

**CITY OF HANOVER
CITY COUNCIL WORK SESSION
APRIL 19, 2016 – OFFICIAL MINUTES**

Call to Order

Mayor Kauffman called the Regular City Council Work Session Meeting of Tuesday, April 19, 2016 to order at 6:00 p.m. Present were Mayor Chris Kauffman, Councilors John Vajda, Ken Warpula, and Jim Zajicek. Also present were City Administrator Brian Hagen, Accountant/Deputy Clerk Elizabeth Lindrud, Public Works Supervisor Scott Vogel, and City Engineer Justin Messner. Other guests present were Grady Kinghorn and Penny Kauffman. Doug Hammerseng was absent.

Approval of Agenda

Warpula requested specific discussion on extending the sidewalk project from the intersection of CR 19 and CR 20 to the school. Zajicek and Warpula added item 14b – Settlers Ballpark Design/Tree removal.

MOTION by Vajda to approve the agenda as amended, seconded by Warpula. **Motion carried unanimously.**

Consent Agenda

Kauffman would like an adjustment to the minutes stating that Council did not feel the need for a public hearing related to the tree removal needed for the Settlers Ballpark redesign. Warpula inquired if the cemetery mapping was complete, Lindrud stated no, this was the first half of the payment.

Lindrud stated there was an additional claim of \$120 payable to Denise Heins for monthly storage payment, bringing the total claims amount to \$104,645.54.

MOTION by Vajda to approve consent agenda as amended, seconded by Warpula.

- a. **Approve Minutes of April 5, 2016 Local Board of Appeals and Equalization**
- b. **Approve Minutes of April 5, 2016 City Council Meeting**
- c. **Approve Claims as Presented:**

➤ Claims	\$ 91,610.14
➤ Payroll	\$ 7,269.98
➤ P/R taxes & Exp	\$ 2,987.08
➤ Other Claims	\$ 2,778.34
➤ Total Claims	<u>\$ 104,645.54</u>

Motion carried unanimously.

Public Works Facility Project Estimate Update

Grady Kinghorn gave an update on the costs for the Public Works Facility. Kinghorn stated that estimates were received and project cost currently sits at \$1,759,356.78. Discussion on the bond amount ensued. Council debated on an acceptable amount to bond. Hagen stated that if Council sets a bond amount, that amount can always be reduced. However, if the project is more expensive than anticipated, then the Council would be required to go through the bonding process of public notice in order to increase the bond total. Discussion took place around the placement of the building. The building cannot be placed in the front, due to storm water management requirements. Kauffman inquired on the next steps once the bond is approved. Hagen stated the Public Hearing is set for May 17th, a 30 day reverse referendum period is required, and if the public does not vote against the bond funds would come in July. Kinghorn stated there is work that can be done before the first draw on the bond. He further stated that once the bids come in, he would sit down with Council and adjustments can still be made if needed to reduce costs. Warpula inquired if there would be funds from the bond that could be used to retrofit the current Public Works. Hagen stated that he did not believe the public works facility bond could be used to retrofit a portion of City Hall given the City Hall plans were not placed on the Capital Improvement Plan.

5th St. Watermain Funding Plan

Hagen stated that due to conflict of interest, Kauffman cannot discuss the 5th St. Watermain Funding Plan. Kauffman excused himself from the discussion. Hagen stated there are three funding options:

- 1) Assess full project costs of \$250,000 to all properties benefited.
- 2) Assess only the final construction costs to all properties benefited.
- 3) Assess a reduced portion of the project costs to all properties benefited. The City would fund the difference.

Messner noted that the third option would be justified through the City paying for the oversizing of the water pipe. Warpula inquired if the WAC fees would still be required in addition to the assessment and what those would be. Messner stated that they would still be required and that the fee is calculated per property based on building use. Hagen stated the City could allow the properties to hook up to the watermain at a later date when their wells fail instead of allowing them to dig a new well. Discussion took place around a percentage that would be reasonable to assess the property owners. There are currently 5 properties, with the potential to go down to 4 properties and possibly even down to 3 if the sale of the 5 acres to JS Stewart were to fall through. Penny Kauffman spoke to the status of her property. She is in the process of combining her three lots into one. She further stated that there is access to the watermain off County Road 19. Hagen stated that the City would assess if there was a benefit to the property, if there was another option available for the property to hook up to water, it would not be assessed. Council discussed the options of splitting the cost by 50/50 or 75/25. Messner stated that the funding breakdown can be set at what Council is comfortable with. Council directed staff to present a 75% City cost, 25% assessment cost at the Public Hearing. Messner stated that the property owners will be invited to the Public Hearing and he will talk about the project and assessments.

Res No 04-19-16-52 – Awarding Bid for Hanover Hills Surface Improvement Project

Messner stated that the resolution before Council awards the contract for the Hanover Hills Surface Improvement Project. He stated there were 9 bidders and the low bid was \$491,969.80 from Knife River Corporation. He further stated that there were very favorable prices due to low oil prices. \$424,544.05 was the cost for Hanover Hills, while the additional \$67,725.75 was the alternative bid if Council decided to also add the paved portion of Division Street. Messner recommended that Council award Knife River the entire project, including Division Street. Council inquired if staff had heard anything further from Rockford Township, staff stated they had not, but that Rockford Township did not see interested in sharing costs. Hagen stated they can approach them again.

MOTION by Warpula to approve Res No 04-19-16-52, seconded by Vajda. **Motion carried unanimously.**

Res No 04-19-16-53 – Awarding Bid for CSAH 19 Sidewalk Extension Project

Messner stated the resolution before Council awards the contract for the CSAH 19 Sidewalk Extension Project. He stated there were 4 bidders and the low bid was \$84,443.50 from Burschville Construction. Messner recommended that Council award Burschville Construction the project. Kauffman inquired about the extension of the sidewalk from CSAH 19 Bridge to Hanover Elementary School and if there were funds available for Safe Routes to School. Messner stated that there would have to be a plan first before the City would be able to request grant funding. Vajda stated that there are two utility poles that need to be moved and in the past when looked into was expensive to do so. Discussion took place around the approaching the county or school district to share costs should the City decide to add a sidewalk at a later date.

MOTION by Vajda to approve Res No 04-19-16-53, seconded by Warpula. **Motion carried unanimously.**

Res No 04-19-16-54 – Calling for Public Hearing for 5th St. Watermain Extension

Hagen stated that the Public Hearing would be set for May 3rd. He stated that Messner will have a presentation of the project and then it will be open for discussion.

MOTION by Warpula to approve Res No 04-19-16-54, seconded by Zajicek. Abstain: Kauffman **Motion carried unanimously.**

Solar Garden Subscription Agreement

Hagen stated that this is not a solar garden in Hanover, but they City can subscribe to it, he further stated that Xcel Energy is required to provide a certain amount of credit for solar energy. Geronimo Energy is offering .01 per kilowatt used if the City subscribes with them. Hagen stated it is a 25 year contract with an estimated savings of \$23,000. Warpula inquired if Council can table it so they can research more into the contract. Hagen agreed, stating the Geronimo representative would also be willing to come out and speak to Council.

MOTION by Warpula to table Solar Garden Subscription Agreement until the May 17th, seconded by Vajda. **Motion carried unanimously.**

City Apparel for City Representatives

Hagen stated that Marty Waters requested that if Council gets new apparel with the city logo on, can those individuals that served on the logo committee also get a shirt at no cost. Council discussed that they no longer felt the need for city apparel for city representatives and currently use name tags instead, as that is more cost effective. Council and Staff agreed that at this time no apparel would be ordered.

Historic Bridge Photo Use Request

Hagen stated that the way the copyright agreement reads the City and EDA may use the photo for marketing the City. He stated Staff did not feel comfortable sharing the photo without Council approval. Kauffman stated that he did reach out to Mary Coons and all proceeds from the book sale will go back to the Hanover Historical Society. Kauffman stated he feels the book does market the City. Council agreed that the Hanover Historical Society may use the picture for the book Planks of History.

Hennepin County Assessing Contract

Hagen inquired if Council wanted to keep Hennepin County as Hanover's assessor. Council inquired if there were other choices, Hagen stated there are third party vendors. Council felt Hennepin County gives fair assessments and stated that Hagen can move forward with the contract renewal.

Cash Flow/Fund Balance Analysis

Lindrud and Hagen reviewed the cash flow and fund balance analysis as related to the upcoming road projects. Hagen also reviewed the CIP plan and percentage of debt levy and how the change to a \$2 million bond would change that percentage. He stated the original goal was to keep the debt/CIP levy annual increase to a percentage of 3%. The percentage for 2017 would increase 11%% for a \$2 million bond.. Hagen stated that due to publication deadlines he would need a number Council would like to bond for tonight or at a special meeting before noon on Friday.

MOTION by Warpula to bond for \$2 million for the public works facility, seconded by Kauffman. **Motion carried unanimously.**

2015 4th Quarter Budget Review

Lindrud presented the 2015 4th Quarter Budget Review. Lindrud and Hagen both stated they plan to ask the auditors about the two general fund transfers in relation to the budget surplus. Currently, the transfers appear as expenditures and are skewing the surplus so it appears the City only had a surplus of \$6,540, when it should be closer to \$200,000.

Settlers Ballpark Redesign and Tree Removal

Zajicek inquired how many people have been contacted by residents related to the removal of the oak trees in Settlers Park. Vajda stated he had two phone calls and both people were fine with the decision once he explained what was happening. Hagen stated he only received two phone calls from residents concerned about the tree removal. Council requested that a presentation be made at the next Park Board meeting showing the approved plan and inviting Youth Ball and Hanover Athletic Association to attend.

Reports

Messner:

- LS Black will be back in early May to finish the Bridge decking. Warpula inquired on what was needed to seal the boards. Messner stated that the supplier instructed him to let the wood sit and dry for one year and will send recommendations on oils to use to seal the wood. Kauffman inquired on the asphalt approaches at the bridge, Messner stated they will be done at the same time as the road projects.

Lindrud:

- Attended Election training

Hagen:

- Attended Election training, Hennepin County will be using the E-poll books instead of the paper rosters and to register Hennepin County voters. Hanover will also need an absentee ballot board to accept or reject absentee ballots at City Hall, Hennepin County will no longer do this for the City. Hagen stated that he sent out letters to current election judges and will also be advertising for more, as well as looking into using student judges.
- Stated the Russian Dinner is this weekend hosted by Tatiana Menth.

Vogel:

- Stated that snowplows are in storage and he has been preparing the upcoming street and maintenance projects.
- Inquired if regular maintenance items that exceed \$500 should come before council, examples being street sweeping, road grading, or replacing the ballasts at the Fire Hall. Council discussed and Hagen suggested changing the purchasing policy to eliminate any grey areas.
- Stated that Hanna statue is in disrepair and should it be removed. Council agreed to leave Hanna standing.

Zajicek:

- Stated that he received a large donation of Easter candy and products from Cub Foods, they stated Jim can use what he needs for the Easter Egg hunt and donate what isn't needed for the Easter Egg Hunt his discretion.

Warpula:

- Stated that the FRA bought chairs and tables for the Fire Hall, donates for new equipment, the fire department buys their own uniforms and the new fire extraction tool and six-wheeler were paid for through donations, fundraisers and the FRA.

Kauffman:

- Stated that the City of Dayton also has a park reservation system in place for its ballfields.

Adjournment

MOTION by Kauffman to adjourn at 9:10 p.m., seconded by Warpula. **Motion carried unanimously.**

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator