

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, August 23, 2022, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Mark Kuzma (attended remotely)  
Councilmember Ryan Heineman (attended remotely)  
Councilmember Chelsea Howell  
Councilmember Debra Musgrove  
Councilmember Chris Riley  
Councilmember Dan Specht  
Councilmember Matt Woestehoff

Also Present: City Administrator Brian Hagen  
City Engineer/Interim Public Works Director Westby  
Finance Director Diana Lund  
Fire Chief Matt Kohner  
Police Chief Jeff Katers  
Interim Parks and Assistant Public Works Director Mark Riverblood  
Administrative Services Director Colleen Lasher  
Economic Development Manager Sean Sullivan  
City Attorney Fritz Knaak

**1. CALL TO ORDER**

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

**2. TOPICS FOR DISCUSSION**

**2.01: Community Development Director Recruitment Update**

Administrative Services Director Lasher reviewed the report and updated the Council on the status of the applicants for the role. She shared that upon interviewing with the chosen panel, the interview panel was not able to strongly recommend any of the four candidates and they discussed speaking with the Council about reopening the recruitment, which is what the interview panel recommended.

City Administrator Brian Hagen added that the four candidates that they interviewed would be kept in mind as the panel goes through a second round of interviews to compare the first four interviewed to the new candidates.

Councilmember Specht asked if the panel would do anything differently, such as hire a search firm, for recruiting this second time.

Administrative Services Director Lasher mentioned that the idea of hiring a search firm was brought up; however, she and City Administrator Hagen believe that hiring can be handled in house. She added that Ramsey is not alone in this as she spoke with the City of Farmington today and Farmington is also hiring for a Community Development Director and the Farmington post has been up since August 3 and will be coming down in a few days. Farmington has only received seven candidates and two of the candidates might be worthy of interviewing. She noted that the City of Stillwater also went through a similar process and it took Stillwater three times through the process to hire anyone. She said that Ramsey is not alone and she believes that the City just needs to stay the course. She noted the pay is competitive and should not need adjusting. She mentioned that another option for doing something different for the recruiting process would be to add back the Deputy City Administrator portion of the title, but that is not Staff's recommendation. She added that she and City Administrator Hagen have discussed that they do not think there is a need for the Deputy City Administrator unless the Council feels otherwise.

Councilmember Specht asked if there was anything that could be done in the meantime to assist Staff by alleviating some extra work.

Administrative Services Director Lasher said that the recent staffing changes have helped her tremendously and things are going great.

Acting Mayor Riley asked if there is a plan to try again with the interview process right away or if a break should be given before relisting the job posting.

Administrative Services Director Lasher expressed that the panel should try again right away because there is currently only one competing listing, which is from the City of Farmington. She mentioned that the Staff and Community Development are managing but would probably like to have someone on board as soon as possible.

Mayor Kuzma added that he supports the recommendation to relist the job posting to get the right person on board, as well as keeping the hiring in house.

Acting Mayor Riley asked if the Council all felt good with this recommendation.

Councilmember Musgrove asked what day the posting would be back up and if the panel would get back to the Council on when the first round of information would be coming out.

Administrative Services Director Lasher mentioned that three positions were posted yesterday so based on that she would like to have it back up by Friday after making the posting look more exciting.

The consensus of the Council was to keep the hiring in house and relist the job posting right away.

## **2.02: Continued Discussion/Review of 2023 Budget/Levies**

Finance Director Lund started the discussion on the net effects on taxpayers. She mentioned the request from the August 8, 2022 meeting to put the road levy portion onto the debt and what the effects of that would be on the taxes. Finance Director Lund used the 2022 Final Levy numbers to calculate the net tax effect to the taxpayer of having the additional \$1,145,607.

Acting Mayor Riley explained that he looks at this as building blocks. The big decision has been made, so he looks at where that puts them. He asked if this meant an 8.5% increase.

Finance Director Lund directed Acting Mayor Riley to look at the median home which is around 9%.

Councilmember Musgrove asked if this was for the bonding onto the debt portion of the levy.

Finance Director Lund said yes that it is on the debt portion.

Acting Mayor Riley explained that they had weeded out some of the options and decided that this option, option three, was the best way forward.

Finance Director Lund next discussed the questions from the August 8, 2022 Work Session. She addressed the first question of how much would the Recreation Specialists be if it went from the current 29 hours to 30 hours or 40 hours. She explained that the major increase for 30 hours is for health insurance; however, the health insurance from 30 to 40 hours does not change. The health insurance is based off of a waiver that will go into effect in September for single coverage. She asked if the Council wanted her to go into detail about what the Recreation Specialist would do.

Acting Mayor Riley asked Finance Director Lund to focus on the numbers now and the position details could be revisited later.

Finance Director Lund moved on to the discussion of the non-discretionary ideas the Council had to work with, such as, the COLA that has been locked in, the positions that were not in the original 2022 budget but have since been authorized, such as, the HR Specialist, Fire Captain of Administration which is on for adoption this evening, and the DUI Officer. She discussed the union wages. Because health insurance is still negotiable within the contract, she believes it can still be requested, and this is the 9% single increase and the 4.5% family increase.

Councilmember Woestehoff asked Finance Director Lund if items two and three in this section were for the projected 2023 costs.

Finance Director Lund stated that under the Public Works Director she did the 2022 rate because the 2023 rate was never included in the budget; however, the rest of the numbers are for 2023.

Acting Mayor Riley asked if the Council has already approved these positions.

Finance Director Lund explained that with the exception of the Fire Captain of Administration, the Council has authorized to hire this position and she believed that the hire is on officially this evening. She added that she believes that the Street Maintenance Worker is going back out for

approval because it is being opened back up due to only hiring one candidate when there were two openings.

Administrative Services Director Lasher added that the Council has given the panel the go ahead to recruit for two Street Maintenance Workers; however, the panel has only been able to secure one.

Administrative Services Director Lasher stated that the net of the non-discretionary items is \$715,000.

Acting Mayor Riley asked for clarification that these were decisions that had been made in the past that are being built into a future budget.

Finance Director Lund confirmed and mentioned that the only ones that the Council could go back on were the Fire Captain and the Street Maintenance Worker. She moved her discussion to the discretionary funds which are the personnel requests for reclassifications, additional hours, and new positions for a total of \$244,346. She gave the total for capital equipment, the levy funded portion only, totaling \$430,000. She stated that she kept the non-union as a separate component as it has not be authorized by Council in regard to the 3% and 9% health insurance; however, she wanted to give the Council the summary. She told the Council that she had given them a sheet which had a brief summary of some cities. She added the COLA that is coming is mostly 3% but there is also a 3.5% and a 4%. She noted that the general fund levy increase is currently at \$1,619,000, or almost a 14% increase over last year. She directed the Council's attention to where she had broken out what a 5% to a 13% increase would represent over last year and what amount of a reduction would be needed from the current proposed levy.

Acting Mayor Riley asked if this section included the streets.

Finance Director Lund stated that the pavement levy is totally separate.

Acting Mayor Riley asked for confirmation that this is for all other expenses, not the streets.

Finance Director Lund explained that on one of the Council's sheets she broke all expenses into four components and that these go into the general fund levy only.

Acting Mayor Riley asked Council if they had any questions about the numbers thus far.

Mayor Kuzma stated that he did not have the sheet that Finance Director Lund was referencing; however it was his understanding that the tax capacity will go up 14% over last year and there would be a 9% decrease on the levy with the wages and the roads.

Finance Director Lund directed Mayor Kuzma to where he could find the sheet that she was referencing.

Councilmember Musgrove added that she had asked a question of Interim Parks and Assistant Public Works Director Mark Riverblood about the Recreation Specialist wages and the potential

of using the lawful gambling fund. She stated that she knows it is not much but it may be helpful if the wages could come out of there.

Finance Director Lund stated that the lawful gambling fund rules do not allow paying for salaries.

Councilmember Musgrove asked if there was another fund that portions of the salary could come out of that would qualify.

Finance Director Lund stated there were none that she was aware of as most of them are related to capital purchases, roads, and those sorts of items.

Councilmember Musgrove asked if there was a park dedication fund.

Finance Director Lund stated that the fund is for capital purchases. She stated there is also a capital maintenance fund but it is more for unbudgeted capital options, such as the resurfacing of tennis courts, things having to do with the parking ramp, these sorts of maintenance related items.

Interim Parks and Assistant Public Works Director Riverblood stated that the lawful gambling fund does specify that recreation is one of the uses that 75% of the annual funds should be spent on, and this could probably be a general fund transfer to take care of recreation related purchases that are now coming out of the general fund.

Finance Director Lund stated that it does not allow for operational expenditures outside of police spending and it was very restrictive of its uses.

Councilmember Specht added that this fund is currently being used for playground replacement.

Acting Mayor Riley stated that what it seems like is the discretionary is really \$430,000 and he is considering the non-union increases because he believes that needs to be done to match everyone. He stated this does not give the budget much wiggle room, especially if the Council does not like a 13.8% tax increase then the budget needs to be reduced to get down to a better number.

Councilmember Woestehoff asked, from an end of the year standpoint, if the capital fund gets one-third of any excess.

Finance Director Lund stated that the capital maintenance fund gets 30%.

Councilmember Woestehoff asked if one of the saving destinations was the equipment fund.

Finance Director Lund stated that the equipment fund, the capital maintenance fund, and the PIR fund each receive 30% and the facility fund receives 10%.

Councilmember Woestehoff asked if Finance Director Lund feels confident that the equipment fund will be replenished since it will be depleted due to the capital requests.

Finance Director Lund stated that it is too early to tell because part of the fund balance is based on what is adopted as part of the budget.

Councilmember Musgrove asked Finance Director Lund if this seems to be a unique year due to the roads and if there was anticipation that next year would not be as much of a struggle and would be a better year with less needs.

Finance Director Lund mentioned that next year the road levy will be built in. She added there was a meeting with the County yesterday and other cities within Anoka County have comparable increases. Finance Director Lund added that White Bear Lake is at a 23% increase over last year due to the City taking on other big projects, such as funds for White Bear Lake fire stations and public facilities. She added that other cities are getting wages up for their Staff. She noted that Ramsey was at 20.67% and the highest was at 23.21% and the lowest was Eden Prairie at 4.5%. She added that most cities are also looking at big projects and that all increases are higher than the average 5%, and there are about 5 cities out of 14 that are above 20%.

Councilmember Musgrove asked if the city will have ARPA funds for 2022-2023 or for 2023-2024.

Finance Director Lund said that it will be \$750,000 for 2023-2024, \$375,000 being applied for the spray patching and the other \$375,000 affecting the general fund, increasing the amount for spray patching to \$575,000 for 2023-2024. She added that the other part of the ARPA fund is for body cameras, for around \$200,000 and this was authorized in 2022, so this was subtracted off. She said that the remaining balance is what was then used to determine the net debt amount needed for the additional roads.

Councilmember Musgrove asked if some of the funds will have to be picked up in the 2025 budget since the funds are not available. She stated that she was just trying to look ahead because it does not seem like there is much that can be done with this year's budget but it will work itself out in the coming years and in 2025, more would have to be picked up again.

Finance Director Lund stated that she believes that Councilmember Musgrove was absent from the meeting where Council discussed the \$750,000 that would go towards the spray patching and the catch up amount for the next two to three years. She stated that she was not sure if it would stay at a \$575,000 amount for each year and it was currently at \$200,000 and the \$375,00 was added.

City Engineer/Interim Public Works Director Westby mentioned that the Public Works committee had discussed this and he would propose there be an increase of the \$200,000 to closer to \$500,000 range for spray patching.

Finance Director Lund stated that the \$300,000 would be the additional amount that would be needed.

Acting Mayor Riley added that it would be in two years.

Councilmember Woestehoff discussed that one of the reason's the Council seems to be feeling the effects of the budget right now is due to two squad cars being requested by Police Chief Katers and those were not approved so the budget is catching up on those this year which is not a small expenditure. He added that it seems like the budget will be back on track next year if the squad cars are put on this year's budget. He asked Police Chief Katers if it is usually budgeted for two squad cars a year.

Police Chief Katers said it was three cars, two squad cars and one admin car.

Councilmember Woestehoff asked if from a future standpoint, that number will fall a bit.

Finance Director Lund expanded upon the capital budget stating that the squad cars are included on the 2023 capital list; however, the net result that is hitting the property tax levy this year is about \$200,000 of the \$1,200,000 and next year there is no internal funding meaning equipment certificates may be issued or the levy is hit fully with what is requested. She answered that she does not know a dollar amount for this.

Acting Mayor Riley stated that the City has done capital certificates before and asked if it should be considered selling this year to pick up the \$200,000 and maybe the next year and spend that over two years. He asked if the City had done this before by selling certificates that covered two years and then pay for it over time, helping with the \$200,000 this year and the unknown amount next year.

Finance Director Lund stated that the amount would have to be known and asked if Acting Mayor Riley meant that he would be looking at increasing the debts of the levy to cover the equipment certificates because it would be looking at issuing the certificates for the equipment for next year.

Acting Mayor Riley asked Finance Director Lund if this would or would not save the budget much.

Finance Director Lund stated that issuing equipment certificates is still debt that would have to be paid and asked when the debt service would come on. She added that the second year amount is not yet known so it is also unknown what would be levied.

Acting Mayor Riley asked if it would make more sense to only do this for one year or if it would be too expensive.

Finance Director Lund said that it would be too expensive to issue it for \$200,000 because of the other fees involved and recommended that this be looked at for either two or three years since it is such a small amount. She added that it had not been discussed if the Council was in agreement with what was listed for the capital.

Acting Mayor Riley mentioned that only a small group was in attendance when this was discussed. He asked if this would be the next discussion that the Council would have to scrutinize that amount as a group.

Finance Director Lund stated that the discussion can shift to the capital section since there are additional requests. She moved the discussion to the capital section and noted there is approximately \$186,000 that is property tax levy. She mentioned that squad video cameras were about a year and a half to two years out before the City would even be able to get them, so this could weigh into having the funding in place by that time. She asked Police Chief Katers for clarification that these squad cameras were at least a year and a half out.

Acting Mayor Riley added that Police Chief Katers had talked to the Council about the squad cameras and he knew there was a question about making sure that these cameras worked with the body cameras and now it seems like there would be a lag since these cameras would not be received for a while, he asked if that helped by giving the new cameras to the new cars immediately versus having to switch over the old ones to the new ones.

Police Chief Katers stated that the police department has had cameras in the squad cars since 2008 and there are 5 cameras with audio in the squad cars. These are the Panasonic arbitrator system and is a separate system than the body cameras which are Axon, which are two independent systems. He mentioned there is a new system that goes into the squad cars that integrates with the Axon system and a lot of agencies use this system, so replacing the existing squad car cameras with the Axon system, the body cameras syncs up with the squad car camera and there are a lot of automatic features that takes the manual manipulation out of the hands of the officers. He added that the major benefit is there would be one system for data retrieval rather than two separate systems which are maintained by two separate companies with two separate maintenance contracts. Ultimately, he expressed that this is where he would like to move towards for the future; however, to answer Finance Director Lund's question, the equipment is not readily available.

Acting Mayor Riley asked if the cost was similar to what has always been paid for these types of equipment.

Police Chief Katers stated that each camera system costs approximately \$6,000 per squad car and added that he just paid approximately \$6,000 for a police radio. He said that this equipment is very expensive but it is relied upon 24/7 and has to be reliable. He explained that the police department can get by running the two separate systems, but ideally would like to get to one system, but in the interim they can keep using the two it will just require more staff time.

Acting Mayor Riley stated that since the squad cars are replaced every three years it would be a fairly short turn over and the problem would fix itself rather quickly if the new system is put in the new cars.

Police Chief Katers expressed the IT needs for the laptops so the new cars will be getting everything new at once when the cars are rotated in.

Councilmember Musgrove asked if Police Chief Katers could discuss what it would look like only replacing the squad cars every three years and having two scenarios in which the department would be merging tape from the two video cameras versus getting the cameras replaced all at one time.

Police Chief Katers explained that if the department follows the squad car fleet replacement schedule it would take three to four years to replace them all since there are 11 squad cars. He explained that the department has replaced things all at once before with IT as far as laptops go; however, it is quite expensive to do it that way, around \$250,000 to \$300,000.

Mayor Kuzma stated that he is not in favor of replacing the cameras in different segments because it is a lot of extra work for the police department considering things need to be redacted and reviewed, the extra staff time would create more expense. He recommended that the body cameras need to get going as soon as possible and this should be budgeted and taken care of right away.

Councilmember Specht agreed with Mayor Kuzma's recommendation.

Councilmember Musgrove asked Police Chief Katers for clarification about if the department were to replace the body cameras, that is one portion of the transition that would already be taken care of, then the squad car video cameras would be a second portion, and if there would be an additional portion that would be waiting for another year or if these two portions encompass all of the needs and dollars that are necessary for funding.

Police Chief Katers stated that these two systems are all that is needed and there is nothing additional that would be required. He explained that both systems can run independently; however, there would be some staff time that is spent gathering data from two separate systems. He mentioned that the cameras that are currently in the squad cars have no capability of redaction but the body cameras will. He said that the legislature has stated that the department shall release some pertinent body camera footage to the public. He added that this is an all or nothing situation because the squad cars do not have this technology, because when the department originally got the squad car cameras it was a piece of evidence in a criminal case that was turned over to the court untouched.

Councilmember Howell asked if the department will be removing the unmanned aerial vehicle.

Acting Mayor Riley stated that the notes say it is being removed.

Finance Director Lund mentioned that she was looking for final confirmation on that which is why she did not remove it.

Acting Mayor Riley added that a small group of Council all wanted the aerial vehicle out and asked if the rest of Council agreed.

Councilmember Heineman asked if the aerial vehicle was for search and rescue purposes, and if so, can the City utilize the County for these efforts.

Police Chief Katers stated that this was mentioned at the last meeting. He added that right now, the department does utilize the County as the Sheriff's office has one as well as Emergency Management; however, it adds a minimum of a half an hour onto response time because the vehicles are coming from somewhere within the County. He said that the ask was that Ramsey purchase one for search and rescue for when time matters since there would always be a delay.

Councilmember Musgrove asked Police Chief Katers if he could talk more about other cities and if they have this equipment.

Police Chief Katers explained that he believes the Sheriff's office has unmanned aerial vehicles, the City of Coon Rapids has unmanned aerial vehicles, and Blaine may have some as well. He added that the department has requested use of these vehicles as well as emergency management for some non-priority searches. He mentioned there are multiple uses for this type of vehicle and if it is not in this year's budget he is fine with that, as long as the Council thinks about it for the future.

Councilmember Woestehoff asked Fire Chief Kohner to clarify that the fire rescue truck would take another 12 to 18 months to come in.

Fire Chief Kohner stated that it would be about 18 months.

Acting Mayor Riley asked Finance Director Lund about these bigger items that would take that long to come in if those help in the budgeting process or if that money should be accounted for this year.

Finance Director Lund stated that it becomes expended when it is actually purchased so it would not be included in this year's expenditure budget. She said that Council would just have to give the authorization to move forward with the purchasing while knowing that it will either be a part of the equipment certificate debt or will be invoiced in 2024 when it is received.

Acting Mayor Riley added that, from a next year's budget standpoint, that helps, it just comes down to a future budget that the Council has already stretched.

Finance Director Lund mentioned that she can take these two items off knowing that these can be purchased but these items will not be expended out until 2024 and would become debt and would remove the portion that is applicable to the tax levy and also put some money back into the other funds.

Acting Mayor Riley asked Police Chief Katers and Fire Chief Kohner if they were both comfortable with this being the timeline for these items.

Fire Chief Kohner stated that he would like to review the estimate again, as it was originally submitted in April, to insure that the lead time has not changed.

Police Chief Katers mentioned that he is comfortable with the timeline for squad car cameras since this quote is from July.

Acting Mayor Riley asked Council if they were comfortable with giving approval for the purchases; however, they will be funded in a future budget year.

Councilmember Musgrove asked if this was approval for the certificates.

Acting Mayor Riley stated that he believes that requires a further discussion. He said that his understanding was that if either of these were taken out of next year's budget then it no longer hits the general levy.

Finance Director Lund confirmed.

Acting Mayor Riley stated that this helps the Council's discussion now and moves the discussion for equipment certificates to next year. He asked the Council if they were comfortable with this idea.

Councilmember Specht asked about Fire Chief Kohner's request for additional fire equipment next year and if the 12 to 18 month timeline was the same for that.

Fire Chief Kohner said yes and explained that the tanker and equipment the fire department will be looking at in 2024 would have a long lead time and he cannot imagine it would be any less than 18 months.

Councilmember Specht asked if the current tanker would be operational long enough to accommodate this timeline or if it should be ordered now.

Fire Chief Kohner explained that the fire department is doing its best to manage the current tanker from a maintenance standpoint. He said that as of today the fire department is managing; however, when dealing with a truck that is 25 years old things could change in six months.

Councilmember Woestehoff asked if it is more likely that the rescue truck will last two years or if the tanker should be authorized this year to be paid in 2024 and have the rescue truck authorized after that.

Fire Chief Kohner noted that the lead times affect the decision on when to place the orders, so when looking at the replacement schedule it is based on lead times two years ago and earlier. He explained that as these dates are looked at further and pushed back it could put the fire department in a bind with the tanker. He added that he will take a look at this and consult with the vendor to get a better hold on the timeline and to see which unit will have a longer life.

Finance Director Lund asked for a final confirmation if Council would like to see the police video cameras and the unmanned aerial vehicle be removed.

Acting Mayor Riley asked the Council if they were comfortable with this. He added that the cameras are committed, it is just being removed from this year's budget.

The Council was comfortable with these decisions.

Acting Mayor Riley moved on to discussion of personnel requests.

Councilmember Specht stated that the Council went into great detail about each one at the last meeting.

Acting Mayor Riley agreed and stated that with the Council being a small group that evening it made it hard; however, the only thing there was a question on was the Recreation Specialist. He asked Mayor Kuzma, Councilmember Musgrove, and Councilmember Heineman if they had any questions concerning the personnel requests since they were absent from the last meeting.

Councilmember Musgrove stated that she reviewed the minutes from the last meeting and she wanted to add that she supports the Recreational Specialist. She stated that she had asked Interim Parks and Assistant Public Works Director Riverblood about the hours it went to and some of the funding sources; however, Finance Director Lund answered those questions earlier this evening. She noted that this person would also be helping with the Public Works administration assistant covering vacations, for example. She asked if there were any other areas if the hours were increased to 40 that this person could also be used to add value. She added that of all the Recreation Specialists that have held the position, the current one has added energy, commitment, creativity, is very willing to work, and has connected well with the community. She asked if Staff had other ways of potentially using the Recreation Specialist during those hours if her time is not completely taken up by recreational activities.

Interim Parks and Assistant Public Works Director Riverblood added that she is a professional and is flexing her time when the Public Works secretary or administrative assistant is out. He hoped that Council will be able to add the additional 10 hours to keep this individual in the role at the full time status as he is afraid that Staff will lose this individual if not. He stated that in the past three years, three different people had held the role of Recreation Specialist before the current one was secured and that the last two left for full time opportunities. He said there is a significant cost in recruiting and training and hopes that the Council can find the additional hours as the benefits are important. He explained that the current Recreation Specialist has a Master's Degree in Recreation, Park, and Tourism Sciences and in the last eight months she has made connections with the community which has added a lot more recreation programs. He asked if Council would be willing to view a presentation that illustrates what this individual has done.

Acting Mayor Riley said yes to seeing the presentation.

Interim Parks and Assistant Public Works Director Riverblood reviewed the presentation on the recreation programming and growth.

Acting Mayor Riley stated that it does not make sense to move this position to 30 hours, so the options are to keep it at 29 hours or move it to 40 hours.

Councilmember Heineman thanked Interim Parks and Assistant Public Works Director Riverblood for the presentation and shared that it is clear that the Recreation Specialist has already proved herself. He added that talent acquisition can be hard so retaining someone like this individual makes sense. He mentioned employee morale and sees that this could be used as an opportunity for a special recognition for a job well done and thinks that a recognition could be worked into the expansion of hours.

Mayor Kuzma stated that he could not agree more with Councilmember Heineman. He added that he has seen good people leave due to the hours and when someone special is in the position, like the current individual, it is important to keep her and the extra 10 hours is a great investment for the City.

Councilmember Specht mentioned that this case was the only one in the last meeting that the Council wanted more information on; however, he believes that a lot of people move to Ramsey for the parks and the City should keep it up and he supports moving to a 40 hour work week for the Recreation Specialist.

Councilmember Musgrove wanted to follow up on a question with Interim Parks and Assistant Public Works Director Riverblood, asking him if there was any way with nominal fees that the Council could help with the salary for this position.

Interim Parks and Assistant Public Works Director Riverblood stated that with the exception of some of the physical activity for older adults, most of the courses have fees or do not come with a cost as the instructors are volunteers, so there are not many fees to be collected with the exception of youth activities. He noted that he can get Council's recommendation on what activities could be charged more for. He added that sometimes participation goes down when programs have fees; however, sometimes there is more buy in and participants are more likely to show up. He mentioned there are also costs associated with processing; however, it has gotten easier now that Civil Recreation has been added to the website.

Acting Mayor Riley stated that this seems like a good idea and agreed that charging for certain programs creates a better buy in for attendance.

Councilmember Howell asked what fees are currently being paid for the line dancing instructor or the yoga instructor and if there was an opportunity to restructure this where instead of paying the instructors, the City could let the instructor use the space since renting space can be expensive. She added that this would be a way to offset the cost of adding the hours to the Recreation Specialist.

Interim Parks and Assistant Public Works Director Riverblood said that this can be looked at and gave an example of this by discussing the archery event at Elmcrest last week where the building rental fees were reduced predicated upon the individual providing archery class for the community and this event was filled up and there was a waiting list.

Councilmember Musgrove asked when this employee goes to Public Works, if that portion of the salary would be charged out under Public Works.

Interim Parks and Assistant Public Works Director Riverblood stated there are different line items in the general fund for parks, streets, and so forth, but they are all together just in different pockets.

Acting Mayor Riley asked if there were any further questions or discussion around the Recreation Specialist. Hearing none, Acting Mayor Riley asked Finance Director Lund to continue her discussion.

Finance Director Lund began discussing the updated general fund with the fiscal disparity distribution, which increased by approximately \$40,000 which is not a huge effect on the tax capacity rate, noting that it went from 41.57% to 41.47%. She stated that option three is what is being used and if there is a 10% general fund levy increase which would have to reduce the budget by \$448,000 and an 8% general fund increase would need a budget reduction of \$682,000.

Acting Mayor Riley asked if even though the Council is discussing a very large increase, the tax capacity will go down because the property values are going up by a bigger number.

Finance Director Lund stated that this is correct and it would be reduced about \$185,000 based off of the levy from the capital equipment that would be applied.

Councilmember Musgrove asked Finance Director Lund what the percentage is for the tax capacity in 2022.

Finance Director Lund directed Councilmember Musgrove to where in the packet she could find the number.

Acting Mayor Riley stated that the tax capacity was 42.438%.

Councilmember Specht mentioned that it looked like even if it was switched to 20 years versus 15 years it is a minor difference per year.

Acting Mayor Riley added that 15 years seemed to make the most sense, assuming that the money was needed for the roads. He explained that he does not like where this is ending up; however, he cannot complain about any specific thing going into it.

Councilmember Musgrove thanked Staff for the hard work that was done on this. She added that she thinks that the Council has not only been able to continue with the plans of the roads on the CIP, but also get the other items caught up. She mentioned that she hears from residents about the roads and what the needs are for them and she wanted to thank Staff for being able to work this out. She noted that it appears there will be a little bit more of a decrease with the earlier discussion and she is happy to see the tax capacity is coming in less.

Acting Mayor Riley mentioned that if the rescue squad vehicle is taken out it would just go back into the fund and sit there for next year's spending so it would no longer have a budgetary effect on this year, it is just a matter of when it is funded.

Finance Director Lund said that is correct and the only effect on the levy is the \$185,000.

Acting Mayor Riley asked if the budget part of the question has been taken care of for this year.

Finance Director Lund confirmed and stated that the County is looking at about a 9% home value increase for next year versus the 24% increase for this year.

Acting Mayor Riley asked if the Council was in consensus or if there was any further discussion.

There was a consensus of the Council.

Councilmember Howell added that she would like to hear more about ways to collect fees and other efforts to offset the Recreation Specialist salary.

Councilmember Woestehoff stated that he is in favor of this and mentioned that every December or January the fees for the year are reviewed.

Finance Director Lund mentioned that it is up to Staff to update that schedule and it will come forward in a work session later.

Councilmember Woestehoff said that this is another way to make sure that they are in the correct market space and can bring in some more funds.

Acting Mayor Riley asked Interim Parks and Assistant Public Works Director Riverblood to come up with some ideas to bring in more funds.

Councilmember Musgrove asked if the policy in regard to the percentage of what goes to the roads needs to be changed. She mentioned there was a time when the Council discussed the allocation of the excess funds and keeping that money for roads.

Acting Mayor Riley added that the Council did discuss that the money stays in the pavement management fund if there is excess and asked if there is already a policy about this.

Finance Director Lund stated that what she believed was staying in the pavement management fund was any money that was remaining in the general fund that was applicable to the patching account that would get transferred over and that amount would be the \$575,000. She added that when the transfer is made in regard to the four funds, it is at Council's discretion. She added that not knowing where it will end up this year in regard to the equipment fund, it is at a low balance until the Council gets to that point of knowing what that amount is.

Mayor Kuzma asked if there was a consensus on the budget.

Acting Mayor Riley confirmed there was a consensus by the Council concerning the budget.

Finance Director Lund asked if the Council was comfortable with bringing this budget forward as the preliminary or if the Council still wanted to see what the numbers represent based on the \$185,000 reduction.

Acting Mayor Riley stated that he would personally like to see if there is anything found in reducing it and asked the Council if they needed to see this one more time before the preliminary on September 27, 2022.

Councilmember Musgrove stated that she would like to see the numbers with the change.

Acting Mayor Riley asked the Council if they would all like to see the numbers again before September 27, 2022, before it is approved.

The Council agreed.

### **3. TOPICS FOR FUTURE DISCUSSION**

#### **3.01: Review Future Topics/Calendar**

Noted.

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

Councilmember Musgrove mentioned the Highway 10 portion between Ramsey and Elk River and stated that it is still out for public comment but she would like to see this on a future agenda for discussion.

City Administrator Hagen gave a summary of the advocacy planning session on Anoka doing their project and Ramsey being right behind. Anoka and Elk River are working through some final studies and the question is what does Ramsey need to do to be part of that conversation since they do have part of Alpine Drive which may be impacted someday by these projects and wants to make sure this stays on Council's radar.

### **5. ADJOURNMENT**

The Work Session of the City Council was adjourned at 6:53 p.m.

Respectfully submitted,

---

Brian S. Hagen  
City Administrator

ATTEST:

---

Katie M. Schmidt  
Deputy City Clerk

Drafted by Ava Rokosz, *TimeSaver Off Site Secretarial, Inc.*