Agenda

City of Minnetonka

Study Session

Monday, January 30, 2017

6:30 p.m.

The Minnehaha Room

1. Public Safety Facilities Analysis Study Report

2. Adjournment

3. Closed session – City Manager goal setting

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 January 30, 2017

Brief Description: Public Safety Facilities Analysis

Recommended Action: Provide direction on public safety facilities study needs

Introduction

At the January 30 study session, the city council is asked to review and comment on the results of the public safety facilities space needs study and recommended improvements; provide feedback on suggested financing; and discuss the public process for moving the project forward.

As described below, a comprehensive study was conducted and alternatives investigated. The preferred approach consciously balances meeting the needs and public expectations of modern-day police and fire operations with the knowledge that resources are limited and fiscal responsibility is key. Multiple configurations were reviewed and discussed with this in mind. In financing the project, an option that has the least impact upon property tax payers is suggested.

Should the council show continued interest in this proposal, it would be included in the 2018 – 2022 Capital Improvement Program (CIP) for further discussion at the April 17 study session. If the council wishes to move forward, a more detailed project plan would be developed and information would be shared with the community in a variety of ways. Additional council approvals, some with public input, would be required over the next couple years before the project is finalized. If ultimately approved by the city council, construction of the project could begin in 2019.

Background

The central fire station was constructed in 1974, and the police department was built in 1989. Neither facility has been expanded or extensively remodeled since then. Over time, aging facilities, security concerns, significant changes in public safety operations and personnel practices, along with the evolving needs and expectations of serving the community warranted an investigation on how to strategically position these services to meet the challenges of the future.

With that in mind, the 2016 Capital Improvements Program (CIP) allocated funding for a study of the public safety space and building needs at the Civic Center Campus with the intent to use the results to determine how these needs can be responsibly and proactively addressed in the development of the city’s future CIP.

In the spring of 2016, a consultant selection process was initiated to conduct an analysis of the public safety facilities located on the city’s main campus. A request for
proposal (RFP) was sent to 18 recommended or experienced firms, and seven were selected for formal interviews. Wold Architects and Engineers of St. Paul was chosen for the project due to their experience with over 20 area public safety facilities. John McNamara, AIA, Partner-in-Charge, has led the study and will present the results to the city council at the study session.

Facilities Analysis

The study commenced in May 2016, and a core team comprised of the police and fire chiefs, deputy fire chief, public works director, and facilities manager provided support to the consultant team which met at least monthly. At strategic times the core group met with the city manager to provide updates and receive input. The consultant incorporated the police and fire department’s mission statements as well as the city’s strategic goals into the process in order to assure alignment with the city’s vision. These guiding principles/statements were then developed for the project:

- Focus on function & operations
- Sustainability (long-term use)
- Value without compromise to the Civic Center Campus
- Community pride
- Personnel recruitment and retention

Research and information gathering was started and the following tasks were initiated: staff survey questions developed and distributed, site and utility maps gathered, facility plans obtained, interior and exterior condition assessments were undertaken, heating, ventilating and air conditioning (HVAC) assessments were completed, an accessibility analysis completed, life safety conditions evaluated, electrical evaluated and technology/communication needs were assessed.

In order to understand staff needs, a written survey was distributed to all public safety personnel. After tabulating the results, the consultant met with each work group to review the information and ensure accuracy. The results were then grouped into the following general outcomes:

<table>
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<th>Police</th>
<th>Fire</th>
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<td>• Accommodate current space needs and growth</td>
<td>• Accommodate current space needs and growth</td>
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<td>• Improve operational adjacencies</td>
<td>• Expand duty crew space</td>
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<td>• Develop secure &amp; climate controlled squad parking</td>
<td>• Secure entrancing</td>
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<td>• Improve gender locker room facilities</td>
<td>• Improve gender locker room facilities</td>
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<td>• Develop shared training and fitness space</td>
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<td>• Develop volunteer working space</td>
<td>• Develop improved apparatus layouts</td>
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• Secure facility (people and equipment)
• Develop evidence storage

• Address gear storage and washing
• Create strategically located spaces to meet with the public and support the operations and logistical needs of the department.

With these outcomes in-hand, the analysis moved to detailed investigation of program space needs with comparison to current benchmarks, staff adjacency diagrams, functional operation analyses, siting and building concept diagrams.

At the September 19, 2016 city council study session, the police and fire chiefs presented an overview of their operations which was followed by a tour of the police and fire facilities. This was conducted so the council would have an understanding of the current challenges and to gain familiarity with the layout of the two facilities prior to the presentation of the consultant’s findings at this meeting. (See supplemental information for a description of current police and fire department operations.)

Fire Service Structure Considerations

In conjunction with analyzing the space needs of the city’s fire service and design of the proposed facility, staff has begun to further examine long-term potential changes to the structure of the city’s fire service itself. At this time, the primary goal of the evaluation is to ensure that the design of the renewed and expanded facility would be flexible enough to accommodate any potential service delivery changes during its useful life.

Staff work to date indicates that the paid-on-call model of service delivery continues to be an adequate model for delivering emergency services to the city at this time. However, as has been previously discussed, recruitment, retention and turnover of firefighters have become a challenge with the community’s changing demographics and new generation of younger workers. The impact of these challenges on the department’s recent realignment of and modest increase in staffing is yet to be fully determined. Nonetheless, the city must be proactively prepared for the inevitable changes in fire service structure that we continue to experience ourselves and observe in the Twin Cities area.

As a result, the fire service component of the proposed public safety facility is designed to accommodate the city’s current fire service structure as well as an array of alternative potential future structures. Such alternatives that were generally studied include hybrid models similar to some of our neighboring cities’ forces plus an appropriately sized, complete full-time force. With some of the alternatives, the central location of the proposed facility would likely provide an opportunity to reduce the number of satellite fire stations that require equipment, operation and maintenance.
No changes are presently recommended in the fire department’s current staffing model, utilizing a combination of full-time employees and paid-on-call firefighters working as duty crews. However, staff will continue to monitor recruitment and retention metrics, response times, and equipment costs in upcoming years to determine if and when any shifts in the model structure should be introduced. In the meantime, the proposed fire department facility space builds in flexibility to accommodate a change in fire staffing as warranted.

Other Considerations

As part of the facilities study, staff reviewed areas where changes in service could provide additional space. It was determined that the current jail area was built to accommodate a larger inmate population. With improved processes and different protocols, the size of the jail can be significantly reduced.

In conjunction with analyzing the space needs of the city’s police service and design of the proposed facility, staff has hired a consultant to further examine potential changes to the city’s 9-1-1 dispatch center. At this time, the space study conducted by Wold ensures that the design of the renewed and expanded facility would be flexible enough to accommodate any potential service delivery changes.

Improvement Concept

A variety of options for updating the police and fire facilities to address current deficiencies and to accommodate future service structures were reviewed. Remodeling and minor expansion of the current building footprint was thoroughly explored. When it was clear that this approach fell short of some of the major goals and anticipated needs (such as sufficient indoor space for the police fleet and adequate employee work space) and the expense could not be justified, staff directed the consultant to consider other options.

The group then studied an alternative to remodel the current police and fire stations solely for police needs, plus construct a new fire station facility. A number of building sites on or near the Civic Center Campus were evaluated for a new fire station. Although researched, off-site, privately-owned locations near the campus were ruled out due to excessive land costs.

Staff concluded the most feasible and reasonable method to address the needs of the two departments is to both remodel the current facilities and to add a new fire facility on the Civic Center Campus property that lies north of the current fire station and parking lot. This concept does meet the anticipated needs and goals of the improvement project. It provides indoor parking for police vehicles; expands storage for retained evidence; provides training and physical conditioning space shared by both departments; provides flexibility for future fire staffing scenarios; expands locker room
facilities and adds gender space; provides facility security; and maintains the current campus adjacency.

Numerous layouts were configured, and one concept is recommended for further consideration and vetting. The architect will present this design concept and projected costs in detail at tonight’s study session. While the process to date has primarily analyzed facility needs and possible building scenarios, admittedly more extensive research and planning is necessary to better understand the site constraints and related impacts.

Preliminary discussions with the city’s community development staff have taken place, and the site is not without obstacles. The area is partially wooded, there is a steep slope on the eastern side parcel, and the location of storm water treatment would be a consideration. Additionally, a well water line would need to be relocated. If the wellhead could not be incorporated into the new building in some fashion, Well 16B may need to be moved. The cost to move the well and the water line is approximately $2 million.

To address these concerns, detailed site analysis, planning and project design is necessary. If the city council is comfortable with moving to the next step, the project would be included in the 2018 – 2022 CIP. Additional approvals, some with public input, would be required before the project is finalized.

**Discussion Question:**

- Does the city council support including this concept in the 2018 – 2022 CIP?

**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 final adoption of the CIP and any ultimate decision to issue bonds.
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 facility 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. Estimated 20-year AAA bond interest rates would be approximately 3%, while construction cost inflation is projected to be 4-5% per year.

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 20 years would be approximately $1.9 million annually at current AAA bond rates. Therefore, the required increase of our debt levy would be approximately $800,000, which would equate to a levy increase of approximately 2.2 percent.

Debt service over 30 years is estimated to be approximately $1.6 million annually, $500,000 over the retiring debt levy, which would equate to a levy increase of approximately 1.4 percent. Actual debt levy requirements will vary from these very early estimates depending upon final timing, bond market rates at the time 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.

Discussion Question:

- Does the city council agree with Designating bonding as the financing method for the public safety facilities project?

Public Process

The key to a successful project review will be to clearly define the public process, beginning with detailed goals and objectives which capture the needs of operating modern-day fire and police departments and articulate how the project will benefit the
community. Defining the public process at the beginning of the project will provide the necessary foundation to ensure transparency and accessibility.

The public process would 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).

A strategic communications plan will be developed to support the process and keep residents informed using a variety of methods, such as the Minnetonka Memo, city's website, Facebook, and email notifications. Other outreach methods include 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/City Open House, and discussing the project as part of the Citizens Academy.

**Discussion Question:**

- *Does the council have other suggestions for the public process?*

**Summary**

The city’s police and fire stations located at the Civic Center Campus are aging, do not meet present day needs, and are insufficiently situated to meet future public safety needs. The concept for meeting those needs and continually providing the exceptional services our residents and businesses expect necessitate investing substantial resources into public safety facilities.

By introducing this concept to the city council, a discussion can take place on the merits of the project. The council’s discussion of the findings can then be used for the preparation of the city’s 2018–2022 Capital Improvement Program, which will begin shortly.

Submitted through:

- Geralyn Barone, City Manager
- Perry Vetter, Assistant City Manager

Originated by:

- Brian Wagstrom, Public Works Director
- Scott Boerboom, Police Chief
- John Vance, Fire Chief
- Merrill King, Finance Director
SUPPLEMENTAL INFORMATION
Public Safety Facilities Study

Police Department

The Minnetonka Police Department consists of 78 employees (57 sworn and 21 non-sworn). Since 1989, the year the current facility was built, staffing has increased 24%. Long term projections indicate staffing levels increasing to approximately 92 employees (67 sworn and 25 non-sworn). It is expected that the number of sworn female employees will increase, causing additional pressure to provide an adequate changing room.

The police vehicle fleet consists of 35 vehicles; many of these vehicles are equipped with specialized, temperature sensitive equipment. The vehicles are currently parked outside, unprotected from extreme weather, such as hail or wind damage, extreme cold or heat and damage or theft. Long term projections indicate a small increase to the fleet, approximately six vehicles.

The police service responded to over 43,000 calls for service and wrote over 5,100 police reports in 2015. Criminal investigations have become more complex and detectives spend more time per case investigating the crime. Annually, approximately 3,500 items are added to the evidence storage area and approximately 1,900 items are removed. Currently, there are approximately 13,000 items stored in three different storage areas; this is necessary because the primary storage area has reached its capacity.

Fire Department

The mission of the Minnetonka Fire Department is to continually protect and preserve life and property through quality education, prevention, disaster preparedness and rapid emergency response. The department consists of eight full-time employees and 80 paid-on-call firefighters. The department is divided into four divisions: administration; operations and training; fire and life safety; and emergency management. Each has a chief officer that oversees the daily activities in each division.

When the central fire station was originally built in 1974, there were 40 volunteer firefighters and no full-time employees. Since that time, there have been staffing improvements and added complexities to providing fire services, as well as growth throughout the city. The central station serves as the headquarters of the fire department, housing the duty crew, administrative and support staff, fire and life safety staff, plus central supply and logistics for the department. There are four strategically placed satellite fire stations that are currently exclusively on-call stations.
In 2016, the fire department responded to 3,019 calls for service, completed 104 existing building inspections, issued 258 fire protection permits, provided 276 fire and life safety education programs, conducted 82 quality of life follow up visits and spent approximately 13,000 contact hours training to deliver service.

Also in 2016, there was a total of $4,250,300 of property involved in fire in the city. The total loss from fire was $2,711,345 and total saved from the effect of fire was $1,538,955. Additionally, there were over 1,700 patient contacts where the department rendered care to individuals experiencing a medical emergency.

The department operates seven fire engines, three ladder trucks, two grass fire vehicles, two light rescue trucks, one boat, one all-terrain vehicle and two utility vehicles. Of that equipment, the central station houses two fire engines, one ladder truck, one light rescue, one grass firefighting vehicle, one all-terrain vehicle, one boat and one utility vehicle. In addition, the spare equipment cache and equipment maintenance all flow through the central station.

2009 was the first full year that the duty crew program was instituted and allowed staffing of the central station 24 hours a day. Benefits of this model include:

- decrease in response time of the first arriving fire unit to critical emergencies;
- a more effective staff due to standard cross-training and equipment placement;
- predictable staffing for the department and employees, as firefighters schedule the majority of the time they serve with the department; and
- reduction in the number of call outs/callbacks to approximately 100 per year due to the significant shift of the majority of calls from paging-out firefighters at multiple stations for response to the duty crew.