

**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 8, 2023, 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
City Engineer/Public Works Director Bruce Westby
Finance Director Diana Lund
Fire Chief Matt Kohner
Police Chief Jeff Katers
Parks and Assistant Public Works Director Mark Riverblood
Administrative Services Director Colleen Lasher
Community Development Director Stephanie Hanson
Economic Development Manager Sean Sullivan
City Attorney Fritz Knaak
Assistant City Engineer Joe Feriancek
Streets Supervisor Shane Turner

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: Attorney / Client Privilege Discussion of Preliminary Term Sheet for Tax Increment Financing Project with Presbyterian Homes - Closed to the Public

Economic Development Manager Sullivan reviewed the Staff report in regard to the Presbyterian Homes project and requested a closed session for this discussion.

RECESS AND RECONVENE

Motion by Councilmember Woestehoff, seconded by Councilmember Musgrove, to recess to Closed Session at 5:31 p.m.

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

The meeting reconvened to Open Session at 6:10 p.m.

2.02: Discussion of rental license fees and rental license renewal schedule, as it relates to the proposed crime-free housing and rental housing inspection programs.

Community Development Director Hanson reviewed the Staff report concerning the fees and renewal schedule for the crime-free housing program. She noted that the licensing fees in Ramsey are very low. She shared what the fees would need to cover in terms of Staff time and equipment.

Mayor Kuzma asked if the people who renewed their licenses this year are good for three years.

Community Development Director Hanson said yes. She stated that if they move to renewal licenses every year they would adjust the numbers for those who have already paid.

Mayor Kuzma asked if there would be any issue with those who renewed their licenses this year for \$25 for three years and then the City changed the policy and asked them to pay for the next two years.

City Attorney Knaak stated that this kind of policy can be modified.

Councilmember Howell asked how the \$25 licensing fee compares to other cities that do not have the crime-free housing program.

Community Development Director Hanson stated that their fees are very low in comparison to other cities that also do not have the crime-free housing program.

Councilmember Howell asked if these new fees are inline with other cities that do not have the crime-free housing program or if this is more inline with other cities that do have this program.

Community Development Director Hanson stated that they would be more inline with cities that do have the crime-free housing programs.

Councilmember Howell asked about the fees for cities that do not have a crime-free housing program.

Community Development Director Hanson stated that they have not looked into these numbers yet as their research focused on the cities that do have a crime-free housing program.

Councilmember Musgrove acknowledged the need for the increase and appreciates Staff looking at this. She noted that this is a huge price increase and she stated that she is not sure how this will be received. She asked about the current monthly fees and the proposed monthly fees schedule in the packet, which went from \$3,100 to \$44,200.

Community Development Director Hanson shared that these numbers were ran at \$400 per building and an additional \$25 per unit.

Councilmember Musgrove stated that this is a huge jump. She asked if there was any appetite from Council to get these numbers to be more manageable for businesses. She asked what the increase would look like if they were only charged \$15 per unit instead of \$25.

Community Development Director Hanson stated that she can run these numbers. She noted that they went off of Council's direction to have this new position be completely covered by the fees.

Economic Development Manager Sullivan added that the month that Councilmember Musgrove was concerned with has 108 licenses that will be renewing in that month, which is higher than any other month. He noted that most of the 108 licenses are owned by one company.

Councilmember Woestehoff stated that the single family license going from \$25 for three years to \$300 per year is an extraordinary increase. He noted that the multi-family increase does not seem to be as large of an increase.

Mayor Kuzma noted that with the City implementing this program, the renters will have a much better facility. He stated that while this is more expensive, it has lots of value that comes with it.

Councilmember Musgrove stated that the ask for the multi-family housing position is to start in June. She asked if this is because they would be working the first half of the year to get funds for this new position. She asked if they could do a smaller increase the first year and then increase it in the second year and then adjust the number based on needs.

Community Development Director Hanson explained that this is set up to help fund the position through the application fees.

Councilmember Woestehoff stated that he understands this perspective but asked who will be administering these fees. He added that if the inspector was going to be the one collecting these fees he would like the inspector to be in their position before the City begins collecting fees.

Economic Development Manager Sullivan stated that Planning Assistant currently takes in these fees and processes paperwork.

Councilmember Woestehoff noted that it is difficult to make these people pay the fees now for benefits that will not start for another six months. He suggested that in the first year they need to try to hire as soon as they can and they will just need to be comfortable with this cost.

Councilmember Howell reiterated the idea of staggering the increase of the years. She stated that she would recommend raising these fees even if they did not have this program in place.

City Administrator Hagen stated that he is not sure if they charge the new fees in January if they would not see the benefits until June. He noted that it has not been determined who would be in

the rental housing role. He stated that this June date was for when they would desire to have a second code enforcement person on as more code enforcement calls come in.

Community Development Director Hanson noted that for January to June of next year, Code Enforcement Officer Swalchick can be in charge of this program for 2024 which would include about 9 rental inspections.

Mayor Kuzma shared his support for increasing the licensing fee to \$300 in 2024 and then increasing again to \$400 in 2025.

Councilmember Specht stated that it makes sense for apartment complexes; however, it is a very drastic jump for single family homes. He suggested phasing in the increase over a few years.

Councilmember Woestheoff asked about the number of single family homes versus apartment buildings in the City.

City Administrator Hagen stated that there are 474 single family homes rented and nine apartment buildings.

Councilmember Riley stated that individuals likely do not own only one single family rental unit and it is likely a corporation that owns these homes.

City Administrator Hagen stated that these numbers are based on previous direction given to the Council.

Mayor Kuzma shared his support for the increase.

Councilmember Howell stated that she is in support of the Staff recommendation if they move forward with this program and position.

Councilmember Riley agreed.

Councilmember Musgrove suggested being able to see the breakdown of costs and how this would reflect the need within the fees. She stated that if they can make this break even then she will support it to cover the costs.

The consensus of the Council was to move forward with Staff's recommendation.

2.03: Continued Discussion on 2024 Budget/Levies

Finance Director Lund continued the 2024 budget and levy discussion and gave updates since the last meeting. She highlighted the items that required additional discussion, including personnel and capital requests.

Councilmember Woestehoff asked about the items that are being funded through the equipment and capital maintenance funds and asked if these funds will be depleted.

Finance Director Lund stated that it does deplete the capital equipment fund, but not the capital maintenance fund, the PIR funds, and facility fund.

Mayor Kuzma stated that he was not present for the last discussion and asked if the all-in levy increase would be over 12%.

Finance Director Lund said yes and explained that this also includes all personnel requests and capital equipment certificates. She noted that if they did not issue capital equipment certificates, they would be looking at a 32.1% general fund levy increase.

Councilmember Riley stated that the last time the Council discussed this they agreed with the concept of the equipment fund which brought them to the 12%. He asked about the request for an additional mechanic.

City Engineer/Public Works Director Westby explained that this position is needed to keep up with all of the demand. He stated that the mechanics keep up with all vehicles in the City. He added that these mechanics have a lot of work to keep up with. He noted that they have had to outsource a lot of the work and fixes to other shops in the past.

Mayor Kuzma asked how much was spent in the past on outsourced work.

Street Supervisor Turner explained that there is currently very little that is being outsourced for repairs. He stated that with the new facility they have the space and the equipment to handle all the work in-house. He added that one of the mechanics has said that he will be retiring in the next few years. He shared that this mechanic request is also for future on-boarding to assume some of the roles of the current mechanic.

Councilmember Woestehoff shared that he counted 11 or more new vehicles listed as capital requests. He asked about the condition of the rest of the fleet and if there are a lot of aging vehicles.

Street Supervisor Turner explained that they are currently short on vehicles for staffing. He noted that they are repairing and repurposing the older vehicles. He stated that the new vehicles take into account City growth.

Councilmember Musgrove asked about the hose crimping machine and how important this is and if it can be outsourced for less than \$15,000 a year.

Street Supervisor Turner stated that all of the equipment is run off of hydraulics and a hose can blow at any time and there would not be somewhere that is open that could take care of this. He noted that the building was set up for this to have the ability to do this in-house.

Councilmember Musgrove asked if the \$15,000 is the anticipated price range or if they could get this cheaper.

Street Supervisor Turner stated that he has looked at all of the options but the trucks have so many different hoses that need to withstand the pressure.

Councilmember Musgrove suggested going to 32 hours for both of the Planning personnel requests versus a 5 or 8 hour a week increase. She stated that she recommends hiring the new accountant. She noted that she supports the rental housing inspector as it will be paid for out of the program fees. She stated that she wanted more justification of the requested building maintenance worker. She added that she is supportive of adding two of the four requested full time street maintenance workers. She added that she is also in support of the Public Works mechanic. She also shared her support for the fire hourly increase.

City Administrator Hagen stated that at the last meeting the Council supported the bonding for equipment but requested a more detailed discussion on personnel and capital.

Councilmember Musgrove shared that her justification for the Streets and Parks workers was based on information that they got from the July 25 meeting.

City Administrator Hagen noted that Administrative Services Director Lasher does have some updated figures on this information.

Administrative Services Director Lasher gave an update on the information that she has been getting from other cities. She stated that the reason that they would not look to just increase the two Planning workers hours to 32 hours is because anything over 30 hours a week includes health insurance.

Councilmember Specht stated that he would like to see how project management works within the Parks Department.

The consensus of the Council was to continue the discussion to the next work session.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

None.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:55 p.m.

Respectfully submitted,



Brian S. Hagen
City Administrator

ATTEST:



Katie M. Schmidt
City Clerk

Drafted by Ava Rokosz
TimeSaver Off Site Secretarial, Inc.