

CITY OF NEW HOPE  
4401 XYLON AVENUE NORTH  
NEW HOPE, MINNESOTA 55428

City Council Minutes  
Work Session Meeting

June 21, 2010  
Conference Room

**CALL TO ORDER** The New Hope City Council met in work session pursuant to due call and notice thereof; Mayor Hemken called the meeting to order at 6:30 p.m.

**ROLL CALL** Council present: Kathi Hemken, Mayor  
John Elder, Council Member  
Andy Hoffe, Council Member  
Eric Lammle, Council Member  
Daniel Stauner, Council Member

Staff present: Kirk McDonald, City Manager  
Curtis Jacobsen, Director of Community Development  
Guy Johnson, Director of Public Works  
Rich Johnson, Human Resources Manager  
Valerie Leone, City Clerk  
Gary Link, Director of Police  
Eve Lomaistro, Human Resources Coordinator  
Shawn Markham, Forester/Contract Manager  
Eric Weiss, Community Development Assistant

Also Present: Steve McDonald, Abdo, Eick & Meyers

**PERSONNEL BOARD** Mayor Hemken introduced for discussion item 11.1, Dialogue with personnel  
**Item 11.1** board.

Personnel Board Members Jim Hill (Chair) and Eric Galstad were recognized. Chair Hill noted Mary Arnold was unable to attend due to a work commitment.

Chair Hill shared the Board's intention to assist city staff with comparing New Hope's organizational structure with other entities to plan for the future. He stated the members have also been requested to assist with the compensation study planed for 2010.

Council Member Elder emphasized the importance of allowing employee feedback relative to job descriptions and organizational charts.

Council reviewed the current departmental organizational charts and position summaries. Mr. Rich Johnson, human resources manager, explained that some employees such as park maintenance workers office out of public works but report to Parks & Recreation. Council questioned whether the wages are clearly reflected on the budget for the appropriate department.

Mr. Guy Johnson, director of public works, stated the "labor pool" concept was eliminated two years ago; he noted the wages of the four persons who perform

park maintenance are charged to the Parks and Recreation Department budget.

Mr. Kirk McDonald, city manager, commented regarding the human resources experience held by the personnel board members. He stated recruitment activity has been relatively slow recently allowing the Personnel Board the time to be involved with other personnel-related projects for the city.

Council Member Stauner inquired whether the Personnel Board has recommendations or ideas on other areas that need attention within the city.

Mr. Hill thanked the Council for the opportunity to dialogue. He stated the organizational structure review will begin after the human resources manager gathers data from other cities. Mr. Galstad stated reviewing job descriptions will help the board become more familiar with roles and help validate pay structures when the compensation study is undertaken. It was noted that many job descriptions are outdated as the descriptions are updated only as vacancies arise. Mr. Rich Johnson reported he and the human resources coordinator are attempting to update job descriptions with input by employees. He stated his intent to solicit Requests for Proposals in 2010 for the compensation study. He noted the possibility of turnover when the economy improves and noted the benefits of employee retention.

The Council thanked the Personnel Board for their service.

Mr. Hill stated serving on a board is a way to give back to the community through our skills and abilities.

**IMP. PROJECT 858**  
**Item 11.2**

Mayor Hemken introduced for discussion item 11.2, discussion regarding the installation of plantings at 4424 Nevada Avenue North (improvement project 858).

Mr. Kirk McDonald, city manager, explained the city purchased the property in August of 2009 and it could be incorporated as park property or used for redevelopment purposes. He stated he asked staff to prepare a planting design for Council's review. He noted the projected cost is \$13,000 which includes preparatory work, plantings and site restoration.

Mr. Shawn Markham, forester/contract manager, reviewed the proposed plant design containing a mixture of hardy plants and shrubs to attract wildlife. He noted the former house site would be seeded only until a decision is made on the property's use. He stated a 15-foot strip would be mowed and the rest left in a natural state.

Mayor Hemken commented that many of the neighbors favor incorporating the property into park land. She polled the council members and the majority supported utilizing the property as park property rather than housing redevelopment.

Council Member Lammle inquired whether Director French provided input. Mr. Guy Johnson, director of public works, stated Director French is receptive to incorporating the land as park land.

Discussion ensued regarding the plant costs and types, long-term maintenance of the plantings, the possibility of adding signage (of plantings) as an educational component, adding amenities such as trails if the property is dedicated as park land. Council Member Stauner noted the planting scheme for the corner should be amended if the site is park land.

A suggestion was made to solicit volunteers to plant which would reduce the cost. Mr. Markham noted the site will require substantial site preparation.

Mr. Kirk McDonald noted he would ask staff to continue working on a plant design.

Council Member Elder complimented Mr. Markham and Tim's Tree Service regarding the removal of ash trees. He noted he has received positive feedback from the community regarding the work.

Mayor Hemken suggested a regular update be included in the utility bill "In the Pipeline" communication to inform the public of the progress of the ash tree project and that grant funds were secured for the project.

At Council's request, Mr. Markham updated the Council on the progress of the tree inventory being undertaken by the forestry intern. Mr. Markham noted the intern is very knowledgeable and has completed approximately half of the inventory. He stated the project will provide the city with every tree species on all public land throughout the city.

**NOISE WALL  
Item 11.3**

Mayor Hemken introduced for discussion item 11.3, Discussion regarding the Minnesota Department of Transportation's noise wall program.

Mr. Kirk McDonald, city manager, explained the city has been contacted by MnDOT regarding the possible construction of a noise wall along the east side of TH169 from 36<sup>th</sup> Avenue and 42<sup>nd</sup> Avenue. He stated at this juncture MnDOT is only inquiring of the city's support and interest.

Mr. Guy Johnson, director of public works, stated MnDOT financed 100% of the noise wall construction along TH 169 from Medicine Lake Road to 36<sup>th</sup> Avenue in 2003.

Mr. Johnson stated the proposed section of noise wall was originally scheduled for construction in 2014, but could be advanced to 2011. He stated MnDOT would take the lead including neighborhood meetings. Mr. Johnson noted that the city is being asked to contribute 10% of the \$1.2 million project cost or approximately \$120,000.

Council discussed funding sources. Mr. Steve McDonald, AEM, advised the Council of \$750,000 in the construction project fund that has had little expenditure activity in the past three years.

Mr. Guy Johnson noted the fund was known as the "road and bridge" construction fund, and the city has not needed to use it heavily since establishment of the street

levy infrastructure fund in 2001.

Council Member Lammler requested a timeline of when the noise wall construction may occur from 42<sup>nd</sup> Avenue north.

Mr. Guy Johnson explained that each section is rated depending on such criteria such as housing density and distance to the highway. He stated the next section to be proposed for noise wall construction will likely be Bass Lake Road to 62<sup>nd</sup> Avenue.

The Council unanimously expressed support for the noise wall construction project between 36<sup>th</sup> and 42<sup>nd</sup> Avenues.

Mayor Hemken asked Mr. Johnson to report to the Council regarding the anticipated schedule for construction of noise walls along TH 169 in New Hope.

**TIF/EDA FUNDS**  
**Item 11.4**

Mayor Hemken introduced for discussion item 11.4, Discuss possible projects to be financed TIF funds and possibly EDA funds.

Mr. Curtis Jacobsen, director of community development, stated in follow up to discussions with Council on April 19, 2010, with Jim Casserly from Monroe, Moxness, and Berg PA, the Council requested staff to develop potential projects appropriate for TIF expenditures.

Council was advised that the TIF fund balance is \$4.5 million. He noted the city could lose funds if they are not expended. Council questioned the possibility of using TIF funds for the ice sheet replacement at the ice arena. Director Jacobsen reported that retrofitting public facilities is not an eligible use of TIF funds.

Mayor Hemken asked the Council to consider their preference for housing rehab or commercial redevelopment.

The consensus of the Council was to pursue redevelopment of 4415 Nevada Avenue.

Council Member Stauner expressed reservation of purchasing gas station properties due to soil contamination issues. Mr. Jacobsen indicated the city could assist the owner to redevelop the property rather than assuming the property as a city project.

Discussion ensued regarding the possible redevelopment at the Hosterman School site, improving the corridors to the city such as street lighting schemes (62<sup>nd</sup> Avenue and Medicine Lake Road), Habitat for Humanity project, 8001 Bass Lake Road redevelopment, purchasing properties on 42<sup>nd</sup> Avenue for future redevelopment (7700 and 7820 42<sup>nd</sup>), Winnetka Learning Center site and soccer fields, and improvements to Midland Center.

Council Member Stauner recommended proceeding cautiously when landbanking as it results in removing properties from the tax rolls. He suggested that Director Jacobsen consult Planning Commissioner Hunten regarding an outline she

previously shared regarding the criteria used for landbanking properties.

Mr. Jacobsen commented regarding the 4415 Nevada Avenue North site and suggested splitting the lot to accommodate two mid-range priced homes rather than one higher valued house on a large lot.

Council thanked staff for the list of potential uses of the TIF funds.

**RECESS**

The Council recessed at 7:46 p.m. and reconvened at 7:57 p.m.

**BUSINESS SUBSIDY  
POLICY**

Mayor Hemken introduced for discussion item 11.5, discuss amending the city's current business subsidy policy.

**Item 11.5**

Mr. Kirk McDonald, city manager, stated the city's current business subsidy policy was drafted several years ago and is outdated.

Mr. Curtis Jacobsen, director of community development, stated a model document was drafted by Ehlers and Associates for the League of Minnesota Cities. He stated the model policy is in compliance with state statutes and would provide a standard policy as many cities utilize the model policy.

Mr. Jacobsen spoke of the need to provide a rehab fund to provide low interest loans for commercial properties or apartments. He noted some properties only require a new façade or face lift while others may require a total demolition. He recommended creating programs (such as a rehab fund program) to complement the business subsidy policy, and noted Council would have discretion to approve/deny projects on a case-by-case basis.

Council Member Stauner recommended changing the word "is" to "may" on page 12 (subd. 7.02) and recommended the applicant be required to state the basis upon which they are claiming eligibility as well as disclosing all funding sources of the proposed project.

Discussion ensued regarding tax abatement. Mr. Jacobsen commented the "but for" test does not apply in tax abatement.

Mr. Jacobsen noted there would be no EDA funds expended without a commitment by the applicant.

Staff was directed to make the recommended modifications and present the proposed policy for adoption at the June 28 Council Meeting.

**2010 BUDGET**

**Item 11.6**

Mayor Hemken introduced for discussion item 11.6, discussion regarding finalizing the 2010 budget reduction plan.

Mr. Kirk McDonald, city manager, stated the City Council and staff had discussed the budget reduction plan at the April 19 work session to address a loss of approximately \$338,216 in state aid. He stated the plan includes a reduction in expenditures and use of other revenues/reserves as follows:

\$203,545      Expenditures reductions

20,000	Miscellaneous revenue
<u>114,671</u>	Reserves
\$338,216	Total

Mr. McDonald reported expenditure reductions comprise two-thirds of the gap and reserves will fund the remaining one-third gap. He noted the city of Crystal plans to cover their \$400,000 gap by utilizing approximately \$300,000 in reserves and \$100,000 in expenditure reductions.

He outlined several items that have taken place since the April 19 work session that could impact on the budget for the remainder of the year.

Council Member Stauner inquired whether the city is certain the miscellaneous revenue figure can be met. Mr. Steve McDonald, AEM, reported much of the miscellaneous revenue is recurring income and is fairly accurate.

Council Member Stauner inquired whether the \$9,070 Xcel Energy franchise fee overpayment was verified. Mr. Kirk McDonald indicated he consulted the city attorney and since the total covered several years and would require significant staff time to research, it was determined best to accept the figure as stated.

The Council directed staff to place the budget reduction plan on the next regular council agenda for formal approval.

**EARLY RETIREMENT PROPOSALS**  
**Item 11.7**

Mayor Hemken introduced for discussion item 11.7, Discussion of early retirement proposals for L.E.L.S. Local #77 and I.U.O.E. Local #49.

Mr. Rich Johnson, human resources manager, presented early retirement proposals for the law enforcement union and public works union. He stated the plans mirror the 2009 early retirement incentive proposals. He stated one police officer and four maintenance workers meet the eligibility requirements. He noted the union business representatives are supportive of the programs.

Mayor Hemken inquired whether proposals will be offered to non-union employees. Mr. Johnson responded that he is consulting other cities and is working on a plan for non-union personnel as well.

Council discussed the savings in personnel costs with new employees but also recognized the city's loss of experience when senior employees retire.

Council Member Hoffe questioned whether incentives are needed to encourage eligible employees to retire.

Mr. Rich Johnson commented regarding a major concern of potential retirees is the cost of health care premiums. He stated the plan stipulates that accrued sick leave, vacation or personal leave time in addition to any lump sum retirement incentives would be placed in a post-employment health care savings plan (tax free) to be used for health care premiums.

Mr. Rich Johnson reported on the timing of the retirement proposal and that

recruitment may not be necessary for public works personnel as the city has a valid list of certified candidates to draw upon.

Council Member Stauner questioned whether the package contained any incentive for the I.U.O.E. personnel to retire after August 28 and prior to October 23. Mr. Rich Johnson stated he would compare it to last year's proposal and make any necessary corrections.

Mayor Hemken stated the program is strictly voluntary.

Mr. Rich Johnson noted the offer is less rich than what some other cities are offering.

Council supported placing the retirement proposals for LELS #77 and IUOE #49 on the June 28 Council Meeting agenda.

**COMPUTER  
EQUIPMENT  
Item 11.8**

Mayor Hemken introduced for discussion item 11.8, Discussion regarding Council computer equipment replacement.

Mr. Kirk McDonald, city manager, stated the 2010 budget contains \$10,000 for Council laptop replacement. He noted council members have different skill sets and it would be helpful to staff to determine what best fits Council's needs.

Council discussed the benefits of moving towards a paperless environment (such as agenda packets) and utilizing the city's wireless network during council meetings. It was noted that laptops would be required at the council desk.

Discussion ensued regarding the use of smart phones. Council Member Elder commented on the difficulty he experiences trying to access city email via his Blackberry device. Council was advised that personal smart phones are prohibited from connection to the city's email server. Mr. McDonald stated the city could purchase smart phones for the Council and the cost would be \$60 per month for the data plan. City Clerk Leone commented that as outlined in the IT Coordinator's memorandum, this option would be in lieu of the city's monthly payment for Comcast internet server to Council residences.

It was noted that the citizenry demands rapid communication responses. The Council expressed preference for Blackberry devices (Council Member Lammle stated he did not need one). Council Member Elder asked that the issue of receiving emails on his personal Blackberry device be re-visited. He also commented that he would be willing to carry a second Blackberry (city-issued).

Council Member Stauner commented that he is willing to relinquish the city-owned laptop. He noted the only program he could not access would be Laserfiche. City Clerk Leone informed Council they have the capacity to access Laserfiche through a web view rather than a full user license.

Mayor Hemken expressed her need for a computer notebook or Blackberry for portability.

Costs of laptops were discussed. Council questioned the budgeted amount of \$2,000 per laptop. Mr. Gary Link, director of police, stated much of the cost involves software licensing and the city-issued laptop has additional equipment (security and operating capabilities) than an individual would purchase “off the shelf” at an electronics store.

Mr. McDonald stated no decision is required at this time and the unspent \$10,000 for Council laptops would remain in the 2010 IT budget. He stated the purpose of the discussion was to obtain feedback from Council and to allow Council to begin considering their communication preferences and that staff would conduct further research and bring this item back for discussion.

**2011 BUDGET  
Item 11.9**

Mayor Hemken introduced for discussion item 11.9, Begin discussions regarding 2011 budget.

Mr. Kirk McDonald, city manager, stated Steve McDonald of AEM is present to review aspects of the budget. Mr. Kirk McDonald requested Council to consider goals and priorities for the 2011 budget. He reviewed priorities from the 2010 budget which are applicable to the 2011 budget. He also reviewed the proposed budget schedule noting staff’s intent to provide a preliminary budget to Council by August 16. Mr. Kirk McDonald stated the 2011 budget wage schedule was prepared conservatively without any across the board wage increases or insurance contribution increases. He informed Council he would like the Council to consider small increases in one or both areas and any changes could be incorporated into the budget at a later date.

Mr. Kirk McDonald asked Council to consider ranking service priorities. He illustrated the format utilized by the city of Crystal for a similar exercise. Council expressed support for such an endeavor.

Mr. Steve McDonald, AEM, was recognized. He stated the budget format implemented in 2010 will continue forward. He noted the result is better clarity, and staff will further utilize the J.D. Edwards finance software to make the process more efficient for the department heads.

Mr. Steve McDonald reported on a five-year planning model that is being devised to integrate with the current five-year capital plan and 2011 budget. He stated the format will be shared with Council in August. He noted the format was used this year for central garage and AEM recommends utilizing it for other areas as well.

Mr. Steve McDonald recommended placing franchise fees into the general fund for the 2011 budget similar to 2010 due to the uncertainty of LGA funding. He also commented on the allocation of administrative charges to affected departments. Mr. McDonald stated the current amount identified for LGA from the state for New Hope for 2011 is \$640,007 (an increase of \$595,200 from 2010). He also reported on the estimated maximum levy limit of \$9,904,127 (an increase from \$9,100,000).

Mayor Hemken thanked Steve McDonald and AEM staff for assisting the city and making the budget process easier to understand.

**COPS PROGRAM  
Item 11.10**

Mayor Hemken introduced for discussion item 11.10, Update regarding community oriented policing services (COPS) hiring program.

Mr. Gary Link, director of police, explained that in the spring of 2009, President Barack Obama and the Federal Government provided grants and other awards as part of an economic stimulus package. He stated one of these stimulus packages was the COPS Hiring Recovery Program (CHRP). Police agencies from around the country completed applications requesting grant funding for the hiring of additional police officers. New Hope submitted a request on April 4, 2009, for one police officer but was not awarded a grant.

Mr. Link advised the program has been changed to the Cops Hiring Program (CHP) and that the COPS Office is now accepting updated applications for consideration of hiring awards later this year. He stated the CHP is similar to the CHRP in that it is a competitive grant program providing funding for approved entry level salaries and fringe benefits for a period of three years for newly hired full-time sworn officer positions or for rehired officers who have been laid off. The department is then required to continue employing the officer for at least one year after the expiration of the grant award. Approximately \$298,000,000 has been appropriated with the COPS Office expecting to make roughly 500 awards by September 30, 2010.

He stated an updated application was submitted prior to the June 16, 2010 deadline, and staff desires the Council's direction should the city receive an award for one officer.

Mr. Link stated the department has 31 sworn officers and adding another officer will allow the minimum response division staffing level of three officers 24/7.

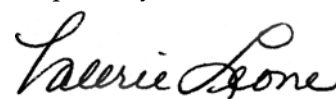
Mr. Link reported that due to the sale of the Hosterman site, District 287 will not require a School Resource Officer (SRO) this fall. He stated this will impact the city's budget by \$30,000. Discussion ensued regarding the benefits provided by the presence of an on-site SRO and the probability of increased police calls if the District does not continue the contract for a SRO due to budget constraints. Mr. Link relayed the city has an incident log identifying the demands at the site.

The Council expressed strong support for public safety and adequate staffing levels to serve the citizenry and ensure officer safety and indicated support for the CHP application. Council also discussed the possibility of implementing a fee for overuse of city services if District 287 eliminates the SRO program and an excessive amount of officer time is required at the facility.

**ADJOURNMENT**

The meeting was adjourned at 9:15 p.m. as there was no further business to come before the Council at its work session.

Respectfully submitted,



Valerie Leone, City Clerk

