

**MOUND CITY COUNCIL MINUTES**  
**August 16, 2012**

The City Council of the City of Mound, Hennepin County, Minnesota, met in rescheduled regular session on Thursday, August 16, 2012, at 7:00 p.m. in the council chambers of city hall.

Members present: Mayor Mark Hanus; Councilmembers Dave Osmek, Ray Salazar, and Heidi Gesch.

Member absent: Kelli Gillespie

Others present: City Manager Kandis Hanson, Community Development Director Sarah Smith, Finance Director Catherine Pausche, Interim Police Chief Dean Mooney, Jeff Andersen, John McKinley, John Evans, Janie Skinner, Bruce Larson, Nick Stoiaken, Jason Rice, Brian Berent, John Hubler, Nancy Swanson, Blaze Fugina, Dan Grady, William Ernst, Lynn Bandt, Stewart Simon, Gregory Pederson, Ryan Spencer, Kenny Beck, Jim Brandy, Bob Boese, Rose Espiritu, Mary Berglund, Collette Roberts, Sandy Olstad, Marcia Jerdee, Don Jerdee Sarah Reinhardt, Shirley Haws, Duane Norberg, Richard Hawks, Dean Fleming, Dean Mooney, Gerald Dodds, Janet van Osten, Bruce Dodds, Scott Spanjers, Peter Meyer, Kristin and John Beise, Rich Rogers, Jim and Sally Bedell, Barbara Hudgick-Matson

*Consent agenda: All items listed under the Consent Agenda are considered to be routine in nature by the Council. There will be no separate discussion on these items unless a Councilmember or citizen so requests, in which event it will be removed from the Consent Agenda and considered in normal sequence.*

**1. Open meeting**

Mayor Hanus called the meeting to order at 7:00 p.m.

**2. Pledge of Allegiance**

**3. Approve agenda**

MOTION by Gesch, seconded by Salazar, approve the agenda as presented. All voted in favor. Motion carried.

**4. Consent agenda**

MOTION by Salazar, seconded by Gesch, to approve the consent agenda as amended. Upon roll call vote, all voted in favor. Motion carried.

- A. Approve payment of claims in the amount of \$422,087.14
- B. Approve minutes of the July 24, 2012 regular meeting
- C. Approve Pay Request No. 4 and Final from Minncomm Utility Construction Company in the amount of \$4,235.71 for work completed on the Island View Dr – Windsor Rd. Watermain Loop Improvement Project, City Project No. PW-12-0
- D. Approve Pay Request No. 3 from GHM Asphalt Corporation in the amount of \$624,974.05 for work completed on the 2012 Street, Utility, Lift Station and Retaining Wall Improvement Project, City Project Nos. PW-12-01, PW – 12-03, PW-12-04
- E. Approve Pay Request No. 8 from GMH Asphalt Corporation in the amount of \$208,955.70 for the 2011 Street, Utility and Retaining Wall Improvement Project, City Project Nos. PW-11-01, PW-11-02
- F. Approve Final Pay Request from Widmer Construction, LLC, in the amount of

\$1,086.45 for work completed on the Emergency Forcemain repair at Lift Station P1 (4657 Island View Drive)

- G. Approve Final Payment Request from Precision Sealcoating, Inc, in the amount \$5,745.60 for work completed on the 2012 Crack Seal Coat Project, City Project No PW-12-06
- H. Approve Three Rivers Park District Winter Trail Activities Permit (Snowmobile Crossing at Cottonwood Lane)
- I. Approve Temporary Sign Permit for 2012 Scarecrow Stomp
- J. Approve Labor Agreement between the City of Mound and Law Enforcement Labor Services, Inc, Local No 35 (Police Supervisors)

**5. Comments and suggestions from citizens present on any item not on the agenda**

None were offered.

**6. Public Forum on proposed contract for police services by the City of Orono**

A. Mayor's Opening

Mayor Hanus provided opening and introductory remarks for the public forum. He stated that the objective of the proposed police contract with Orono is to obtain better service at a lower cost. He also commented that over the past few years there have been reductions in City Staff by 18% and that we are leaner and doing more with less.

- B. Mound Interim Chief Dean Mooney, Orono Police Chief Correy Farniok, and Mound Finance Director Catherine Pausche presenting an overview of the results of shared services study, current City financial status, Council directives, and the highlights of a draft contract being proposed by Orono

Interim Police Chief Mooney commented that the police contract proposal is the culmination of about two years of study and consideration between the City, consultants and the neighboring cities of Minnetrista and Orono. The impetus for this effort is the ongoing need to review city services (at equal or better levels) at lower costs. This still remains the goal. Underlying this effort is the need to right size government and city services. These are issues under review by all levels of government.

Finance Director Catherine Pausche provided an overview of the financial and budget issues. City will be embarking on the 2013 budget in upcoming week and we have been looking at budget initiatives. Pausche provided information about contributing budget factors:

- Mound lost 39 percent of its tax capacity from 2009-2013
- State, county and other public agencies have diminishing aid; costs are being pushed downward
- There have been significant infrastructure improvements since 2000 after years of neglect; infrastructure improvements also need to continue
- The cost of pay and benefits has risen past inflation in last 10 years

Several cost reductions measures have taken place since 2008:

- Full time staff reduced by 18 percent since 2009
- Staff recently absorbed the Dock Administrator position
- Employees accepted a zero percent increase in 2011

- Refinanced bonds and minimalized capital expenditures
- Deferral of equipment needs, where possible
- Flexing of public works shifts to minimize and save overtime
- Created insurance task force to create savings on health insurance premiums

Pausche commented that increased collaboration with other units of governments is a natural extension of these efforts. It was noted that Mound currently provides similar shared services for fire to adjacent communities.

Interim Chief Mooney summarized the Police/Fire Consultant Study and Proposal

- Process involved 2 years of study/negotiations
- Current positioned vacancies maintained to allow for consolidation
- Potential savings of \$200K
- Proposed contract will allow us to join with another agency without reducing police department staff
- Savings come from economies of scale
- More administrative efficiency
- Scheduling flexibility
- Program administration maintained
- Supervisory coverage
- Support services improved
- Expanded career development/promo opportunities available in a larger department

Mooney summarized the directives from Mayor and City Council for the police contract proposal

- Must have significant savings which means 10 percent or more
- Police services levels and programs must be maintained
- Mound Officers must be treated fairly in the process

Mooney commented that he has never served with a finer group of officers in his professional career and that in the previous proposal and discussions with Minnetrista there were key elements for Mound that could not be achieved.

Mooney commented that Orono's proposal would provide police services to the City of Mound that meets the needs and conditions set by Mound. The proposed Orono police contract is for 10 years. The cost to Mound is known for next five years. Proposed contract amount is \$1.545M for year 1 and includes a cap. There would be a 2.5% increase for years 2 to 5, and 1 to 5 percent increase for years 6 to 10 that is tied to the Consumer Price Index (CPI).

Mooney introduced Orono Police Chief Correy Farniok to the Council, Staff, audience members and provided an overview of Chief Farniok's background and experience.

Chief Farniok provided a summary of Orono's proposal including a framework of positions. He commented that the proposal provides for 3 officers on duty 24/7 and for supervisory coverage 20 hours a day.

Mooney explained that under Orono's proposal all Mound Officers would be hired by Orono with exception of Officer Sepanet who is filling in for the position formerly held by John McKinley. Mooney summarized some of the key points of Orono's proposal:

- Nearly all officers at current rank and assignment are maintained
- Credit for seniority
- No probation. Chief mentioned that this was one of the main sticking points with earlier discussions with Minnetrista
- Police records system would be integrated and upgraded
- Key programs are maintained. He mentioned DTF/SRO/DARE/Crime Free Housing/Police Reserve/Human Resource (i.e. Sojourn, etc.)
- Mound will be part of the Police Advisory Board Membership
  - Mound Fire Department uses a similar model
  - Encourages input for department decision making
  - Gives each contract city a voice in operations and policy (resource allocation, special events, capital expenditure, etc.)
- Orono's proposal provides for a police precinct station in Mound. This maintains face to face customer service and is locally based in Mound which has been Mound's practice for years

Mooney outlined the anticipated transitional costs related to the proposal:

- Equipment transfer (Mound marked and unmarked cars to Orono)
- ERU equipment to Orono
- Computers and work station (both in squad cars and building) to Orono
- Records conversion
- Personnel cost adjustments
- Uniform changes
- Squad car modifications
- Standardizing firearms
- Training
- Expanded Orono locker room to accommodate Mound officers in Orono locale

Mooney stated that transitional costs are estimate not to exceed \$80K.

Interim Chief Mooney summarized that the partnership with the Orono is an opportunity to maintain or enhance our current high level of Police Service with significant savings to the City of Mound.

- C. Members of Mound's Police Patrol Union LELS Local No. 266 to provide feedback on the proposed contract for police services provided by the City of Orono

Mound Officer Dan Niccum commented that he grew up in Mound and that his mother and grandmother were police matrons in Mound. He started with the Mound PD in the 1980s as a police reserve and wanted to have a career here. He stated that Mound's best option is to go Orono since maintaining the current department doesn't work.

Mound Officer Jamie Wittke stated that she has served in the Mound PD since 1999. She commented that Mound's officers have been in limbo for 2 years and that they know ultimately Mound's department will go away. She has supported the Orono police proposal since the start and that Mound will still be here. She also commented that she also supported previous talks with Minnetrista even when her job was in jeopardy.

City Manager Kandis Hanson stated that Mound Officer Jamie Wittke will be part of a KARE 11 news story later today.

Mound Officer Amy Swanson stated that has been with the Mound Police Department for 21 years. She commented that the last 2 years have been trying and a long frustrating process. She shared that several officers have dedicated their careers to the Mound Police Department and stated it is tough and emotional matter. She hopes that the decision will involve the citizens of Mound.

- D. Mayor's comments and invitation to the audience to step forward and provide comments and opinions or ask questions regarding the proposed contract for police services provided by the City of Orono.

Mayor Hanus indicated that we are here to hear from the community and what it has to say about the police service proposal. He commented that the Council does not intend to make a decision tonight. Mayor asked if there were any questions from members of the City Council before starting the public forum portion of the meeting.

Ray Salazar asked Chief Farniok about scheduling that was to include 3 officers and 1 sergeant at all times was for Mound or for all cities. Chief Farniok responded that 3 officers would be duty from 0700-1500 for Mound/Navarre/Spring Park; from 1500-0300 4 patrol officers and 1 sergeant would be on duty; from 0300-0700 3 officers would be on duty. There would be 1 Patrol Officer to be assigned to a shift, as needed.

Jerry Dodds, 6144 Beachwood Road, asked Chief Farniok if 3 officers are for Mound or for Orono's service areas which include Spring Park, Navarre and Minnetonka. Chief Farniok commented that he was referring to the service area.

Mooney stated that Mound always has an officer on duty. However, there are always times when that officer provides assistance to others and vice versa. This is a cooperative agreement.

Jerry Dodds asked if there are outs if we don't like the contract. Mayor Hanus indicated that there are performance measures in the contract.

Bob Boese, 2620 Setter Circle, asked about Orono's current contract for police officers. Chief Farniok responded that Orono currently has two patrol officers for contracted cities. Mr. Boese asked about the number of additional square miles added for Mound. City Manager Hanson responded that the additional area is approximately three square miles.

Council member Gesch asked Mooney about an earlier slide that was shown as part of Staff's presentation which showed 20 supervisory hours and where Mound currently is at. Mooney stated there are about 16 supervisory hours, however this doesn't account for their days off. He stated that the proposed Orono contract would "up" the current levels.

John McKinley, 5948 Hillcrest Road, stated that he has the utmost of respect for the Orono Police Chief and for Orono's police officers. He talked about the service levels needed for the police department and stated that no one can guarantee that there will be an officer in Mound and it's possible for no officer to be here. He stated that this plan falls short of maintaining current levels. There are also many people on both sides of this issue many of which are not here this evening. He commented that this is much too important of an issue not to put to a vote to the citizens of Mound.

Mayor Hanus commented that the contract states that Orono must provide the same level of services that we currently have. Mr. McKinley stated that the Orono proposed contract doesn't state what the current level of service is in Mound.

Nick Stoiaken, 4948 Bartlett Boulevard, asked if we have to get rid of the police department. Mayor Hanus responded we don't have to eliminate the department however, in order to keep it, we would have to raise taxes. Mr. Stoiaken asked if the problem was the high salaries of our employees. Stoiaken stated that the City's salary for its employees is causing Mound to lose its police department. Mayor Hanus commented that employee salaries are not part of this agenda item. Stoiaken asked when his information could be presented. Staff indicated this item could be discussed as part of the City's 2013 budget discussions. Stoiaken asked for a specific date and Finance Director Pausche indicated that Aug. 28<sup>th</sup> would be the date and that he could present information as part of the three minute public comment period.

Peter Meyer, 5748 Sunset Road, stated he would like to have his Police Department accountable to his City Council members. He feels strong local government is the keystone, the foundation of our community's freedom. He has nothing against Orono's police department, but if it costs him a few more dollars, his freedom is much more important. He thinks we need to look at more than just the dollar costs. Hanus stated that the Council doesn't have control of the Police Department, but most control is by state statute.

John Evans, 2025 Arbor Lane, stated that consolidation from an economic standpoint makes sense and thinks we should give it a shot.

Spring Park Mayor Sarah Reinhardt stated that City Manager Hanson invited her to attend the meeting to share their experiences having Orono provide police services to their City. Mayor Reinhardt stated Spring Park has been with Orono for years and their officers and staff are community minded and professional. Orono is very responsive to their needs and Spring Park is proud to call them their police department. It was noted that Orono has excellent response time. She also mentioned that they tend to erase the community service boundaries and understand that Orono is in the area. She stated that Police Commission meetings are quarterly and that Chief Farniok is always available and very responsive.

Don Jerde, 2521 Lakewood Lane, stated that the Council has given a lot of thought to the situation especially with regard to the cost. He questioned if we have asked ourselves "what if this doesn't work and what would be the cost to reinstate the police department." He also stated that there has been talk about moving City Hall to the Public Safety building and if this is

the case it would be virtually impossible to reinstate the police department in the future. He believes keeping our police department is needed.

Jeff Andersen, 2206 Commerce Boulevard, asked if the bottom line was saving money. Mayor Hanus stated his statement was accurate but also mentioned maintaining service. Mr. Andersen stated that if saving \$200K was the impetus, why are we then not listening to citizens who want to help the City save money. He commented that the individual who previously wanted to talk about salaries should be allowed to speak as it was about alternatives to save money and that all ideas should be discussed. Mayor stated he is duty bound to maintain the focus of the meeting. If other discussions and topics are also to be included, we will not get anywhere.

John Hubler, 5448 Breezy Road, stated that there have been a lot of changes in Mound and that they have been good. The police department existed for 83 years. He has been a Mound resident for 28 years. He has supported police department budget increases and decreases. He stated that information that was prepared and disseminated by Mound management and staff is slanted. Hubler wanted to know about the response time; also about actual cost of the future years. He stated we cannot control overhead costs. Hubler suggested looking at some new ideas and examples. We could eliminate one salary of \$92K and not replace the chief. Also could consider creating a new Public Safety Officer position. He also suggested hiring an unbiased auditor and also suggested having a few community volunteers to audit future City department reports. Hubler commented that there are some talented baby boomers in our community who are retired and could help the Council. He asked if the citizens are going to be allowed to vote on the police department contract. He suggested taking the pressure off the Council and put the question on a ballot. He asked what is next, the Mound Fire Department or outsourcing of City staff.

Dave Osmek asked about the creation of a Public Safety Officer position that would merge the positions of the Police Chief and Fire Chief and whether you would be able to find a person with those credentials. Hubler indicated that there are such positions and that the City may have to pay more, however, the credentials maybe would allow for a higher salary. Osmek asked for examples and asked they be provided, if available. Hubler stated he would provide the information and also commented that he is interested in discussions about salary/budget.

Hubler asked Mooney if all officers agree with the proposal and if they have 100 percent support. Mooney stated that Mound officers are free to express their opinion for their benefit.

Finance Department Director Pausche stated that with the current proposal we are sharing a police chief and commented that there are benefits of economics of scale and opportunities for our officers. She stated we need to give this a chance to work and requested the community remain open. Our work is not done beyond the police department discussions for budgeting purposes. Pension, health care, and union negotiations continue to be unknown variables.

Mr. McKinley stated that once the police department is gone, the streets and public works departments will be next. The City has seven department heads. City Manager Hanson stated that there is not nor has there been a plan to outsource public works. However, the City has previously have looked at sharing storage space. Mayor Hanus talked about some of the incentives programs offered in recent years to try to encourage individuals at the top to retire early in order to save money as well as continuing our efforts to do more with less.

Mayor Hanus called a recess at 8:50 p.m. to allow for tape change, and reconvened the meeting at 9:08 p.m.

Amy Swanson, who is an officer with the Mound Police Department, summarized what she heard tonight which is the citizens would like an opportunity to vote and the decision should be left to them. She stated she has deep respect for Orono and its Police Department, however, the citizens should be heard.

Mayor Hanus stated that Orono's intent is to divide their area into precincts so as to provide high levels of service which was confirmed by Chief Farniok.

Richard Hawks – 2636 Setter Circle, stated he has lived in Mound for 38 years. He asked what is the hurry to do this and why have the citizens been kept in the dark? He stated that we are going to spend \$2.5M to save \$200K and that he would be willing to contribute \$50 a month in taxes to keep the police department. The Mound Police Department is a winning department and always has been. Hanus talked about the savings with the proposal. The present PD costs \$1.8M. Orono would be paid \$1.5M with the proposed contract.

Mayor Hanus responded to Hawks' question about why hurry to do this. Hanus commented that we have been talking about this for 2 years. One of the reasons about moving now and getting it in the 2013 budget is that if we don't we will have to round out our PD which will require additional money. Also, once the department is rounded out, it is not favorable for contract discussions.

City Manager Kandis Hanson indicated all along it was her preference to have communication along the way, however, it needed to be amenable to both parties. Contract information was included in both the Laker and Lakeshore Weekly and included interviews. A Q&A was prepared by administrative and management staff and was included in the recent edition of the City Contact. The purpose of the Q&A was to provide available information and respond to questions that we were hearing. Mayor Hanus clarified that we were providing information that was correct and that projects are rolled out when they are developed.

Shirley Hawks, 2636 Setter Circle, stated that we have to pay to incarcerate prisoners which we always have done. The Mound Police Department is a 24/7 department. We are always on duty which attributes to budget and more staff. It was mentioned that you are not looking at public works however the parks department was discussed a few years ago. Osmek commented that mowing responsibilities including part time parks department personnel, was discussed a few years ago.

Ms. Hawks further commented that she has full respect for the Orono Police Department. If Mound Police Department and Orono starts patrol in 2012, it will be hiring ten PD Staff. However, one employee is not included at all. Mound is a city with a substantial business district, 3 banks, and is an island. In 2011 over 19,000 calls for service were done. She also provided some additional service statistics from 2011. She stated her position has not been mentioned after 35 years in the Mound PD and that she has not been approached by the City Manager. She also mentioned several of the duties of the Mound Police Department and administrative staff. Her position was completely overlooked.

Kandis Hanson commented that you cannot make announcements before information is available and that Mooney has visited with Ms. Hawks. Ms. Hawks stated that she is not fit in this equation and also mentioned PERA. Mooney added that there have been discussions

about possible scenarios but that he was not in any position to make promises or commitments. He stated that we are here tonight to try and resolve the ambiguities for the Mound Police Department personnel.

Nancy Swanson, 4941 Gumwood Road. Ms. Anderson would prefer to keep our department and has great respect for Chief Farniok and the Orono department. She asked if it is time to consolidate with another City. She listened to earlier comments from Finance Director Pausche and asked if this going to be enough to keep this City going for the duration of the PD contract proposal. If we are that bad off, this is a temporary fix and we need to look at the whole picture. She asked if we should wait a year and look at consolidation.

Mayor stated we are not in dire straits. We are doing what we have been doing which is operating better, doing more and for less cost. Again, we are not in dire straits and talked about why we want to do it this year. If we don't, we will have to make the police department whole and it makes it much more difficult to do.

It was discussed that these discussions will continue which is what we have been doing over the past two years.

City Manager Hanson mentioned that she has prepared a statement and believes this is the appropriate time to present it. The prepared statement "*The Right Sizing of Mound*" was read by Hanson.

John McKinley asked about an earlier comment from Mayor Hanus about assignment of officers. Chief Farniok stated that the service boundaries are a work in progress and for the majority of the time there will be two cars in the "southern area" which includes Navarre, Spring Park, Minnetonka Beach and Mound.

John Hubler stated he wished we had options and complimented City Manager Hanson about how the Public Safety Building project was layed out years ago which included options. She commented that employees are not allowed to speak freely which is not fair. He asked Mooney if Staff was included in the process.

City Manager Hanson stated that we provide correct information to our staff so it can be disseminated. However, rumor dissemination is discouraged.

Kris Williams, 5944 Hillscrest Road, stated that when her father couldn't breathe, she called 911 and the police arrived within 2-3 minutes. She had a similar experience with an emergency call for her mother.

The public comment/forum portion of the meeting was closed at 9:46.

- E. Review/Discussion by Mound City Council Members on the proposed Contract for Police Services by the City of Orono, with any further direction to be provided to staff.

Mayor Hanus asked for questions from the Council.

Council member Salazar asked about page 1876 in the agenda packet about finding funding referenced in the contract. Chief Farniok stated that both departments would have a member in the task force for funding.

Council member Osmek stated he had skepticism with the Minnetrista proposal and has healthy level with the Orono proposal as well. He also stated that salaries would be part of future discussions. Osmek requested some additional information and suggested a Gantt chart that shows the Orono and Mound Department for a typical time period and also what the proposal would do. He agreed with John McKinley's comments that Mound's current performance standards need to be clarified, especially for severability clauses and provisions in the contract. These performance measures need to be included and needs to be clear.

Osmek stated that as part of the preliminary budget we could project a "full compliment" and can always go down from there. He asked about a referendum and whether it can be included as part of the November general election. The question needs to be asked. Osmek also commented that he wanted everyone to know that we are not Stockton, California and that Mound is not going bankrupt. He further commented that Mound received a favorable bond rating for its recent bond refinance. This is an effort to look at an opportunity for service at a lower cost.

Mayor Hanus commented that he does not believe there is time to get it on the ballot and that it would be good to know. He stated that the City is in good condition and referenced the annual audit report which includes comments about sound financial information, sound management and encouraged people to read it. He stated that we can raise taxes and that maintaining current tax levels is hard.

Osmek stated that he does not want a referendum on a special election and if this is not able to be done this fall, it is not an option. He asked if we were to wait until after the election and could be voted by the citizens, if we would be able to meet the contract obligations. Chief Mooney stated this was not likely.

Council member Gesch stated that we have a great police department who would be a part of the Orono police department. She stated that they won't be any different than who they are now and that they will still be award winning officers. It was stated by many people that both the Orono Chief and Police Department are excellent.

Council member Salazar stated that he was not on committee and that he is here to listen to the service proposal discussion as well. He stated that there is a lot of emotion here tonight as expected and anticipated and that his job as Council member is to take out the emotion and look at it from a business perspective; what is best for the City. He stated that he has been in Mound for 20 years and wants what is best for our town both now and the future. This proposal provides advancement opportunities for our officers and officer retention and maintains good officers. He stated that he feels this is a good option, however, more time is needed to evaluate where we are going for 2013. He stated a referendum would be good if there is time, which there may not be.

Mayor Hanus stated that what is being proposed is not new or exclusive to Mound. He also wanted to clarify that his job as Mayor is to maintain the meeting and keep it on topic. He extended his regrets to the individual who spoke earlier and wanted to discuss employee salary information and that the individual will have the opportunity to be heard at a future Council meeting, which is probably Aug. 28<sup>th</sup>.

Nancy Swanson indicated that she was someone concerned that it was just stated that we are not in dire straits and if that is the case, we should have been adequately funding the police department and also stated that she was concerned about officer well being.

**7. Information/Miscellaneous**

- A. Comments/reports from Councilmembers/City Manager - None
- B. Minutes: None
- C. Reports: Fire Commission Meeting: July 25, 2012
- D. Correspondence: Mediacom letter: July 30, 2012

**8. Adjourn**

MOTION by Osmek, seconded by Salazar to adjourn at 10:10 p.m. All voted in favor. Motion carried.

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Mayor Mark Hanus

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Attest: Minutes submitted by Sarah Smith