

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

City Council Minutes
Regular Meeting

September 13, 2010
City Hall, 7:00 p.m.

CALL TO ORDER

The New Hope City Council met in regular session pursuant to due call and notice thereof; Mayor Hemken called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

The City Council and all present stood for the Pledge of Allegiance to the Flag.

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
Shari French, Director of Parks & Recreation
Rich Johnson, Human Resources Manager
Valerie Leone, City Clerk
Steve Sondrall, City Attorney
Eric Weiss, Community Development Assistant

APPROVAL OF MINUTES

Motion was made by Council Member Stauner, seconded by Council Member Hoffe, **to approve regular meeting minutes of August 23, 2010**. Voting in favor: Hemken, Elder, Hoffe, Stauner; Abstained: Lammle. Motion carried.

OPEN FORUM

Mr. Michael Kohn (and daughter McKenzie), 3015 Ensign, inquired of the future of the gymnastics program which was previously held at Hosterman. Council Member Elder and Director of Parks and Recreation Shari French indicated the city is diligently trying to find a 3,000 square foot space at an affordable price.

PRESENTATION - PLYMOUTH/NEW HOPE LITTLE LEAGUE Item 5.1

Mayor Hemken introduced for discussion Item 5.1, Resolution recognizing Plymouth New Hope Little League's participation at the 2010 Little League World Series.

The team, coaches, and parents were congratulated by Senator Ann Rest, Representative Sandra Peterson, and Mayor Kathi Hemken.

RESOLUTION 2010-126 Item 5.1

Council Member Stauner introduced the following resolution and moved its adoption: **"RESOLUTION RECOGNIZING PLYMOUTH NEW HOPE LITTLE LEAGUE'S PARTICIPATION AT THE 2010 LITTLE LEAGUE WORLD SERIES."** The motion for the adoption of the foregoing resolution was seconded by Council Member Elder, and upon vote being taken thereon,

the following voted in favor thereof: Hemken, Elder, Hoffe, Lammle, Stauner; and the following voted against the same: None; Abstained: None; Absent: None; whereupon the resolution was declared duly passed and adopted, signed by the mayor which was attested to by the city clerk.

ROTATING VOTES

Please note that votes taken on each agenda item are called by the secretary on a rotating basis; however, the written minutes always list the Mayor's name first followed by the Council Members in alphabetical order.

CONSENT AGENDA

Mayor Hemken introduced the consent items as listed for consideration and stated that all items will be enacted by one motion unless requested that an item be removed for discussion. Items 6.6 and 6.7 were removed for discussion later in the meeting.

MOTION

Consent Items

Motion was made by Council Member Elder, seconded by Council Member Stauner, **to approve the remaining Consent items**. All present voted in favor. Motion carried.

FINANCIAL CLAIMS

Item 6.2

Approval of financial claims through September 13, 2010.

RESOLUTION 2010-127

Item 6.4

Resolution authorizing the appropriation of funds to tear off and reroof the New Hope Village Golf Course maintenance building and award contract to A Plus Roofing Co. for \$9,440.

RESOLUTION 2010-128

Item 6.5

Resolution authorizing execution of Master Subscriber Agreement for Minnesota Court Data Services with the State Court Administrator's Office.

CONSENT ITEMS

REMOVED FOR

DISCUSSION -

HEALTH BENEFITS

PROGRAMS

Item 6.6

Mayor Hemken introduced for discussion the Consent item removed for discussion, Item 6.6, Resolution establishing city's monthly contribution for health benefits programs effective January 1, 2011.

Council Member Hoffe voiced his concern that the 2011 preliminary budget contains \$640,000 of local government aid that is uncertain revenue. Council Member Lammle expressed optimism that a contingency plan will be implemented to address any shortfall. He noted even with a \$25 per month increase employees will be paying a greater cost due to the health insurance premium increases.

Council Member Stauner noted providing a cash benefit for waiving insurance has a negative impact on the health insurance pool, and he would like the practice changed. He stated he is aware the program is being phased out. Council Member Stauner stated a \$25 per month increase is a reasonable increase in contribution for health insurance.

Mr. Rich Johnson, human resources manager, clarified that employees hired after November 1, 2009, do not receive a cash benefit if they waive insurance. He stated it was offered several years ago for various reasons and offered to discuss in greater depth at a later date.

Council Member Elder shared fellow council members' concern regarding the budget. He also pointed out the budget has been cut significantly, but the reduction has been unnoticeable to residents. He noted employees are being cross trained and assuming heavier workloads.

Council unanimously supported the \$25 per month additional insurance contribution.

RESOLUTION 2010-129
Item 6.6

Council Member Stauner introduced the following resolution and moved its adoption: **"RESOLUTION ESTABLISHING CITY'S MONTHLY CONTRIBUTION FOR HEALTH BENEFITS PROGRAMS EFFECTIVE JANUARY 1, 2011."** The motion for the adoption of the foregoing resolution was seconded by Council Member Elder, and upon vote being taken thereon, the following voted in favor thereof: Hemken, Elder, Hoffe, Lammle, Stauner; and the following voted against the same: None; Abstained: None; Absent: None; whereupon the resolution was declared duly passed and adopted, signed by the mayor which was attested to by the city clerk.

WAIVE FEES
Item 6.7

Mayor Hemken introduced for discussion Item 6.7, Request to waive the administrative permit fee for a new Sunday farmers market to be held September 12 to October 24, 2010, at Midland Center.

Council expressed concern of setting a precedent if fees were waived for a "for profit" organization. Council Member Stauner commented regarding a community art fair held a few years ago that paid the required fees. It was noted the Sunday Market is not affiliated with the New Hope Community Farmers Market.

A motion made by Council Member Elder to postpone the item to a work session was rescinded.

MOTION
Item 6.7

Motion was made by Council Member Stauner, seconded by Council Member Lammle, **to deny the request to waive the administrative permit fee for a new Sunday farmers market to be held September 12 to October 24, 2010, at Midland Center.** All present voted in favor. Motion carried.

\$1,900,000 G.O. BONDS
Item 8.1

Mayor Hemken introduced for discussion Item 8.1, Resolution providing for the sale of \$1,900,000 General Obligation Certificates of Indebtedness and Refunding Bonds, Series 2010B.

Mr. Kirk McDonald, city manager, stated the resolution authorizes Ehlers & Associates, Inc. to solicit proposals for the sale of the bonds to be awarded October 25. He indicated the equipment certificates for \$1,250,000 will fund the city's portion of the fire engines.

Mr. McDonald stated Ehlers reviewed the city's outstanding debt and is recommending a lower interest rate/refinancing opportunity for \$850,000 G.O. storm sewer revenue bonds. He stated the refunding is projected to be a \$6,500

per year for 11 years for a total of approximately \$72,000.

He stated the Council discussed the issue at its September 7 work session and was supportive of the bond sale.

Council Member Hoffe pointed out the funding for the fire trucks results in 1.75% of the proposed 2.89% tax levy. Council Member Stauner commented on the city's need to improve long range financial planning. He commented the Council made a decision to issue debt instead of setting aside reserves for the fire engine purchase.

RESOLUTION 2010-130
Item 8.1

Council Member Lammle introduced the following resolution and moved its adoption: **"RESOLUTION PROVIDING FOR THE SALE OF \$1,900,000 GENERAL OBLIGATION CERTIFICATES OF INDEBTEDNESS AND REFUNDING BONDS, SERIES 2010B."** The motion for the adoption of the foregoing resolution was seconded by Council Member Elder, and upon vote being taken thereon, the following voted in favor thereof: Hemken, Elder, Hoffe, Lammle, Stauner; and the following voted against the same: None; Abstained: None; Absent: None; whereupon the resolution was declared duly passed and adopted, signed by the mayor which was attested to by the city clerk.

2010 DELINQUENT
UTILITY SERVICE
Item 10.1

Mayor Hemken introduced for discussion Item 10.1, Resolution providing for hearing on assessments for 2010 delinquent utility service.

Mr. Kirk McDonald, city manager, stated the resolution establishes a public hearing on October 11, 2010, to assess unpaid utility bills. He explained the current outstanding balance is \$247,734.73 for 532 accounts that is less than last year's balance of \$259,614.

Mr. McDonald stated delinquent accounts not paid by October 12 will be charged a \$40 assessment fee and certified to property tax rolls.

Council Member Elder briefly excused himself from the meeting.

RESOLUTION 2010-131
Item 10.1

Council Member Stauner introduced the following resolution and moved its adoption: **"RESOLUTION PROVIDING FOR HEARING ON ASSESSMENTS FOR 2010 DELINQUENT UTILITY SERVICE."** The motion for the adoption of the foregoing resolution was seconded by Council Member Hoffe, and upon vote being taken thereon, the following voted in favor thereof: Hemken, Hoffe, Lammle, Stauner; and the following voted against the same: None; Abstained: None; Absent: Elder; whereupon the resolution was declared duly passed and adopted, signed by the mayor which was attested to by the city clerk.

2011 BUDGET
Item 10.2

Mayor Hemken introduced for discussion Item 10.2, Resolution establishing public hearing on the proposed 2011 budget.

Mr. Kirk McDonald, city manager, stated for publication purposes the Council

must notify the Department of Revenue of its scheduled date and time of a public meeting to discuss the proposed budget. He stated Council discussed this item at its work session of September 7 and agreed to schedule the meeting on Monday, November 29, 2010, at 7:00 p.m.

RESOLUTION 2010-132
Item 10.2

Council Member Lammler introduced the following resolution and moved its adoption: **"RESOLUTION ESTABLISHING PUBLIC HEARING ON THE PROPOSED 2011 BUDGET."** The motion for the adoption of the foregoing resolution was seconded by Council Member Stauner, and upon vote being taken thereon, the following voted in favor thereof: Hemken, Elder, Hoffe, Lammler, Stauner; and the following voted against the same: None; Abstained: None; Absent: None; whereupon the resolution was declared duly passed and adopted, signed by the mayor which was attested to by the city clerk.

2010 PROPERTY TAX
LEVY
Item 10.3

Mayor Hemken introduced for discussion Item 10.3, Resolution establishing the preliminary 2011 budget and adopting the 2010 property tax levy, collectible in 2011, and authorizing certification to the county auditor.

Mr. Steve McDonald, Abdo, Eick, & Meyers, LLC, outlined the budget process and timeline for submission of a preliminary and final tax levy to the county auditor. He stated the Council is being asked to approve a maximum preliminary tax levy.

Mr. Steve McDonald reviewed budget goals including keeping property taxes as low as possible, holding the line on spending while maintaining services with reduced resources, and continuing to implement the new budget process utilizing the JDEdwards financial system. He stated high priorities include public safety, emergency management preparedness, property maintenance and redevelopment, infrastructure and environmental improvements, maintaining parks and recreation facilities and programs, and continuing the Emerald Ash Borer Program on public property.

Mr. Steve McDonald reviewed the proposed tax levy of \$9,353,422 that is an increase of \$260,711 or 2.87% over last year. He noted the increase is due to adding back unallotted local government aid (LGA) of \$428,870 and adding \$185,000 for the fire truck certificate levy. He noted the final budget will include a plan for the probability the 2011 LGA of \$643,705 will not be received. Mr. McDonald illustrated the decline of LGA over the past several years. Next Mr. Steve McDonald stated the 2011 estimated city tax rate is 50.516. He commented on the property value reductions and tax impact. He stated the city has experienced a 6.79% decrease in value for all properties in 2010. Mr. McDonald reviewed general fund revenues and expenditures for the 2011 preliminary budget.

Mr. Steve McDonald stated Council and staff will continue to review budgets and programs to finalize the budget document. He stated the budget meeting for public comment is November 29, and the Council will consider adoption of the 2011 budget at its meeting of December 13, 2010. He noted the budget document is available for review at city hall.

RESOLUTION 2010-133
Item 10.3

Council Member Elder introduced the following resolution and moved its adoption: **“RESOLUTION ESTABLISHING THE PRELIMINARY 2011 BUDGET AND ADOPTING THE 2010 PROPERTY TAX LEVY, COLLECTIBLE IN 2011, AND AUTHORIZING CERTIFICATION TO THE COUNTY AUDITOR.”** The motion for the adoption of the foregoing resolution was seconded by Council Member Hoffe, and upon vote being taken thereon, the following voted in favor thereof: Hemken, Elder, Hoffe, Lammler, Stauner; and the following voted against the same: None; Abstained: None; Absent: None; whereupon the resolution was declared duly passed and adopted, signed by the mayor which was attested to by the city clerk.

EXCHANGE OF
COMMUNICATION
Item 12.1

Mayor Hemken introduced for discussion Item 12.1, Exchange of communication between members of the City Council.

Mayor Hemken

Reported on upcoming meeting/events:

- September 14 • District 281 Government Advisory Council Meeting (7:30 a.m.)
- Joint Citizen Advisory Commission/Planning Commission meeting (7:00 p.m.)
- September 15 • West Metro Fire Board (6:00 p.m.)
- September 16 • Twin West Business Council at LDI (7:30 a.m.)
- Northwest Community TV (7:30 a.m.)
- September 17 • Absentee voting begins for November 2 General Election
- September 18 • New Hope Community Farmers Market (8:00 a.m. to 1:00 p.m.)
- September 20 • Council Work Session (6:30 p.m.)
- September 22 • Mayors Prayer Breakfast Committee meeting (7:30 a.m.)
- September 23 • North Metro Mayors Association Legislative Candidates Forum (7:00 p.m.)
- September 25 • New Hope Community Farmers Market – family day (8:00 a.m. to 1:00 p.m.)
- September 27 • City Council Meeting (7:00 p.m.)
- September 28 • Commissioner Appreciation dinner (5:30 p.m.)

ADJOURNMENT

Motion was made by Council Member Lammler, seconded by Council Member Elder **to adjourn the meeting, as there was no further business to come before the Council.** All present voted in favor. Motion carried. The New Hope City Council adjourned at 8:10 p.m.

Respectfully submitted,



Valerie Leone, City Clerk