Agenda
City of Minnetonka
Study Session
Monday, June 25, 2018
6:30 p.m.
Minnehaha Room

1. Public Safety Facilities Update
2. Organics Recycling Program
3. Adjournment

The purpose of a study session is to allow the city council to discuss matters informally and in greater detail than permitted at formal council meetings. While all meetings of the council are open to the public, study session discussions are generally limited to the council, staff and consultants.
City Council Study Session Item #1
Meeting of June 25, 2018

Brief Description: Public Safety Facilities Update

Background

The Minnetonka Police and Fire departments have been involved in a facility study since May of 2016, when Wold Architects and Engineers were hired to conduct a Public Safety Facilities Analysis.

Since that time, the council has been engaged in the process with study session reviews on September 19, 2016 that covered a project update and a facility tour and on January 30, 2017 with a facility study update. The latter study session covered topics such as a space needs assessment, alternative site location evaluation, proposed site design and a cost analysis. The council also reviewed the project and likely financing scenario during the 2018-2022 and 2019-2023 Capital Improvement Program deliberations and approvals.

In summary, this project would ensure that Minnetonka police and fire facilities meet service demands of today and the future by addressing the following needs:
- Improve safety and response
- Accommodate growth and changing workforce
- Protect investments in equipment

A strategic communications plan was developed and implemented to support the process and to keep residents informed using a variety of methods, such as the Minnetonka Memo, city's website, Facebook, and email notifications. Other outreach methods included conducting facility tours, hosting town hall meetings or open houses, promoting the project at city events like Summer Festival, Farmers Market, Fire Fun Day and Fire Department and City Open House, and discussing the project as part of the Citizens Academy. These efforts will continue throughout the project process.

Since those last discussions with the council, the project architects and staff have been working to advance the desired project plan from concept level in order to begin the public process. The public process will follow the city’s concept plan review process and include the following components: (a) a transparent review of the stated operational needs, (b) land use review for the considered site, (c) financial modeling of the project and, (d) an approvals process indicating decision-making milestones (including land use and permitting).

The purpose of this project update is to inform the council, as owners of the facility, with a level of project detail to inform discussion prior to staff undertaking the steps of land use concept review and ultimately a formal project application in accordance with the standard city process.

Site selection, considerations and function

Previous work on this project included the evaluation of numerous locations to potentially place a new fire station and/or public safety facility. This included the analysis of both private and
public property parcels within the approximate one-mile service radius of the Central 1 Fire Station. Five sites, in total, were evaluated based on criteria such as acquisition costs, response time implications and current use displacement. After that evaluation, all but one location was eliminated. The location identified for further study (Site #3) is located adjacent to the existing Civic Center Campus and slightly to the north and east of the current fire station. This concept would include the construction of a new fire station and the remodel and expansion of the existing fire and police stations for use by the police department. This concept would meet the anticipated needs and goals of the improvement project. The project includes approximately 36,000 sq. ft. of new construction for the fire department and close to 44,000 sq. ft. of renovated and expanded space for the police department.

The selected location on the Civic Center Campus that the council reviewed previously is the most viable as it provides needed operational adjacencies, retains emergency response vehicle routing directly to County Road 5/Minnetonka Blvd. and the land is currently owned by the city. The site is not without obstacles. It is a partially wooded area with steep slopes and rolling grades, particularly on the eastern edge of the parcel. Under this current site layout, Well #16B does not require total relocation, saving approximately $1.5 million to the utility fund.

![Figure 1 - Locations evaluated for further study](image)

The Civic Center Campus encompasses approximately 140 acres of mixed institutional use. The most visible operational uses of the site are for providing municipal operations, mainly police, fire, general administration, community center uses and many recreational purposes including two indoor sheets of ice, playground and multipurpose-lighted soccer fields. The site abuts the riparian edge of Minnehaha Creek and canoe/kayak access is provided via the many trails and boardwalks that are offered throughout the campus providing passive recreational opportunities. There are also utility uses, with Water Treatment Plant #16 and two underground wells, #16A and #16B.

The area proposed for the project is within and adjacent to a 7.8 acre wooded area that contains rolling hills and steep slopes. There are a number of “islands” in this area that contain remnant oak forest, however they are not connected and are interrupted by species like boxelder, cottonwood, willow and elm. This interruption of remnant oak areas means the defined Woodland Preservation Area (WPA) for this project is 2.25 acres, much smaller than the protected area appears from aerial photographs. At staff’s request, the architect presented multiple facility configurations and site placements to minimize intrusion into the natural areas while meeting the current and future needs of 50-year facilities. To accommodate the new fire garage bays and exit drive, the proposed plan results in approximately 0.78 acres of expected impact, or about 35% impact to the WPA, the maximum allowable intrusion by city code. According to the city’s designation, approximately 15 out of 86 high priority trees will be removed. The project would remove approximately 1,180 inches of deciduous trees and 52 feet
of coniferous trees. To mitigate this removal, an extensive tree replacement and landscaping plan would be developed and instituted.

Steep slopes are also present and a significant amount of grading will be required. The proposal includes retaining walls on the north and east side of the fire bay garages. This is required in order to maintain a balance between the fire bay garage floor and the exit drive to Minnetonka Blvd. The balance between these two features will allow fire trucks to have an acceptable, but not too steep of a grade as they exit the garage bay toward the existing service drive onto Minnetonka Blvd. The main impact to the steep slope on the site will be adjacent to the exit drive. These walls will also be required in order to reroute the water lines from well #16B to the water treatment plant. All indications are that the current well does not need to be relocated.

Weather permitting, staff recommends the city council walk the site during the study session to best view the site impacts.

**Discussion Question:**

- Does the city council continue to agree with the proposed site for the new fire station and remodeled police station construction?

**Financing for Improvements**

The initial cost estimate of this project as presently proposed is $25 million, and staff is recommending issuance of bonds to pay for it. Bonding authority for a public safety facility falls under Minnesota Statutes 475.521, which authorizes a city to sell general obligation (G.O.) bonds to finance capital improvements specifically including for these purposes, a “public safety facility.” Amongst several other itemized criteria which this project would easily meet, the project must be part of a five-year plan, and the city council must hold a public hearing on that proposed plan. Minnetonka’s regularly adopted CIP would serve those purposes.

The bonds may be issued without voter referendum petition, but the decision is subject to reverse referendum by five percent of the votes cast in the last general election within 30 days following the public hearing. Critical steps in the public process recommended by staff for the development of the project would occur prior to the council’s amendment of the CIP with adoption of the city’s preliminary levy in September. A public hearing on the CIP to make a final decision to issue bonds and to set a maximum on the size of the sale would occur on Sept. 17.

If the council decided to move forward with issuing bonds, staff recommends the new bonds be issued to coincide with final payments of the largest portion of the city’s current debt for its 2001 Open Space & Park Referendum bonds. This timing will ensure the new debt service will have the least impact upon our community’s property tax payers.

The final levy for most of the Open Space bonds is scheduled to be a part of the 2019 budget levy. With project construction for the public safety facilities project proposed to begin in 2019, our financial consultant, Springsted, recommends the most cost effective plan would be to roll the first year of debt service into the principal of the bonds, which would require the first new debt levy to be in 2020.

The city’s primary debt service levy for its Open Space bonds is approximately $1.1 million. Springsted estimates that our debt service on a $25 million project over 30 years is estimated to
be approximately $1.7 million annually, $400,000 over the retiring debt levy, which would equate
to a levy increase above 2018 of approximately 1.0 percent. Actual debt levy requirements will
vary from these estimates depending upon final timing, bond market rates at the time of sale
and actual project costs.

Alternatives for paying debt service other than an increase in property taxes are limited. Interest
income of the Community Investment Fund (CIF) has been used in the past to finance other city
facilities such as the public works building, Williston Center improvements and the city’s Ice
Arena. However, the economic environment of the last decade has made that source of income
weak and unstable over time. Should the market change during the course of this project, use of
the CIF could be reconsidered.

Grant applications have been submitted to assist in the offset of project costs. Currently, the fire
department is pursuing a grant to offset the costs for a station alerting system and the two
departments continue to pursue grant opportunities for not only the facilities, but also their
standard operations.

During the 2018 legislative session, Senator Paul Anderson and Representative Jennifer Loon
supported and authored (along with co-authors Cwodzinski, Franzen, Applebaum, Pryor, and
Rosenthal) special legislation to exempt construction costs from sales tax. It was estimated that
the exemption would have saved approximately $850,000 in sales tax to offset project costs.
The legislation passed both the House and Senate and was included in the tax bill that was
ultimately vetoed by Governor Dayton. Staff plans to attempt securing special legislation again
with the Minnetonka delegation in 2019 during the next legislative session.

Discussion Question:

• Does the city council continue to agree with designating bonding as the
  financing method for the public safety facilities project and continued pursuit of
  a sales tax exemption for the project?

Facility Design

The proposed facility design addresses the needs of the two departments by providing
tempered indoor parking for police vehicles; expands storage for retained evidence; provides
training and physical conditioning space for both departments; provides flexibility for future fire
staffing scenarios; expands locker room facilities and adds gender balance space; provides
facility security; and maintains campus adjacency. These improvements are much needed and
evident by touring the fire station built in 1975 and the police station built in 1989.

The project also provides needed square footage to address “hot zone” decontamination for fire
fighters. Decontamination is an emerging health issue to deal with and remove carcinogens and
cancer causing agents from the turnout gear and skin of employees in an efficient and safe
manner. Using hot zones to decontaminate is a preventive measure to reduce carcinogens from
entering the living and office areas of a fire station. Recent studies have shown that fire fighters
demonstrate:

• 100% higher risk of developing testicular cancer
• 50% higher risk of multiple myeloma, incurable bone cancer
• 50% higher risk of non-Hodgkin’s lymphoma
• 28% higher risk of prostate cancer
• Increases in brain, colon and thyroid cancer
• Increases in breast cancer

The size of the apparatus bay includes space to store and maintain a set of turnout gear for each fire fighter on the department. A duplicate set of gear to serve duty crew shifts from Central Station 1 prevents employees from placing possibly contaminated gear in their personal vehicle. The fire station design also plans for three levels of decontamination from the garage bays (red), the cleaning and transition zone (yellow) to the living and office space (green). These transitional zones are essential to removing carcinogens off the equipment and personnel of the fire department.

Discussion Points

• Does the council have any feedback on the proposed facility design?

Concept review process

As required, the next steps in the project would be to begin the concept review plan process. The required steps and proposed dates for this would be:

Monday, July 16: Staff would conduct a neighborhood meeting on the proposed project from 5:30 p.m. to 6:30 p.m. The presentation would cover the history and growth of the departments, the demonstrated needs that the project would solve, site selection, concept plan, costs and financing and the steps of the concept plan process. After the presentation, neighbors would be invited to ask questions at a variety of “stations” that would have additional details and a specific staff member that would be best able to answer.

A similar meeting would be conducted from 7:00 p.m. to 8:00 p.m. for interested members of the community invited through the city’s email subscription topic.

Thursday, Aug. 2: In accordance with the concept review plan process, staff would review the project at the Planning Commission’s regular meeting for review and comment.

Monday, Aug. 27: In accordance with the concept review plan process, staff would review the project at the council’s regular meeting along with the feedback received from the Planning Commission.

Monday, Sept. 17: At a regular meeting, the City Council would hold a public hearing, amend the CIP and be requested to take action on the use of bonding as the source of funding for the project.

Thursday, Sept. 20: This would be the deadline for staff and the project architects to formally submit a land use application for the project.
Thursday, Oct. 18: If the land use application is made on Sept. 20, this would be the formal review of the project by the Planning Commission.

Monday, Nov. 5: This would be the formal review of the project by the City Council for approval.

As noted, by beginning the concept review plan process in mid-July, the City Council would review the details of the project two additional times in the role of both owner and approver. This process would conclude if successful on November 5. The next steps after that approval date would be the commencement of construction document finalization in order to meet an ideal bid environment of January or February of 2019.

Discussion Points

- Does the council have any feedback on the proposed project review process and the neighborhood meeting notification area?

Summary

John McNamara and Jake Wollensak of Wold Architects and Engineers will be on hand to present a detailed site analysis, planning and project design update to the council. Feedback on the proposed project plan is essential prior to starting the concept review plan process.

Submitted through:
  Geralyn Barone, City Manager

Originated by:
  Scott Boerboom, Police Chief
  Merrill King, Finance Director
  Brian Wagstrom, Public Works Director
  John Vance, Fire Chief
  Perry Vetter, Assistant City Manager
Attachment A: Existing Conditions
Attachment B: Facility Block Design
Attachment C: Proposed neighborhood mailing notification area
City Council Study Session Item #2
Meeting of June 25, 2018

Brief Description: Organics Recycling Program

Introduction

In order to extend the life of landfills, the State has implemented recycling goals that now include compostable organics. Hennepin County is currently in the process of revising Ordinance 13, which will require cities to provide residents an opportunity to recycle organics by 2022. The County is seeking input from cities on how to craft an updated ordinance that will best serve residents at the lowest cost. It is anticipated that an updated ordinance will be adopted by the county board in the late fall of 2018. This study session discussion is intended to provide staff direction on the council’s preferences in order to move forward with organics recycling in Minnetonka.

Background

In 1989, the city started a curb-side collection program for recyclables, which also included a 24-hour drop off area for recyclables at the public works complex. Items collected for recycling include: plastic, glass, metal, paper, cartons and cardboard. Initially, recyclables were sorted, however, processing methods improved so that recycled items can be mixed together in carts (single sort) and collected by self-loading trucks.

Recent community surveys show a high level of satisfaction with the current recycling program, with 95% of respondents rating the service as excellent or good. The survey questions that focus on organics composting reveal that organics recycling is negatively viewed at this point for a variety of reasons. Of those responding to survey questions, 16% have no interest in organics and 11% feel that it is too much trouble; 33% are either part of an association or rent and 18% feel they don’t have enough organics to recycle. For the past three years, a grant program of one-year free service has been offered to residents that begin home organics recycling. Currently, approximately 600 homes are participating, however, the number of homes that continue to compost after the grant is disappointing. This falloff correlates to the community survey, where for the past two years 62% are not likely to participate in organics recycling even if their hauler offered it and 22% are not likely to participate at all. Only 11% are somewhat likely to participate.

Organics Recycling Services

Currently, there is only one Minnetonka subscription vendor, Randy’s Environmental Services that offers residential pickup for home organics recycling. Their patented “blue bag” process allows organics to be placed in a blue compostable bag and is combined with regular bagged household waste and picked up curbside. The blue bags are then sorted at the hauler’s facility and separated from landfilled garbage. The cost to subscribe for organics pickup is $69.00 per year.
Minnetonka Recycling Contract

The current contract for curbside collection of recyclables is held by Republic Services and is due to expire at the end of the year. The contract provides for renewal and staff has had a number of meetings with the vendor to determine the provisions of an extended contract if the city chooses to extend the contract. A short-term renewal of two to three years would allow time to educate the community about organics, study options noted below, and understand fully the implications to any requirements that Hennepin County imposes as part of Ordinance 13.

Future Recycling Options

As mentioned, the city has a number of options that it can pursue regarding recycling including organics. The first option is to extend the current contract which would allow time to see what changes will be made by Hennepin County regarding Ordinance 13. Organics recycling can be added to the contract extension. One question regarding this extension is whether the organics recycling service should be a subscription or a compulsory service for all of the residents. Cost for the offering would vary from $25 per month to $5 per month if it is city wide.

Another alternative is the undertaking of a solid waste/recycling study for the city during the extended contract. This would take into account the county’s changes and would allow haulers the time to promote methods to deal with solid waste from a business perspective. This option may include organized garbage collection, which addresses a number of issues but has been found to be very politically charged.

Also, the city could impose a condition of licensure of waste collection vehicles be contingent on the business offering organics recycling to its customers. This option forces haulers to offer organics recycling, however, they may not have the business or financial capacity to make this commitment from an operational standpoint. Currently, the county does not have transfer stations or processing facilities for organics haulers to utilize. As a result, the financial commitment for small companies to offer organics recycling by themselves is financially difficult. These obstacles have been raised with the county and are under consideration.

Staff Recommendation

Staff recommends negotiating an extension of the current recycling contract with Republic for two to three years. During that time, staff would undertake a comprehensive educational campaign regarding organics recycling and offer incentives when possible. Under the contract, residents could voluntarily subscribe to organics collection by Republic (or a hauler of their choosing) at their own expense.

Further, the changes to Hennepin County’s Ordinance 13 would be learned and impacts understood during the contract extension period. Staff would study other service models, including licensure with required organics service and an organized collection system, reporting back to the city council with recommendations by early 2020.

Discussion Questions:

- Does the council agree that the city should extend the current Republic Services contract with an organics recycling subscription option?
• Does the council agree with the undertaking of a study that analyze all aspects of solid waste from a community perspective?

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