

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

City Council Minutes  
Work Session Meeting

August 16, 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  
Paul Coone, operations manager  
Shari French, director of parks and recreation  
Curtis Jacobsen, Director of Community Development  
Mark Hanson, Bonestroo  
Rich Johnson, Human Resources Manager  
Valerie Leone, City Clerk

Also Present: Kristi Brutlag, Abdo, Eick & Meyers  
Steve McDonald, Abdo, Eick & Meyers

**THREE RIVERS PARK  
DISTRICT  
Item 11.1**

Mayor Hemken introduced for discussion item 11.1, discussion of 1<sup>st</sup> tier master plan with Three Rivers Park District.

Mayor Hemken reported that Commissioner Mark Haggerty was unable to attend tonight and therefore the discussion will be postponed until the September 20 work session.

**IMP. PROJECT 857  
Item 11.2**

Mayor Hemken introduced for discussion item 11.2, discussion with Stevens Engineers, Inc. regarding engineering study for the New Hope ice arena (improvement project no. 857).

Mr. Ken Pronovici, chair of the Ice Arena Engineering Study Committee, reported the study provides a broad view of the current state of the facility and recommendations/cost estimates for improvements. He noted the 15-member committee included representatives from a number of community groups. Mr. Pronovici pointed out the study will be a valuable planning tool for improvements to the ice arena.

Mr. Pronovici introduced Scott Ward of Stevens. Mr. Ward introduced Tom Betti with 292 Design Group and Mr. Mike Rudie of Nelson Rudie & Associates.

Mr. Ward stated Stevens and a specialized team of subconsultants was retained by the city to prepare an engineering study of the ice arena facility to plan for future

improvements and to meet grant requirements by Xcel Energy. He stated the north rink was constructed in 1975, the south rink was added in 1996, the majority of mechanical and building systems are original, there was an unexpected release of 4,400 lbs. of R-22 refrigerant earlier this year in the north rink and recently a 100 horsepower compressor failed in the north rink.

Mr. Ward stated the purpose of the study was to evaluate the existing facility, focus on improvements for the mechanical and ice systems, provide detailed, accurate information and recommendations to assist the city in defining, budgeting and scheduling future improvements, and recommend sustainable design practices (reduce use of fossil fuels, reduce greenhouse gas emissions, reduce overall energy use of the facility).

He recognized the committee membership:

- Kathi Hemken, mayor
- John Elder, council member
- Shari French, parks and recreation director
- Curtis Jacobsen, community development director
- Guy Johnson, public works director
- Jim Corbett, recreation facilities manager
- Ken Pronovici, Citizen Advisory Commission
- Dick Sievert, Citizen Advisory Commission
- Jeff Houle, Planning Commission
- Pat Crough, Planning Commission
- Gary Gilbert, Armstrong/Cooper Youth Hockey representative
- Patti Weldon, director of activities (Armstrong High School)
- John Oelfke, director of activities (Cooper High School)
- Mark Norman, business community representative (All Star Sports)
- Susan Rader, recreation supervisor

Mr. Ward stated the study identified 18 energy conservation opportunities (ECO):

- 6 ice system options
- 8 mechanical system options
- 2 electrical system options
- Two building system options

He reviewed the priority of improvements and estimated costs for the mechanical and ice systems, electrical systems, and building systems. He reported the next step of the process is for the study to be submitted to Xcel Energy for funding of the study. He indicated the project schedules will be determined by the scope of the project(s) and recommended the projects be scheduled during off-peak season.

Funding options were reviewed including rebates through Xcel Energy, State Appropriation Board, Sports Commission, American Recovery and Reinvestment Act (ARRA) and the Minnesota Office of Energy Security, Guaranteed Savings Contracts, and other sources.

Mr. Ward emphasized the risks of doing nothing could result in another catastrophic refrigerant leak or equipment failure, the potential loss of customers and revenue, and increased expenses/energy costs.

The Council thanked the consultants and committee members for their involvement with the study.

Council Member Stauner inquired of the likelihood that the costs will be greater than anticipated. Mr. Ward explained great detail has been provided for the mechanical aspects and all cost estimates include 15% contingencies.

Mr. Tom Betti commented that costs associated with renovation aspects within the building systems will depend on options for repairs.

It was recommended to bid the work as separate projects (ice, building, mechanical) as some work is specialized. Mr. Ward noted the estimates might be slightly higher than 2011 actual costs.

The Council was updated regarding the current status of the ice arena's mechanical operations.

Council requested Mr. Ward's presence at the August 23 Council Meeting for a public presentation. Staff was directed to place the powerpoint presentation on the city's website.

Mr. Kirk McDonald, city manager, thanked the committee and pointed out the benefits of having the committee stay involved during the decision-making process related to the phased improvement plan and to work with the city's financial consultant (AEM) on potential funding options.

Mr. Ken Pronovici agreed and commented that the committee's composition could change.

Mayor Hemken thanked Mr. Pronovici for chairing the committee.

**CAC  
Item 11.3**

Mayor Hemken introduced for discussion item 11.3, Dialogue between City Council and Citizen Advisory Commission.

Ms. Shari French, staff liaison to the Citizen Advisory Commission, was recognized. She stated the Citizen Advisory Commission has been invited to the work session to dialog with the Council. Members of the commission in attendance included: Ken Pronovici, Eric Skalland, Rick Riley, Jonathan London, Karen Nolte, and Dick Sievert.

Discussion ensued regarding ways to beautify corridors within the city with plantings and the use of volunteers. Suggestions included utilizing the Back Acres Garden Club, college students, and community volunteers. The commission was asked to establish criteria which could be submitted to landscape design schools as design project.

Mr. Bill Smith, 4816 Flag Avenue North, suggested contacting local nurseries as well.

Mayor Hemken asked the Citizen Advisory Commission to publicize the photo contest and seek ways to become more involved with the first annual photo contest. Commissioner Nolte suggested a local photographer who may be willing to serve on the judge panel.

Commissioner Riley commented on existing programs to communicate to the public such as the farmers market and national night out.

Council Member Elder invited the commission to staff the city booth at the farmers market to share the commission's role with the public.

A brief discussion ensued regarding organic recycling and organized garbage collection. Council Member Stauner noted contracting with one hauler would reduce the number of trucks on city streets.

Council Member Hoffe suggested the CAC's assistance with welcoming new residents (formerly known as Welcome Wagon).

Commissioner Skalland spoke of the need for redevelopment within the city and the need of a grocery store. He suggested the city continue exploring the potential for a Super Target at a city-owned site rather than the school district owned property at 42<sup>nd</sup>/Winnetka.

Mayor Hemken noted the transit oriented development study is underway.

Commissioner Nolte suggested embracing the character of New Hope and maintaining New Hope as a village.

The Council thanked the commission for their volunteer service and community involvement. Mayor Hemken encouraged the commissioners to feel free to call the Council with any future ideas.

**IMP. PROJECT 876**  
**Item 11.4**

Mayor Hemken introduced for discussion item 11.4, Discussion regarding the Minnesota Department of Transportation's noise wall program (improvement project no. 876).

Mr. Kirk McDonald, city manager, stated in the city engineer's absence Mark Hanson of Bonestroo was invited to the meeting for this topic as well as Paul Coone, operations manager, and the representatives of MnDOT.

Mr. John Griffin and Peter Ronsco of MnDOT introduced themselves. Mr. Griffin explained the proposed noise wall project on the east side of Trunk Highway 169 from north of 36<sup>th</sup> Avenue North to south of 42<sup>nd</sup> Avenue North was originally scheduled for consideration in 2014 but has been advanced to 2011. He stated currently, Mn/DOT's noise wall program only provides 90% of the funding to construct the barrier, and the city would be responsible for the remaining 10% of the project costs. He stated the estimated project cost is \$1,200,000.

Mr. Griffin explained following City Council approval, the next step in the project process would be to hold a neighborhood open house. He stated the noise wall

would be 20 feet in height with a dark brown stain. He explained the wall would end near the off ramp to 42nd Avenue.

Mr. Griffin stated the existing chain link fence would likely be removed with construction of the noise wall. He stated MnDOT must maintain a 10-foot easement on the back of the wall. He pointed out it will be necessary to work through any issues for neighbors as the project will impact their backyards.

Mr. McDonald stated the open house is proposed for September 9.

Discussion ensued regarding future noise wall projects including Rockford Road to Schmidt Lake Road which is ranked 16<sup>th</sup>. It was also noted the area between Bass Lake Road to 63<sup>rd</sup> Avenue is scheduled for 2020.

The Council expressed support for the project and thanked the MnDOT representatives for their attendance.

**STORM WATER  
INFRASTRUCTURE  
REPAIR  
Item 11.5**

Mayor Hemken introduced for discussion item 11.5, discussion of Jordan avenue storm water infrastructure repair and water quality improvements west of Northwood Lake.

Mr. Kirk McDonald, city manager, stated he would like the Council to discuss options for the storm water pipe between Jordan Avenue and Highway 169 at the west end of Northwood Lake. He noted the timeliness of the discussion due to the proposed noise wall project along Highway 169.

Mark Hanson, Bonestroo, reviewed Option A (dip on pilings) for \$198,137; Option B1 (open swale) for \$68,062; Option B2 (open swale with slope stabilization) for \$152,763; Option C1 (open swale with pond) for \$275,550; and Option C2 (open swale with pond and slope stabilization) for \$313,363. He stated the preference would be to put the pipe on pilings. He noted the benefits of the pond for water quality treatment is unknown as it is a small area with a fair amount of flow.

It was noted the city of Plymouth is making additional improvements on the west side of Highway 169. Council also spoke of MnDOT's reductions in roadway salt and chemicals which will positively impact water runoff.

Council Member Stauner stated the last time the issue was presented to Council it was without any phosphorus removal models. He indicated the city may want to consider Option C due to TMDL requirements for Northwood Lake. It was noted the water flow must be analyzed before a decision could be made by Council.

The Council agreed to explore funding options with the watershed and MnDOT. Mr. McDonald indicated the cost for modeling may be funded by the storm water fund. Council authorized the expenditure due to time constraints. Council Member Stauner emphasized the need to have Northwood Lake Homeowners Association begin discussions regarding the situation.

Council thanked Mark Hanson for his input.

**RECESS**

The Council recessed at 8:15 p.m. and reconvened at 8:20 p.m.

**SCWMC  
Item 11.6**

Mayor Hemken introduced for discussion item 11.6, discussion regarding Shingle Creek Watershed Management Commission request to exceed administrative budget levy cap.

Watershed representatives Elder and Stauner were consulted regarding their opinions on exceeding the budget levy cap. Council Member. Stauner spoke against exceeding the cap and commented on performance issues related to budgeted items and the influential relationship with West Mississippi Watershed. Council Member Hoffe stated the city of Crystal did not support exceeding the cap. Council Member Elder also stated his position of not exceeding the cap.

Council Member Stauner also noted the difficulty with a 10-year plan when the city's joint powers agreement with Shingle Creek Watershed expires in January of 2015.

City Manager McDonald inquired whether or not to place the item on the August 23 Council Meeting agenda. Council Member Stauner noted action would not be necessary unless the city desired to authorize exceeding the assessment cap in 2011. To clarify the Council's position the Council agreed to consider the item at the August 23 meeting and formally decline exceeding the budget levy cap.

**6113 WEST  
BROADWAY  
Item 11.7**

Mayor Hemken introduced for discussion item 11.7, Discuss possible acquisition of 6113 West Broadway (tax forfeiture).

Mr. Curtis Jacobsen, director of community development, asked the Council to consider acquisition of 6113 West Broadway through the tax forfeiture process. He stated the city must respond to the county by August 31.

Mr. Jacobsen noted the city owns three lots west of 6113 West Broadway, and incorporating the corner property would offer a larger redevelopment site. He stated a developer has expressed interest in the site possibly for an upper scale three-story apartment building with underground parking.

Council Member Hoffe expressed concern regarding soil contamination cleanup costs. Mr. Jacobsen noted there has been one soil cleanup already, and the city would be eligible for grants from the Pollution Control Agency making the city's out of pocket costs for soil cleanup minimal.

Council Member Elder noted the city has an excessive number of existing apartments.

Mr. Jacobsen indicated Habitat for Humanity is not considering a project in New Hope at this time.

Mr. Jacobsen stated property acquisition is the first step of the process, and the Council will have ample opportunity to discuss potential property uses.

Council Member Lammle concurred and stated after the city controls the property

it will be up to interested developers to promote their ideas to the Council.

Council Member Stauner agreed it would be beneficial for the city, rather than the state, to control the property. He suggested staff research the statutes regarding deed restrictions and covenants as the city will want the greatest amount of flexibility concerning the property. He also suggested consulting the city attorney and proceeding cautiously regarding the soil contamination so as to protect the city's right to pursue clean up cost recovery from prior owners.

Mr. Jacobsen explained that the city must specify its intended use for the tax-forfeited property which would be redevelopment purposes.

Staff was directed to place the agenda item on the August 23 agenda.

**2010 COMPENSATION  
STUDY  
Item 11.8**

Mayor Hemken introduced for discussion item 11.8, Discussion regarding request for proposals for 2010 compensation study.

Mr. Kirk McDonald, city manager, stated a compensation study by an outside firm was approved in the 2010 budget. He stated staff would like to share the Request for Proposal with Council.

Mr. Rich Johnson, human resources manager, was recognized. He stated the 2010 budget contains \$20,000 for the compensation study. He noted staff's intentions to utilize the personnel board's expertise to review the proposals.

Council Member Lammle inquired whether the results of the study will affect labor negotiations. Mr. Johnson indicated it will be unlikely as wage contracts for both the public works and the law enforcement unions are competitive.

Mr. Johnson indicated no dollars have been set aside in 2011 for wage adjustments. He stated depending on the outcome of the study it may be necessary to make adjustments beginning with the 2012 budget.

Council was supportive of the study and directed staff to place the item on the August 23 Council Meeting agenda.

**2011 PRELIMINARY  
BUDGET  
Item 11.9**

Mayor Hemken introduced for discussion item 11.9, Discussion regarding 2011 preliminary general fund budget and tax levy.

Mr. Kirk McDonald, city manager, stated he would like to begin discussions on the preliminary 2011 general fund budget and tax levy. He stated Steve McDonald from Abdo, Eick, and Meyers (AEM) will provide an overview. Mr. Kirk McDonald recommended holding a special budget work session on September 7 with attendance by department heads.

Mr. Steve McDonald, AEM, pointed out the 2011 budget document is an evolution from last year. He complimented all involved for compiling the information. Mr. McDonald noted the comments section was incorporated into the narrative portion of the budget document.

Mr. Steve McDonald stated the city's allotment of LGA in 2011 is approximately \$650,000. He noted since the state budget forecast for 2011 is a deficit of over \$5 billion it is uncertain that the city will receive the full allotment. He stated the amount of the proposed levy increase is 2.87% which is largely due to the equipment certificates needed to fund the fire trucks. He stated without the certificates the increase over last year would be less than 1%.

Mr. Steve McDonald stated the overall expenditures increased approximately 5%, and the major changes included an increase in central garage charges \$68,385; increase in IT charges \$88,556; police equipment \$85,040; additional police personnel costs including one additional officer \$115,000; contingency for wage increases \$100,000, and overall increases in other line items \$96,586.

He noted the golf course and ice arena budgets have a positive cash flow in both funds.

Mr. Steve McDonald stated his intent to revise page 9 regarding the tax impact on residential homes to include the 2009 home value so it is more reflective of the market. He stated if the levy is under 3% the tax rate will increase but it will not have much impact to the average homeowner.

Council discussed the need to levy back lost LGA and to document the significant cuts already made by the city.

Mr. Kirk McDonald indicated 2.87% is the starting point which would be the maximum increase.

Council Member Stauner requested the positions/salaries information be provided with full wages instead of split between programs.

A brief discussion was held regarding funding of Ice Arena improvements. Council Member Stauner spoke of the need for a referendum on whether to use park infrastructure funds to pay for the ice sheet replacement. It was agreed that a capital fund must be established.

The Council agreed to hold a special budget work session on September 7, 2010.

**OTHER  
BUSINESS**

Mayor Hemken introduced a proclamation requested by Can Do Canines, Resolution proclaiming 2010 National Assistance Dog Week August 8-14, 2010, in the city of New Hope.

**RESOLUTION 2010-119** Motion was made by Council Member Elder, seconded by Council Member Lammle, **to adopt Resolution proclaiming 2010 National Assistance Dog Week August 8-14, 2010, in the city of New Hope.** All present voted in favor. Motion carried.

Council Member Hoffe recommended adopting a proclamation in mid September to honor the Plymouth/New Hope Little League for reaching the regional trials for Little League World Series in Indianapolis.

**ADJOURNMENT**

The meeting was adjourned at 9:16 p.m. as there was no further business to come before the Council at its work session.

Respectfully submitted,

A handwritten signature in cursive script that reads "Valerie Leone".

Valerie Leone, City Clerk