

**CITY OF HANOVER
CITY COUNCIL WORK SESSION
MAY 20, 2014 – OFFICIAL MINUTES**

Call to Order

Mayor Kauffman called the Regular City Council Work Session Meeting of Tuesday, May 20, 2014 to order at 6:05 p.m. Present were Mayor Chris Kauffman, Councilors Wendy Pinor, Doug Hammerseng, and Ken Warpula. Councilor John Vajda was absent. Also present were City Administrator Annita Smythe, Administrative Assistant Brian Hagen, Public Works Supervisor Scott Vogel, City Engineer Justin Messner, and EDA Consultant Heidi Peper. There were also representatives for Three Diamond Development present, in addition to several other guests.

Approval of Agenda

Mayor Kauffman requested to add a discussion item related to the Green House project in the Bridges neighborhood.

MOTION by Pinor to approve the amended agenda, seconded by Hammerseng. **Motion carried unanimously.**

Consent Agenda

Mayor Kauffman requested that staff look into the ability to share the additional audit costs on the Beebe Lake Trail project that resulted from the single audit requirement due to the federal funding of the project. Warpula requested to pull item 3.h. from consent. Mayor Kauffman also asked for details on the Public Works temporary employee. Smythe explained they have interviewed all of the candidates with the last one shortly before the meeting. Staff proposes hiring one full time temporary position, and would also like to re-hire Dylan Steman, who worked for Hanover last summer, on a part-time, limited basis until the other new workers are up to speed.

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

a. Approve Minutes of May 6, 2014 Local Board of Appeals

b. Approve Claims as Presented:

➤ Claims	\$ 29,155.33
➤ Payroll	\$ 6,626.89
➤ P/R taxes & Exp	\$ 2,483.11
➤ Other Claims	<u>\$ 1,366.08</u>
➤ Total Claims	<u>\$ 39,631.41</u>

c. Res No 05-20-14-39 – Approving Budget Amendments for Capital Transfers

d. Approve Revision to Minutes of April 1, 2014 Board of Appeals

e. Approve Revised Audit Engagement Letter

f. Approve Hire of Public Works Summer Temps

Motion carried unanimously.

5th Street Proposed TIF District

Representatives from 3 Diamond Development were present for discussion on a Tax Increment Financing District (TIF District) for an affordable independent senior housing complex on 5th Street NE. They opened discussion by explaining the past several months and their conversations with the Hanover EDA and Heidi Peper. They stated they have received support from the EDA for their project and they hope to receive similar support from Council. They outlined funding opportunities they are pursuing. They further explained how the TIF District will benefit the project.

Tom Denaway from Springsted Inc. was also present to explain how TIF Districts function and how the City would be effected. He provided an overview of the requirements for Council when approving a TIF District. Council's main concern was how the City would be impacted financially. Denaway stated the City would not be required to pay in money, but instead, the TIF District would utilize the additional tax increment created by the project to help fund the construction. The existing tax revenue on the property would remain unchanged.

Peper explained the EDA fully supports the project. Peper further explained that tonight's discussion was held only to gauge Council's support for the TIF District. Support tonight would not automatically result in a TIF District being created, as there are several additional steps that would follow. The first step is to pass a resolution of support for the TIF district, which will be presented at the next meeting.

Bridges Easement

Smythe gave an update about discussions held at a meeting with the Bridges related to the easement. Mayor Kauffman and Councilor Warpula also attended the meeting. She stated the biggest concerns for the residents seems to be that there is a well-built structure that fits the neighborhood and a desire to complete the bike/walking path in order to connect the neighborhood to the rest of Hanover's trail system. Smythe further explained that the Bridges want to have a voice in the process. Peper stated that Brad Bass has been patiently waiting for the City to resolve this issue. She feels time constraints were partly due to a recent project he was finishing in Mankato. He now is eager to begin this project. Mayor Kauffman requested that staff send a letter to the Bridges summarizing the meeting and intent to continue with the Green House plans.

Authorize Bridge Repairs

This item was pulled from consent for further discussion. Smythe stated that Representative David FitzSimmons submitted an amendment to the state bonding bill to fund a portion of the Historic Bridge repairs. The bill passed, which results in Hanover receiving just under \$80,000. Council asked how the amount requested was determined. Hagen stated the number was figured in a previous grant application which Hanover was not awarded. That number represents 80% of the construction cost of the project. The remaining costs of the project are related to engineering work required. The amount we will receive through the State bonding bill will cover all costs which Hanover does not currently have funding set aside for. The bonding money coupled with the set-aside funds in the bridge capital fund will fully fund the project, and the project should be able to be completed before the 125th Anniversary Celebration in 2016.

Joint Powers Agreement

Smythe outlined meetings she has attended with other Wright County Cities in regards to public transportation. She stated the Cities are moving forward with a joint powers agreement in order to have a single entity that can negotiate a contract with Trailblazers for future public transportation. Trailblazers has declined to negotiate with Wright County after multiple meetings where agreement could not be reached. MnDot has indicated their support of a contract between the Cities and Trailblazer. Some Council members expressed reservations about the cost of joining the Joint Powers, given the uncertainty of the ultimate cost for transit service, and because Hanover has not had service long enough to determine usage. Smythe indicated she would seek further information at the next Administrator's meeting and report back.

CIP Revision Request

Vogel stated the current CIP calls for replacement of a 1-ton truck and dump box in 2014. Vogel stated the current box is in good condition and can be used on the next chassis. The current chassis itself is not

worth anything without the box combination. Vogel suggests delaying the purchase of a new chassis until the current one begins to need major repairs, and replacing that item in the 2014 CIP plan with the purchase of a new skid loader this year. He stated that by delaying a new 1-ton chassis purchase the funding will be available for a new skid loader. The new skid loader would be bigger, and allow public works to complete more heavy duty tasks. Vogel provided cost quotes for two different models, both based on state-bid pricing. Council had several questions about the bids and whether the City has a need for the larger skid loader. Vogel will revisit once he has more information.

Sign Ordinance

In the interest of time, Smythe suggested tabling the sign ordinance discussion. Council suggested submitting a draft ordinance to the Planning Commission.

Reports

Smythe:

Fire Chief Malewicki submitted a memo providing several updates, and requesting the use of donated funds for equipment. The donation was anonymous and will be on the next City Council agenda for approval. Council had no objections to the use of the donated funds.

There was also an inquiry by the elementary school on a Settlers Park rental fee. They stated that in the past there has been no fee; however, staff was unable to find any past rental forms showing this. Council had no objection to waiving the fee.

Messner stated that New Look Contracting will be finishing the Beebe Lake Trail in the next few weeks.

Pinor stated she will more than likely be absent from the next meeting.

Warpula stated he attended a Harvest Festival meeting. They are requesting that Public Works be fully available to them the Friday before the event. Warpula stated some Fire Department members may also volunteer to help with the event.

Adjournment

MOTION by Warpula to adjourn at 8:55 p.m., seconded by Pinor. Motion carried unanimously.

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Annita Smythe, City Administrator