

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, July 22, 2025, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Ryan Heineman
Councilmember Kirsten Buscher
Councilmember Michael Olson
Councilmember Eric Peters
Councilmember Chris Riley
Councilmember Dan Specht
Councilmember Shanna Stewart

Also Present: City Administrator Brian Hagen
City Engineer/Public Works Director Bruce Westby
Finance Director Diana Lund
Fire Chief Matt Kohner
Police Chief Brad Bluml
Administrative Services Director Colleen Lasher
City Attorney Fritz Knaak
Community Development Director Stephanie Hanson

1. CALL TO ORDER

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

2. TOPICS FOR DISCUSSION

2.01: Continue Discussions on Change Order #3 and Engineering Amendment #3 for Water Treatment Plant

City Engineer/Public Works Director Westby reviewed the Staff report in regard to the change order and engineering amendment for the water treatment plant project. He introduced the representatives from Advanced Engineering and Environmental Services, Inc. (AE2S), and Magney Construction, Inc. (Magney).

Councilmember Riley said he would like to hear from Magney on their need for this extension, as they only heard from AE2S at the last Council meeting.

Kevin Vranicar, Magney Construction, shared that they had an aggressive timeline with this project, and everyone underestimated the amount of time it would really take. He said he thinks they will actually come in under budget for the project. He stated they have faced numerous

challenges throughout the course of this project; however, looking at the big picture, they will likely still come in under budget for the construction.

Councilmember Riley asked if they approved what they are asking for, and if everything will be done as discussed.

Mr. Vranicar said it should be; however, construction is often uncertain, so there is a possibility that things will not go exactly as planned.

Councilmember Peters asked if all of the materials for the project have already been purchased.

Mr. Vranicar said they have ordered the piping, and it is the only thing that they do not have yet. He stated it should arrive in two to eight weeks.

Ryan Hanson, AE2S, shared that they have been meeting every two weeks with Magney to get a status update on the project.

Councilmember Buscher apologized for coming off as harsh during the last Council meeting. She said it is important that they choose to move forward at this point to finish the project well and maintain the relationships with both Magney and AE2S. She asked for better communication moving forward if they face any other challenges, so the Council can be aware if there are any other delays with the project.

Councilmember Specht noted that this request is such a small amount when it is compared to the grand total of the project. He said he will be supporting this extension request.

Mayor Heineman shared that he feels like the onus of all of these decisions is being put back on the City. He noted that the taxpayers are having to cover these mistakes, and he does not hear anything from Magney or AE2S taking any responsibility for these delays that are costing more money. He said he will not be supporting an extension since no responsibility is being taken by Magney or AE2S.

Mr. Vranicar shared that they incurred a lot of costs at the beginning of this project with the initial delay. He said they have incurred close to \$100,000 in additional costs, and by the end of the project, they will likely have absorbed an additional \$240,000 to \$300,000. He added that the City's contracts with Magney and AE2S are different contracts, and he is not aware of how the contract works with AE2S.

Mayor Heineman said these costs should have already been built into as contingencies.

City Engineer/Public Works Director Westby noted that the costs that Mr. Vranicar is referring to were outlined in the packet for the last Council meeting.

Councilmember Olson explained that they paid a higher cost up front to have the work done faster; however, he has not seen where this higher cost has benefited them.

Mr. Vranicar shared that this project was bid at a lump sum amount to have the project completed by a certain time. He noted that they had a \$50,000 credit to extend the project by four months. He said that because of this, the City could have reduced its costs by \$50,000 if they accepted this bid.

Mayor Heineman asked if they wanted the City to accept that bid, and when they did not, they promised a shorter timeline that they knew they could not meet and just took the additional money that the City was paying.

Mr. Vranicar said the shorter timeline project was the alternate bid.

Mayor Heineman asked why they would offer an alternative if they knew they would not be able to finish the project by the deadline.

Mr. Vranicar said they have incurred more than \$50,000 in additional costs on this project. He noted that the costs for engineering services are out of their control.

Councilmember Buscher stated that they have to get this project done. She added that the first delay in the project was the responsibility of the City.

Councilmember Specht noted that this is a very small percentage of the overall project cost, and he wants to make sure that they maintain good relationships with the contractors. He said the residents deserve to have this project finished.

Councilmember Riley shared that he is surprised that another extension proposal was not offered to meet in the middle to cover these costs.

Councilmember Olson said they want to have this project done without cutting corners, so he is supportive of moving forward for this reason.

The consensus of the Council was to move this to the Council meeting to be voted on.

2.02: Continued Review of Preliminary 2026 General Fund Budget/Levy

City Administrator Hagen continued the review of the preliminary 2026 general fund budget and levy.

Councilmember Riley stated he is resistant to most or all of the personnel requests as it would be a large amount in 2026, but would also build in an increase for next year and the years following. He said his ideal increase would be 7%.

Councilmember Specht said the positions that he would not be supportive of would be the Communications Specialist and the Recreation and Volunteer Assistant. He stated he would like the overall increase to be between 5% and 7%.

Councilmember Stewart shared that she does not like that the City is consistently getting closer to a 50% tax rate, as it is a very dangerous slope when it comes to tax dollars and home values. She

said she would like to see there be no increase this year; however, she knows that is not very realistic. She agreed with Councilmember Riley about not being supportive of adding any personnel. She said she would like to see the increase be as small as possible.

Councilmember Peters stated he would also like to see the increase be between 5% and 7%.

Councilmember Olson shared that they played a lot of catch-up last year, which caused a substantial increase, and this year's requests are riding that same wave. He noted he would like the increase to be between 5% and 7%.

Councilmember Buscher said she would like to see a single-digit increase. She noted that there are a lot of requests from departments that are not optional and need to be replaced. She stated they need to add the requested Fire and Police Department positions. She explained that she does not want residents to feel like they are being priced out of living in the City; however, she also wants to make sure they are providing the services that the residents need.

Councilmember Specht noted that some of the positions have alternate funding sources, which would not impact the budget directly.

Mayor Heineman shared that his personal property taxes have increased \$4,000 over the last six years that he has lived in Ramsey. He noted that, as much as he would love to move forward with all of these requests, they need to make some tough decisions to alleviate some of this impact on the residents. He said he would like to see the increase at or below 7.4%.

Councilmember Specht asked if there are any larger purchases that they want to issue certificates for.

City Administrator Hagen said this is always an option.

Finance Director Lund shared that the underwriting cost and levy would be an estimate of \$184,300 on \$1,467,000 bonded for over 10 years.

Councilmember Riley said if they cut everything from the budget that has already been outlined on the reductions list, then they would have already decreased the budget by almost \$750,000.

Finance Director Lund noted that if they removed requests like the Building Inspector role, then they would have to add the contracted services back to the budget, adding \$120,000 back into the budget.

City Administrator Hagen said that the City Engineer, Engineering Tech II, and Building Inspector positions are already largely offset, so they will likely stay in the revised budget when Staff brings this back to the Council.

Councilmember Specht asked if they would be able to put the amount that they are currently spending on contracted services with the request for the new position, so the Council can put things into perspective when they are looking at some of these requested roles.

Mayor Heineman said he would like to be respectful of the Staff's requests in the budget and would like the Staff to work to make cuts to the proposed budget to keep the increase minimal.

The consensus of the Council was to direct Staff to continue to work on the 2026 budget development based on Council discussion to keep the increase in the 5% to 7% range.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

4.01: Update on Outside Committees

Councilmember Specht shared that new camera equipment was approved at the QCTV Committee meeting.

Councilmember Riley shared that he is excited that the City is adding a new position that will work with the Lower Rum River WMO to help handle open permits and cases.

Administrative Services Director Lasher shared an update on the Paid Family Medical Leave discussion around what would happen if the State makes a change to these requirements in the future, and they already have a contract with an outside vendor. She said they would not continue to be under contract with MetLife if the State were to change its requirements. She shared that the dental RFP came back, and the City costs will be decreasing by around \$5,000 annually with the new provider.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:32 p.m.

Respectfully submitted,

Brian S. Hagen
City Administrator

ATTEST:

Katie M. Schmidt
City Clerk

Drafted by Ava Major
TimeSaver Off Site Secretarial, Inc.