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 25, 2026, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:	Mayor Ryan Heineman Councilmember Kirsten Buscher Councilmember Michael Olson Councilmember Chris Riley Councilmember Dan Specht Councilmember Shanna Stewart
Members Absent:	Councilmember Eric Peters
Also Present:	City Administrator Brian Hagen Finance Director Diana Lund Fire Chief Andy Winkel Administrative Services Director Colleen Lasher City Attorney Amanda Johnson

1. CALL TO ORDER

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

2.01: Continued Review of Preliminary 2027 General Fund Budget/Levy

Finance Director Lund reviewed the final budget item requiring Council direction before preliminary adoption of the 2027 General Fund budget and levy on September 22, 2026. She explained that the proposed budget reflected a 6.13% levy increase but did not include the estimated cost of water used by the new splash pad. Based on approximately 17 million gallons of seasonal use and the current tiered utility rate, the annual charge was estimated at $95,000. She requested direction on whether the Parks Department should be billed at the regular tiered rate, a special reduced rate, or no rate.

Councilmember Riley asked whether the City was required to charge for water and what benefit would result from doing so.

Finance Director Lund explained that approximately 50% to 60% of City residents are utility customers. If the General Fund did not reimburse the Water Fund, water utility customers would bear the cost through enterprise-fund rates. Charging the Parks Department would shift the expense to the General Fund and distribute it across the entire City tax base. She noted the Council could establish a special splash-pad rate and estimated that $2 per 1,000 gallons would generate about $35,000.

Councilmember Stewart confirmed that waiving the charge would place the cost on residents connected to municipal water, while charging the General Fund would spread the cost across all taxpayers. She supported a citywide funding approach because residents throughout Ramsey may use the splash pad, including households served by private wells and septic systems.

Councilmember Specht asked whether staff could determine the City's actual cost to produce the water rather than applying the full retail rate.

Finance Director Lund explained that utility rates support the complete water operation, including treatment chemicals, staffing, Department of Natural Resources fees, operating costs, and capital needs such as water-tower maintenance. She added that the new water treatment plant had only recently begun operating, so the 2027 enterprise-fund budget relied on estimates until staff had better operating data.

City Administrator Hagen summarized the available options as continuing the current departmental charge at the regular tiered rate, establishing a reduced rate to lessen the General Fund impact, or waiving the charge and incorporating the estimated $95,000 into future Water Fund cash projections and utility rates. He noted that the actual cost to produce a gallon of water was lower than the retail rate, but the rate also funded future capital projects and reduced borrowing needs.

Councilmember Riley confirmed that no sewer charge was included because the splash-pad meter was treated similarly to an irrigation meter.

Finance Director Lund confirmed the estimate was for water only.

Councilmember Riley supported using a lower rate that was closer to the City's production cost rather than the highest tiered rate.

Councilmember Olson supported funding the expense citywide because the splash pad was available to all residents without restriction.

Mayor Heineman observed that public amenities such as drinking fountains and park misting features also involved taxpayer-supported operating costs, although the splash pad used water on a much larger scale.

Councilmember Olson asked whether operating costs could be funded through the same source used to construct the splash pad.

Staff explained that the Park Trust Fund was available for capital expenditures but could not be used for ongoing operating expenses.

Mayor Heineman summarized the direction as establishing a reduced water rate intended to approximate cost, charging that amount to the General Fund so the expense was shared citywide, and maintaining the previously supported levy target by identifying offsetting reductions elsewhere in the budget.

Finance Director Lund estimated that applying approximately one-half of the current rate would result in a General Fund expense of approximately $47,500.

The consensus of the Council was to bill the splash pad at a reduced water rate, resulting in an estimated annual General Fund cost of $47,500, distribute the expense through the citywide tax base, and direct staff to identify approximately $47,500 in other budget reductions so the preliminary levy remained at the previously supported level.

City Administrator Hagen also requested preliminary authorization to advance the purchase of approximately 13 iPads and vehicle mounting brackets for the Fire Department. He explained that the countywide police and fire computer-aided dispatch system was transitioning to Tyler software in October 2026. Purchasing the iPads in 2026 would allow firefighters to train on the equipment they would ultimately use rather than training on computers scheduled for replacement in 2027. The purchase would be funded through TIF District 14 reimbursement funds and would not affect the 2026 or 2027 levy.

Fire Chief Winkel confirmed the software transition was countywide and affected both law enforcement and fire departments.

The Council agreed to support bringing forward a resolution authorizing the 2026 purchase of the Fire Department iPads and mounting equipment, with the corresponding item removed from the 2027 capital budget.

2.02: Discuss Council Member Participation in a Health Care Savings Plan

Administrative Services Director Lasher reviewed a recent statutory change allowing elected officials who were not covered by a City's personnel policy to participate in a post-employment health care savings plan. She explained that contributions would be made on a pre-tax basis and could be used after service for eligible medical expenses for the participant, spouse, and legal tax dependents. Eligible withdrawals would not be taxed, while funds used for other purposes would be taxable.

Administrative Services Director Lasher emphasized that participation could not be elected individually. The Council would first determine whether to establish a plan, followed by an anonymous vote on the plan design. If approved by the required majority, all Councilmembers would be required to participate under the adopted terms, even if individual members had voted against the plan. The Council would need to determine the amount or percentage of compensation directed to the plan, and Minnesota State Retirement System approval would be required.

Administrative Services Director Lasher explained that a plan design would generally remain in effect for two years. Changing the design sooner could result in an estimated $250 administrative fee. She noted that limited opt-out criteria existed. If contributions were added above current Council compensation, the City would need to follow the statutory process applicable to compensation increases. A plan funded within current compensation could be considered later without an immediate deadline.

Councilmember Olson asked whether the decision would apply only to the current Council or continue for future Councils, and whether the effective date could be delayed.

Administrative Services Director Lasher explained that the plan design would remain in effect for two years and advised that she would confirm the available effective-date options. She reiterated that there was no need to act immediately unless the Council intended to increase compensation.

Mayor Heineman clarified that staff was seeking consensus on whether the Council wanted to advance the matter to an anonymous vote.

The Council did not reach consensus on establishing a Council health care savings plan at this time. The Council did not request that the item return on a future agenda unless a future Council expressed interest.

2.03: Discussion Regarding Union Contract Negotiations (Discussion Closed to the Public)

Administrative Services Director Lasher introduced the item to update the Council regarding negotiations for the City's five labor contracts. She explained that several meetings had occurred and additional negotiations were anticipated. Minnesota Statutes, section 13D.03, permits the governing body to close a meeting for labor-negotiation strategy.

Motion by Councilmember Riley, seconded by Councilmember Specht, to recess to Closed Session at 5:55 p.m. for discussion of union contract negotiations.

Motion carried. Voting Yes: Mayor Heineman, Councilmembers Riley, Specht, Buscher, Olson, Peters, and Stewart. Voting No: None. Absent: Councilmember Peters.

The meeting reconvened to Open Session at 6:30 p.m.

Mayor Heineman reported that the Council met with staff and reviewed the status of negotiations involving LELS Patrol, LELS Captains, Crime Data Analysts, and AFSCME. The Sergeants' bargaining group had not yet provided information. Negotiations would continue with the Sergeants and all other groups to complete the contracts.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/Calendar

City Administrator Hagen reviewed the future topics calendar. Based on the direction provided during the budget discussion, he recommended removing another budget review from the September 8, 2026, work session and returning directly with the preliminary budget and levy for adoption on September 22, 2026.

The consensus of the Council was that another budget work session review was not necessary before preliminary adoption.

City Administrator Hagen proposed adding discussions regarding data centers, the Flock camera pilot program, and potentially the Comprehensive Plan to an upcoming work session. He explained that data centers were currently allowed outright in certain zoning districts. Staff wanted early Council direction on whether to consider code amendments, including changing data centers to a conditional use subject to reasonable restrictions. Potential concerns included cooling methods and water use. He also reported that Anoka County Sheriff Brad Wise had offered to present information regarding the Flock camera pilot program.

Councilmember Specht supported presenting the Flock camera pilot program during a regular Council meeting because of strong public interest and the likelihood of significant attendance.

Mayor Heineman supported first receiving an exploratory presentation during a work session and then continuing the discussion during the regular meeting, allowing the Council to ask detailed questions while also providing a public forum.

Councilmember Buscher asked who requested the data-center discussion and requested that Councilmembers receive background material earlier than the Thursday immediately preceding the meeting.

City Administrator Hagen explained that the data-center topic was a staff initiative prompted by public concerns and recent experiences in other communities. He noted that placing the item on the future-topics calendar provided approximately two weeks of notice. He anticipated that the first discussion would seek early direction rather than resolve all policy questions.

Councilmember Peters noted that his employer had experience with data-center projects and could provide frequently asked questions and background information.

Mayor Heineman supported beginning both conversations promptly to acknowledge residents' concerns, while allowing either topic to continue at later meetings as needed.

Councilmember Riley requested an update regarding code compliance and cleanup efforts along the Highway 10 commercial corridor following the Council's spring discussion and direction.

The Council supported prioritizing the Highway 10 code-compliance update ahead of the proposed facility tour and requested that the update occur before Thanksgiving 2026.

Councilmembers also expressed interest in reviewing subdivision-code topics before conducting facility tours.

4. MAYOR / COUNCIL / STAFF INPUT

Councilmember Riley asked for an update on the Council's previous direction to strengthen responsible-bidder requirements for publicly funded projects and tax-increment-financing agreements.

City Administrator Hagen recalled that the Council had directed staff to proceed with the Trident development agreement using the labor-protection language presented in Exhibit C and separately consider broader responsible-bidder language for future policy. He reported that the City's existing ordinance required compliance with Minnesota responsible-contractor statutes for sealed City bids. Still, the requirement did not automatically apply to TIF or other business-incentive projects. Staff had not yet developed proposed policy language because no completion date had been established.

Councilmember Buscher expressed concern that the responsible-bidder requirements were intended to be in place before approval of the Trident development agreement. She supported applying the State's responsible-contractor verification and certification requirements to publicly funded and TIF-supported projects. She also questioned language in Exhibit C that she believed could conflict with Minnesota law regarding downstream contractor liability.

City Attorney Johnson explained that the City's bond counsel, Mary Ippel, prepared the development agreement and had substantial public-sector TIF expertise. City Attorney Johnson had not drafted or independently reviewed the specific language but was willing to review it if directed.

City Administrator Hagen advised that changing the negotiated Trident agreement before approval would require tabling the item and reopening discussions with the developer. He acknowledged that he had understood the previous Council direction differently and accepted responsibility for the misunderstanding.

Mayor Heineman recalled supporting a three-year review of serious labor violations and incorporation of the Exhibit C protections into the Trident agreement. He stated that approval of the current agreement would not prevent the Council from developing a broader responsible-bidder policy for future projects.

Councilmember Specht supported screening contractors for recent serious labor violations but did not support adding prevailing-wage requirements. Staff clarified that prevailing wages were not included in the proposed responsible-bidder discussion.

The Council agreed that additional information regarding State responsible-contractor requirements, certification forms, Exhibit C, and the scope of a future City policy should be provided for continued discussion. No formal action was taken.

5. ADJOURNMENT

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

Respectfully submitted,

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Brian S. Hagen
City Administrator

ATTEST:

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Katie M. Schmidt
City Clerk

Drafted by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.