

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, June 9, 2020, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota. Meeting by telephone or other electronic means in accordance with Minnesota Statute 13D.021.

Members Present: Mayor John LeTourneau
Councilmember Nadine Heinrich
Councilmember Mark Kuzma
Councilmember Jeff Menth (attended remotely)
Councilmember Debra Musgrove
Councilmember Chris Riley
Councilmember Dan Specht

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Deputy City Administrator Timothy Gladhill
Police Chief Jeff Katers
Fire Chief Matt Kohner
Public Works Superintendent Grant Riemer
Parks and Assistant Public Works Superintendent Mark Riverblood
(attended remotely)
Administrative Services Director Colleen Lasher (attended remotely)
Communications and Events Coordinator Megan Thorstad (attended
remotely)
City Engineer Bruce Westby (attended remotely)

1. CALL TO ORDER

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

City Administrator Kurt Ulrich stated during the course of the current health pandemic, in-person meetings and meetings conducted under Minnesota Statutes Section 13D.02 have been determined not to be practical or prudent. With the lifting of the local state of emergency and the current statewide guidelines, Council Members, staff and participants may attend either in-person or through telephonic means. All Council members can hear one another and can hear all discussion. Council members, staff, and audience members are requested to maintain a minimum distance of 6 feet per health guidelines.

2. TOPICS FOR DISCUSSION

2.01: Pavement Management Program Discussion: Franchise Fee and Property Tax Funding

Finance Director Diana Lund reviewed the staff report.

Finance Director Lund stated in 2014, the Ramsey City Council adopted a Pavement Management Program that relied on assessments and an annual property tax levy to support the effort. It was concluded that this method was the best approach at the time and that the funding program would be re-evaluated after five years. The City Council held a work session on May 12, 2020 to discuss Pavement Management Plan funding options and to determine a preferred option to fund road repair and maintenance over the next five years. The consensus of the City Council at that work session was that staff should focus on the franchise fee option, but that they would also like to see the effect if the roads were funded 100% via the tax levy.

Finance Director Lund reviewed the proposed franchise fee ordinances, impacts, and timeframe required for implementation of a franchise fee. Road funding options discussed included 100% property tax, property tax & franchise fee and full franchise fee.

Mayor LeTourneau commented on the importance of having a sustainable program that can be used to maintain the road system. He believed that the seven-dollar option would be the best fit and that the tax levy option could be easily cut in the future which would place the City back in the same situation.

Councilmember Musgrove referenced the administrative costs that were factored in at ten percent.

Finance Director Lund stated that the administrative costs were estimated at five to ten percent and therefore 10 percent was used.

Councilmember Musgrove asked to discuss the rebate.

Finance Director Lund provided background information on the rebate element, which would be factored into the five-year plan.

Councilmember Musgrove commented that she did not support the rebate. She stated that people will have to understand that the City is changing the program but will not receive a rebate for the assessments they have paid.

Councilmember Riley commented that during the last five years, some property owners have been charged thousands of dollars. He noted that those property owners were allowed to spread that assessment across five to ten years, therefore those people are still paying that assessment and should not be made to pay the franchise fee during this five-year period.

Councilmember Musgrove noted that those people also had their road improved and enjoyed that improvement.

Councilmember Heinrich stated that the Council has been split for the past year on whether franchise fees or the use of the levy would be preferred for road financing. She commented that the discussion seems to be going nowhere and it is frustrating. She suggested taking the vote on

whether there would be support for franchise fees and the rebates and wrapping up the topic. She commented that it seems that the comments are becoming negative and the discussion is not helpful.

Mayor LeTourneau commented that difficult decisions sometimes lead to difficult discussions but believed that the conversation was open and respectful.

Councilmember Riley commented that there is not a perfect answer. He commented that the difference that would be charged for taxes (using the levy method) versus the franchise fee would be less than nine dollars per month for 98 percent of households.

Councilmember Specht asked if all the road funding would be included in the franchise fees, such as cracksealing and maintenance.

Finance Director Lund commented that the franchise fee amount would then need to be increased to support the sealcoating and maintenance. She noted that if the franchise fee were set at \$8 to \$10, Ramsey would stick out as the highest one and there would be more pushback from the utility companies.

Councilmember Musgrove asked for input from City staff as to whether they would like it to continue in its existing manner of funding or to be included in the franchise fee.

City Engineer Westby commented that he did not have a preference.

City Administrator Ulrich commented that cracksealing is an annual maintenance activity whereas the intent of the franchise fee would be to support long-term maintenance/repair of the roads.

Mayor LeTourneau commented that there has been good discussion tonight and would like to gather consensus

Councilmember Heinrich stated that she would not support a franchise fee.

It was the consensus of the Council that a \$7 franchise fee would be used as the sole funding source for roads.

City Administrator Ulrich summarized the franchise fee consensus that was reached through the discussion tonight for the potential five-year program.

Finance Director Lund stated that if the schedule outlined is followed, the franchise fee could begin on October 1, 2020. She asked if that is the schedule the Council would like to follow or whether that should begin January 1, 2021.

Councilmember Musgrove stated that she would prefer January 1st as that would be the most simple.

Mayor LeTourneau stated that he can appreciate that, but acknowledged that starting collection in October would accumulate the funds sooner.

Councilmember Heinrich stated that she will not provide input on the date as she does not support franchise fees.

Councilmember Musgrove stated that while she does not support the franchise fee, she would want the language to be as clear as possible. She asked if a clause could be added related to yearly reviews of the amounts collected, used and remaining as a balance.

Mayor LeTourneau confirmed that information would be available for review at any time but agreed that language could be included.

Councilmember Specht stated that he did not have a preference on a start date.

Councilmember Kuzma commented that the sooner it starts, the sooner roads can be fixed.

Councilmember Menth agreed that collection should begin in October so that roads can be repaired sooner.

Mayor LeTourneau confirmed the consensus to begin collection in October.

Councilmember Riley asked for input related to rebates and noted that perhaps staff should bring back a few options for the Council to review.

Finance Director Lund provided the situation where someone paid the full assessment but moved out of the home and asked whether the rebate would stay with the property.

Councilmember Riley stated that he would fall under that scenario, so he did not want to provide input.

Councilmember Kuzma stated that he would prefer for the rebate to stay with the homeowner.

Mayor LeTourneau agreed that the new homeowner should not receive the rebate. He confirmed the consensus of the Council with that decision.

Councilmember Heinrich stated that she does not agree with a rebate being offered as the assessment program was the road financing option for those five years.

2.02: Continue Discussion Regarding City Events and Staffing

No comments made.

2.03: City of Ramsey Adopt-A-Flag Program Update

No comments made.

2.04: Discussion Regarding the Remote Attendance Policy

No comments made.

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 6:52 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Katie M. Schmidt
Administrative Assistant

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.