

HOPKINS CITY COUNCIL
AGENDA
Tuesday, October 10, 2023
6:30 pm

THIS AGENDA IS SUBJECT TO CHANGE
UNTIL THE START OF THE CITY COUNCIL MEETING

I. CALL TO ORDER

II. ADOPT AGENDA

III. PRESENTATIONS

IV. CONSENT AGENDA

1. Minutes of the October 3, 2023, City Council Regular Meeting Proceedings
2. Second Reading: Ordinance 2023-1201 Amending Article 5, Chapter 102 of the City Code Regarding Office Uses in Mixed Use Zones; Krzos
3. Approval of 2023 MOU with LELS #171 regarding wages; Lenz
4. Approval of 2024-2026 Contract with LELS #171; Lenz

V. PUBLIC HEARINGS

VI. OLD BUSINESS

VII. NEW BUSINESS

1. Special Revenue Fund Budgets and Activity Center Budget Review; Bishop
2. Enterprise Fund Budgets and Utility Rate Review; Bishop

VIII. PUBLIC COMMENT

IX. ANNOUNCEMENTS

- Next City Council Regular Meeting: October 17 at 6:30 p.m.

X. ADJOURN

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
OCTOBER 3, 2023**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, October 3, 2023, at 6:31 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Mayor Hanlon called the meeting to order with Council Members Balan, Beck, Garrido and Hunke attending. Others attending included City Clerk Domeier, Finance Director Bishop, Special Projects and Initiatives Manager Imihy Bean, Director of Planning and Development Elverum, City Planner Krzos, Public Works Director Autio, City Engineer Klingbeil and City Attorney Riggs.

ADOPT AGENDA

Mayor Hanlon pulled Consent Agenda items IV.4 Approval of 2023 MOU with LELS #171 regarding wages and IV.5. Approval of 2024-2026 Contract with LELS #171. He requested discussion at the October 10 meeting to ensure wages are competitive.

Motion by Beck. **Second** by Balan.

Motion to Adopt the Agenda with changes.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

CONSENT AGENDA

Motion by Beck. **Second** by Balan.

Motion to Approve the Consent Agenda.

1. Minutes of the September 19, 2023, City Council Regular Meeting Proceedings
2. Resolution Appointing Election Judges for the November 7, 2023, General Election; Domeier
3. Ratify Checks Issued in September 2023; Bishop
4. ~~Approval of 2023 MOU with LELS #171 regarding wages; Lenz~~
5. ~~Approval of 2024-2026 Contract with LELS #171; Lenz~~
6. Approval of a Cross Easement Related to Cottageville Park with the Minnehaha Creek Watershed District; Imihy Bean
7. Authorize Entering into a one-year Agreement with ZEF Energy; Imihy Bean

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

NEW BUSINESS

VII.1. Approvals for a Planned Unit Development and Conditional Use Permit at Cassia Chapel View Care Center – 412 5th Ave. N.; Krzos

City Planner Krzos summarized Council Report 2023-103. Augustana Land Development LLC requested land use approvals to allow a redevelopment of the former Mizpah Church at 412 5th Avenue North.

Lynn Bialick, 320 5th Avenue North, Hopkins, did not support the project.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
OCTOBER 3, 2023**

Council Member Beck did not have concerns about the trash location but found bike parking to be important. Council Member Hunke questioned the trees in the landscaping plan and the opportunity to contribute to City's tree fund. Mr. Krzos stated the applicant was not deficient in the tree amount but there are options with the PUD. An amendment to the landscaping plan will be included in the second reading. Mr. Hunke also spoke about preserving the homes on 5th Avenue as well as maintenance. He also questioned the plans for the existing facility to which the applicant provided the opportunity to keep the existing care facility with a renovation to an assistant living building or do a market study that may warrant a new facility. Council Member Beck asked the applicant to be mindful of the concerns about the rental homes. Mayor Hanlon requested that the trash be located inside, the project include adequate options for bike storage, and questioned the setbacks from the homes. He requested the second story be setback, spoke to options for sustainable building and more information on code violations. Council Member Balan also wanted to hear more about the code violations. He did not think bike parking was necessary.

Due to the number of proposed changes, Mr. Krzos recommended adding conditions to the PUD site plan approval for the next meeting.

Motion by Hunke. **Second** by Beck.

Motion to Adopt Resolution 2023-033, approving a First Reading of the PUD Overlay Rezoning Ordinance and granting PUD Site Plan approval for 412 - 5th Ave N.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke
Nays: None. Motion carried.

Motion by Beck. **Second** by Garrido.

Motion to Resolution 2023-034, approving a Conditional Use Permit allowing an 88-bed Skilled Nursing Facility at 412 - 5th Ave N., including approval of a one-year extension.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke
Nays: None. Motion carried.

VII.2. First Reading: Ordinance Amending Article 5, Chapter 102 of the City Code Regarding Office Uses in Mixed Use Zones; Krzos

City Planner Krzos summarized Council Report 2023-106. In the time since the code was adopted, staff have fielded inquiries from prospective office tenants about occupying several spaces within the first floor of Mainstreet buildings. As a result, staff revisited this policy given the apparent disconnect with market demand.

Discussion was held about the office use options for corner lot buildings and the opportunity to allow more flexibility for office uses. Mayor Hanlon, Council Members Beck and Balan wanted to see flexibility in the code but Council Members Hunke and Garrido did not support having office uses on a corner lot.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
OCTOBER 3, 2023**

Motion by Hunke. **Second** by Balan.

Motion to Adopt for first reading, Ordinance 2023-1201, amending Article 5, Chapter 102 of the City Code Regarding Office Uses in Mixed Use Zones.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

VII.3. Resolution Ordering Public Improvement Hearing for the 2024 Street and Utility Improvements; Klingbeil

City Engineer Klingbeil and Nick Amatuccio with Bolton and Menk summarized Council Report 2023-105. The City Council authorized Bolton & Menk, Inc. to prepare a feasibility report concerning street and utility improvements.

Brief discussion was held about the assessments, proposed traffic speeds, road striping, cost to residents and opportunities for cost savings, funding partners and IGA opportunities.

Motion by Balan. **Second** by Hunke.

Motion to Adopt Resolution 2023-035 ordering a public improvement hearing for the 2024 Street and Utility Improvements.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

PUBLIC COMMENT

Robert Oakes, 533 6th Avenue South, Hopkins, provided comments on the Park Valley truck route changes. Director of Public Work Autio stated a designated truck route has not been created and staff is working on signage.

William Anderson, 102 Wayside Road West, Hopkins, thanked staff for the opportunity to partner with the Depot. He also requested that the American flag in the Council Chambers be higher than the rest of the flags.

ANNOUNCEMENTS

Mayor Hanlon reviewed the upcoming meeting schedule.

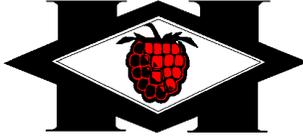
ADJOURNMENT

There being no further business to come before the City Council, and upon a motion by Balan, second by Hunke, the meeting was unanimously adjourned at 8:13 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk



CITY OF HOPKINS

City Council Report 2023-110

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Ryan Krzos, City Planner

Date: October 10, 2023

Subject: Second Reading of a Zoning Text Amendment for Office Uses in Mixed Use Zones.

RECOMMENDED ACTION

MOTION TO Adopt for second reading, Ordinance 2023-1201, amending Article 5, Chapter 102 of the City Code Regarding Office Uses in Mixed Use Zones.

BACKGROUND

Ordinance 2023-1201 is unchanged from the first reading conducted at the October 3, 2023 City Council meeting. The proposed ordinance amendment would modify the current restriction against first floor office uses in the MX-D and MX-TOD zones. Specifically, in the MX-D Zone first floor office uses are allowed except within a building located at a street corner. In the MX-TOD zone, first floor office would not be allowed within space located nearer than 50 feet to the corner. Staff also acknowledges that further modifications could be considered in the future if circumstances warrant.

SUPPORTING INFORMATION

- Proposed Ordinance 2023-1201 Amending Article 5, Chapter 102 of the City Code Regarding Office Uses in Mixed-Use Zones

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

ORDINANCE 2023-1201

**AN ORDINANCE AMENDING CHAPTER 102 OF THE HOPKINS CITY CODE
REGARDING OFFICE USES IN CERTAIN MIXED-USE ZONES**

THE CITY COUNCIL OF THE CITY OF HOPKINS HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Hopkins City Code, Part III, Chapter 102, Article 5, Section 102-510 (a) Table 5-1, is hereby amended by adding the double-underlined language as follows:

Table 5-1. Principal Use Table	ZONES																Reference		
	MX-TOD	MX-D	MX-N	MX-S	RX-TOD	RX-D	RX-N	IX-TOD	I-TOD	IX-S	I1	N1, N2	N3-A	N3-B	NX1	NX2		P1	P2
COMMERCIAL																			102-540
Office	⊙	⊙	●	●	●	●	●	●	●	●	●	-	-	-	-	-	-	-	<u>102-580(c)</u>

KEY: ● = Permitted ○ = Permitted in Upper Stories Only ⊙ = Limited to No More than 25% of Footprint ⊕ = Limited on first floor to buildings on the interior of a block see 102-580(c) ○ = Requires Conditional Use Approval - = Prohibited

SECTION 2. Hopkins City Code, Part III, Chapter 102, Article 5, Section 102-580 (c), is hereby amended by adding new subsection (c) with the double-underlined language as follows and re-lettering the subsequent subsections to increase by the next letter:

102-580 (c) OFFICE In the MX-D zone, office uses are allowed on the first floor only if said use is within a building that does not have two street frontages along intersecting streets. In the MX-TOD zone office uses are allowed on the ground floor only if all portions of the space accommodating said use are at least 50 feet from the nearest street corner of the block in which the building fronts on. Office uses are allowed in upper stories only in buildings nearer to the street corner in the MX-D and MX-TOD zones.

SECTION 3. The effective date of this ordinance shall be October 19, 2023.

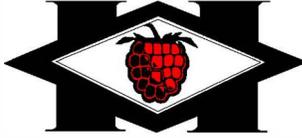
First Reading:	October 3, 2023
Second Reading:	October 10, 2023
Date of Publication:	October 19, 2023
Date Ordinance Takes Effect:	October 19, 2023

By: _____

Patrick Hanlon, Mayor

ATTEST:

Amy Domeier, City Clerk



Administration

CITY OF HOPKINS

City Council Report 2023-100

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Ari Lenz, Assistant City Manager

Date: October 10, 2023

Subject: Approval of 2023 MOU with LELS #171 regarding wages

RECOMMENDED ACTION

MOTION TO 2023 MOU with LELS#171 regarding wages

OVERVIEW

The City did a market study in early 2023 to better understand market conditions citywide. There was a market gap for sergeant compensation and due to the tight labor market for qualified police officers regionally, staff are recommending a wage adjustment in 2023 to the new recommended range resulting from the study.

The MOU will approve a wage adjustment for the sergeants effective September 10, 2023 the date we were able to reach a contract for 2024-2026.

Alternatively, the Council could not approve the MOU which would require staff to renegotiate with the union.

Estimated budget impact from this change is \$11,912. Due to other revenues being higher than expected, staff is comfortable with this budget impact in the 2023 budget.

SUPPORTING INFORMATION

- MOU with LELS#143

Memorandum of Understanding
Between the City of Hopkins and
Law Enforcement Labor Services, INC. Local #171
2023 Wage Adjustment

WHEREAS, City of Hopkins (hereinafter the “City”) and Law Enforcement Labor Services, INC. #171 (hereinafter the “Union”) are parties to a Collective Bargaining Agreement in effect from January 1, 2021 through December 31, 2023; and

WHEREAS, the city conducted a market study to review citywide compensation and determined there was a market gap of sergeant compensation and there is a shortage of qualified licensed Police Officers regionally; and

WHEREAS, the parties have come to an agreement as a means of retaining and recognizing the change in market conditions since the 2021 labor agreement was adopted;

NOW THEREFORE BE IT RESOLVED that the parties mutually agree as follows:

Effective September 10, 2023 the EMPLOYER will adjust the union compensation steps the following:

	Step 1 (Union Promotion)	Step 2 (After one year)	Step 3 (After 2 years)
2023	\$ 57.33/hr.	\$ 59.32/hr.	\$ 61.31/hr.

The implementation of this new compensation system removes Article 18. Longevity and Educational Incentives from the contract and allows for employees to be placed on union steps in accordance to their agreed upon years of service and education with the Union.

This Memorandum will remain in effect from September 10, 2023 through December 31, 2023.

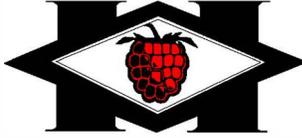
FOR THE CITY OF HOPKINS;

FOR L.E.L.S., Local #171

Patrick Hanlon, Mayor

Darin Hill, Union

Mike Mornson, City Manager



Administration

CITY OF HOPKINS

City Council Report 2023-101

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Ari Lenz, Assistant City Manager

Date: October 10, 2023

Subject: Approval of 2024-2026 Contract with LELS #171

RECOMMENDED ACTION

MOTION TO Approve 2024-2026 Union Contract with LELS #171

This will ratify a three year contract with the Sergeants.

OVERVIEW

This item depends on the approval of the MOU regarding 2023 wages being presented tonight, this item should not be adopted if there are issues with the MOU for 2023.

The contract calls for a 3.0% wage increase effective January 1, 2024, 2025 and 2026. The wages are within budget for 2024 and the insurance contributions are consistent with past practice and other pending union agreements.

Primary issues to consider:

- What other economic issues are included in the new contract?
- Will the agreement keep the City Market competitive?
- How does the agreement fit into the 2024 proposed budget.

Analysis of Issues

What other economic issues are included in the new contract?

The agreement implements a minor adjustment to the uniform allowance, a \$50 increase in 2024, an additional \$50 increase in 2025 and an additional \$50 increase in 2026. Uniform allowances have not been adjusted since 2017 and staff believe a minor increase is warranted given inflationary changes.

The agreement adds a fitness incentive of 1.0% starting in January 2025, for those sergeants who are able to meet fitness related goals. The requirements of that program will be adopted by July 1, 2024 by Police Administration. This incentive is consistent with incentives provided by multiple other police agencies and we believe is necessary to stay competitive.

Will the agreement keep the City market competitive?

The compensation in this agreement is consistent with the Citywide market study results and we believe will put the City of Hopkins at the appropriate spot in the labor market.

How does the agreement fit into the 2024 proposed budget.

The agreement is within the budgeted amounts in the proposed budget. Estimated budget impact in 2024 is \$32,354.

SUPPORTING INFORMATION

- 2024-26 Union Agreement

MASTER AGREEMENT

BETWEEN

CITY OF HOPKINS

AND

LAW ENFORCEMENT LABOR SERVICES, INC.

(L.E.L.S. LOCAL #171)

January 1, 2024 through December 31, 2026

TABLE OF CONTENTS

ARTICLE 1 PURPOSE OF AGREEMENT 3

ARTICLE 2 RECOGNITION 3

ARTICLE 3 DEFINITIONS..... 3

ARTICLE 4 EMPLOYER AUTHORITY 4

ARTICLE 5 UNION SECURITY 5

ARTICLE 6 EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE..... 5

ARTICLE 7 SAVINGS CLAUSE..... 7

ARTICLE 8 SENIORITY..... 7

ARTICLE 9 DISCIPLINE..... 8

ARTICLE 10 CONSTITUTIONAL PROTECTION 9

ARTICLE 11 WORK SCHEDULES 9

ARTICLE 12 OVERTIME..... 9

ARTICLE 13 COURT TIME 10

ARTICLE 14 CALL BACK TIME 10

ARTICLE 15 INSURANCE..... 10

ARTICLE 16 UNIFORM ALLOWANCE..... 11

ARTICLE 17 SICK LEAVE, INJURY ON DUTY, FLEX LEAVE 11

ARTICLE 18 FITNESS INCENTIVE..... 12

ARTICLE 19 PAID TIME OFF 13

ARTICLE 20 SALARY AND WAGE 14

ARTICLE 21 MISCELLANEOUS PROVISIONS..... 14

A. FALSE ARREST INSURANCE 14

B. SUPPLEMENTAL RETIREMENT 15

C. SEVERANCE PAY 15

D. WAGE MEETINGS, UNION MEETINGS 15

E. WORKING CONDITIONS..... 15

F. RESIDENCY 15

G. HOLIDAY PAY 15

H. STANDBY PAY..... 16

I. P.O.S.T. LICENSE 16

J. ON CALL PAY 16

ARTICLE 22 TUITION REFUND 16

ARTICLE 23 POST EMPLOYMENT HEALTH CARE SAVINGS PLAN..... 16

ARTICLE 24 ADVANCE RESIGNATION NOTICE PROGRAM..... 17

ARTICLE 25 DURATION..... 17

APPENDIX 1 EDUCATIONAL INCENTIVE PLAN

APPENDIX 2 DRUG AND ALCOHOL TESTING AGREEMENT

ARTICLE 1 PURPOSE OF AGREEMENT

This AGREEMENT is entered into between City of Hopkins, hereinafter called the EMPLOYER, and the LAW ENFORCEMENT LABOR SERVICES, INC., hereinafter called the UNION.

It is the intent and purpose of this AGREEMENT to:

1. Promote sound and mutually beneficial working and economic relationships between parties hereto;
2. To provide an orderly and peaceful means of resolving any grievances which may arise;
3. Specify, in writing, the full and complete understanding of the parties concerning the terms and conditions of employment for the duration of this AGREEMENT.

The EMPLOYER and the UNION, through this AGREEMENT, will continue their dedication to the highest quality police service and protection to the public. Both parties recognize the AGREEMENT as a pledge of this dedication.

ARTICLE 2 RECOGNITION

- 2.1 The EMPLOYER recognizes L.E.L.S. as the exclusive representative, under Minnesota Statutes, Section 179A.03 Subd. 8, for all police personnel in the following job classifications:

SERGEANT

- 2.2 In the event the EMPLOYER and L.E.L.S. are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

ARTICLE 3 DEFINITIONS

- 3.1 UNION: Law Enforcement Labor Services, Inc
- 3.2 UNION MEMBER: A member of the Hopkins Police Sergeants' Union.
- 3.3 EMPLOYEE: A member of the exclusively recognized bargaining unit, male or female, where the word "he" is used, it is inclusive of "she"
- 3.4 DEPARTMENT: The Hopkins Police Department.
- 3.5 EMPLOYER: The City of Hopkins.

- 3.6 CHIEF: The Chief of the Hopkins Police Department.
- 3.7 UNION OFFICER: Officer elected or appointed by the Hopkins Police Sergeant's Union.
- 3.8 BASIC PAY RATE: The Employee's hourly, biweekly, or monthly pay rate exclusive of longevity pay, college incentive pay, overtime pay, court time pay, or any other special allowance.
- 3.9 EMERGENCY: A situation or condition so labeled or defined by the Hopkins Chief of Police.
- 3.10 SHIFT: A consecutive work period including rest breaks and a lunch break.
- 3.11 LUNCH BREAKS: A period during the SCHEDULED SHIFT during which the employee remains on continual duty and is responsible for assigned duties.
- 3.12 GRIEVANCE COMMITTEE: The elected UNION OFFICERS of the Hopkins Police Sergeants' Union or the UNION'S designated agents for grievance procedures and purposes.
- 3.13 SUPERVISORY EMPLOYEE: One so defined under Minn Stat 179A.03, Subd. 17.
- 3.14 CITY MANAGER: The person designated or appointed by the City Council for the purpose of holding and exercising the duties of that official position as it is defined in the Hopkins City Charter.

ARTICLE 4 EMPLOYER AUTHORITY

- 4.1 The UNION recognizes the right of the EMPLOYER to operate and manage its affairs in all respects in accordance with the laws and regulations of appropriate authorities including municipality personnel policies and work rules. The prerogatives and authority which the EMPLOYER has not officially abridged, delegated, or modified by this AGREEMENT are retained by the EMPLOYER; such as, but not limited to:
 - Direct EMPLOYEES, Hire, promote, transfer, assign, retain EMPLOYEES in positions and suspend, demote, discharge, or take other disciplinary action against EMPLOYEES.
- 4.2 Relieve EMPLOYEES from duties because of lack of work or other legitimate reasons.
- 4.3 Maintain the efficiency of the government operations; determine the methods, means, job classification, and personnel by which such operations are to be conducted or performed.

- 4.4 Take whatever action may be necessary in any emergency to promote the public general welfare.
- 4.5 Determine reasonable schedules of work and establish the methods and processes by which such work is performed.

ARTICLE 5 UNION SECURITY

- 5.1 In recognition of L.E.L.S. as the exclusive representative, the EMPLOYER agrees to deduct from each pay check and remit to L.E.L.S. the amount certified in writing by L.E.L.S. as the regular UNION dues, from the wages of each of those EMPLOYEES as provided by the Public Employment Labor Relations Act as amended.
- 5.2 The UNION agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders, or judgments brought or issued against the EMPLOYER as a result of any action taken or not taken by the EMPLOYER under the provisions of this Article.
- 5.3 The UNION may designate employees from the bargaining unit to act as Steward and an alternate and shall inform the EMPLOYER in writing of such choice and change in the position of Steward and/or alternate.
- 5.4 The EMPLOYER shall make space available on the employee bulletin board for posting UNION notice(s) and announcement(s).

ARTICLE 6 EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE

- 6.1 This grievance procedure is established for the purpose of resolving disputes involving the interpretation or application of this AGREEMENT.
- 6.2 The EMPLOYER will recognize STEWARDS selected by the UNION as the grievance representatives of the bargaining unit. The UNION shall notify the EMPLOYER in writing of the names of such STEWARDS and of their successors when so named.
- 6.3 A dispute or disagreement as to the interpretation or application of the specific terms and conditions of this agreement or of disciplinary actions not covered by Police Review Committee rules or regulations

6.4 Grievances shall be resolved in the following manner:

Step 1. An EMPLOYEE claiming a violation concerning the interpretation or application of this AGREEMENT shall within twenty-one (21) calendar days after such alleged violations have occurred, present such grievance to the EMPLOYEE'S supervisor as designated by the EMPLOYER. The EMPLOYER designated representative will discuss and give an answer to such Step 1 grievance within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the AGREEMENT allegedly violated, the remedy requested, and shall be appealed to Step 2 within ten (10) calendar days after the EMPLOYER designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the UNION within ten (10) calendar days shall be considered waived.

Step 2. If appealed, the written grievance shall be presented by the UNION and discussed with the EMPLOYER designated Step 2 representative. The EMPLOYER designated representative shall give the UNION the EMPLOYER'S Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the EMPLOYER designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the UNION within ten (10) calendar days shall be considered waived.

Step 3. If appealed, the written grievance shall be presented by the UNION and discussed with the EMPLOYER designated Step 3 representative. The EMPLOYER designated representative shall give the UNION the EMPLOYER'S answer in writing within ten (10) calendar days after receipt of such Step 3 grievance. A grievance not resolved in Step 3 may be appealed to Step 4 within ten (10) calendar days following the EMPLOYER designated representative's final answer in Step 3. Any grievance not appealed in writing to Step 4 by the UNION within ten (10) calendar days shall be considered waived.

Step 3a. If the grievance is not resolved at Step 3 of the grievance procedure, the parties, by mutual agreement, may submit the matter to mediation with the Bureau of Mediation Services. Submitting the grievance to mediation preserves timelines for Step 4 of the grievance procedure.

Step 4. A grievance unresolved in Step 3 or 3a and appealed to Step 4 by the UNION shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971, as amended. The selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" as established by the Bureau of Mediation Services.

EMPLOYEES presenting grievance may choose to be represented by the UNION.

All documents, communications and records dealing with a grievance shall be filed separately from the personnel files of the involved employee(s).

The time limits established in the ARTICLE may be extended by mutual consent the EMPLOYER and the UNION and shall be in writing.

- 6.5 The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this AGREEMENT. The arbitrator shall consider and decide on the specific issue(s) submitted in writing by the EMPLOYER and the UNION, and shall have no authority to make a decision on any other issue not so submitted. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties, whichever is later unless the parties agree to an extension. The decision shall be binding on both the EMPLOYER and the UNION and shall be based solely on the arbitrator's interpretation application of the express terms of this agreement and to the facts of the grievance presented.

ARTICLE 7 SAVINGS CLAUSE

This AGREEMENT is subject to the laws of the United States, the State of Minnesota and the City of Hopkins. In the event any provision of this AGREEMENT shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provisions shall be voided. All other provisions of this AGREEMENT shall continue in full force and effect. The voided provision may be renegotiated the written request of either party.

ARTICLE 8 SENIORITY

- 8.1 Seniority shall be determined by the employee's length of continuous employment at the rank of Sergeant with the Police Department.
- 8.2 The EMPLOYER and the UNION agree that ability be considered foremost in assignment and promotions. All original and promotional appointments shall be probationary, and subject to a probationary period. During the probationary period a promoted or reassigned employee may be replaced in his/her previous position at the sole discretion of the EMPLOYER. Additional discipline for cause may be applied, per Article 9.
- A. A reduction of work force will be accomplished on the basis of seniority. Employees shall be recalled from layoff on the basis of seniority. An employee on layoff shall have an opportunity to return to work within two years of the time of his layoff before any new employee is hired.

- B. Senior employees will be given preference with regard to transfer, job classification assignments and promotions when the job relevant qualifications of employees are equal.
 - C. One continuous vacation (at least three (3) days) period shall be selected on the basis of seniority until March 31 of each calendar year.
- 8.3 Shift assignments for Sergeants in the patrol division of the DEPARTMENT shall expire in December of each year. At that time, Sergeants will bid for their patrol shift starting the following January. Sergeants will be given preference of shifts based upon seniority at the rank of Sergeant based upon date of promotion.
- 8.4 The position of Investigations Sergeant and Community Services/Relief Sergeant will not be an expiring bid-able position. These Sergeant positions will be appointed by the CHIEF based upon Article 8.2 (B) of this agreement and will serve at the discretion of the CHIEF.

ARTICLE 9 DISCIPLINE

- 9.1 The EMPLOYER will discipline employees for just cause only. Discipline will be in one or more of the following forms:
- a) oral reprimand;
 - b) written reprimand;
 - c) suspension;
 - d) demotion; or
 - e) discharge.
- 9.2 Suspension, demotions and discharges will be in written form.
- 9.3 Written reprimands, notices of suspension, and notices of discharge which are to become part of an employee's personnel file shall be read and acknowledged by signature of the employee.
- 9.4 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the EMPLOYER.
- 9.5 Discharges will be preceded by a five (5) day suspension without pay except in cases of Veterans pursuant to Minnesota statute.
- 9.6 Employees under investigation will not be questioned concerning an investigation of disciplinary action unless the employee has been given an opportunity to have a UNION representative present at such questioning.

- 9.7 Grievances relating to this ARTICLE shall be initiated by the UNION in Step 3 of the grievance procedure under Article 6.

ARTICLE 10 CONSTITUTIONAL PROTECTION

Employees shall have the rights granted to all citizens by the United States and Minnesota State Constitutions.

ARTICLE 11 WORK SCHEDULES

- 11.1 The sole authority in work schedules is the EMPLOYER. The normal work year is two thousand and eighty hours (2,080) to be accounted for by each EMPLOYEE through:
- a) hours worked on assigned shifts;
 - b) assigned training;
 - c) authorized leave time.
- 11.2 Authorized leave time is to be calculated on the basis of the actual length of time of the assigned shifts. Nothing contained in this or any other Article shall be interpreted to be a guarantee of a minimum or maximum number of hours the EMPLOYER may assign EMPLOYEES.
- 11.3 Training time on days off shall be compensated at one and on half times the EMPLOYEE'S hourly rate. Comp Time may be given instead of overtime pay. The Comp Time must be given at a rate of one and on e half (1 ½) hours per hour worked. The choice of overtime or comp time shall be at the discretion of the EMPLOYER. Comp Time shall be limited to a maximum accrual of 48 hours. Comp time records shall be recorded and maintained by the Finance Department.

ARTICLE 12 OVERTIME

- 12.1 EMPLOYEES will be compensated at one and one-half (1½) times the EMPLOYEE'S hourly rate for hours worked in excess of the EMPLOYEE'S regularly scheduled shift. Changes of shifts do not qualify an EMPLOYEE for overtime under this Article. Overtime will be distributed as equally as practicable.
- 12.2 For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded or paid twice for the same hours worked.
- 12.3 Overtime will be calculated to the nearest one-tenth of an hour.
- 12.4 EMPLOYEES have the obligation to work overtime or call backs if requested by the EMPLOYER unless unusual circumstances prevent the EMPLOYEE from so working.

ARTICLE 13 COURT TIME

- 13.1 An employee who is required to appear in court during his scheduled off-duty time shall receive a minimum of three (3) hours pay at one and one-half (1½) times the employee's base pay rate. An extension or early report to a regularly scheduled shift for court appearance does not qualify the EMPLOYEE for the three (3) hour minimum.
- 13.2 An employee shall receive one hour of overtime for cancellation of a court appearance within 24 hours of the scheduled appearance. If an employee had been on standby for court and the appearance is canceled, compensation shall be the greater of one hour of overtime or the standby pay earned.

ARTICLE 14 CALL BACK TIME

An employee who is called to duty during scheduled off-duty time shall receive a minimum of two (2) hours pay at one and one-half (1½) times the employee's base pay rate. An extension or early report to a regularly scheduled shift for duty does not qualify the employee for the two (2) hour minimum. An officer called back for court appearance will receive minimum of three (3) hours pay at one and one-half (1½) times the employee's base pay rate. An extension or early report to a regularly scheduled shift for duty does not qualify the employee for the three (3) hour minimum.

ARTICLE 15 INSURANCE

- 15.1 Effective January 1, 2024 the EMPLOYER will contribute the following amounts:

Single - \$1,225.32
Employee + Spouse - \$2,014.14
Employee + Children - \$1,989.38
Family - \$2,043.50

- 15.2 For 2025 and 2026, the contract will be reopened solely for the discussion of health insurance contributions.
- 15.3 All employees shall receive a minimum of single group health insurance coverage. For those employees not selecting dependent coverage, the additional benefit, up to the EMPLOYER maximum, may be used by the employees for additional available insurance coverage or be placed in a deferred compensation plan, subject to limitations specified in the EMPLOYER'S group policies.
- 15.4 Employees who choose to opt out of the City's health insurance program will receive \$360.00 to obtain certain mutually agreed appropriate benefits. Employees wishing to opt out must provide proof of insurance coverage through another provider. In lieu of the \$360.00 per month, employees hired after January 1, 2008 will receive \$50.00 per month if they opt out of the City's health insurance program.

ARTICLE 16 UNIFORM ALLOWANCE

- 16.1 All employees shall receive an annual uniform and equipment allowance of \$1,000 effective January 1, 2024, \$1,050 in 2025 and \$1,100 in 2026.
- 16.2 The allowance shall be paid on or near January 1 annually as a separate check. Employees hired into the unit after January 1 shall be provided with the necessary uniforms in lieu of a uniform allowance. They will be eligible for the allowance in subsequent years. Officers promoted to sergeant during the year will retain the officer's uniform allowance. They will not be eligible for the Sergeant's uniform allowance until the following year. Items purchased with this allowance are intended solely for use as an employee of the city and are the property of the City of Hopkins. Uniform allowance may be used to purchase any items not expressly prohibited by the department. If any items need replacement after an employees allowance has been exhausted, such replacement is the responsibility of the employee. Upon termination of employment, an employee will return all city property as requested.

ARTICLE 17 SICK LEAVE, INJURY ON DUTY, FLEX LEAVE

- 17.1 Sick Leave (Does not apply to employees receiving Flex Leave)

The regular shift working time consumed by the EMPLOYEES using earned vacation leave or sick shall be considered to be working time for the purpose of accumulating additional vacation or sick leave. Sick leave with pay shall be granted to all probationary and permanent full time employees at the rate of eight (8) hours for each calendar month or major fraction thereof. Sick leave shall be computed on a calendar year basis and may be accumulated to a total of not more than nine hundred sixty (960) hours. Hours accrued over 960 shall be banked and only used for extended illness.

- 17.2 Sick leave may be granted when necessary for personal illness, legal quarantine or because of illness in the employee's family as defined in Minn. Stat. § 181.9413 or death of spouse, children, step-children, grandchildren, parents, brothers, sisters, grandparents, mother-in-law, or father-in-law of the employee. In order to be eligible for sick leave with pay the employee shall:
- a) report promptly to the department head the reason for his/her absence.
 - b) keep the department head, at all time, fully informed of his/her condition including permission for City Manager to make inquiries of such employee's physician, surgeon, or other health establishment.
 - c) furnish upon demand to the city Manager any other information or medical certificate that may be required.

No sick leave shall be granted except as permitted in this Article or ordinance, and the

claiming of sick leave whenever herein prohibited may be cause of disciplinary action, including transfer, suspension, demotion, or dismissal by the City Manager.

17.2 Injury on Duty

Leave of absence with pay shall be granted to EMPLOYEES who become incapacitated as a result of injury incurred though no misconduct of their own while in actual performance of City assigned duties. EMPLOYEES must qualify for worker's compensation payments to be eligible for such leave. This shall exclude any injuries sustained while performing any off-duty services for which payment is made directly to such EMPLOYEE by a contracting party other than the city. Such injury leave shall continue for a maximum of seven hundred twenty (720) hours, unless it is determined sooner by competent medical authority, approved by the City Manager, that the EMPLOYEE may be required to submit to a medical examination at any time by a physician selected by the City.

During such injury leave, the City shall pay such EMPLOYEE the amount representing the difference between the EMPLOYEE'S basic pay and the amount received by him/her from worker's compensation.

All payments made to the EMPLOYEE will be reduced by the total amount of all other injury related benefits for which the EMPLOYEE is provided as a result of public employment, including but not limited to: weekly worker's compensation, relief pension plans, short or long-term disability payments, or City-paid group insurance payments. The EMPLOYEE must apply for such benefits as soon as he is eligible therefore and the EMPLOYER reserves the right to refuse injury leave if such application is not made.

For the purpose of this Article, "basic pay" shall mean any remuneration excluding longevity.

17.3 Flex Leave

The UNION hereby adopts the City of Hopkins' Flex Leave program. Union members can continue on the existing vacation and sick leave program or choose to participate in the Flex leave program. Employees who choose to participate in the Flex Leave Program cannot return to the vacation and sick leave program.

Union employees hired after January 1, 2002, shall participate in the Flex Leave Program. Employees of the bargaining unit will not be forced to accept Flex Leave if they choose to remain in the existing Vacation/Sick Leave program

ARTICLE 18 FITNESS INCENTIVE

18.1 The City agrees to implement an annual fitness incentive program to be announced by

Police Administration before July 1, 2024. All Employees who pass the required testing will be eligible for the incentive payment in January 2025 and in the years after. The fitness incentive amount will be equivalent to 1% of the employee's base pay.

18.2 In the event, Police Administration is unable or unwilling to announce the perimeters of the fitness incentive program by July 1, 2024, the Employees will automatically receive the incentive.

ARTICLE 19 PAID TIME OFF

(Does not apply to any employee receiving Flex Leave)

19.1 All EMPLOYEES shall be eligible for paid time off except that no EMPLOYEE shall be allowed to use paid time off until after the completion of the first six (6) months of the probationary period, without the specific permission of the Chief and City Manager. Paid time off is accrued on a per pay period basis and may be used subsequent to the pay period in which it was earned.

19.2 EMPLOYEES shall earn paid time off according to the following schedule:

	Hours
0- 5 years	192.00
After 5 years	232.00
After 10 years	240.00
After 11 years	248.00
After 12 years	256.00
After 13 years	264.00
After 14 years	272.00
After 20 years	280.00
After 25 years	320.00

19.3 Paid Time Off may be used as earned, provided that the City Manager shall in each case determine the time when such paid time off may be taken.

19.4 Employees may accrue paid time off to a maximum of 200% of their annual entitlement. Any employee whose accrued paid time off exceeds their cap on December 31 of any year will lose all of the time that exceeds the cap. An employee may appeal to the City Manager to exceed the cap if department scheduling problems or other unusual circumstances prevent the employee from using sufficient paid time off during the year. The employee's supervisor must attest to the existence of the problem.

19.5 Any employee leaving the municipal service in good standing after giving proper notice of such termination of employment shall be compensated for all paid time off accrued to date of separation.

19.6 Conversion Option:

In December, Employees may submit an irrevocable election to convert up to 40 hours of paid time off to the City's deferred compensation program or cash to be earned in the next

calendar year in taxable compensation in that next calendar year. The cash shall be paid through payroll at the time it would have been earned thereby ensuring payment shall be made within 2.5 months following the end of the calendar year in which the cash payment is due. After 15 years, an employee may convert up to 80 hours. After 25 years, an employee may convert up to 120 hours. An Employee may appeal to the City Manager to convert a higher number of hours if department scheduling problems or other unusual circumstances prevent the Employee from using sufficient leave during the year. The Employee's supervisor must attest to the existence of the problem. Employees are not able to adjust these submissions during the present year.

ARTICLE 20 SALARY AND WAGE

Basic monthly rates for the EMPLOYEES covered by the AGREEMENT shall be as follows. Movement through steps will be based upon time served after being promoted to Sergeant.

Hourly	1/1/2024	12/31/2025	1/1/2026
Step 1 (Union Promotion)	\$59.05	\$60.82	\$62.64
Step 2 (After one year)	\$61.10	\$62.93	\$64.82
Step 3 (After two years)	\$63.15	\$65.04	\$66.99

EMPLOYER agrees to deduct and transmit such amounts of an EMPLOYEE'S deferred compensation as EMPLOYEE authorizes and directs in writing.

No EMPLOYEE promoted from Patrol Officer to Sergeant shall be required to take a reduction in pay.

ARTICLE 21 MISCELLANEOUS PROVISIONS

A. FALSE ARREST INSURANCE

EMPLOYER shall procure and maintain a policy or policies of “False Arrest” insurance, at the City’s expense, insuring EMPLOYEE from all claims covered by such policy or policies in the sum of a minimum of one million (\$1,000,000) Public Liability.

B. SUPPLEMENTAL RETIREMENT

EMPLOYER agrees to provide an additional retirement contribution of \$25.00 per month per sworn officer for a variable annuity retirement plan approved by the Police Civil Service Commission and the 1971 Hopkins City Council.

C. SEVERANCE PAY

(Does not apply to any employee receiving Flex Leave)

After 5 years: 8 hours/year of service; after 10 years: daily wage rate x 12 hours/years of service; OR a percentage of accumulated sick leave, 20% if separation occurs after 10 years but before 15 years; 25% 15 to 20 years; 33 1/3% after 20 years.

D. WAGE MEETINGS, UNION MEETINGS

The EMPLOYER hereby permits UNION officers to attend certain meetings called by the EMPLOYER for negotiations on duty if the meeting time scheduled for a time when the UNION officer is normally off duty.

When UNION meetings are called, members shall be allowed to attend, subject to calls where police services are required.

E. WORKING CONDITIONS

The EMPLOYER agrees to make every effort possible to provide safe working conditions by employing adequate manpower and safe equipment.

F. RESIDENCY

All EMPLOYEES will establish residency at a distance which will allow the EMPLOYEE to reach the City Hall from his or her home by the most direct route by automobile within 30 minutes. The EMPLOYEE shall maintain a telephone in working order at all times.

G. HOLIDAY PAY

An EMPLOYEE required to work a shift on New Year's Day, Martin Luther King's Day, Presidents' Day, Easter, Memorial Day, Juneteenth, 4th of July, Labor Day, Veterans' Day, Thanksgiving Day, the Day after Thanksgiving, Christmas Eve or Christmas, shall be eligible for holiday pay. For the purpose of this section, if 50% or more of a full work shift falls on one of the holidays, the full shift shall be compensated at holiday pay. If less

than 50% of any full shift falls on one of the above holidays, no holiday pay shall be paid.

Holiday pay shall be 1/2 times the basic hourly rate, making the full compensation for a holiday shift one and one-half (1½) times the basic hourly pay rate. However, for hours that are worked in excess of Employee's regularly scheduled shift on a holiday, Employee's shall be compensated at two (2) times their regular base rate of pay. Under no circumstances will the total compensation for the work on a Holiday exceed two (2) times the basic pay rate.

H. STANDBY PAY

EMPLOYEES required by the EMPLOYER to standby shall be paid for standby time at the rate of one hour's pay for each hour on standby.

I. P.O.S.T. LICENSE

The Employer shall pay the P.O.S.T. license fees for Employees.

J. ON CALL PAY

When the EMPLOYER requires that the Investigative Sergeant be available for work and be able to report for work in less than two hours, the employee shall be compensated at the rate of \$25.00 for each day on-call. Employees will forfeit one day of On-Call pay and may be subject to disciplinary action for each day that they are unable to report to work or cannot be located.

ARTICLE 22 TUITION REFUND

The EMPLOYEE may receive reimbursement for the cost of tuition and required text books for those courses which have a direct relationship to the responsibilities embodied in the employees position classification. EMPLOYEES shall initially make payment for such cost of tuition and required text books but shall be reimbursed upon the submission of a satisfactory grade for the course taken and a paid receipt for the tuition cost. Participating employees shall be required to receive prior department head approval of each course taken in order to be eligible for reimbursement.

ARTICLE 23 POST EMPLOYMENT HEALTH CARE SAVINGS PLAN

23.1 All members will participate in the Minnesota State Retirement System (MSRS) Health Care Savings Plan (HCSP) pursuant to Minnesota Statute 352.98, which shall be administered as provided by law.

23.2 Each member of the union shall contribute the following amounts to the Plan:

- 1% of gross salary

ARTICLE 24 ADVANCE RESIGNATION NOTICE PROGRAM

The City of Hopkins Advance Resignation Notice Program is hereby adopted.

The City's Advance Resignation Notice Program is designed to improve the efficiency and stability of the City's workforce by encouraging employees to give the City advance notice of their intent to resign. The purpose of this program is to begin the process of replacing an employee who is leaving the City as soon as possible after notice is received. This will reduce the time that the position remains unfilled.¹

This program is available to regular full-time non-union employees and any regular full-time union employees whose union has adopted this policy into their contract.

In order to be eligible for an Advance Notice payment an employee must give at least 60 days notice before his or her last day of work². The agreement must be signed by both the employee and the City Manager in order to be effective. The City reserves the right to refuse to enter into this agreement with any employee.

The City will provide the following compensation for advance notice:

Sixty (60) days:	\$325.00
Ninety (90) days:	\$600.00
One Hundred and Twenty (120) days:	\$925.00
One Hundred and Eighty (180) days:	\$1,300.00

Payment will be made after the termination date³.

An employee has ten (10) days from the date they sign the agreement to rescind the decision. After this, it is not possible for an employee to change their mind about resigning. There will no longer be a position available after the agreed upon termination date. Refusing the Advance Notice payment will not void the agreement.

If any other union or non-union employees receive any increase to the advance resignation program, the increase will be applicable to all members of the bargaining unit.

ARTICLE 25 DURATION

This AGREEMENT shall be effective January 1, 2024 and shall remain in full force and effect

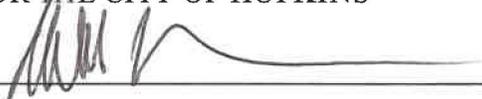
¹ The City reserves the right to not replace any employee who resigns or to modify the position and duties prior to hiring a new employee. This decision will not affect an employee's eligibility for an Advanced Notice payment.

² The last day of work is defined, for this program, as the last day that an employee will be actively working for the City. The employee may use accumulated vacation or flex leave to extend his or her termination date, which is defined as the last day the employee is on the payroll.

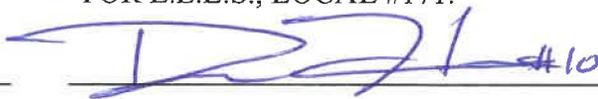
³ Payments are subject to taxation.

until the thirty-first day of December 2026, inclusive. In witness whereof, the parties have executed this AGREEMENT on the 3rd Day of October, 2023.

FOR THE CITY OF HOPKINS



FOR L.E.L.S., LOCAL #171:



APPENDIX 2

Drug and Alcohol Testing Agreement

1. PURPOSE

- 1.01 The purpose of this policy is to provide written guidelines in compliance with MN Statutes 181.950-181.957 for requesting or requiring employees or job applicants to undergo drug and/or alcohol testing.

2. DEFINITIONS

- 2.01 For purposes of this policy, the following definitions will apply:
- a. "City" means the City of Hopkins.
 - b. "Commissioner" means the Commissioner of the Minnesota Department of Health.
 - c. "Confirmatory test" and "confirmatory retest" mean a drug or alcohol test that uses a method of analysis approved by the Commissioner under MN Stat. 181.953, Subd. 1, as being reliable for providing specific data as to the drugs, alcohol, or their metabolites detected in an initial screening test.
 - d. "Drug" means a controlled substance as defined in MN Stat. 152.01, Subd. 4.
 - e. "Drug and alcohol testing", "drug or alcohol testing," and "drug or alcohol test" mean analysis of a body component sample approved by the Commissioner under MN Stat. 181.953, Subd. 1, for the purpose of measuring the presence or absence of drugs, alcohol, or their metabolites in the sample tested.
 - f. "Employer" means the City Manager and anyone appointed by the City Manager to a regular position with the City who is paid through the City's payroll system.
 - g. "Initial screening test" means a drug or alcohol test that uses a method of analysis approved by the Commissioner under MN Stat. 181.953, Subd. 1, as being capable of providing data as to general classes of drugs, alcohol, or their metabolites.
 - h. "Job applicant" means a person who applies to become an employee of the City and has received a job offer made contingent on the person passing drug testing.
 - i. "Medical Review Officer" means the individual at Park Nicollet who will receive all laboratory results.
 - j. "Positive test result" means a finding of the presence of drugs, alcohol, or their metabolites in the sample tested by a confirmatory test in levels at or above the threshold detection levels set by the Department of Health rules. An alcohol test will be considered positive if the testee has an alcohol concentration level of at least .05.
 - k. "Reasonable suspicion", means a basis for forming a belief based on specific facts and rational inferences drawn from those facts.
 - l. "Threshold detection level" means the level at which the presence of a drug, drug metabolite, or alcohol can be reasonably expected to be detected by a confirmatory test by a certified laboratory.

3. CIRCUMSTANCES UNDER WHICH TESTING MAY OCCUR.

- 3.01 Drug testing is required for all job applicants, as defined in Section 2.01 of this policy.
- 3.02 Drug and alcohol testing may be requested or required during on duty hours if the city has a reasonable suspicion that a current employee:
- a. Is under the influence of drugs or alcohol; or
 - b. Has violated the City's written work rules prohibiting the use, possession, sale, or transfer of drugs or alcohol while the employee is working or while the employee is on the City's premises or operating the City's vehicle, machinery, or equipment; or
 - c. Has sustained or caused another person to sustain substantial bodily harm or greater (as defined in Minnesota Statutes 609.02, subdivision 7a); or
 - d. Has caused a work related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work related accident.
 - e. Employees who have been referred by the City for chemical dependency treatment or evaluation or who are participating in a chemical dependency treatment program as a result of a positive drug or alcohol test or is participating in a chemical dependency treatment program under an employee benefit plan. Such employees will be required to undergo drug or alcohol testing without prior notice during the evaluation or treatment period and for a period of up to two years following completion of any prescribed chemical dependency treatment program.
 - f. Has discharged a firearm other than (a) on a target range, or (b) while conducting authorized ballistics tests, or (c) as authorized by Hopkins Police Department General Order 101.21 concerning destruction of animals.

4. CITY REQUIREMENTS AND PROCEDURES

- 4.01 The City will post and maintain a notice in appropriate and conspicuous locations at its facilities that this policy has been adopted and that copies are available for inspection at specified locations.
- 4.02 The City will use a facility for drug and/or alcohol testing which has been licensed by the Department of Health.
- 4.03 Before a job applicant or employee is required to submit to an alcohol and/or drug test, the City will provide a form on which shall:
- a. indicate whether the employee or job applicant has seen the City's drug and alcohol testing policy, and
 - b. indicate that the employee or job applicant consents or does not consent to the drug test. Failure to sign the consent form means that the employee or job applicant refuses to submit to an alcohol and/or drug test.

4.04 The City's designated laboratory will automatically perform a confirmatory test on all samples that test positive. No adverse personnel action will be taken based on an initial screening test that has not been verified by a confirmatory test.

4.05 Within three business days of the City's receipt of the results, the City will notify the employee or job applicant of the results of the alcohol and drug test and of the individuals rights specified in Sections 6 and 7 below and MN Statute 181.953, Subd. 10 and 11.

5. RIGHTS OF EMPLOYEES AND JOB APPLICANTS TO REFUSE TESTING

5.01 Applicants. If a job applicant for an affected position refuses to submit to a drug test, any offer of employment shall be withdrawn and the City shall not consider the individual for employment.

5.02 Employees. Employees who refuse to submit to an alcohol and/or drug test under the circumstances enumerated in this policy may be subject to discipline up to and including dismissal.

6. EFFECT OF POSITIVE CONFIRMATORY TEST

6.01 Applicants. If a job applicant for an affected position tests positive on a confirmatory test for drugs, any offer of employment shall be withdrawn and the City shall not consider the individual for employment.

6.02 Employees. Employees who test positive for alcohol and/or drugs for the first time, will be given the opportunity to enter a City-approved drug and/or alcohol counseling or rehabilitation program at the individual's own expense or through the employee's health care provider. The City will consult with a certified chemical use counselor or a physician trained in the diagnosis and treatment of chemical dependency before approving a program. Employees who refuse to enter or fail to complete a program, may be dismissed.

Employees who elect to enter a program will be required to submit to alcohol and or drug testing every six months. An employee who tests positive or refuses to submit to a test during the first two years following entrance to such a program will be dismissed immediately. This requirement for testing shall only apply to employees who enter such a program as a result of a positive drug or alcohol test.

6.03 Explained Results. If a positive confirmatory test is caused by a drug prescribed for the employee or an over the counter substance consumed in accordance with instructions, the City will not take disciplinary action toward an employee or withdraw a job offer. However, if the substance significantly impairs the employee's ability to perform assigned duties or creates a safety risk, the City may reassign the employee to a position whose duties can be safely and adequately performed, if one is available, or place the employee on sick leave.

7. EMPLOYEE AND JOB APPLICANT RIGHTS AFTER A TEST

- 7.01 If an employee or job applicant tests positive for drug use, the employee shall be given written notice of the right to explain the positive test and the City may request that the employee or job applicant indicate any over-the-counter or prescription medication that the individual is currently taking or has recently taken and any other information relevant to the reliability of; or explanation for, a positive test result.
- 7.02 Within five days after receiving notification of a positive test result, an individual may submit any information to explain the result and request in writing a confirmatory retest of the original sample at the employee's or job applicant's own expense. No adverse personnel action will be taken if the confirmatory retest does not confirm the original test.
- 7.03 An employee or job applicant may request and receive from the City, a copy of the drug or alcohol test result report.

8. APPEAL PROCEDURE.

- 8.01 Employees may appeal decisions made by the City under this policy through the remedies available through their collective bargaining units. Employees, who are not represented by a collective bargaining unit, may appeal decisions through remedies available in the City's personnel policy. The City will not retaliate against an employee for pursuing an appeal or the other remedies provided in Minn. Stat. 181.956. An employee may also appeal under the Veteran's Preference Act, if eligible.

9. MISCELLANEOUS.

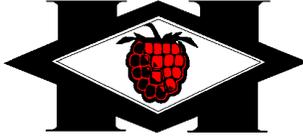
- 9.01 The City's designated laboratory shall disclose test result data only to the City Manager or the Assistant City Manager of the City of Hopkins.
- 9.02 Test result reports and other data acquired by the City in the drug or alcohol testing process is private data on individuals pursuant to Minnesota Statutes. The City will disclose the information internally to management and confidential employees with a need to know and to the tested individual. The information will not be released to any third party without the written consent of the tested individual except under the following circumstances.
 - a. The data may be used in an arbitration proceeding pursuant to a collective bargaining agreement, a veteran's preference hearing, other applicable state or local law, or a judicial proceeding, provided that the information is relevant to the hearing or proceeding.
 - b. The information may be disclosed to a federal agency or other unit of the United States government as required by federal law, regulation, order, or contract.
 - c. The information may be disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment of the employee.
- 9.03 Positive tests result from the City's drug or alcohol testing program will not be used as

evidence in a criminal action against an employee or job applicant.

9.04 The City may suspend an employee requested to submit to testing if the City believes that it is reasonably necessary for the protection of the individual, other employees, or the public. The suspension will be with pay pending receipt of the test result, unless the employee has violated a city policy or work rule that justifies a suspension without pay regardless of the test result. In lieu of suspension, the City may temporarily transfer the employee to another position at the same rate of pay. Positive test results will be handled in accordance with Section 5, Effect of Positive Confirmatory Test, of this Policy. It shall be the responsibility of the City Manager to determine the date a suspended employee may return to work.

9.05 The City Manager shall be responsible for implementing this policy.

Revised: January 2002



CITY OF HOPKINS

Memorandum

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: October 10, 2023

Subject: Special Revenue Fund Budgets and Activity Center Budget Review

PURPOSE

No formal action is required at this meeting. Staff is requesting input on the proposed budgets for special revenue funds. The proposed Activity Center fund budget is shown for informational purposes.

INFORMATION

Chemical Assessment Team Fund (Special Revenue)

The State Chemical Assessment Team provides emergency response for assessment of chemical hazards, the maintenance of state owned equipment and training of personnel. The response area includes Hennepin, Scott, Carver, McLeod and Renville Counties. The State of Minnesota reimburses the City quarterly for actual costs. The Chemical Assessment Team does not receive any tax levy support from the City.

	2023	Proposed	Percentage
	<u>Budget</u>	<u>Budget</u>	<u>Incr (Decr)</u>
Revenues	\$ 65,000	\$ 65,000	0.00%
Expenditures	\$ 65,000	\$ 65,000	0.00%
Revenues over (under) Expenditures	\$ -	\$ -	

Economic Development Fund (Special Revenue)

The Economic Development Fund coordinates the economic development processes not directly funded by specific project budgets and also supports Artstreet and marketing. The main revenue sources of the fund are the Hopkins Housing and Redevelopment Authority (HRA) property tax levy and excess tax increment financing (TIF). A preliminary HRA levy of \$487,653 was set on September 19th, excess TIF is budgeted at \$50,000.

The major expenditures of the fund are salaries, benefits and grants. The 2024 budget does include \$100,000 for the Façade Improvement program. Staff is reviewing the current criteria to determine any modifications needed in 2024. Similar support to property & business owners will also be offered through the City's American Rescue Plan Act funds.

	2023	Proposed	
	<u>Budget</u>	<u>Budget</u>	Percentage
			<u>Incr (Decr)</u>
Revenues	\$ 571,531	\$ 557,706	-2.42%
Expenditures	\$ 486,250	\$ 520,278	7.00%
Revenues over (under) Expenditures	\$ 85,281	\$ 37,428	

Parking Fund (Special Revenue)

The Parking Fund accounts for activities related to parking enforcement and parking operations in the City. The major sources of revenue are parking permits, parking leases and fines. The revenue budget for parking permits has been reduced based on a decrease in permit sales due to trends caused by COVID-19. The major expenditures are salaries and benefits. The budget is projecting a decrease in fund balance of \$34,894. The 12/31/2024 ending fund balance is projected to be a negative \$56,660. Staff is in the initial stages of exploring options for the parking ramp such as gated access with automatic payment kiosks, which could increase revenue and decrease expenditures.

	2023	Proposed	
	<u>Budget</u>	<u>Budget</u>	Percentage
			<u>Incr (Decr)</u>
Revenues	\$ 143,250	\$ 125,000	-12.74%
Expenditures	\$ 158,610	\$ 159,894	0.81%
Revenues over (under) Expenditures	\$ (15,360)	\$ (34,894)	

Communications Fund (Special Revenue)

The Communications Fund provides two-way communication between the City and its residents, employees, businesses; its civic and service organizations; and other communities and government agencies. Some examples of the services provided are Hopkins Highlights, the City’s website and the State of the City event. The main source of revenue is cable franchise fees. The main expenditures are salaries, benefits and printing/mailing costs. The budget is projecting a decrease in fund balance of \$51,487. The 12/31/2024 fund balance is projected to be a positive \$89,346.

	2023	Proposed	Percentage
	<u>Budget</u>	<u>Budget</u>	
Revenues	\$ 230,000	\$ 230,000	0.00%
Expenditures	\$ 304,324	\$ 281,487	-7.50%
Revenues over (under) Expenditures	\$ (74,324)	\$ (51,487)	

Sustainability Fund (Special Revenue)

The Sustainability Fund will be established in 2024. The fund will continue the Hopkins Climate Solution Fund grant program which offers incentives to residents and businesses to accelerate the transition to cleaner and more efficient energy. Grant funding available in 2024 is budgeted at \$200,000. The current program has one-year of funding from the City’s ARPA allocation. The fund will also support one full-time employee and other costs related to sustainability. The source of revenue from the fund is gas and electric franchise fees. The City adopted ordinances to increase the fees beginning on 1/1/2024, with \$385,000 of the increase going towards sustainability.

	2023	Proposed	Percentage
	<u>Budget</u>	<u>Budget</u>	
Revenues	\$ -	\$ 385,000	100.00%
Expenditures	\$ -	\$ 385,000	100.00%
Revenues over (under) Expenditures	\$ -	\$ -	

Depot Fund (Special Revenue)

The Depot Fund will operate under a new model in 2024, with both Depot Coffee operations and the Depot Youth components being affected. The Depot Youth Board will still exist to fulfill the mission of providing a place of community and learning in which student involvement and youth development are encouraged in a chemically-free environment. The program will also be expanded to include youth workforce development through The ACE program. During its second year (2023) the ACE program provided nine young adults with resume-building professional experience through internships. The initial years of the program were funded by ARPA and a United Way grant. The 2024 budget includes support from Hopkins General Fund (\$60,000), City of Minnetonka (\$60,000), Hopkins School District (\$50,000) and Three Rivers Park District (\$19,500).

As a result of issues stemming from the Green Line Extension and COVID-19 Pandemic, Depot Coffee operations were suspended in early 2023. The fund ended 2022 with a deficit fund balance of \$214,597. The City of Hopkins, Three Rivers Park District, the City of Minnetonka and the Hopkins School District issued a request for services seeking a business operator for the Depot in 2024. Based on increased contributions from the City's General Fund, the City of Minnetonka and lease revenue from a private operator the fund is projected to increase its fund balance by \$20,000 and end 2024 with a deficit fund balance of \$180,000.

	2023	Proposed	
	<u>Budget</u>	<u>Budget</u>	Percentage
			<u>Incr (Decr)</u>
Revenues	\$ 248,224	\$ 203,832	-17.88%
Expenditures	\$ 263,224	\$ 183,832	-30.16%
Revenues over (under) Expenditures	\$ (15,000)	\$ 20,000	

Arts Center Fund (Special Revenue)

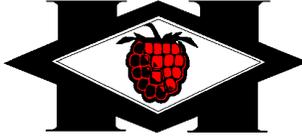
The Hopkins Center for the Arts is a premiere cultural and artistic destination drawing over 250,000 visitors annually. Its amenities include a 715 seat theater, black-box theater, art gallery, dance studio, classroom, meeting and multipurpose spaces. The main revenue sources are property tax levy, rents, leases, ticket sales, grants, and transfers in. The preliminary tax levy amount of \$345,000, includes both \$316,467 needed to sustain current operations and also \$28,533 to reduce the deficit owed to the City's General fund. The fund will also receive the remaining ARPA allocation of \$136,052 in 2023 to further reduce the fund balance deficit. Major expenditures include salaries, benefits and payments to artists. The fund is projected to end 2024 with a deficit of \$132,619. This is an improvement of \$887,401 since 1/1/2021.

	2023	Proposed	Percentage
	<u>Budget</u>	<u>Budget</u>	<u>Incr (Decr)</u>
Revenues	\$ 1,087,458	\$ 1,172,650	7.83%
Expenditures	\$ 1,027,458	\$ 1,144,097	11.35%
Revenues over (under) Expenditures	\$ 60,000	\$ 28,553	

Activity Center (General Fund)

The Hopkins Activity Center is a community facility with a gym, kitchen and meeting rooms. The Activity Center's mission is to provide pathways to "Experience the Upside of Aging". It is a gathering place for mature adults to participate in recreational, social, educational, fitness and volunteer activities. The main sources of revenue are member fees and facility rentals. The main expenditures are salaries, benefits and payments to instructors or for other programming. Program revenues are \$422,495 less than program expenditures. The indirectly funded amount is provided through property taxes, local government aid, franchise fees and interest. The Activity Center is part of the City's General fund and does not have its own fund balance.

	2023	Proposed	Percentage
	<u>Budget</u>	<u>Budget</u>	<u>Incr (Decr)</u>
Revenues	\$ 105,300	\$ 132,500	25.83%
Expenditures	\$ 486,192	\$ 554,995	14.15%
Indirectly funded amount	\$ (380,892)	\$ (422,495)	



CITY OF HOPKINS

Memorandum

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: October 10, 20223

Subject: Enterprise Fund Budgets and Utility Rate Review

PURPOSE

No formal action is required at this meeting. Staff is requesting input on the proposed budgets for enterprise funds and utility rates.

INFORMATION

Pavilion Fund

The Hopkins Pavilion is a multi-use, year-round arena and community facility. The arena is used for a multitude of activities including ice skating, broomball, soccer, lacrosse, inline skating, rugby, baseball, softball, concerts, company picnics and other community and private events. The main revenue sources are a property tax levy, facility rentals and leases. The main expenses are depreciation, salary, benefits and bond interest. The 2024 budget includes \$100,000 for capital projects (replacement of a water heater, entrance doors and flooring). The budget is projecting a decrease in net position of \$219,773, which includes \$480,000 of depreciation. The funds cash flow is projected to increase.

Pavilion	2023	Proposed	%age
	<u>Budget</u>	<u>Budget</u>	<u>Incr (Decr)</u>
Revenues	\$ 819,000	\$ 913,700	11.56%
Expenditures	\$ 1,080,961	\$ 1,133,473	4.86%
Revenues over (under) Expenditures	\$ (261,961)	\$ (219,773)	

Utility Funds

The City has four separate utility funds to provide: water, sanitary sewer, storm sewer and refuse collection services. They are classified as enterprise or business-type funds. The main source of revenue for all funds is user charges. The main expenses are salaries, benefits, depreciation, bond costs, municipal wastewater charges and contracted services for recycling and organic pickup. Collectively, the funds are projected to end the year with a cash balance of \$6.1 million and a net position (fund balance) of 26.7 million. The sanitary sewer and storm sewer have a positive cash flow projection in 2023. The water and refuse funds are projected to slightly decrease cash position in 2023, which can be absorbed within the funds.

Water	2023	Proposed	%age
	<u>Budget</u>	<u>Budget</u>	<u>Incr (Decr)</u>
Revenues	\$ 2,513,000	\$ 2,892,400	15.10%
Expenditures	\$ 2,627,587	\$ 2,858,975	8.81%
Revenues over (under) Expenditures	\$ (114,587)	\$ 33,425	

Sanitary Sewer	2023	Proposed	%age
	<u>Budget</u>	<u>Budget</u>	<u>Incr (Decr)</u>
Revenues	\$ 3,460,000	\$ 3,635,000	5.06%
Expenditures	\$ 3,397,964	\$ 3,584,058	5.48%
Revenues over (under) Expenditures	\$ 62,036	\$ 50,942	

Storm Sewer	2022	Proposed	%age
	<u>Budget</u>	<u>Budget</u>	<u>Incr (Decr)</u>
Revenues	\$ 810,332	\$ 810,332	0.00%
Expenditures	\$ 793,522	\$ 826,094	4.10%
Revenues over (under) Expenditures	\$ 16,810	\$ (15,762)	

Refuse	2023	Proposed	%age
	<u>Budget</u>	<u>Budget</u>	<u>Incr (Decr)</u>
Revenues	\$ 1,271,200	\$ 1,340,085	5.42%
Expenditures	\$ 1,324,891	\$ 1,477,104	11.49%
Revenues over (under) Expenditures	\$ (53,691)	\$ (137,019)	

Water & Sanitary Sewer Rates

Proposed Water and Sanitary Sewer fund budgets have been prepared for 2024. The Water and Sanitary Sewer budgets being proposed include rate increases of approximately 16% and 5%, respectively. Rates are based on operational needs, capital needs and debt repayment. The City has a tiered rate structure for water consumption.

	<u>2023</u> <u>Current</u>	<u>2024</u> <u>Proposed</u>	<u>Percent</u> <u>Increase</u>
Flat Rates Per Meter Per Month			
Residential - 5/8" meter	3.34	3.87	15.87%
Residential - 1" meter	3.34	3.87	15.87%
Apt/Commercial - 1-1/2" to 2" meter	6.69	7.76	15.99%
Apt/Commercial - 3" meter	10.04	11.65	16.04%
Apt/Commercial - 4" meter	13.35	15.49	16.03%
Apt/Commercial - 6" meter	20.04	23.25	16.02%
Consumption Rates, Per 1,000 Gallons			
Residential and Multi-Family			
0 - 3,000 gallons	3.42	3.97	16.08%
3,001 - 5,000 gallons	3.94	4.57	15.99%
5,001 and over	4.52	5.24	15.93%
Commercial			
0 - 10,000 gallons	3.27	3.79	15.90%
10,001 - 20,000 gallons	3.75	4.35	16.00%
20,001 and over	4.32	5.01	15.97%
Irrigation - all usage	4.09	4.74	15.89%
Production meter	3.45	4.00	15.94%
Sanitary Sewer	7.58	7.96	5.00%

The two following charts show the impact of the water and sewer rate increases for different user types.

Impact on Low, Median and High Residential User				
	Actual 2023	Proposed 2024	\$ Increase	% Increase
Single Family Residential (Lower User)				
Water (1,500 Gallons)	\$ 8.47	\$ 9.83	\$ 1.36	16.00%
Sewer (1,500 Gallons)	\$ 11.37	\$ 11.94	\$ 0.57	5.01%
Total Monthly Bill	\$ 19.84	\$ 21.77	\$ 1.93	9.70%
Single Family Residential (Median User)				
Water (4,000 Gallons)	\$ 17.54	\$ 20.35	\$ 2.81	16.02%
Sewer (3,000 Gallons)	\$ 22.74	\$ 23.88	\$ 1.14	5.01%
Total Monthly Bill	\$ 40.28	\$ 44.23	\$ 3.95	9.81%
Single Family Residential (High User)				
Water (8,800 Gallons)	\$ 38.66	\$ 44.83	\$ 6.18	15.98%
Sewer (4,800 Gallons)	\$ 36.38	\$ 38.21	\$ 1.82	5.01%
Total Monthly Bill	\$ 75.04	\$ 83.04	\$ 8.00	10.66%

Impact on Low and High Commercial User				
	Actual 2023	Proposed 2024	\$ Increase	% Increase
Commercial Property (Low User with a 1" Meter)				
Water (3,000 Gallons)	\$ 16.50	\$ 19.13	\$ 2.63	15.94%
Sewer (3,000 Gallons)	\$ 22.74	\$ 23.88	\$ 1.14	5.01%
Total Monthly Bill	\$ 39.24	\$ 43.01	\$ 3.77	9.61%
Commercial Property (High User with a 2" Meter)				
Water (35,000 Gallons)	\$ 141.69	\$ 164.31	\$ 22.62	15.96%
Sewer (35,000 Gallons)	\$ 265.30	\$ 278.60	\$ 13.30	5.01%
Total Monthly Bill	\$ 406.99	\$ 442.91	\$ 35.92	8.83%

Storm Sewer Rates

A proposed Storm Sewer fund budget has been prepared for 2024. Residential storm sewer fees are \$5.00/month. There is no proposed rate increase.

Refuse Rates

A proposed Refuse fund budget has been prepared for 2024. Refuse increases of approximately 5% are being proposed for operational needs. The City has a five year contract with an outside service provider to provide recycling and organic recycling. Rates increases of approximately 2.5% are being proposed based the contract.

Refuse, Recycling and Organic Recycling Rates			
	<u>2023</u>	<u>2024</u>	<u>Percent</u>
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Refuse Collection			
35 Gallon - Every Other Week	13.85	14.55	5.05%
35 Gallon	18.85	19.80	5.04%
65 Gallon	22.85	24.00	5.03%
95 Gallon	26.30	27.60	4.94%
Recycling	5.50	5.64	2.55%
Organic Recycling	5.75	5.89	2.43%

Annual Service Cost for Median Value Home

Based on the preliminary tax levy passed, franchise fee ordinances and the utility rates proposed in this memo the annual service cost for a median value home is projected to increase by \$109.16 or \$8.85 per month. The median value home was \$361,000 in 2023 and \$369,300 in 2024.

Annual Service Cost for Median Value Home				
	Actual 2023	Proposed 2024	\$ Increase	% Increase
City Property Taxes (4.86% Levy Increase)	\$ 2,188.00	\$ 2,187.00	\$ (1.00)	-0.05%
Water - Consumption				
7,500 gallons per month				
\$3.20/\$3.68/\$4.22 Tiered Rates	\$ 393.36			
\$3.42/\$3.94/\$4.52 Tiered Rates		\$ 456.24	\$ 62.88	15.99%
Sewer - Consumption				
5,000 gallons per month				
\$7.08/ 1,000 gallons	\$ 454.80			
\$7.58/ 1,000 gallons		\$ 477.60	\$ 22.80	5.01%
Refuse Collection				
Garbage, 65 Gallon	\$ 274.20	\$ 288.00	\$ 13.80	5.03%
Recycling	\$ 66.00	\$ 67.68	\$ 1.68	2.55%
Organic Recycling	\$ 69.00	\$ 70.68	\$ 1.68	2.43%
Storm Sewer	\$ 60.00	\$ 60.00	\$ -	0.00%
Franchise Fees (based on average)	\$ 84.00	\$ 91.32	\$ 7.32	8.71%
Total	\$ 3,589.36	\$ 3,698.52	\$ 109.16	3.04%