

TABLE OF CONTENTS

1. CALL TO ORDER 2

2. PRESENTATION..... 2

3. CITIZEN INPUT 2

4. APPROVE AGENDA 2

5. CONSENT AGENDA 3

6. PUBLIC HEARING 3

 6.01: Public Hearing for Ordinance #21-11 Regarding Amendments to Chapter 10 of City Code Regarding Agricultural Animals, Roosters and Cats in the City of Ramsey has been Rescheduled to the July 27, 2021 City Council Meeting..... 3

7. COUNCIL BUSINESS..... 3

 7.01: Approve a Professional Services Contract Extension for the Tinklenberg Group 3

 7.02: Request Council Approval to Solicit Bids for Salt Shed and Quotes for Additional Equipment for the New Public Works Facility..... 5

 7.03: Adopt Resolution #21-191 Authorizing Code Enforcement Action Plan Regarding Right-of-Way Encroachment at 14781 Potassium Street NW; Case of Deborah and Guy Peterson..... 6

 7.04: Introduce Ordinance #21-16 Repealing Ordinances 20-11, 20-12, and 20-13 in Regard to Franchise Fees..... 7

8. MAYOR, COUNCIL AND STAFF INPUT 10

9. ADJOURNMENT 10

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

The Ramsey City Council conducted a regular meeting on Tuesday, July 13, 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

Members Absent: None

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Police Chief Jeff Katers
Public Works Superintendent Grant Riemer
City Engineer Bruce Westby
Senior Planner Chloe McGuire Brigl

1. CALL TO ORDER

Mayor Kuzma called the regular meeting of the Ramsey City Council to order at 7:00 p.m., followed by the Pledge of Allegiance led by Mayor Kuzma.

City Administrator Ulrich provided details on how members of the public can participate via Zoom.

2. PRESENTATION

None.

3. CITIZEN INPUT

None.

4. APPROVE AGENDA

Motion by Councilmember Woestehoff, seconded by Councilmember Howell, to approve the agenda as presented.

Motion carried. Voting Yes: Mayor Kuzma, Councilmembers Woestehoff, Howell, Heineman, Musgrove, Riley, Specht. Voting No: None.

5. CONSENT AGENDA

Motion by Councilmember Musgrove, seconded by Councilmember Woestehoff, to approve the following items on the Consent Agenda:

- 5.01: Receive May 2021 Financial Reports – General Fund and Enterprise Funds
- 5.02: Approve the following Meeting Minutes:
 - 1) City Council Work Session dated June 22, 2021
 - 2) City Council Regular dated June 22, 2021
- 5.03: Approve Rental Licenses
- 5.04: Approve Business Licenses
- 5.05: Adopt Resolution #21-189 Approving Cash Disbursements Made and Authorizing Payment of Accounts Payable Invoicing Received During the Period of June 17, 2021 through July 7, 2021
- 5.06: Adopt Resolution #21-194 Ordering Request for Proposals for Topographic Surveys, Geotechnical Evaluations and Utility Testing for 2022 Pavement Management Program Projects
- 5.07: Adopt Resolution #21-196 Approving Property Maintenance Standards Agreement and Declaring Terms for Rum River Hills Golf Club at 16659 Saint Francis Blvd NW
- 5.08: Adopt Resolution #21-197 Approving an Abatement of 14950 Peridot Street NW
- 5.09: Adopt Resolution #21-198 Approving an Abatement of 5991 146th Avenue NW
- 5.10: Adopt Resolution #21-199 Approving Development Agreement for Oppidan Industrial
- 5.11: Adopt Resolution #21-204 Approving Updated Development Agreement for Bunker Lake Industrial Park Third Addition, Case of PSD, LLC
- 5.12: Adopt Resolution #21-202 to Adjust Certain Non-Union Wage Scales and Direct Staff to Submit a Compliant Pay Equity Report
- 5.13: Adopt Resolution #21-192 Hiring a Paid-On-Call Firefighter
- 5.14: Adopt Resolution #21-193 Hiring Seasonal Public Works Maintenance Workers

Motion carried. Voting Yes: Mayor Kuzma, Councilmembers Musgrove, Woestehoff, Heineman, Howell, Riley, and Specht. Voting No: None.

6. PUBLIC HEARING

- 6.01: Public Hearing for Ordinance #21-11 Regarding Amendments to Chapter 10 of City Code Regarding Agricultural Animals, Roosters and Cats in the City of Ramsey has been Rescheduled to the July 27, 2021 City Council Meeting**

7. COUNCIL BUSINESS

- 7.01: Approve a Professional Services Contract Extension for the Tinklenberg Group**

City Administrator Ulrich reviewed the staff report and recommendation to approve of the contract extension as outlined in the proposal for a period of six months.

Elwyn Tinklenberg, The Tinklenberg Group, stated that there were some exciting times at the end of the special legislature session and reported that the Ramsey Gateway project was awarded \$31,000,000 by MnDOT. He stated that Ramsey has also been included as one of the projects on Senator Klobuchar's list for projects to be federally funded. He noted that with those actions and the funds Ramsey has accumulated thus far, things are looking very good for the project. He noted that they will continue to attempt to reduce the need for local match as much as possible. He stated that the MnDOT letter stated that they would anticipate some minor construction to begin in 2023 with major construction beginning in 2024. He explained that the funding through MnDOT was made available because of COVID relief funds, but the project was included because of the work Ramsey has done to make that project ready. He stated that the City has led the effort and has done the major share of moving this forward and this should be celebrated. He thanked the Council for allowing him to be a part of this process.

Councilmember Specht thanked Mr. Tinklenberg for the work he has done throughout this process and expressed appreciation. He asked if there was anything that had been cut out of the project that could be put back in with additional funding.

Mr. Tinklenberg noted that additional work would be done during the final design process and the City should continue to attempt to fund the project aggressively to anticipate any changes or things that arise, such as increased material costs.

Councilmember Riley also thanked Mr. Tinklenberg. He stated that it sounds like the project has been fully funded but that is based on contingencies and asked for additional clarification.

Mr. Tinklenberg commented that there is still a grant application out there for \$10,000,000 and Ramsey should continue to be visible to ensure that funding is secured. He stated that in terms of the federal funding opportunity there should be continued communication with the Senators to move that process along.

Councilmember Musgrove thanked Mr. Tinklenberg. She referenced the proposed extension, noting that credit was given to the Biden administration for any work it may do but there is not credit for the Trump administration and Congressman Emmer for the funding that was received during that time. She asked if there would be any more dollars from the State for this project.

Mr. Tinklenberg commented that he believed that the project is basically done receiving funds through the State legislature and they will focus on the Metropolitan Council and that grant application. He acknowledged that Congressman Emmer did provide critical assistance and has been a great alliance for this project. He stated that his reference to the Biden administration was simply because that is the administration currently in power.

Councilmember Musgrove referenced the last comment on the extension proposal and asked if that is related to Highway 10 funding specifically or more in general.

City Administrator Ulrich stated that Highway 10 is not the end of the City's transportation needs. He stated that a study was sponsored by Representative Heinrich to complete the bridge to Dayton,

which would be a transportation priority. He stated that just because the Highway 10 project could be funded and under construction would not mean that is the end of the City's transportation goals. He stated that after the six-month period there could be further evaluation to determine how hard the City wants to push for its next goals or whether it would like to take a break.

Motion by Councilmember Woestehoff, seconded by Councilmember Howell, to approve a six-month extension to the contract with The Tinklenberg Group.

Motion carried. Voting Yes: Mayor Kuzma, Councilmembers Woestehoff, Howell, Heineman, Musgrove, Riley, and Specht. Voting No: None.

7.02: Request Council Approval to Solicit Bids for Salt Shed and Quotes for Additional Equipment for the New Public Works Facility

Public Works Superintendent Riemer reviewed the staff report and recommendation to accept the Oertel Architects design services proposal and solicit bids through Sourcewell for a new salt building approximately 80'x100' in size to be located on the east side of the new Public Works Facility. Staff also recommends soliciting quotes for a sweeper/scrubber for the New Public Works Facility through Sourcewell or The Minnesota CPV. All purchases would be brought back to the Council for final approval to purchase.

Mayor Kuzma asked if the new salt shed would be in the range of about \$5,000 to \$6,000.

Public Works Superintendent Riemer confirmed that is the range that was estimated through Oertel. He stated that this would simply be to solicit prices and for the Oertel contract for design services, any purchases would still come back to the Council.

Councilmember Heineman asked if the City has to go through Sourcewell or if an RFP could also be used to view additional prices.

Public Works Superintendent Riemer confirmed that an RFP could be done as well once the design is completed.

Councilmember Heineman stated that he would also like to see the RFP completed.

Councilmember Musgrove referenced the temporary use of the existing salt shed for storage, if the new salt shed is approved, and asked if the items stored in that shed would eventually need additional storage space at the Public Works Facility or whether those items would then be stored outdoors.

Public Works Superintendent Riemer commented that currently the items are stored outdoors and tarped. He stated that in the future a smaller canopy structure could be used to store those items.

Councilmember Riley stated that this is basically spending savings from the construction of the Public Works Facility on these items.

Public Works Superintendent Riemer confirmed that these items would be contained within the original budget for the project.

Motion by Councilmember Riley, seconded by Councilmember Woestehoff, to direct staff to accept the Oertel Architects design services proposal and to solicit bids for a salt shed and quotes for a sweeper/scrubber and used forklift for the new Public Works Facility that will be brought back to the Council for final purchase approval.

Motion carried. Voting Yes: Mayor Kuzma, Councilmembers Riley, Woestehoff, Heineman, Howell, Musgrove, and Specht. Voting No: None.

7.03: Adopt Resolution #21-191 Authorizing Code Enforcement Action Plan Regarding Right-of-Way Encroachment at 14781 Potassium Street NW; Case of Deborah and Guy Peterson

Senior Planner McGuire Brigl reviewed the staff report and recommendation to remove the fence from the right-of-way. Staff has given the property owner seven months to remove the fence from the right-of-way and worked with the property owner during that period of time. In fairness to other property owners who frequently request fences in the right-of-way, staff is requesting that the Council give the applicant two weeks to move the fence from the right-of-way or the City will remove it on their behalf. This is consistent with City Code and abatement section which provides a 14-day notice for abatement.

Councilmember Musgrove asked if the resident was present. The resident was not. She commented that she is aware of this property from door knocking. She stated that this home is surrounded by neighbors on four sides. She asked if the position of the resident is known as to why they want the fence to remain in its current location, even though it is in the right-of-way.

Senior Planner McGuire Brigl identified the current fence location and property line. She commented that she believes the property owner wanted to shield items in the backyard and did not want to spend the funds to relocate the fence.

Councilmember Musgrove commented that clearly the fence is in the wrong location. She stated that she sympathizes with the property owner because of the location of their lot, but the fence still needs to come out of the right-of-way. She stated that if the fence pieces are left in the yard, there is no guarantee the property owner would obtain a permit to reinstall the fence in a proper location.

Councilmember Riley commented that this is an example of why a fence permit is necessary as the proper location would have been determined from the start. He stated that the fence is currently in the right-of-way and blocking views. He noted that staff has been flexible in trying to work with the property owner, but it sounds like progress has stopped. He stated that two weeks will be provided for the homeowner to remedy the situation before abatement occurs.

Motion by Councilmember Riley, seconded by Councilmember Heineman, to Adopt Resolution #21-191 Approving Code Enforcement Process and Hiring of a Contractor at 14781 Potassium St NW.

Motion carried. Voting Yes: Mayor Kuzma, Councilmembers Riley, Heineman, Howell, Musgrove, Specht, and Woestehoff. Voting No: None.

7.04: Introduce Ordinance #21-16 Repealing Ordinances 20-11, 20-12, and 20-13 in Regard to Franchise Fees

City Administrator Ulrich reviewed the staff report.

Mayor Kuzma stated that he is very disappointed in bringing this forward for a vote to repeal without going forward with the previously agreed upon discussion that would occur after the budgeting discussion. He stated that in the last election cycle there were several new Councilmembers elected that campaigned against the franchise fee but have never presented a replacement plan. He stated that during the June 22nd worksession it was agreed upon to review all road financing options in an upcoming discussion, even if the franchise fee ended up being the best option. He stated that the Council needs to stop playing politics and start representing the people of Ramsey. He stated that this step is ill conceived without having another funding method in place. He provided background information on the seven year process the Council underwent before enacting the franchise fee, which included gathering information, use of consultants, public meetings, and a study completed by the Charter Commission through the University of Minnesota. He stated that the only city he is aware of that includes all road funding within its levy is Minnetonka and that is not representative of Ramsey. He stated that in terms of road financing there would be four options: to cut the public safety budget, substantially raise taxes, do nothing with the roads and let them return to dirt, or continue with the franchise fees. He noted that the Council took a first look at the budget for 2022 tonight. He stated that he received a number of calls from residents that experienced hardships from assessments. He noted that the City is still paying interest on bonds that were used for road projects in the past, whereas with franchise fees the City pays for improvements as funds are collected rather than acquiring debt. He stated that he will not be supporting this action as he believes it is a mistake.

Councilmember Heineman commented that he appreciates the comment about not playing politics but then made statements that police funding would be cut, or roads would be returned to dirt creates a false narrative. He stated that the statement was made that there are several new Councilmembers that are not aware of what they are doing but noted that there are also two members of the Council that were involved in the previous process that also support this action. He noted that when the City reviewed options for road financing which included franchise fee, tax levy, and tax levy and assessment those three options should have had equal time spent reviewing them. He stated that if that happened as it should have, that information should be available. He stated that there are members on the Council that have heard those options and the new members are not uneducated. He stated that the decision would be to look back over those plans and review the options.

Mayor Kuzma commented that the review of those options has not happened.

Councilmember Heineman commented that the research and preparation would be available.

Mayor Kuzma stated that if raising taxes is not going to be part of the discussion or process, then budget cuts would be needed to hold the levy to a certain amount. He stated that he would have preferred to go through the budget process and look at the alternatives before making a motion to repeal this.

Councilmember Heineman asked if returning to dirt roads and reducing funding for police were options included in the previous discussions.

Mayor Kuzma commented that many options were discussed during that seven-year process with multiple Councils.

Councilmember Howell commented that she has strong beliefs and views which are different than the Mayor, that is not playing politics. She stated that Mayor Kuzma played politics with her in May and his comments related to cutting police funding or returning to dirt roads would be considered playing politics.

Councilmember Specht stated that when they look at the big picture, the last Council raised taxes significantly by adding the franchise fee. He stated that the issue is not increasing taxes, as that was already done. He stated that he is looking for the most fair and equitable method to do so. He noted that 70 percent of homes are paying more in franchise fees than they would through property taxes. He stated that property owners can file for a property tax rebate at the end of the year but that cannot be done with franchise fees. He stated that unfortunately some things will need to be cut and taxes will need to be increased in order to finance the roads. He believed that it would be much fairer and more equitable to fund roads through the levy versus franchise fees.

Councilmember Heineman stated that he used data from Anoka County and a few other sources. He stated that the franchise fee is a tax increase. He reviewed what a home of a certain value would pay under franchise fees and what it would pay placing that on property taxes. He stated that his data shows that 81 percent of residents would save money placing the road financing on the levy versus the franchise fee. He stated that the franchise fee is a regressive tax, where people with lower value homes pay more for their house value than people with higher value homes. He stated that he supports proportionate taxing. He stated that he does have a plan he hopes to share at the next worksession.

City Administrator Ulrich reviewed the action before the Council tonight.

Councilmember Woestehoff commented that Councilmember Specht is correct in that the revenue generated by the City through franchise fees did increase to support the \$1,900,000 needed for roads. He believed that it is more efficient and cost effective to finance roads through the franchise fee. He noted that there are 440-500 exempt properties that pay a franchise fee that would not pay a property tax. He stated that there are 103 different versions of why a home or business would not pay a property tax, but they still use the roads. He stated that the reasoning that because he finished his basement means he drives more and should pay more for roads does not make sense. He commented that the terms used such as regressive or proportionate taxing is more linked towards income tax rather than property tax. He stated that his biggest concern is that this would repeal this method for road financing and then plan to discuss alternatives in the future. He stated

that the Finance Director has given a lot of valuable details and has stated that the franchise fee is one of the best and more stable methods to finance roads. He stated that previously the legality of franchise fees was mentioned but there are 357 cities in Minnesota that have franchise fees. He stated that the League of Minnesota Cities is a proponent for franchise fees and also provides the City insurance, therefore he finds it hard to believe that organization would support something that is of risk. He noted that there are a number of reasons why the franchise fee makes sense for businesses and citizens of Ramsey. He stated that the franchise fee is substantial for some people, but it is not massive. He stated that he focuses on the stability of the franchise fee and the five-year commitment to that rate, rather than the fluctuation of market value. He stated that with the franchise fee each household was committed to \$14 per month, rather than an unknown figure that climbs as property values climb. He stated that he does not dispute that a discussion and review should be done but does not believe this is the proper action to take before that review is done. He stated that this issue is heavily debated by the Council and perhaps this is the time when this issue should go to the residents for them to decide. He stated that more details will be needed as to what a replacement could look like before repealing this funding method. He stated that this is a growing community and there are a lot of factors to be considered. He noted that most homes in new developments have a tax of \$20 the first year, therefore it is disingenuous to say that placing this on the levy would be the most equitable. He stated that he is hesitant to support this without a real solution.

Councilmember Specht commented that there are wonderful churches in Ramsey and other non-profit organizations that have to pay the franchise fee, but he does not believe should have to be punished by paying that fee. He stated that he was not aware that new homes pay less in tax the first year but believed that would be an incentive for people to move to Ramsey. He stated that any similar argument could be made related to property taxes and City services.

Councilmember Riley commented that if this is going on the levy, so be it, but the roads need to be fully funded and therefore he wants to see the roads fully funded in whatever plan is presented. He stated that in order to do that there would be a 15 percent increase on the levy just to pay for the roads. He noted that this will also increase taxes for businesses and the Council should be aware of how that will be impacting businesses or attracting more businesses. He stated that he is concerned with stopping this form of revenue to fix the roads without something else in place. He likened it to quitting his job before having another job in place. He stated that his main priority is the roads and wants to see them fully funded in whatever plan.

Mayor Kuzma commented that there is currently a rebate program for people that have previously paid assessments during the past five years and noted that he has not heard how that would be handled in a new plan.

Councilmember Heineman referenced the comment that administrative costs are lower, and he would like to see the supporting documentation. He was unsure that lower administrative costs would be at the expense of the residents with the lowest house values. He stated that the City is taking action overlooking tax code, cultural norms, and how non-profits have been taxed in order to gain funds from non-profit organizations. He stated that he ran on getting rid of the franchise fee and understands that Councilmember Woestehoff may have ran on keeping the franchise fee,

acknowledging passion on both sides. He did not believe that they would be starting from square one.

Councilmember Howell stated that as a body, the Council can make resolutions and ordinances which can change by the Council. She stated that this dollar amount fixes two miles per year which is not enough. She stated that the franchise fee hides the percentage of taxes being paid. She stated that she also has concerns with the legality of franchise fees.

Councilmember Musgrove commented that part of the fluctuation in the administrative costs came from using assessments rather than having the road funding on the taxes. She stated that once a home is constructed it takes two years to get on the tax rolls and provide benefit for the City. She stated that there will be increased revenue within Ramsey because of the homes that have been and continue to be constructed. She stated that roads have been discussed for a long time and the tax levy should fund the roads.

Motion by Councilmember Musgrove, seconded by Councilmember Howell, to introduce Ordinance #21-16 Repealing Gas and Electric Franchise Fees Implemented under Ordinance Nos. 20-11, 20-12, and 20-13.

Motion carried. Voting Yes: Councilmembers Musgrove, Howell, Heineman, and Specht. Voting No: Mayor Kuzma, Councilmembers Riley and Woestehoff.

8. MAYOR, COUNCIL AND STAFF INPUT

City Administrator Ulrich announced upcoming meetings and events.

Councilmember Specht welcomed a new business to Ramsey. He also congratulated Sunwood Nutrition on six successful months in The COR.

Councilmember Musgrove commented that City Administrator Ulrich was on vacation and City staff did a great job in his absence.

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 8:08 p.m.

Respectfully submitted,

Kurtis G. Ulrich

City Administrator

ATTEST:

Katie M. Schmidt
Deputy City Clerk

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.

A recording of this meeting is available for viewing online at www.qctv.org
<<http://www.qctv.org>>. Recordings are available for 36 months after the date of the meeting.