CHARTER COMMISSION
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA

The Charter Commission conducted a regular meeting on Thursday, August 27, 2020, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:	Chairperson Joseph Field Commissioner Susan E. Anderson Commissioner Jim Bendtsen Commissioner Ben Deemer Commissioner Joshua Fuhreck Commissioner Jennifer Leistico Commissioner Laura Moore Commissioner Chad Sivertson
Members Absent:	Commissioner John Niederhaus
Also Present:	Administrative Services Director Colleen Lasher City Administrator Kurt Ulrich City Attorney Joe Langel City Councilmember Debra Musgrove Finance Director Dianna Lund

CALL TO ORDER

Chairperson Field called the regular meeting of the Charter Commission to order at 6:21 p.m.

CITIZEN INPUT

None.

APPROVE AGENDA

Motion by Commissioner Deemer, seconded by Commissioner Bendtsen, to approve the agenda as presented.

A roll call vote was performed:

Commissioner Bendtsen	aye
Commissioner Sivertsen	aye
Chairperson Field	aye
Commissioner Deemer	aye
Commissioner Leistico	aye
Commissioner Fuhreck	aye

DRAFT

Commissioner Anderson aye
Commissioner Moore aye

Motion carried.

APPROVE MINUTES

Motion by Commissioner Deemer, seconded by Commissioner Bendtsen, to approve the following meeting minutes as presented:

1) Regular Charter Commission Meeting dated October 17, 2019

Further Discussion: Chairperson Field stated that on page nine, the last two motions above Commission staff input, it should state, "Voting No: None."

A roll call vote was performed:

Commissioner Bendtsen aye
Commissioner Sivertsen aye
Chairperson Field aye
Commissioner Deemer aye
Commissioner Leistico aye
Commissioner Fuhreck aye
Commissioner Anderson aye
Commissioner Moore aye

Motion carried.

COMMISSION BUSINESS

5.1 Introduce New Charter Member

City Administrator Ulrich introduced the newly appointment Member of the Commission, Laura Moore.

Commissioner Moore introduced herself and noted that she is also a part of the Environmental Policy Board.

5.2 Elect Chair and Vice Chair

Chairperson Field noted that the positions run for two-year terms, therefore these nominations will run for 2020 and 2021.

Motion by Commissioner Anderson, seconded by Commissioner Sivertson, to elect Commissioner Field to serve as Chair for the Charter Commission for years 2020 – 2021.

DRAFT

A roll call vote was performed:

Commissioner Bendtsen	aye
Commissioner Sivertsen	aye
Commissioner Deemer	aye
Commissioner Leistico	aye
Commissioner Fuhreck	aye
Commissioner Anderson	aye
Commissioner Moore	aye
Chairperson Field	aye

Motion carried.

Motion by Chairperson Field to elect Commissioner Deemer to serve as Vice Chair for the Charter Commission for years 2020 – 2021.

A roll call vote was performed:

Commissioner Bendtsen	aye
Commissioner Sivertsen	aye
Chairperson Field	aye
Commissioner Deemer	aye
Commissioner Leistico	aye
Commissioner Fuhreck	aye
Commissioner Anderson	aye
Commissioner Moore	aye

Motion carried.

5.3 Approve Year End Activity Letter

Chairperson Field noted that included in the case was the draft summary letter for the year 2019 for the Commission's review, comment, and approval. Once approved by the Commission, staff will forward the letter to the Chief Judge.

Motion by Commissioner Leistico, seconded by Commissioner Deemer, to approve the year-end annual report letter for 2019 and direct staff to submit such report to The Honorable Douglas B. Meslow, Chief Judge of the Tenth Judicial District.

A roll call vote was performed:

Commissioner Bendtsen	aye
Commissioner Sivertsen	aye
Chairperson Field	aye
Commissioner Deemer	aye
Commissioner Leistico	aye

DRAFT

Commissioner Fuhreck aye
Commissioner Anderson aye
Commissioner Moore aye

Motion carried.

5.4 Resume Consideration of Pending Motion Regarding Franchise Fees

Chairperson Field provided background information and stated that the purpose of this case is to resume consideration of a pending motion regarding Franchise Fees that was made at the February 19, 2019 meeting.

Motion by Commissioner Bendtsen, seconded by Commissioner Anderson, to reconsider the motion that was tabled at the February 19, 2019 meeting.

A roll call vote was performed:

Commissioner Bendtsen aye
Commissioner Sivertsen aye
Chairperson Field aye
Commissioner Deemer aye
Commissioner Leistico aye
Commissioner Fuhreck aye
Commissioner Anderson aye
Commissioner Moore aye

Motion carried.

Chairperson Field stated that the Commission requested a study to be completed on alternate road funding sources. He stated that the Commission was allowed $1,500 for the study but the Council allowed additional funding for a total of $5,000. He stated that the study was completed by the University of Minnesota Resilient Communities Project.

Commissioner Anderson stated that the Council has already taken action on the franchise fees and asked the purpose of continuing this discussion.

City Administrator Ulrich recognized that the study results were delayed because of trouble placing it with a class through RCP due to COVID. He noted that many different funding sources were included in the report but not all of those are available to the City, as some are not allowed by the State.

Chairperson Field stated that some elements of the study met the intent of the Committee but not all elements were met through the study.

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Commissioner Anderson stated that the City had some difficulty gathering information from some cities as they did not want to provide their positions but noted that the cities were then listed on the next page.

City Administrator Ulrich provided additional background information, noting that the students and the City received permission from the cities to share their names in the report.

Chairperson Field commented that this appears to be a limited glimpse and while the study says that some trends favor franchise fees, he was unable to determine the support for that. He commented that the report does not offer enough information to support for or against franchise fees and noted that additional information would be needed.

Commissioner Fuhreck commented that any unbiased reading of the report did not sway one way or another towards or against franchise fees.

Commissioner Leistico stated that she believed that the report was in favor of franchise fees, as she read it.

Chairperson Field stated that the purpose of the report was to find out what other communities are doing to fund their roads and not whether or not to support franchise fees specifically. He stated that the Committee also wanted feedback on how many increases have occurred for cities that implemented franchise fees. He stated that not all the questions were well answered by the report. He read aloud the proposed language from the motion made at the February 2019 meeting. He stated that language could potentially limit the allowed amount of a franchise fee but was unsure of the exact amount that would be allowed.

Commissioner Deemer stated that it is his interpretation that the proposed language would take away from the intent of how the City would like to use the franchise fee. He explained that there are different utilities that have franchise fees and that could cause a great deal of inequality, as not everyone has gas service or cable service.

Commissioner Sivertson stated that the motion would limit the allowed use of franchise fees to cover the cost of a utility service bringing the service to the customer, rather than allowing a municipality to raise additional funds through that source.

Chairperson Field stated that one criticism of franchise fees is that they are considered regressive. He noted that would be a political decision of the Council. He stated that the consideration of the Charter Commission is that there is no limit on the amount of a franchise fee. He stated that even if set by the City Council at a certain amount, a future Council could increase that amount.

City Administrator Ulrich stated that currently there is no levy limit on the property tax levy.

Chairperson Field stated that he believed that Ramsey attempts to promote itself for not using the full taxable levy.

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Finance Director Lund stated that the City does not have a restriction on the levy, although it does have a restriction on the amount of debt that can be carried. She commented that if the restriction is placed in the manner discussed, it would be minimal such as plowing and mowing grass. She stated that the ordinance in place states that franchise fees would be limited to use for road improvements and it has been determined that $1,900,000 is needed annually for that purpose. She explained that if the language proposed by the Charter Commission were in place, the franchise fee revenue would not cover that expense. She stated that the Council is currently continuing budget discussions and would like to limit the levy increase to five percent. She explained that if the $1,900,000 in road funding were added to the levy that would result in an increase of 16 percent, without considering daily operations and the current City debt.

Chairperson Field asked the expert that the City hired the previous year to conduct public meetings.

City Administrator Ulrich stated that the City contracted with WSB.

Chairperson Field asked if WSB met with the RCP group.

City Administrator Ulrich noted that RCP reviewed some of those materials but did not believe that they met directly with WSB.

Commissioner Leistico commented that State law allows cities to utilize franchise fees for this purpose and asked if the State places any limits or restrictions on the use.

City Attorney Langel stated that restriction is not placed by the State. He noted that a time limit and other restrictions were placed on the use within the City's ordinance. He stated that the franchises being used for this purpose are gas and electric and not cable.

Chairperson Field asked the next step if the Charter Commission adopted the motion on the table.

City Attorney Langel stated that if the Charter Commission proposes an amendment to the Charter, it must be submitted 17 weeks before the general election in order to be placed on the ballot. He noted that because of the timing, it would then go forward under a special election and believed the earliest consideration would then be February.

Commissioner Bendtsen stated that he has a number of objections to the use of franchise fees to raise road funds, noting that it is very regressive. He noted that many people will pay more in franchise fees than they would be charged through property taxes. He also did not believe that it is fair when some people do not have vehicles and others have four vehicles, yet they would be charged the same. He stated that people are afraid to commit to funding the road improvements. He noted that assessments are only 25 percent while the taxpayers fund the remaining 75 percent of that cost.

Commissioner Deemer noted that the proposed language would remove the option for the City to raise revenue from franchise fees, which is allowed by State Statute. He agreed that roads have been a long-term issue but noted that residents do not want to pay an assessment to repair the roads.

Commissioner Moore asked if the purpose of the Charter Commission is to determine whether it is legal to add language to the Charter Commission; specifically, whether it is legal to add the language, regardless of personal opinion.

Chairperson Field stated that the Commission does not deal with the legalities of things but has the legal power to change the Charter by suggestion, which then goes before the residents for a vote.

Commissioner Leistico stated that the language is already within the Charter and the proposed amendment would be to restrict the Council from using the franchise fee in the manner they wish.

Commissioner Fuhreck asked if the special assessments are currently being levied per driveway.

City Administrator Ulrich explained that the assessments are levied on a per unit basis for residential development and front footage for commercial.

Commissioner Fuhreck stated that if his home were worth $600,000 and his neighbor's home were worth $200,000, they would then be assessed equally, which sounds regressive to him.

Chairperson Field stated that he would be curious to know how the city of Coon Rapids uses special assessments and bonding for roads, without using franchise fees.

City Administrator Ulrich stated that Coon Rapids does use franchise fees but uses them for the general fund and not for roads.

Finance Director Lund explained that Coon Rapids uses the franchise fee for general City expenses and not for roads.

Chairperson Field stated that would have been pertinent information to include in the study. He stated that Eagan, Stillwater, and White Bear Lake do not use franchise fees. He stated that he finds that the study is not what he expected.

Finance Director Lund stated that from the 2015 study, Eagan does have a franchise fee.

Commissioner Leistico stated that the study identifies cities that use franchise fees for road purposes, not whether the city uses franchise fees for general fund purposes.

Chairperson Field stated that if the motion does not pass, the City would be able to continue to use the franchise fee as desired and if the motion passes, a limit would be placed on the amount the City could charge for the franchise fee. He noted that if passed, this would need to go before the residents for a vote.

Commissioner Anderson commented that she believed the intent of the amendment was to limit the amount of franchise fees that could be charged, rather than not allowing them at all.

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Chairperson Field stated that the amendment as proposed would limit the increase in costs that results for a utility company to implement its service, which would be negligible.

Commissioner Anderson believed that the intent was to ensure that the franchise fees would only be used for improving roads and to have additional controls.

Chairperson Field stated that the amendment would match the actual expense for a utility company to implement their service, rather than allowing the City to raise revenue through that purpose.

City Administrator Ulrich stated that other options were discussed with the Charter Commission five or six years ago to make the Charter more consistent with the ordinance, to use that method for only road funding and with caps but that did not move forward.

Commissioner Sivertson stated that in those discussions it was determined that the Charter cannot engage in budget issues and that is why the discussion ended.

Chairperson Field called for votes on the motion to approve the amendment to Section 10.4 of the Charter, which adds the phrase "except that any franchise fees imposed under State Statute must be limited to defray an actual increased municipal costs accrued as a result of utility operations and may not be used to generate revenue."

A roll call vote was performed:

Commissioner Bendtsen	aye
Commissioner Sivertsen	aye
Commissioner Deemer	nay
Commissioner Leistico	nay
Commissioner Fuhreck	nay
Commissioner Anderson	nay
Commissioner Moore	nay
Chairperson Field	aye

Motion failed.

5.5 Review Amendments to Chapter 4 of the Charter – Nominations and Elections to be in Conformity with State Law

Chairperson Field reviewed the staff report noting that the purpose of the case is review Chapter 4 of the Charter, Nominations and Elections, to conform with State law. A lengthy discussion ensued when the Commission discussed the topic at the February and October 2019 meetings and a consensus of the Commission was reached. The City Attorney was asked to revise Chapter 4 of the City's Charter to remove the language conflicting with State law, remove duplicative language, remove the need for primaries – with one option to remove primaries all together and another to remove primaries for special elections, and clean up the language regarding advisory elections – with an option to remove advisory elections all together and another option to state that advisory elections can only occur with general elections. Regarding Section 4.5.4, an option should be

brought back to remove that section which would default to State law and another option cleaning up the language and allowing appointment for terms of only less than 365 days.

Administrative Services Director Lasher stated that one Councilmember stated that they would be hesitant to appoint someone to the Council.

Chairperson Field asked if this could go back before the Council for consideration again.

City Attorney Langel stated that it would be difficult for voters to digest this information given the technicalities. He also agreed that it would not make much sense to send this back to the Council, as there was not unanimous support and was a vote of 5-2. He stated that there may be a benefit in holding joint discussions related to primaries and the length of appointments that could occur under certain circumstances as those were the two main issues of why the vote failed. He noted that the vast majority of the changes were to clean up the language to comply with State law.

Commissioner Anderson stated that this issue continues to happen, as one Councilmember is moving, and the Council is down another member that will need to be replaced through a special election.

City Attorney Langel provided additional clarification on the intended language.

Commissioner Fuhreck suggested that the language be sent back to the Council absent the primary and appointment language in order to accomplish the other changes and setup a meeting with the Council to discuss the other two elements.

Commissioner Leistico stated that she read the reaction of the Council to the proposed language and was frustrated that some members of the Council were caught off guard and did not provide feedback. She believed that it would be helpful to have a joint meeting in order to come to a consensus.

Commissioner Deemer stated that he has been involved in the City since the 1970's. He noted that changes have been made to this chapter several times during that time. He noted that the main objection of the Council seemed to be that they would be appointing someone rather than that person being elected. He stated that prior to 2000, the Council appointed at least five to seven members to the Council without an election. He noted that those appointed members served until the next election and were then required to run. He believed that the changes should be made to ensure that the language complies with State law and also supported removing the primary requirement.

Councilmember Musgrove commented that she believed the Commission submitted well thought out language that complied with State law and therefore she voted in favor of the changes. She noted that the majority of the Council respected the work the Commission did to bring this language up to Code and eliminate the elements that cause an additional financial burden on the City. She believed that it would be helpful to have a joint meeting focused on the two points of disagreement.

Commissioner Anderson stated that there are several people on the Council up for election and therefore believes that the joint discussion should be held after January 2021.

Chairperson Field stated that if everything except the two objectionable items were approved, would that then create a hole that would place the City in violation of the State law because those were not addressed.

City Attorney Langel stated that there is interaction between some of the provisions and therefore he was unsure that would be the best option. He believed that it would be better to complete the amendments all together.

Chairperson Field suggested tabling this and requesting feedback from the dissenting members of the Council as to the alternative language they would propose.

City Administrator Ulrich stated that he could then schedule that for a Council worksession.

It was the consensus of the Commission to table the matter with the direction discussed.

Commissioner Anderson suggested that the Commission wait until the membership of the Council changes, noting that Mayor LeTourneau will not be a part of the Council in a few months and he was one of the dissenting voters.

Motion by Commissioner Fuhreck, seconded by Commissioner Deemer, to postpone this matter to the next meeting of the Charter Commission.

A roll call vote was performed:

Commissioner Bendtsen	aye
Commissioner Sivertsen	aye
Chairperson Field	aye
Commissioner Deemer	aye
Commissioner Leistico	aye
Commissioner Fuhreck	aye
Commissioner Anderson	aye
Commissioner Moore	aye

Motion carried.

6. COMMISSION / STAFF INPUT

6.1 Other

No comments.

7. ADJOURNMENT

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Motion by Commissioner Deemer to adjourn the meeting.

A roll call vote was performed:

Commissioner Bendtsen	aye
Commissioner Sivertsen	aye
Chairperson Field	aye
Commissioner Deemer	aye
Commissioner Leistico	aye
Commissioner Fuhreck	aye
Commissioner Anderson	aye
Commissioner Moore	aye

Motion carried.

The regular meeting of the Charter Commission adjourned at 8:15 p.m.

Respectfully submitted,

Colleen Lasher Administrative Services Director	Joseph J. Langel City Attorney

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.

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