

**CITY OF HANOVER
CITY COUNCIL MEETING
MAY 5, 2015 – OFFICIAL MINUTES**

Call to Order/Pledge of Allegiance:

Mayor Chris Kauffman called the regular meeting of Tuesday, May 5, 2015 to order at 7:00 p.m. Present were Mayor Kauffman, Councilors Doug Hammerseng, Ken Warpula, and Jim Zajicek. Councilor John Vajda arrived at 8:50 p.m. Also present were City Administrator Brian Hagen, Public Works Supervisor Scott Vogel, City Attorney John Edison, City Engineer Justin Messner, City Planner Cindy Nash, and Finance Consultant Vicki Holthaus. Guests present included Matt Mayer from KDV, Philipp Muessig from the Greenstep City program, and Hanover residents.

Approval of Agenda:

Kauffman added a discussion item after the KDV Audit presentation in order to discuss projected FRA investment figures completed by KDV.

MOTION by Warpula to approve the agenda as amended, seconded by Hammerseng. **Motion carried unanimously. Vajda was absent at this time.**

Consent Agenda:

Hammerseng requested background information for Res No 05-05-15-28. Hagen explained that the property owner is requesting the ability to shoot clay targets with his children. According to Hanover Ordinances, gun ranges are allowed with Council approval. This property is located in an agricultural area of Hanover with adjacent houses approximately 1000 feet away. Hagen also adjusted the claims amount due to reflect two payments. One for the first payment to Landwehr for the CSAH 19 trail construction and the second for special assessment payments for two City owned properties.

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

a. Approve Minutes of April 21, 2015 City Council Work Session Meeting

b. Approve Claims as Presented:

➤ Claims	\$ 195,741.59
➤ Payroll	\$ 6,604.33
➤ P/R taxes & Exp	\$ 2,494.27
➤ Other Claims	\$ 1,259.33
➤ Total Claims	<u>\$ 206,099.52</u>

c. Res No 05-05-15-27 – Approving Liquor License Renewals

d. Res No 05-05-15-28 – Authorizing Trap Shooting at 9173 Division St. East, Buffalo MN

Motion carried unanimously. Vajda was absent at this time

Citizen's Forum:

Clark Lee

Mr. Lee read a statement to Council which addressed how wetland delineations expire after three years of existence. Mr. Lee further explained that in conversations with Wright Soil and Water, they confirmed that the delineation does expire after three years. They further stated that a new delineation is often required. Mr. Lee informed Council that Wright Soil and Water estimates a delineation at approximately \$1,000.

Lynnae Karsten

Mrs. Karsten addressed Council in order to understand more about the Greenstep City discussions recently held. Council planned to discuss this in detail later in the meeting.

Jamie Johnson and Denise Perkins

The two women addressed Council with the request of converting Kadler Ave./Jasmine Ave. into a four way stop. This request comes from the recent decision to install stop signs at Kadler Ave./3rd St. in the Hanover Hills development. Further, the two women feel there is a safety concern for this intersection due to the rate of speed vehicles travel and the number of young children in the neighborhood. Council stated they would visit this discussion at an upcoming meeting.

Philipp Muessig

Mr. Muessig is the director of the Greenstep City program. He was present at the meeting to answer any questions the Council may have on the program. He attended the meeting after noticing Res No 05-05-15-29 Removing Hanover as a Greenstep City.

The Public Hearing was opened at 7:34 p.m.

Public Hearings:

Road Vacation of former Frankfurt Township Road Order

Elizabeth Cole was present on behalf of her mother Ardell Plantenberg. Mrs. Cole is requesting approval of the road vacation as the road lies partially on her mother's property, but serves only one house. This road vacation is needed for consideration of a subdivision of Ardell Plantenberg's property.

Nash stated that Mrs. Cole has been working with staff to complete a lot split of her mother's property located north of County Road 34 opposite of Kayla Lane. During the lot split process it was found that an old road order from Frankfurt Township exists, however, other portions of this road order have been vacated in the past. Speaking with Wright County, they would approve the lot split and grant an access point off of County Road 34 if this road order was vacated. In the future, the parcel serviced by this access point would need their driveway relocated and serviced through a future development on the newly created lot from the lot split of the Plantenberg property.

The Public Hearing was closed, and the regular meeting presumed at 7:38 p.m.

2014 Audit Presentation

Mr. Matt Mayer presented KDV's audit findings for Hanover's 2014 audit. Mayer found the City in good standing financially. Mayer did suggest the Council discuss a change to water service fees as the enterprise fund has had a slight decline over recent years as has not funded depreciation costs as well in recent years. Other enterprise funds have seen an overall loss, however, all enterprise funds have been able to cover operational costs. Mayer went on to explain that the City does have a lack of segregation of duties. This simply means that the City does not employ enough staff to have specific duties for a single staff person. This finding is common in smaller cities.

FRA Pension Fund

Hagen explained that the FRA has requested an increase to the annual payment amount to retired department members. This request comes from the fact their pension fund is currently at a 120% funded rate, meaning they have more assets than liabilities. KDV completed some projections to show where their fund is now at \$1,400 per year, versus \$1,600 per year. At higher pay out amount the pension fund would be 106% funded. The Council took no action at this point.

First Quarter Budget Review

Holthaus provided the first quarter budget review in the Council packet. She outlined the City's status financial status through March 31, 2015. The general fund revenue is at 33% based on budget through

the first quarter. This due to the fact that first half taxes have not been issued to the City, nor has local government aid been issued to the City. Holthaus further explained that the general fund expenditures are at 73% based on budget through the first quarter.

Unfinished Business:

Greenhouse Concept Plan

Nash provided staff and Planning Commission comments on the latest concept plan for the Greenhouse. Nash further explained that the concept is for one building at this point, and if a second building is desired, then it will be addressed in the future. The Planning Commission passed a recommendation on a 3-2 vote to change the Greenhouse from two story to one story, and to wrap the parking around the building. Nash further explained that passing a concept plan is non-binding; instead it serves as guidance to the developer before final plans are submitted with more detail.

Hammerseng noted that the desire for a one story stems from the relative height to neighboring houses. The neighborhood residents in attendance were opposed to having a building sit much higher than the other houses. Messner stated there could be excess fill on the site. If that is the case, soils could be moved in order to lower the elevation of the building.

Nash also explained an amendment to the Planned Unit Development will be needed. The allowed use was a three story building. The amendment would allow a two story building and could address the height restriction if it is taller than the allowed 35 feet for that district. Nash stated approval of the concept plan is desired with Council feedback on the one versus two story building.

MOTION by Hammerseng to approve the concept plan at two stories if the building elevation can be lowered to near street level and meet the 35 foot height restriction, as well as all other staff and Planning Commission comments, seconded by Zajicek. **Motion carried unanimously. Vajda was absent at this time.**

Wetland Delineation

Nash explained that her and Messner both feel that in order to be confident on the setback distance from wetlands, a new delineation should be required. Nash also stated this would be a requirement for all variance requests, not just requests for a setback on the house. Messner explained this would be required to be completed by the property owner, and results reviewed by Wright Soil and Water. A new survey would then be completed to show the results.

Warpula expressed concern about added costs to a project like a deck. He also asked if this is something the City could help with. Messner stated he would encourage the City not to have the wetlands re-delineated because the delineation is only good for three years. In the future variance applications will be deemed incomplete without an updated delineation and new survey.

10 Acre Appraisal

Hagen stated that Nagell Appraisal & Consulting was the low quote for the appraisal of the 10 acres. The quote is for \$900 and can be completed in a two to three weeks from signed confirmation.

MOTION by Hammerseng to approve the engagement letter for \$900, seconded by Warpula. **Motion carried unanimously. Vajda was absent at this time.**

Res No 05-05-15-29 – Removing Hanover as a Greenstep City

Kauffman stated that the City joined in 2012. At that time he did not feel the program was a good fit for Hanover. He continues to hold that view, and he feels Hanover should have local control of what projects and programs are implemented in the City. Kauffman used the example of recent law changes

that caused Hanover to conform to MS4 requirements sooner than anticipated. Hammerseng agreed with Kauffman and stated that there are already several organizations giving input on what Hanover should do. He feels that Hanover's boards and staff already implement good projects and plans for the City.

MOTION by Kauffman to approve Res No 05-05-15-29, seconded by Hammerseng. **Motion carried unanimously. Vajda was absent at this time.**

At this time John Vajda arrived.

Authorization to Advertise for Front Officer Position

Hagen presented two options to Council for hiring a front office employee. The first option would hire a receptionist/accounting clerk and reduce the finance consultant contract to one day per month. Hagen stated this option would have an anticipated annual cost of \$66,000-\$75,000 depending on where the employee is at in the salary range. The second option is to hire an accountant/deputy clerk and eliminate the monthly finance consultant contract. The accountant would be expected to complete all accounting functions required for the City. The second option would still need additional audit preparation work as in years past. The second option would have an anticipated annual cost of \$63,600-\$79,000 depending on where the employee is at in the salary range. Hagen further stated that this position is proposed to be an exempt position, meaning not overtime eligible.

Discussion continued about the original expectation of Hagen taking on the accounting duties. Hagen stated that he has been learning the accounting duties on a high level and has developed an understanding for the finances; however, Hagen felt it is in the best interest of the City to hire someone who knows the functions now.

Kauffman stated that he would be fine with the second option, but would like to see the bottom end of the salary around \$41,000 to better match what he feels is comparable in the private sector. Warpula felt the City's best interest should be the focus and was in favor of the second option.

MOTION by Kauffman to advertise for an Accountant/Deputy Clerk with a salary range of \$20.00-\$30.73 per hour, seconded by Hammerseng. **Motion carried unanimously.**

New Business:

Res No 05-05-15-30 – Vacating former Frankfurt Township Road Order

This resolution is connected to the Public Hearing held earlier in the meeting, and also has connection to Res No 05-05-15-31.

MOTION by Warpula to approve Res No 05-05-15-30, seconded by Kauffman. **Motion carried unanimously.**

Res No 05-05-15-31 – Approving Lot Split for Ardell Plantenberg

MOTION by Kauffman to approve Res No 05-05-15-31, seconded by Hammerseng. **Motion carried unanimously.**

Reports

Mayor Kauffman expressed, on behalf of the City Council, condolences to staff member Nancy Schmitz and the passing of her mother.

Vogel

- The memorial garden sidewalk extension has been scheduled for the following week.
- Public Works is fully into grass cutting
- The catch basin repair on Jandell Ave. is complete
- Blow patching work is near completion
- The asphalt patch on 3rd St. is complete

Messner stated the County Road 19 Trail construction is going good. Good progress was made in the first week.

Vajda stated that himself, Nancy Schmitz, and Hagen attended the volunteer brunch at the Senior Center. It was a good crowd and over the last year they had over 200 volunteers.

Zajicek stated that the park walk through was completed with the Park Board. He is happy to see Hanover's parks in such good condition. Discussion during the walk through was held on switching from wood chips to a pea-rock material because the rock does not deteriorate. Vogel will get cost comparisons.

Warpula

- Requested that the work sessions be moved to Wednesdays because he has medical training the same nights and he has had to miss it for Council.
- Stated the trail is going good. He is happy with contractor and the progress made. Messner did state that the speed limit along the trail will be reduced by 10 mph for safety reasons. The contractor has the ability to reduce it further during working hours.

Adjournment:

MOTION by Vajda to adjourn at 9:42 pm, seconded by Warpula. **Motion carried unanimously.**

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator