

**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 22, 2021, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Mark Kuzma  
Councilmember Ryan Heineman  
Councilmember Chelsee Howell  
Councilmember Debra Musgrove  
Councilmember Chris Riley  
Councilmember Dan Specht  
Councilmember Matt Woestehoff

Also Present: City Administrator Kurtis Ulrich  
Finance Director Diana Lund  
Administrative Services Director Colleen Lasher  
Deputy City Administrator Timothy Gladhill  
City Engineer Bruce Westby  
Public Works Superintendent Grant Riemer

**1. CALL TO ORDER**

Mayor Kuzma called the City Council Work Session to order at 5:36 p.m.

**2. TOPICS FOR DISCUSSION**

**2.01: Review Bonding Opportunities for Water Treatment Plant**

Finance Director Lund reviewed the staff report.

Stacie Kvilvang, Ehlers, stated that interest rates are low right now which means that borrowing money has a lower cost. She stated that multiple options for financing were provided for the Water Treatment Plant. She explained that if the City bonded for the project with these lower interest rates, it would provide the City with additional flexibility for financing in the future when rates may be higher to ultimately provide a better cost savings. She reviewed the different financing options included within her memorandum.

Councilmember Specht asked if the City has any large projects anticipated within the next five to ten years.

Finance Director Lund stated that development projects come forward that request sewer and water extensions which are not included in the City's plan.

Deputy City Administrator Gladhill provided details on the three development areas that are in the works or could come forward in the future along with potential costs for sewer and water extensions.

Finance Director Lund commented that sewer and water funds could be loaned to respective needs as well and therefore would not have to only be used on sewer and water projects.

Councilmember Musgrove asked if any of the mentioned development projects would qualify for TIF funds.

Deputy City Administrator Gladhill commented that as it stands today, no.

Councilmember Musgrove asked for clarity on infrastructure costs.

Deputy City Administrator Gladhill commented that trunk sewer and water costs are the responsibility of the City and can be recouped through development costs. He commented that the City should have cash on hand to complete those projects so that the costs do not have to be bonded for.

Councilmember Musgrove referenced the CARES Act funds and whether water needs could be funded through those funds.

Finance Director Lund commented that the American Rescue Plan Funds can be used for water treatment plants and sewer and water connections. She stated that she does have those funds slated for the Water Treatment Plant but noted that only covers a portion of the cost. She explained that bonding for a portion of the Water Treatment Plant project at the lower rates today, would provide the City with the ability to have additional cash on hand for future projects.

Councilmember Riley commented that all the scenarios show the American Rescue Plan Funds accounted for within the Water Treatment Plant funding.

Mayor Kuzma asked if there are additional funds the City will need to contribute towards the Highway 10 project.

Finance Director Lund commented that currently the City has \$2,000,000 allocated from MSA and \$2,000,000 allocated from the PIR fund. She stated that bonding today would preserve additional opportunities for financing in the future.

Councilmember Riley asked the level of debt the enterprise fund could service without increases to the water fees.

Finance Director Lund replied that the City has enough in the fund to cover the entire cost without increasing the water fees but that would drain the balance down to a low point which perhaps could not cover a future project.

Ms. Kvilvang commented that the utilities are the enterprise funds which generate revenue, and most cities use those funds for internal borrowing which avoids paying interest to an outside vendor. She stated that if the City spends down all its cash, it may need to increase the utility fees in the future in order to build those balances back up.

Councilmember Riley commented that while it seems that this is a good opportunity, he would caution against mixing money. He noted that these funds have been set aside for a specific purpose.

Finance Director Lund clarified that the intent tonight was simply to present some options for the Council to think about as this moves forward.

City Administrator Ulrich noted that the Council will discuss the American Rescue Plan Funds in July. He noted that this discussion could be parked for the time being and come back at that time.

Councilmember Musgrove commented that she would not be in favor of bonding as these funds have been set aside for this purpose and would be replenished by future water fees.

Councilmember Heineman agreed that the funds have already been set aside for this and would not be in favor of bonding for additional funds when the City has the funds available.

## **2.02: Discuss the Interview Panel and Process for the Deputy City Administrator/ Community Development Director Recruitment**

City Administrator Ulrich reviewed the staff report.

Councilmember Heineman stated that at the last discussion there was dialogue as to whether this would be one position or two but was unsure if there was consensus.

City Administrator Ulrich stated that there was not consensus but there was agreement to advertise the position as recommended as one position.

Mayor Kuzma commented that the direction was to move forward and then make the decision based on the qualifications of the applicants.

Councilmember Heineman commented that he felt that there should be clarity before this moves forward.

Councilmember Musgrove commented that someone is applying to the position as listed and therefore feels there should be clarity. She stated that when she reviewed the minutes there were three Councilmembers that voiced comments against listing the positions jointly.

Mayor Kuzma commented that the position has already been advertised as directed by the Council at the last meeting. He noted that some applications have already been received.

City Administrator Ulrich stated that he agrees that it is probably not a good idea to advertise something and then change direction at a later date. He stated that the City has done that in some positions when the candidates did not meet the full qualifications and therefore a downgraded position was offered. He confirmed that the position has been advertised. He noted that the posting could be changed but it could cause confusion. He believed that there are good opportunities to hire someone that could fill the position but recognized that there could be some challenges.

Councilmember Specht commented that he thought the Council had decided that the pay rate would be the same but that the advertising would be just for the Community Development Director at this time and make the decision on the Deputy City Administrator at a later time.

Councilmember Heineman commented that he recalled it in that manner as well.

Councilmember Howell commented that she sent an email to City Administrator Ulrich related to the position. She asked if the first round of interviews would provide a value of one vote to each person on the panel as to whom would move onto the second round.

City Administrator Ulrich stated that it would be a panel consensus of the candidates that would provide the Council with some feedback to make its decision. He noted that the different members involved would provide different perspectives that would help the Council to make its decision.

Councilmember Riley stated that there was discussion on breaking the position into two jobs, but the final decision was to support the posting as presented at the meeting. He stated that three to six candidates are chosen and therefore he did not believe that voting points were needed for the panel interviews.

Councilmember Howell commented that she did not have much clarification on the first interview round as to whether it would be consensus or whether the decision was more weighted towards the opinion of the City Administrator and/or members of the Council.

Mayor Kuzma commented that the City Administrator and staff work with the position on a daily basis and therefore would provide a good perspective. He believed that the Councilmembers involved would be a part of the process, but he would rely on the opinions of staff as well.

Councilmember Woestehoff stated that in the process, if the interview has a quorum of Council, the discussion would become public record. He stated that it seems that anonymity is important for the candidates in the early stages so that it is not public record that someone applied for the position. He stated that he would not have a problem with two or three members of the Council participating in the early stages but would caution against having too many members involved where the anonymity of the candidates would not be protected.

Councilmember Howell stated that she would like it made possible for any Councilmember interested to read through the applications and submit a recommendation for an interview. She stated that she would also like three Councilmembers part of the first round of interviews with the City Administrator and department heads involved in an advisory function. She stated that she

would want the decision to be of the Councilmembers involved as to whether a candidate moves forward in the interview process.

Councilmember Heineman asked if there is an idea of the number of applicants the City could receive.

Administrative Services Director Lasher stated that at the last discussion she estimated that 15 to 25 qualified applicants could be received, meaning that the minimum qualifications are met. She stated that to date the City has received six applications that meet the minimum requirements with some applicants located out of state. She referenced the proposed interview process which states that all qualified candidates that meet the minimum requirements would advance to an interview and that is the process she would recommend, unless a huge number of applications are received.

Councilmember Specht commented that it would be good to make anyone that applies available for the Council to review.

City Administrator Ulrich commented that if the applications were opened to everyone, information would need to be redacted in order to protect the anonymity of the applicant.

Administrative Services Director Lasher commented that names would need to be redacted along with other items that may be identifiable to members of the public.

Councilmember Heineman commented that he would agree with the recommendation of staff as to whether an applicant meets the minimum qualifications to move forward to the first round of interviews. He stated that the panel will have three Councilmembers but more than three members of staff and therefore panel consensus could be reached without the support of the Councilmembers involved in the panel. He asked if perhaps the Councilmembers involved in the panel could nominate applicants to the second round if consensus is not supported fully.

City Administrator Ulrich commented that if all three members of the Council agree, they could support an additional candidate moving forward. He stated that at the end of the day, the Council will be the only ones with votes on the final candidate and therefore it makes sense that if the three Councilmembers agree, that candidate could move forward to round two. He stated that generally there tends to be consensus of all involved on the panel.

Administrative Services Director Lasher commented that this takes a lot of time and energy and is a very deserving process for the time. She stated that if the panel feels that seven or eight candidates should move forward to round two, she would support that and feel its worthy of the time. She did not believe that the group should be boxed in to three to six candidates if there is a deep well of people. She noted that sometimes a candidate does very well in the first round of interview but does not do well in the second round, which is very telling.

Councilmember Howell stated that she felt that her recommendation would help to support staff explaining why a candidate would be better for the position, which would help her to better understand.

City Administrator Ulrich commented that the panel could be the three Councilmembers with the other staff members involved in an ex officio role to provide input. He reviewed the recommended members that would be involved outside of the Council.

Councilmember Musgrove commented that she likes that idea and believed it is important for the Council to have advisory input. She asked if the process would be similar to Commission members, where there is a set of questions asked to each candidate.

City Administrator Ulrich stated that the input will come out in the discussion after the interview as to what people liked or did not like. He noted that the questions would also be flexible depending upon the qualifications of the candidate.

Councilmember Musgrove asked if there is criteria as to how candidates would be advanced to the next round or whether that was based on the recommendations of the panel.

City Administrator Ulrich stated that there are not criteria developed but confirmed it would be similar to the Commission interviews where the panel ranks their top three and then discusses the candidates.

Councilmember Musgrove asked if the position would be announced for both positions and whether the candidate would start in both positions or begin in one positions and transition to both.

City Administrator Ulrich stated that the intention would be the candidate would begin in both roles to provide a full grasp of the duties. He stated that he did have a conversation with a Councilmember today that this position would not necessarily have to be his heir, the Council would still have the decision whether to promote the Deputy or go out for new applicants when he leaves his position.

Councilmember Heineman suggested that this move forward as outlined. He stated that if two of the three Councilmembers involved in the first round of interviews believe a candidate should move forward, that candidate should move forward.

Mayor Kuzma agreed that was the consensus reached.

Councilmember Musgrove asked if there would be more weight to the opinion of the Councilmembers compared to the staff members involved in the interview panels.

Councilmember Heineman commented that the ability for the Council to move candidates forward would forgo the need for a decision on that element and it could move forward as proposed.

Councilmember Howell asked if there is consensus of the Council that the staff members involved in the interview panel are involved in an ex officio role.

City Administrator Ulrich summarized the consensus that if two of the three members of the Council involved in the interview panel agree, they could advance a candidate forward to the

second round. The make up of the panel and process outlined in the staff report was also agreed upon.

### **2.03: Discussion Regarding Non-Union Compensation**

Administrative Services Director Lasher reviewed the staff report.

Councilmember Musgrove asked for clarification on rows five, six and seven related to the decrease in steps but increase in salary.

Administrative Services Director Lasher provided additional clarification on those rows along with additional information within the report.

Councilmember Riley asked for information on the comparisons that were reviewed from other communities.

Administrative Services Director Lasher explained the data that she used for the comparison information. She stated that the City is currently out of compliance with a score in the 60s and it must rank at 80 or above. She provided additional details on the steps the City must take in order to come into compliance with pay changes effective July 7<sup>th</sup>. She stated that if the changes are made after July 7<sup>th</sup>, it would need to be retroactive to that date and noted that additional penalties can be incurred as well.

Councilmember Musgrove asked if there is a pool of cities that staff has to pick from in order to complete the report. She stated that Ramsey is unique in that it does not receive LGA while some other communities do receive that funding. She stated that some positions have more cities to look at for similar positions while others do not.

City Administrator Ulrich stated that there are two distinct issues, and one is pay equity. He stated that LGA does not relate to pay equity. He stated that pay equity compares what it pays an employee with a certain number of points against another employee with similar points to ensure that employees are paid fairly regardless of gender or other elements. He stated that the pay equity issue is separate from the market issue. He stated that this is a good solution and complimented Administrative Services Director Lasher for finding a solution at a cost of \$10,000, which would put the City into compliance for the next three years.

Councilmember Woestehoff stated that the supporting data is about the market but what needs to be done relates to equity internally. He stated that this is well thought out and a good solution to a complicated issue of compliance. He stated that this is a reasonable solution. He noted that the other data simply shows that the City is not necessarily at market rate for the positions.

Councilmember Heineman asked if these are just the female occupied positions.

Administrative Services Director Lasher commented that these are the female occupied non-union positions.

Councilmember Heineman stated that this shows that the City is not consistent in the market and would support the increases. He stated that he would also support an overall review of all employees to make Ramsey more competitive as the employees should be fairly compensated.

Administrative Services Director Lasher asked if there is consensus to submit the report to pay equity as proposed.

Councilmember Riley stated that this decision for \$10,000 this year would be compounded in future years and therefore it is a decision that has a larger impact. He commented that he does not see Ramsey as out of the range, although it falls under the average. He stated that he does not support this right now because he does not feel there is enough information.

Councilmember Musgrove commented that she would like clarification on the dates. She stated that she does not like this as it is not fair market driven and is more policy driven. She referenced the July 7<sup>th</sup> date and asked if there would be an additional pay increase January 1<sup>st</sup> and again July 7<sup>th</sup> in 2022.

Administrative Services Director Lasher commented that this would be a new pay scale put into effect July 7<sup>th</sup>. She stated that if the person were still in their position July 7, 2022 they would move to the next step. She stated that COLA increases would occur in January while step increases would occur in July.

Councilmember Woestehoff commented that he understands that the City should review this from a market perspective, but this data shows that a female with the same number of points as a male employee is being paid less.

Councilmember Musgrove commented that her understanding was that a male working in maintenance would be compared to a female working in the office. She commented that it would make more sense to compare similar positions rather than male and female employees in different positions. She stated that she would prefer to pay someone based on the market value.

Councilmember Riley stated that Ramsey has been good for a number of years and has not had a pay equity problem until the change to compensation for firefighters.

Administrative Services Director Lasher commented that when she ran the 2021 equity report, because the City is on duty crews those firefighters no longer meet the criteria to be included in the pay equity report. She stated that when she reran prior year's reports removing the firefighters in a similar manner, the City would have failed those reports as well. She stated that Ramsey has been passing because the firefighter wages put that ratio above 80 percent and without them the rating drops and the City does not pass. She commented therefore this issue has existed but was hidden by including those positions.

Councilmember Howell asked the additional clarification the Councilmembers felt they would need.

Councilmember Riley stated that he does not understand how the State has control over the non-union employees. He stated that he did not understand how the firefighters factored into this and how things have changed when the increases have remained the same. He noted that has been explained but is not comfortable with how a fair market range is determined by the State.

Mayor Kuzma asked when a decision is needed.

Administrative Services Director Lasher replied that she needs to submit a compliant report by August 7<sup>th</sup> which must include a plan to pay. She stated that if the report submitted is noncompliant there may be a second chance. She referenced a comment related to pay equity for non-union employees versus union employees. She stated that the non-union issue needs to be resolved or the union issue would need to be negotiated.

Councilmember Heineman asked if these comparisons are also occupied by females.

Administrative Services Director Lasher commented that she is unaware of whether a male or female holds the position in other cities.

Councilmember Heineman commented that while he also is not a fan of the State dictating how people must be paid, he also believes employee compensation is important. He noted that there are some positions which fall under most other communities.

Councilmember Musgrove asked if this solution would address the issue for all employees or whether additional negotiation would be needed with the union.

Administrative Services Director Lasher confirmed that if the report is approved, it would solve the issue of pay equity. She stated that the union could still bring up the market value rates for certain positions but that would be part of the negotiation process.

Mayor Kuzma confirmed that there is not consensus of the Council at this time, and this should come back to the next worksession.

**2.04: Discussion Regarding Union Contract Negotiations for AFSCME, LELS-Patrol, LELS-Sergeants & LELS-Captains (Discussion Closed to the Public)**

There was not time to review this item.

**2.05: Review and Discuss Remote Attendance Policy**

There was not time to review this item.

**3. TOPICS FOR FUTURE DISCUSSION**

**3.01: Review Future Topics/ Calendar**

There was not time to review this item.

**4. MAYOR / COUNCIL / STAFF INPUT**

There was not time to review this item.

**5. ADJOURNMENT**

The Work Session of the City Council was adjourned at 6:56 p.m.

Respectfully submitted,

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Kurtis G. Ulrich  
City Administrator

ATTEST:

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Katie M. Schmidt  
Deputy City Clerk

Drafted by Amanda Staple  
*TimeSaver Off Site Secretarial, Inc.*