

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

The Ramsey City Council conducted a City Council Work Session on Monday, August 12, 2024, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Mark Kuzma
Councilmember Chelsee Howell
Councilmember Debra Musgrove
Councilmember Michael Olson (attended remotely)
Councilmember Chris Riley
Councilmember Dan Specht
Councilmember Matt Woestehoff

Also Present: City Administrator Brian Hagen
City Engineer/Public Works Director Bruce Westby
Finance Director Diana Lund
Fire Chief Matt Kohner
Police Chief Jeff Katers
Administrative Services Director Colleen Lasher
City Attorney Fritz Knaak (attended remotely)
Community Development Director Stephanie Hanson
Assistant Building Official Thomas Knight
Code Enforcement Officer Craig Swalchick

1. CALL TO ORDER

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

2. TOPICS FOR DISCUSSION

2.01: Continued Discussion on 2025 Budget

Finance Director Lund reviewed the Staff report and continued discussing the 2025 budget with changes made based on the Council's last discussion.

Councilmember Musgrove suggested cutting Council meals starting at the beginning of the next quarter to be able to add a little bit more to the budget.

Councilmember Howell agreed.

Councilmember Specht agreed.

Mayor Kuzma said he does not think it is fair to cut the meals for people who came straight from work to attend these meetings.

Councilmember Musgrove said everyone can plan ahead to make sure they eat before the meetings.

Councilmember Riley noted that since this is such a small amount, he would like to reserve this and see if there are bigger things that they could cut instead.

Councilmember Howell shared that since she has joined the Council four years ago it has always been a discussion that cutting the meals is not big enough of a savings to actually cut and she thinks if they want to be serious about reducing the budget then they need to look at everything that is not a necessity.

Councilmember Woestehoff stated that he is against the Employee Recognition Event being taken off of the budget. He suggested that this should stay above the Council meals.

Councilmember Musgrove said she would like to hear from Staff about their time involved in ordering the meals.

City Administrator Hagen stated that Staff does not spend an exorbitant amount of time on ordering meals and is likely less than an hour per meeting. He added that the attendance for the Employee Recognition Event is hit-or-miss from year-to-year. He shared that the most recent event was not well attended.

Councilmember Specht asked if there are other gatherings for all Staff.

City Administrator Hagen shared that they do two all Staff meetings a year and they left these in the budget.

Councilmember Musgrove agreed with City Administrator Hagen that the last Employee Recognition Event was not well attended. She suggested keeping the two all Staff meetings in the budget and removing the Employee Recognition Event as all Staff meetings hold more value.

Councilmember Specht asked if the big increase in the tax capacity is due to new developments and home values going down.

Finance Director Lund shared that there is around an additional \$2,000,000 that will be going into their fiscal distribution that will help with the fiscal disparity program. She noted that this \$2,000,000 is offsetting the taxable value.

Councilmember Riley suggested moving the Fire Inspector role out to 2026.

Fire Chief Kohner stated that with a lot of new construction happening in the City, not having this role could put a strain on the day-to-day operations of the Fire Department.

Councilmember Musgrove said that a lot of the proposed reductions are coming from the Police and Fire Departments. She asked if there was anything that was given up in these departments that they would like to keep in the budget for 2025. She stated she would like to keep some of the vehicle or the personnel requests in the budget and push out the woodchipper.

Police Chief Katers explained that the cuts that they made from the Police Department requests were cuts they felt like they could make while still continuing to provide the same level of service. He said it would be beneficial to have an additional police officer; however, this cut helped them meet the budget cuts that were requested. He added that the level of service will not be impacted by not having this role. He noted that they are asking for a lot with union negotiations, and he would rather have their budget be invested into the people rather than the capital items. He said that none of their equipment is currently failing.

Councilmember Howell said she would prefer not to cut from the Police and Fire Department budgets and would rather cut capital equipment for Public Works and Parks.

City Administrator Hagen shared that after the last Work Session, he and the department heads all sat down and went through the budget and what their true needs are. He explained that they asked themselves with every item if they would still be able to provide the same level of service if this item was moved to the 2026 budget. He said this revised plan was a group effort with all of the department heads.

Councilmember Woestehoff thanked all Staff for working on the budget to get it to this point. He asked Fire Chief Kohner if the 2013 Tahoe they currently use will be able to survive the whole year.

Fire Chief Kohner said he hopes the vehicle will last the whole year as he saw this as an item that they can wait until next year for. He noted that they can make some adjustments to their squads to survive the year without a new vehicle.

Councilmember Woestehoff noted that there are a lot of capital items and personnel requests to be pushing off a year which will make this a tough discussion next year.

Councilmember Olson shared his appreciation for the attitude of Police Chief Katers and other department heads for being willing to give up items that are not needed for this year.

Councilmember Musgrove shared her appreciation for Staff and their hard work on the proposed cuts. She stated that she thinks it is important to not take away any of the police Staff requests.

Councilmember Woestehoff asked about the firetruck that they are paying for over time and if the seller will agree to the longer term.

Fire Chief Kohner said they would sign a contract for the price and the term to lock it in.

Councilmember Riley noted that they have had some discussions about refurbishing fire vehicles. He asked if they had looked into this.

Fire Chief Kohner said yes. He explained that they have looked into refurbishing and rebuilding a firetruck; however, it needs a new chassis and a new water pump as well as other needs, which will add up. He noted that it would likely cost around \$800,000 for the refurbishing which will give them a basically new truck.

Councilmember Howell shared that at the last meeting she had suggested doing a wage freeze for all of the department heads. She noted that if they did the wage freeze then this savings would likely be able to cover the cost of the new Police Officer and Fire Inspector.

Mayor Kuzma said he would not support a wage freeze as he thinks it could put them into a position to lose good talent.

Councilmember Woestehoff noted that the list of reductions are all suggestions from Staff of what they see as reasonable cuts. He shared that it would be ideal to be able to have the Fire Inspector and the Police Officer but the department heads have come up with what is reasonable to give up without giving up any level of service. He added that he would like to go back to the two year payment term for the fire engine.

Councilmember Musgrove said she would like to look into the wage freeze and doing market rate adjustments rather than a COLA.

Councilmember Specht asked if they have a contractual obligation to pay out COLA increases every year.

Finance Director Lund said she is not sure.

Councilmember Riley shared that he does not support a wage freeze as they have worked through a lot of turnover in the past and they finally have a good, full Staff that they can rely on. He added that the suggested reduction items are coming directly from the department heads, so he does not want to question what they have already decided are not priorities for their departments.

Councilmember Howell said she does not think they will lose Staff due to a one year wage freeze. She shared that she is very frustrated that the Council is dissing her, and Councilmember Musgrove's suggestions and they are just looking to rubber stamp these changes.

Mayor Kuzma reiterated that he does not support a wage freeze.

Councilmember Specht said he would need more information on a wage freeze before he was able to make a decision. He noted that he values the opinions of all Councilmembers.

City Administrator Hagen shared that the current build time for a fire engine is around 30 months so even if they were to pay for the engine over two years, they would not have it any faster than if they pay for it over three years.

Councilmember Olson agreed with Councilmember Specht that he would need more information on a wage freeze before he was able to give an opinion.

Councilmember Riley asked when and how they would be able to refine the market rate adjustment.

Administrative Service Director Lasher shared that they will be having a closed session meeting later this evening to discuss the market rate adjustment as it relates to the unions. She explained that there is a compression factor with regard to the department head wages as in many cases, the next tier down is either non-union or union and they need to work through the contract negotiations. She noted that once she receives more direction of contract negotiations then she could use that direction to look at market rate adjustments and bring back more information to a future meeting.

City Administrator Hagen explained that they are continuously looking at other cities to try to find comparables. He noted that they are trying to present the most accurate market information to the Council; however, gathering this information is taking longer than they expected it to.

Councilmember Musgrove shared that she was recently made aware of a 501(c)(3) who had an issue with some monetary concerns, and she was disappointed that they did not hear this from Staff. She would like to have a consideration to not have any funding for 501(c)(3) organizations.

Councilmember Howell agreed and said if they are looking at making cuts then they can look at donations as it is not the position of the City to be donating to non-profit organizations and expect the taxpayers to fund them.

Finance Director Lund shared that they donate to Youth First and the Alexandra House which are both funded from the lawful gambling fund, so it does not come from the property tax levy.

Councilmember Specht asked if things like playground replacements also come from the lawful gambling funds.

Finance Director Lund said yes and explained that these funds are used for anything that involves youth.

Councilmember Woestehoff shared that as the Council liaison to Youth First, he has already instructed them to not budget for the City's contribution for next year and beyond.

The consensus of the Council was to move forward with the discussed changes to the 2025 budget and direct Staff to bring forward more information on a wage freeze for department heads.

2.02: Old Town Hall Discussion - 50th Anniversary - Renovation Quotes - EDA Recommendation - Next Steps

Community Development Director Hanson reviewed the Staff report in regard to the old Town Hall building and reviewed the renovation quotes that were received.

Councilmember Howell shared that the City does not want to be a landlord with this building. She proposed using park funds for the suggested repairs and then use the building for classes and programming.

Mayor Kuzma said if they were to move forward with the repairs using EDA funds then it would not stop them from renovating the building in the future. He explained that the proposed repairs are needed to secure the building.

Councilmember Musgrove said they have gotten direction on what the EDA would like to do with the building, now they need to think about what the Council wants to do with the building. She stated that they should investigate park use for the building.

Mayor Kuzma agreed; however, they are making a decision tonight on whether or not they want to make these necessary repairs to the building. He suggested authorizing the repairs to be done then they can do a study to figure out how they can use the building.

Councilmember Woestehoff asked if they could sell the building.

Councilmember Musgrove shared that she believes if they were to sell the building then they would have to pay back the historical funds.

City Administrator Hagen added that he can come back with information on if they were to sell it.

Councilmember Riley noted that if they were going to try to utilize the building for park use then he would like to know how they will fund it.

The consensus of the Council was to authorize Staff to work with DKN Construction, MN Wild Animal Management and Public Works to complete pest removal, building maintenance and tree removal in an amount not to exceed \$15,000 from the EDA Unencumbered Fund Balance and direct Staff to look into the cost for renovating the building using park funds to be utilized for classes and programming.

2.03: Building Official Training Municipal Grant

Community Development Director Hanson reviewed the Staff report concerning a Building Official Training (BOT) grant opportunity.

Councilmember Musgrove asked if the Building Official has already been hired or if this is a request in the budget.

Community Development Director Hanson explained that when Assistant Building Official Knight moved into his current role, his old Building Inspector position opened up. She shared that when his title change was approved, it was also approved for them to hire a new Building Inspector on April 1, 2025.

The consensus of the Council was to direct Staff to apply for the grant.

2.04: Rental Housing Inspections Program Discussion

Community Development Director Hanson reviewed the Staff report in regard to the rental housing inspection program.

Mayor Kuzma shared that this program was approved by the Council with a unanimous vote as they all felt that they wanted to have a program that would fund itself and help rental housing units be kept in good shape.

Councilmember Riley noted that there are a lot of rental houses in the City that are corporately owned. He asked what the percentage is of homes rented by corporations versus people.

Code Enforcement Officer Swalchick shared that 33% of the City's rental homes are owned by three companies. He noted that they have caught many lifesaving items in these homes including gas leaks, deck collapses, and fire egress items.

Heidi Neilson came forward and shared that she owns one townhome in the City. She shared that she feels like she and the other 67% of properties that are rented out by people, not companies, are not being represented. She noted that Ramsey's license fee is four times higher than surrounding cities. She explained that she likes to find reliable, long-term tenants and in order to do this she keeps her rent affordable and with this licensing fee increase she will no longer be able to do that. She added that she is also concerned with requiring background checks for landlords. She noted that she is also concerned with the Crime Free, Drug Free class and addendum to the lease. She said that Ramsey is requiring this class within the last five years or it needs to be retaken. She stated she was using this addendum on her lease before Ramsey even had rental licensing. She shared that she took this class 15 years ago and has used the addendum as part of her lease since then. She asked why she should be required to retake this class and pay the fees involved with it. She asked what the objective is for these new requirements. She said it feels like they are trying to get rid of all single-family rental properties and asked how these new requirements even passed. She asked why they cannot just do inspections every few years to save money. She said she has no problem with the rental license, but she does have a problem with the new fees and requirements.

Austin Jones, 7118 139th Avenue NW, came forward and shared that Ms. Neilson made great points. He asked if business owners in the City are required to have background checks done. He shared that he asked the building inspector what the background check was for and he did not have an answer as to why. He asked how many homes have not been registered into the program.

Community Development Director Hanson said it was 135 homes.

Mr. Jones asked how many violations the City has sent out to these homes since registering for the program was a requirement as of January 31 of this year. He noted that if they are trying to increase income to run this program, he would be curious to see how many violations they have sent. He

said that it would make more sense to penalize those who are not in compliance rather than everyone. He noted that the City is doing something wrong with this.

Recess and Reconvene

The meeting recessed at 6:57 p.m.

The meeting reconvened at 8:18 p.m.

Code Enforcement Officer Swalchick continued the conversation on the rental housing inspection program. He explained that items like social security numbers, driver's licenses, and dates of birth are required by the IRS so the City has to obtain this information to then provide to the State. He added that there is also a State statute that requires background checks for all landlords under the Kari Koskinen Manager Background Check Act. He explained that many other cities in the metro area have the same application requirements.

Ms. Neilson shared that there are many metro cities that do not require background checks including Anoka, Nowthen, and other cities surrounding Ramsey. She asked why those cities do not require this.

Code Enforcement Officer Swalchick said he would not be able to answer why other cities are not complying with State statute. He explained that when they were doing their research for this program, they called all surrounding cities, and they were told by other cities inspectors that the fees that they charge do not cover the cost of the program. He shared that in Andover, all they are able to do for the \$75 fee is drive by the rental house. He noted that Dayton charges \$300 for their rental licensing and Nowthen does not have a rental licensing program.

Councilmember Woestehoff shared that he just pulled up Anoka's website and their application does require a background check. He noted that if this is State law that a background check be required and whether or not another city complies with this or not is not the discussion of this case.

Councilmember Howell asked if a background check is required because of the Crime-Free and Rental Housing Program and if they did not have this program if the background check would not be required.

Code Enforcement Officer Swalchick said it is State statute whether or not they have the program in place. He noted that there is a 25% rental fee discount for those who participate in the program. He added that they also have discounted inspections. He noted that they are also requiring the Crime Free, Drug Free class as a lot of updates have been made to the class in recent years. He shared that they offer online options for taking this class and they are also working with the Police Department to make sure that the City can offer this class free of charge to residents.

Mr. Jones asked if the class is required to be completed within the calendar year.

Code Enforcement Officer Swalchick shared that part of the ordinance was to have the class completed within the calendar year; however, they understand that there have been some hurdles. He noted that they have to work with residents and tenants.

Councilmember Specht shared that on the Attorney General's website it states that background checks are required for all property managers. He asked if they consider the landlords to be property managers.

Code Enforcement Officer Swalchick explained that landlords are considered property managers if they do not hire a property manager.

Councilmember Howell noted that these property owners are not happy, and she would like the Council and Staff to listen to their feedback to see if they can offer a solution.

Ms. Neilson asked how this program was implemented in the first place and how property owners were not notified of these changes until they went to renew their license. She said she did not find out about these changes until she went to renew her rental license for 2024.

Code Enforcement Officer Swalchick shared that he is fairly certain that they sent formal letter mailings to every property owner, and they held public hearings and Work Session meetings about the program prior to adoption of the ordinance. He added that once the ordinance was adopted, letters were sent out to all property owners.

Councilmember Musgrove noted that even though this program passed with a unanimous vote, it would behoove them to take a look at how the program is working and listen to these resident's concerns. She shared that it is unrealistic for them to think that the program will ever be able to pay for itself. She suggested charging more for visits to check on violations. She thanked these residents for coming forward and sharing their concerns. She said that she does not want these property owners to have to close their rental business because of this. She asked if tenants are required to have a background check.

Code Enforcement Officer Swalchick said no. He stated that background checks are required as a part of State law for property owners and managers.

Councilmember Woestehoff shared that if they ignore the fee concerns, this program is very successful. He noted that this program is an asset to tenants and property owners. He said he would not have any issue with subsidizing affordable housing and have the taxpayer subsidize rental property owners so they can keep their pricing down.

Councilmember Musgrove reiterated that they should charge more for violations and re-inspections.

Mr. Jones said he thinks the program is great; however, the cost is the issue.

Code Enforcement Officer Swalchick shared that almost every property that he has inspected has had code violations. He noted that they have written a lot of correction orders this year; however, they are trying to be lenient with property owners and giving them until the next year's inspection to comply. He explained that they have been issuing citations where they see fit, for example, they

issued a citation today for an unlicensed rental property who had an unlicensed contractor do work to a deck without permits.

Mr. Jones asked if they have been writing citations for those who are not getting their rental licenses when they should be.

Code Enforcement Officer Swalchick explained that as inspectors they do check County records for homesteading, and they verify utility bills. He added that they also check into properties as they receive complaints.

Mr. Jones noted that the cost of the rental licenses is supposed to be offsetting the cost of running this program. He asked why they are not charging more for violations.

Code Enforcement Officer Swalchick shared that they do have reinspection fees; however, they are trying to be lenient this year as it is a brand new program. He added that they are citing occupants and landlords as needed. He said the idea behind the fees is not an attempt to make the landlords pay for everything. He noted that the old program was not working which is why they created a new program. He explained that there are a lot of costs that go into every inspection and site visit.

Councilmember Howell asked the property owners if they would prefer the inspections to be done annually or bi-annually.

Mr. Jones said he does not mind yearly inspections as it allows him to also enter the home and take a look. He noted that his only concern is with the cost of the program.

Ms. Neilson shared that she believes that having an inspection every few years is a better use of money. She said she only owns one unit and is in contact with the tenant, so she is made aware of any issues at the home. She noted that she is a very present landlord and she does not feel that she or her tenants need to be babysat.

Code Enforcement Officer Swalchick explained that they do offer reduced inspections as part of this program.

Councilmember Specht noted that this is a great time to take this feedback from residents and reevaluate the program to make it better.

Councilmember Howell encouraged the property owners to reach out to Council or Staff with any other ideas and concerns on this program.

Councilmember Woestehoff asked how many rental properties also have owners who live in Ramsey.

Code Enforcement Officer Swalchick said he can find out.

The Council thanked the property owners for coming forward with their concerns.

The consensus of the Council was to reevaluate the program and work with Staff to make adjustments to the rental housing program.

2.05: Discuss Staffing in the Building Division of Community Development

Administrative Services Director Lasher reviewed the Staff report concerning staffing in the Building Division of Community Development due to the resignation of a Permit Technician II.

Councilmember Musgrove asked about the total hours for this role and if it would be just to hire for one position or two.

Administrative Services Director Lasher shared that this would be to increase the Building Permit Technician II role to 40 hours from 34 hours.

The consensus of the Council was to direct Staff to recruit for a full time 40 hours/week Building Permit Technician II.

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

Administrative Services Director Lasher reviewed the Staff report in regard to the union contract negotiations for AFSCME, LELS-Patrol, LELS-Sergeants, and LELS-Captains. She asked that they move to Closed Session.

Motion by Councilmember Musgrove, seconded by Councilmember Howell, to recess the meeting to Closed Session at 8:55 p.m.

A roll call vote was performed:

Councilmember Musgrove	aye
Councilmember Riley	aye
Councilmember Howell	aye
Councilmember Olson	aye
Councilmember Specht	aye
Councilmember Woestehoff	aye
Mayor Kuzma	aye

Motion carried.

The meeting reconvened to Open Session at 9:25 p.m.

Administrative Services Director Lasher shared that Council and Staff discussed union negotiation strategies for the upcoming contract which will begin January 1, 2025. She stated Staff has received Council's direction and they will proceed accordingly.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

Councilmember Musgrove shared that she would like to have a discussion on precinct polling locations and sizes.

4. MAYOR / COUNCIL / STAFF INPUT

None.

5. ADJOURNMENT

Motion by Councilmember Musgrove, seconded by Councilmember Olson to adjourn the meeting.

A roll call vote was performed:

Councilmember Musgrove	aye
Councilmember Riley	aye
Councilmember Howell	aye
Councilmember Olson	aye
Councilmember Specht	aye
Councilmember Woestehoff	aye
Mayor Kuzma	aye

Motion carried.

The Work Session of the City Council was adjourned at 9:27 p.m.

Respectfully submitted,

Brian S. Hagen
City Administrator

ATTEST:

Katie M. Schmidt
City Clerk

Drafted by Ava Major
TimeSaver Off Site Secretarial, Inc.

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

The Ramsey City Council conducted a Closed Session on Monday, August 12, 2024, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Also Present: City Administrator Brian Hagen
Administrative Services Director Colleen Lasher
City Attorney Fritz Knaak

1. CALL TO ORDER

Mayor Kuzma called the Closed Session of the City Council to order at 8:55 p.m.

2. COUNCIL BUSINESS

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

Administrative Services Director Lasher reviewed the Staff report in regard to the union contract negotiations for AFSCME, LELS-Patrol, LELS-Sergeants, and LELS-Captains.

Staff received direction from the Council

3. ADJOURNMENT

Motion by Councilmember Musgrove, seconded by Councilmember Woestehoff, to adjourn the Closed Session

A roll call vote was performed:

Councilmember Musgrove aye
Councilmember Riley aye
Councilmember Howell aye
Councilmember Olson aye
Councilmember Specht aye

Councilmember Woestehoff aye
Mayor Kuzma aye

Motion carried.

The Closed Session was adjourned at 9:25 p.m.

Respectfully submitted,

Brian S. Hagen
City Administrator

ATTEST:

Katie M. Schmidt
City Clerk

Drafted by Ava Major
TimeSaver Off Site Secretarial, Inc.