that

the officer position approved in the 2019 budget for hiring in October of 2019 has been moved to a hiring date of January 2020 as previously directed by the Council.

City Administrator Ulrich stated that staff has begun recruitment for the Police Officer position, as recently directed by the Council for hiring later in 2019.

Councilmember Heinrich stated that the part-time Recreation Specialist was recently not approved for hiring and asked for clarification on whether the item is still reflected in the budget.

Finance Director Lund confirmed that position is still included in this draft of the budget.

Councilmember Heinrich asked why the position is still included if the item did not pass at the Council meeting.

Finance Director Lund confirmed that item is up for discussion tonight.

Mayor LeTourneau asked the dollar amount for that position.

Administrative Services Director Lasher estimated that position had a cost of about \$27,000.

Councilmember Riley asked if the firetruck purchase could be pushed back one year.

Fire Chief Kohner stated that could be an option. He noted that there have been maintenance issues over the past two to three years with a cost of about \$15,000 over the past two years. He could not guarantee if there would be more issues of maintenance but confirmed that it was not a safety concern. He stated that if the purchase was pushed out, the truck would be 22 years old at time of replacement.

Councilmember Musgrove asked for clarification on whether the entire amount would be pushed back and be allocated next year, or whether the amount would still be broken up over multiple years.

Councilmember Riley explained that his suggestion was to push back the two-year financing one year, to begin in 2021 rather than 2020.

Councilmember Musgrove stated that she would like to see a portion allocated this year and perhaps split the purchase into three budget cycles. She referenced the contingency funds and asked for information on the history of the totals used and the amounts left each year that are distributed into the four funds.

Finance Director Lund explained that the contingency fund is part of the general fund budget and is used for unbudgeted items throughout the year. She explained although it operates separately, it is still a part of the general fund and therefore if funds are unspent at the end of the year, they would transfer between the four identified funds as the policy dictates.

Councilmember Musgrove asked if the contingency amount is used each year or whether that amount could be decreased.

Finance Director Lund stated that only \$25,000 is up for discussion and explained that the remainder is related to debt for the public works land purchase and a loan for the city hall building. She stated that \$10,000 is included for the special election and for the presidential election. She noted that contingency funds are used for unbudgeted/emergency expenses that arise during the year.

Councilmember Musgrove asked how often those contingency funds are used.

Finance Director Lund stated that she would recommend some form of contingency as there is always something that could happen. She used an example of winter, noting that one year the City ran out of salt and excess funds were needed for that purchase.

Parks and Assistant Public Works Superintendent Riverblood stated that storm damage is another example of those expenses.

Finance Director Lund stated that the price of gas is another area that cannot be anticipated and has caused use of the funds.

City Administrator Ulrich stated that it is rare that funds would be allocated from the contingency fund unless it is an emergency situation. He noted that typically funds are allocated from a department or reserve fund. He stated that the contingency amount has been decreased in the past to the current amount of \$25,000.

Finance Director Lund provided additional details on the firetruck purchase, noting that the funding in 2020 would come from the capital equipment fund but in 2021 there would be additional discussion on that funding.

Councilmember Riley asked if the City has had a surplus revenue over expenses each year.

Finance Director Lund confirmed that has been the case for the past few years and provided additional details on those figures from the past three years. She reviewed how those funds were allocated to the different City funds, following the City's policy.

Councilmember Riley stated that each year the City begins with a balance budget and for the past few years has ended with a surplus. He stated that the statement could then be made that the City has overtaxed its residents by over \$1,000,000 in the past two years.

Finance Director Lund explained that the City budgets conservatively for building permit revenue as that cannot be predicted and therefore the majority of the revenue from the last two years was related to building permit revenue.

Community Development Director Gladhill stated that there are sometimes large projects that will provide revenue. He confirmed that both revenue and expenses are tracked and used for budgeting.

City Administrator Ulrich stated that generally staff reviews the line items each year to determine the appropriate amounts for the next year. He stated that in previous years when development was booming there were surpluses over \$1,000,000 at the end of the year and therefore that has been reduced. He stated that the question would be how tight the City would want to get on those projections, as they do not want to create a deficit situation. He noted that the surplus funds are distributed to different City funds and therefore remain for use by the City in future years.

Councilmember Musgrove asked for additional information on building permits.

Community Development Director Gladhill stated that the plan review process has become more efficient. He stated that the inspection staff is feeling taxed but has been able to keep up with the approved metrics for service. He noted that there is some slippage in the service timeline during peak times.

Councilmember Musgrove asked if the price of permits was lowered in return for compliance and asked if that goal was achieved.

Community Development Director Gladhill stated that it would be difficult to track. He noted that the number of permits has increased but the reason for that increase cannot be determined. He noted that there will always be a lack of compliance no matter the fee that is charged. He believed that a higher degree of compliance has been reached.

Councilmember Musgrove asked if all permit prices were decreased or only certain permits.

Community Development Director Gladhill noted that several permit prices were reduced, mainly those related to plan review, because of the more efficient process. He stated that a number of communities have increased the cost of permits a small percentage each year, whereas Ramsey has held the same price for over 15 years and then decreased the cost.

Councilmember Musgrove stated that the City pays a salary to the staff and asked what the permit fee actually pays above what the City has already paid staff for. She asked why it would not be a good idea to lower the fees more.

Community Development Director Gladhill confirmed that there is a service the City provides but the State has a building code that is required. He stated that the City pays a salary but there are a number of revenue sources that can be used including permit fees. He stated that the City is obligated to administer the building code per State rules. He stated that the general tax rate would raise if building permits are not used to fund the building department. He explained that the revenue from building permits is then used to fund the building department, rather than every resident funding the review of permits submitted by those requesting to build.

City Administrator Ulrich noted that there are contracted staff that are funded through building permit revenue as well.

Community Development Director Gladhill stated that some charges were reduced to gain compliance and the expenses to review and inspect the smaller permits are more than the fee charges for the permit, with the expectation that additional compliance will be gained in return for the lower permit fee.

Finance Director Lund stated that building permit fees do not strictly fund salary and reviewed some of the other related expenses that are covered by the revenue source.

Councilmember Menth asked for clarification on the statement that some of the smaller permit expenses are not covered by the permit fee.

Community Development Director Gladhill confirmed that to be true, noting that it was an intentional change meant to gain compliance on items such as basement finishes and decks. He noted that those can be dangerous situations if not completed correctly and therefore review is important and therefore the fee was lowered slightly.

Councilmember Heinrich referenced the surplus amount and the comments of Councilmember Riley. She stated that she also finds it concerning that there is such a large surplus. She stated that perhaps the Council discuss what it is comfortable with compared to Councils of the past.

Councilmember Kuzma stated that his understanding it that the City estimates conservatively on the permits as the number of permits that will be generated during a year is unknown.

Community Development Director Gladhill confirmed that it is difficult to forecast permit revenue. He stated that the discussion has fixated on building permits but that is just one piece of the surplus.

Councilmember Kuzma asked if staff is comfortable with the forecasted 2020 amounts.

Community Development Director Gladhill noted that additional revenue was forecasted in this proposed budget compared to the 2019 budget. He stated that in his experience when he has seen someone stretch too far in anticipated revenue, a slowdown often hits. He stated that they may be seeing the end of a building cycle in the near future, where a slowdown will occur.

Mayor LeTourneau asked if the Council would rather give direction to staff to forecast a more aggressive pace or stay at a conservative pace.

Councilmember Riley stated that he would not favor aggressive or conservative and would aim for accuracy. He recognized that the guess will not be correct but would like the best estimate.

Councilmember Heinrich agreed that the guess should be the best guess.

City Administrator Ulrich stated that building permit revenue has a lot of flux to it and asked the last time the City was significantly under the projected amount.

Community Development Director Ulrich replied that 2011 was the last time the City came up short on its projection. He stated that his department has made corrections to the expense side of building in order to keep up with customer service. He noted that increased revenue projections equate to increased expenses as well. He advised that there are larger projects that come along with larger expenses.

Finance Director Lund reviewed the excess revenue policy, noting that it is the direction of the Council that allocates those surplus funds. She explained that those funds are then used to avoid placing all costs on the taxes in the next year. She suggested leaving the building permit revenue amount the same and noted that any surplus amounts can be used to lower taxes the next year.

Mayor LeTourneau agreed. He suggested that rather than focusing on what cannot be controlled, building permit revenue, the focus should be on what can be controlled which is the excess fund policy. He explained that the Council has the ability to decide how surplus funds are allocated.

Councilmember Riley agreed. He stated that is what is being done in the 2020 budget to buy down the road debt. He stated that his only comment was that each year there has been a surplus and he would like to see less of a surplus and sharpen pencils a bit more.

Councilmember Musgrove asked for details on the funds that receive allocations from surplus funds at the end of the year.

Finance Director Lund provided additional details on the funds that receive allocations per the excess fund policy, the current balances of those funds, and proposed expenses for those funds. She noted that any Highway 10 expenses are funded through the PIR fund.

Councilmember Menth asked what would happen if the City were to go negative.

Finance Director Lund provided additional information. She noted that when the City obtains bonds, part of the rating is the amount of surplus funds the City has had in previous years.

Mayor LeTourneau stated that the reserves and surplus is then a part of the bond rating of the City.

Councilmember Menth asked for additional information on the bond rating and who does the rating.

Finance Director Lund provided additional information the issuance of debt and the agencies that complete the rating. She noted that the higher rating the City receives, the less interest is paid. She noted that currently the City is at the second highest rating and in order to reach the next highest rating the community would need to be larger in population and more established. She believed that the AA rating began in 2001.

Mayor LeTourneau stated that the bond rating is an important aspect to the City's financial security and providing good stewardship.

Councilmember Musgrove asked for additional information on the park budget and financing proposed from capital.

Parks and Assistant Public Works Superintendent Riverblood stated that the \$50,000 proposed to come from the capital maintenance fund would provide for trail maintenance only. He explained that the City has been in the business of overlaying trails for many years with an allocation of \$10,000 per year but the City was falling far behind. He noted that in 2019 the budget was increased to \$40,000. He stated that the \$50,000 increase was proposed in order to keep up with the projected maintenance demand, similar to the road projects, in order to keep the trails safe and in good condition.

Councilmember Musgrove asked if that increase would continue annually.

Parks and Assistant Public Works Superintendent Riverblood confirmed that the total amount of \$90,000 would remain constant for at least the next few years while the City catches up. He stated that there would perhaps be a small decrease in the future but noted that there will also be trails added and inflation in the future.

Councilmember Musgrove stated that she does not see a line item for street reconstruction.

Finance Director Lund replied that \$500,000 was included in the 2020 budget for maintenance but street reconstruction is not part of the general fund levy. She stated that the 2020 street projects would be funded through MSA and the remaining available street reconstruction funds. She confirmed that the road funding for 2021 is still undetermined.

Councilmember Heinrich referenced parks and recreation and was surprised to see that budget is higher than fire protection. She asked if trail maintenance is included in that budget as well.

Parks and Assistant Public Works Superintendent Riverblood stated that of the \$90,000 allocation for trail maintenance, \$40,000 would come from the general fund similar to 2019, but the increase of \$50,000 would come from the capital maintenance fund.

Finance Director Lund provided additional clarification on the specific line item for trail maintenance within the park and recreation budget.

City Administrator Ulrich stated that perhaps this is a good time to discuss the concept of attempting to gain additional revenue from parks users, specifically ARAA.

Public Works Superintendent Riemer stated that currently the City charges \$12 per field per day to stripe the fields, which has an actual cost to the City of \$112. He stated that the actual cost to the City per season is \$170,000. He stated that for soccer ARAA pays \$20 per week and the cost to the City to provide the maintenance is \$230,000. He noted that football is the cheapest because the association does their own striping and the City only does the mowing, which has a

cost to the City of \$174 per week. He stated that for soccer the City receives about \$5,000 to \$6,000 per season from the association and about \$2,000 to \$3,000 per season for softball/baseball.

Councilmember Heinrich asked if the City has investigated doing advertisement opportunities on the fields as that could provide additional revenue.

Mayor LeTourneau asked if the City would sell the advertising.

Councilmember Heinrich stated that she is unaware of how other cities advertise but noted that some cities offer advertising on the fencing around the fields to gain additional revenue.

Mayor LeTourneau asked where those funds are then allocated.

Parks and Assistant Public Works Superintendent Riverblood stated that ARAA asked the City to amend its policy to allow for similar advertising on fences, which would allow the organization to seek advertisers/sponsors to pay for things like equipment and uniforms. He did not believe that there would be a great potential for revenue for the City.

Councilmember Heinrich stated that she would be interested in finding out more information on that topic.

Mayor LeTourneau asked if the hope would be that the advertising would offset the hundreds of thousands of dollars in maintenance costs.

Councilmember Kuzma commented that reviewing the budget line by line seems trivial as the department heads are experts in their area and have made recommendations. He stated that he would be interested in the overall budget and what is needed for that to be able to pass. He stated that the past year has been focused on the citizen survey and providing input to staff on the desired service levels. He stated that staff then developed a budget based on that direction and members of the Council have then said that is too much and they want to cut it back. He stated that staff did make cuts on the budget as directed. He asked if the Council is comfortable with the budget as proposed. He stated that this budget includes zero dollars for roads. He stated that if the budget cannot be passed the City would revert to the budget from the previous year, which is a concern.

Mayor LeTourneau stated that the exercise the Council is going through is healthy to understand how everything goes together, especially for new members. He asked for input from the Council on the currently proposed budget number.

Councilmember Heinrich stated that she would like to deal with the road funding but part of her stance in being elected was that she is willing to go line by line. She stated that she is being asked these questions and she has a duty and responsibility to be able to answer those questions. She stated that she is not willing to just look at the budget and say go ahead. She agreed that the staff is qualified, but this is her job to wrestle with these details as every taxpayer dollar makes a difference.

Councilmember Riley stated that currently the proposed budget is an increase of 6.77 percent, and prior year funds are being used to buy it down to that amount. He stated that while he approves of the buying down, he would like to see the rate closer to six percent. He stated that it was said earlier that \$91,000 would need to be cut to reach six percent. He noted that with the surplus funds exceeding \$400,000 and \$600,000 in the past two years, he would think it realistic that an additional \$91,000 could be cut from the budget without impacting bond ratings.

Mayor LeTourneau asked for additional information on the surplus piece, as it was determined that the surplus is composed of different forms of revenue. He asked if the desire would be to estimate projected building permit revenue further.

Councilmember Riley stated that he has not done the analysis to determine where the large surplus amounts are coming from. He stated that if that is coming from building permit revenue, then perhaps that item be adjusted.

Mayor LeTourneau stated that the budget is balanced based on revenue against expenses. He stated that the larger savings would be on the expense side.

Councilmember Riley stated that he would like to see the levy reduced.

City Administrator Ulrich stated that in order to reduce the levy they would make more aggressive revenue projections.

Councilmember Musgrove stated that the City would not want to over project revenues. She stated that it can appear good on paper but that might not be a real project of revenue and expenses.

Mayor LeTourneau stated that currently the City uses a conservative approach to projecting revenue and some commented that a more aggressive approach would be better. He stated that it appears now that the statement is being made that over projecting revenues would not look good on paper.

Councilmember Musgrove stated that she would not want to just say there will more revenue just to make the expenses look less. She stated that she would like to see both revenues and expenses accurately projected. She referenced the Happy Days budget of \$12,000, noting that the projected revenue is \$15,000. She asked how the additional revenue from the event is then allocated.

Finance Director Lund explained that the City contributes \$12,000 to the Happy Days account and the organization receives contributions from businesses and sponsors. She stated that Happy Days is a standalone fund and the contribution from the City and any other contributions that the organization receives, stay with that organization.

Mayor LeTourneau asked if there is consensus on the preliminary budget with the understanding that the Council and staff would still have additional time to attempt to decrease that amount before final adoption in December.

City Administrator Ulrich stated that if there was consensus on reducing the budget to six percent, which would be a decrease of \$91,000, he is confident that staff could get to that point. He agreed that would allow more time after preliminary adoption to continue to review the budget prior to final adoption.

Councilmember Heinrich agreed that reducing the budget by \$91,000 would be a good start. She stated that she also has a few additional items that she would like to address. She referenced the park and recreation specialist, which is included in this budget but was not approved by the Council. She stated that her assumption is that the position would not be included as it was not approved by the Council.

City Administrator Ulrich stated that one of the issues for staff is that the alternative is more expensive than the position. He explained that the Council needs to provide input on recreation programs, perhaps that position is not desired because park programming is not important or desired by the Council any longer.

Councilmember Heinrich stated that she does see value in the recreation program but struggles that the City is paying a yoga instructor but now Zumba and line dancing are also offered, and those instructors should then be paid. She stated that residents can obtain that service through community education for a low cost. She stated that there are different additions to the programming but would also like to look at participation. She referenced a recent archery event where only four people signed up. She stated that she would not want to continue to offer selections that residents are not participating in. She stated that while residents see value in recreational programming, there should be prioritization based on the level of use.

Parks and Assistant Public Works Superintendent Riverblood referenced an item from the Strategic Plan that speaks to finding the balance between revenue from recreational programming and access. He stated that at any time a cost benefit analysis could be provided on the programming. He stated that 2019 was the first full year of recreation programming with the half-time position. He noted that a wide variety of programming was offered in order to determine which programs would garner the most interest. He stated that the art programming for seniors started out slow but has now grown to be very popular. He stated that the Zumba and line dancing instructors are paid similar to the yoga instructor. He noted that sometimes instructors are obtained for free. He stated that item four in the attachment to the case seeks to gain consensus with what to do with the recreation program and recreation specialist position. He stated that the candidate that was recommended by staff is an ideal candidate that matches well with Ramsey residents and programs and services desired. He stated that he would be excited to add her to the organization to backfill the now vacant position that was budgeted for in 2019. He reviewed the three options presented in the attachment, noting that he would like the Council to reconsider the resolution approving the hiring of the candidate. He noted that the part-time recreation specialist could also provide backup to administration. He stated that the cost for the position would be about \$27,000 per year, which is a cost savings compared to the two interns

that were used for that purpose in the past. He stated that the best value to the residents would be to backfill that recreation specialist position with the recommended candidate, which would allow parks programming to continue.

Mayor LeTourneau expressed appreciation on the additional information that was provided.

Councilmember Riley stated that this position was discussed the previous year and he was excited because it appeared that the City would gain more work for a lesser cost. He asked if Councilmember Heinrich addressed her specific problems or whether there is a general problem with the position or the park offerings.

Councilmember Heinrich stated that there are multiple things. She stated that it is interesting that other positions have come before the Council and are approved or not approved and they do not come back before the Council. She stated that this goes to the extreme of programming or no programming. She stated that she is not saying that programming that residents participate in should be cut but is saying that the City should continue to do what it does well and cut the items that do not garner participation. She stated that there is more a discussion about this than an engine for the fire department. She stated that she is frustrated that they are not getting anywhere. She stated that she would like to see prioritization of the recreational programming and which programs will move forward to support that 20 hours per week.

Councilmember Riley stated that he asked if there is a specific problem and it appears there is not.

Councilmember Heinrich commented that it seems there is an overspending by the parks department.

Mayor LeTourneau asked if the problem is with staff or the programs.

Councilmember Heinrich stated that her comments are related to recreational programming.

Mayor LeTourneau asked if staff would have the ability to provide a list of the recreational programming.

Parks and Assistant Public Works Superintendent Riverblood stated that perhaps it would be easier to review program costs. He used the example of movie night, noting that has a cost of about \$1,500 plus staff time for setup. He stated that this position is included as consensus is needed on how to move forward on recreational programming. He stated that the last movie night had poor weather and was moved inside and had about eight attendees while better weather events perhaps had 35 attendees. He stated that the metrics can be reviewed at any time and the menu of offerings can be changed at any time. He stated that he just needs consensus on how to move forward on the budgeting process for recreational programming.

Councilmember Musgrove asked if people can make reservations online.

Parks and Assistant Public Works Superintendent Riverblood confirmed that reservations are available online, but many residents like to call to make reservations or to ask questions.

Councilmember Musgrove stated that she has provided input on potentially charging for programming to recoup some of the costs associated with the programming. She noted that other cities charge for services and that covers the cost for the instructor. She stated that a majority of residents do not participate in programming. She stated that she would be willing to support the staff position if there is some recoup of costs by those participating in the programming.

Parks and Assistant Public Works Superintendent Riverblood clarified that the example that he used where the charge of \$5 was reduced to free was for art in the park, which is an activity for children offered as a companion to the summer concert series. He noted that when the cost was eliminated there was an increase of 50 percent in participation. He agreed that there should be a balance between cost recovery and access. He stated that a cost benefit analysis can be reviewed to determine which programs should continue and which should not.

City Administrator Ulrich stated that it appears that perhaps some of the free programs should have a nominal fee to show cost recovery rather than providing a free service. He stated that perhaps classes or programs offered by other entities should not be repeated and the City should look to develop unique programming with a method of cost recovery. He stated that there seems to be an interest in providing some recreational programming.

Councilmember Kuzma stated that it has been said that interns require additional staff time to bring them up to speed, whereas a regular employee would provide a better value for the dollar. He stated that the recreation programming, specifically the music series, is popular and requires staff time. He stated that he would support this coming back to the next Council meeting.

Councilmember Heinrich agreed with City Administrator Ulrich's comments. She stated that the City should be reviewing the offerings provided by churches as well, noting that many churches offer movie nights. She stated that she would not want to see taxpayer dollars used to compete with free events offered by other organizations.

Mayor LeTourneau noted that a recreational specialist could do the work to determine the current offerings to residents in order to provide unique opportunities.

Councilmember Musgrove stated that she would like to see parameters provided on the programming. She stated that \$1,500 for a movie night seems ridiculous. She stated that she would like to see additional information before the item comes before the Council.

Mayor LeTourneau confirmed the consensus of the Council for staff to bring the recreational specialist back on September 10. He noted that additional metrics could be provided.

Parks and Assistant Public Works Superintendent Riverblood stated that perhaps that additional information could be reviewed at the work session on September 10, prior to the regular meeting. He stated that part of his concern is that staff has an ideal candidate and has spent a considerable

amount of time on the recruitment and interview process. He stated that if the candidate were lost it would be a lot of time to go through that process again.

City Administrator Ulrich confirmed that could be fit into the worksession.

Administrative Services Director Lasher provided additional details on the recreational specialist position. She stated that interns are limited to 100 days or 640 hours and therefore cannot be kept beyond that time without developing a memorandum of understanding with the union. She stated that the part-time regular position would not be a good fit for an intern, as the person is running a program while Parks and Assistant Public Works Superintendent Riverblood completes higher level work. She noted that interns require a lot of handholding. She stated that Happy Days is a better fit for an intern as the staff person is available to provide daily direction and handholding.

Councilmember Heinrich referenced the amount of time that is spent on the recruitment process. She explained that the Council that voted on decisions in the past is not the same Council that is voting on matters today. She agreed that it is not a good use of time to spend 10 weeks on something that is not approved. She stated that the Council will soon have another seat filled and the changing makeup of the Council should continue to be considered.

Mayor LeTourneau briefly recessed the meeting at 7:35 p.m.

Mayor LeTourneau reconvened the meeting at 7:43 p.m.

City Administrator Ulrich asked for input on whether there is interest in attempting to recover additional revenue from ARAA.

Councilmember Mentsh asked for clarification on the costs to the City to provide the service and the cost recouped from ARAA.

Public Works Superintendent Riemer again provided those amounts for baseball/softball, soccer and football.

Councilmember Musgrove asked the last time the rates were increased.

Public Works Superintendent Riemer confirmed that the rates have remained mostly stagnant.

Parks and Assistant Public Works Superintendent Riverblood stated that the rates have increased by perhaps one dollar every two years. He recognized that most of the participants of ARAA are Ramsey residents, while some participants are also from Anoka. He explained that in the past ARAA would request all of the fields to be prepared even though they may not be used. He noted that the fees were developed as a method of determining which fields actually needed to be prepared and would be used so that staff time was not wasted. He stated that Ramsey implemented the fees at the same time as Anoka in order for the two communities to remain consistent.

Councilmember Musgrove stated that she would like to see if there is communication with ARAA to see if they would be okay with an increase or whether the organization is struggling to make enough money.

Public Works Superintendent Riemer stated that there is an annual meeting with ARAA each March and that idea could be brought up.

Mayor LeTourneau stated that most likely the organization will say they do not have a lot of money. He agreed that the question could be asked.

Councilmember Musgrove asked if there is a way to put out the word that donations would be welcome.

Councilmember Heinrich asked if a conversation could be had with Anoka to ensure that the discussion is inline regarding rates. She asked if there is another soccer association in another community that could be used to compare rates.

Parks and Assistant Public Works Superintendent Riverblood replied that in 2017 the City completed a comprehensive survey of how other cities interact and do business with their sports associations. He stated that staff found similar results to the same survey that was done 15 years prior, noting that the results showed that there was no way to do an equal comparison because each community handles that relationship different. He noted that staff speaks with Anoka staff on a weekly basis.

City Administrator Ulrich stated that ARAA does really provide a service to the City in terms of recreation. He noted that the volunteer and fundraising provides a benefit to the community, which is why the City assists with maintenance of the fields.

Councilmember Kuzma noted that ARAA did contribute \$40,000 two years ago for dugouts. He stated that the organization does contribute to the park infrastructure.

Councilmember Riley noted that ARAA also contributed towards the Elm Crest building.

City Administrator Ulrich stated that at the last Board meeting for Nowthen fire service, staff was asked to provide additional information on the cost analysis and the contract details will come back before the City. He stated that QCTV is proposing to provide a \$40,000 capital allocation, which is typically used for equipment. He referenced Youth First and the value of the contribution from Ramsey, specifically the in-kind contribution of the building and cash contribution. He noted that there are now four cities and perhaps the donation amount of the City should be reviewed. He stated that there has been a staff discussion related to memberships and supporting events, specifically how the Game Fair is supported in terms of police and public works and noted that relationship could be discussed further. He stated that staff can target six percent for a preliminary levy and then continued discussion can occur on both revenue and expenses.

Councilmember Heinrich asked if Councilmembers have had time to review the Youth First information, specifically the contribution level that Ramsey is making. She noted that contribution is much higher than the other cities utilizing Youth First. She stated that the City owns the building, which means taxes are not generated, and rent is not charged therefore the contribution is much higher than the cash contribution the City makes. She asked for input on the contribution that the City is making. She stated that Anoka provides accounting and other services, but that is not equal to the building cost.

Mayor LeTourneau stated that he would prefer to avoid putting undue hardship on Youth First. He stated that it seems the organization is doing well, but they have had a long history of struggling to provide that service. He stated that he would welcome Councilmember Heinrich to open discussions with the organization to determine how a better spread could be made between the cities utilizing the service.

Councilmember Heinrich stated that it has been a difficult torch to carry and the conversations have not been easy. She stated that she is not getting the information she requested from the Chair and Treasurer in terms of donations and in-kind contributions.

Mayor LeTourneau stated that seems uncharacteristic and perhaps staff could assist in gathering that information.

Councilmember Musgrove stated that it would be nice to see some of that financing information.

Mayor LeTourneau stated that it would be helpful to see that financial information. He stated that the mission of the organization is solid, and it fills a necessary void. He stated that in most cases the organization does not do well financially. He stated that when donations are made to a charity it is often helpful to see the amount of each dollar that is used for the program and the amount that is used for administration.

City Administrator Ulrich stated that he would make the request for the information.

Councilmember Kuzma stated that in years past different groups the Council supports have come into a meeting to provide background information on their mission. He stated that perhaps that would be helpful with the new Councilmembers. He stated that Youth First provides a valuable service to children after school that may not have the support otherwise. He stated that he supports the mission of Youth First.

City Administrator Ulrich stated that could be done. He stated that staff recommends that the relationship with Anoka County Mediation be terminated as that service has not been found helpful.

Councilmember Heinrich stated that she supports that action. She asked if Police Chief Katers supports that recommendation.

Police Chief Katers stated that with the change in leadership for that organization there has been a decline in the resources provided to the City and therefore supports the recommendation to terminate that relationship.

Councilmember Heinrich believed that about \$80,000 was collected in charitable gambling in 2018 and proposed that the nonprofit contributions be funded through charitable gambling rather than the general fund.

Councilmember Kuzma stated that he was under the impression that there were guidelines on how the charitable gambling funds could be used.

Finance Director Lund provided additional information on eligible uses of charitable gambling funds.

Mayor LeTourneau asked the funding source of the gambling fund.

Finance Director Lund provided details on how the charitable gambling fund receives funds.

Mayor LeTourneau stated that additional information should then be brought back on that topic.

Councilmember Heinrich explained that some people have different feelings about their tax dollars being used for donations to organizations.

Councilmember Musgrove stated that she would like additional information on the Metro Cities membership.

City Administrator Ulrich provided additional input noting that the first-year membership was provided at a discount rate. He stated that the organization could be invited to provide a presentation to the Council as well. He noted that he has gained useful information from the partnership.

Councilmember Menth asked for details on the League of Minnesota Cities.

City Administrator Ulrich provided additional details, noting that the organization provides municipal liability insurance to 95 percent of the communities in Minnesota and you must be a member in order to obtain that insurance and other benefits.

Councilmember Menth referenced the community events category and stated that there are many offerings that were not available in the 70's. He commented that they are great events that are funded by the City.

Councilmember Musgrove stated that the City provides funding for the Ramsey Foundation for the Draw Park series and asked how that organization participates in any of the work that is done behind the scenes.

Parks and Assistant Public Works Superintendent Riverblood explained that the City has an outstanding relationship with the Ramsey Foundation to provide meaningful work and services to the community. He stated that in terms of behind the scenes work, maintenance staff completes preparation of the site in terms of mowing and trash cleanup. He stated that the Ramsey Foundation provides fundraising for the hard program costs. He noted that the music costs are about \$20,000 annually and the Ramsey Foundation is able to solicit donations to cover half of that cost.

Councilmember Kuzma provided additional information on the duties and tasks managed by the Ramsey Foundation, as he is a member. He stated that in the beginning, the foundation funded the entire cost, but it became too laborious for the volunteers and that is when the contribution from the City was implemented.

City Administrator Ulrich stated that staff will look at a six percent increase based on the discussions tonight, summarized the items that consensus was reached on, and reviewed the different topics that will be discussed at future meetings.

3. ADJOURNMENT

The Work Session of the City Council was adjourned at 8:28 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Katie M. Schmidt
Administrative Assistant

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.