

**CITY OF HANOVER
CITY COUNCIL WORK SESSION
DECEMBER 15, 2015 – OFFICIAL MINUTES**

Call to Order

Acting Mayor Hammerseng called the Regular City Council Work Session Meeting of Tuesday, December 15, 2015 to order at 6:03 p.m. Present were Councilors Ken Warpula and Jim Zajicek. Mayor Kauffman and Councilor Vajda were absent. Also present were City Administrator Brian Hagen, Accountant/Deputy Clerk Elizabeth Lindrud, and City Planner Cindy Nash. Guests present were Carol Dixon, Kelly Browning from Veolia, and Doug Voerding from the Wright County Journal Press.

Approval of Agenda

Hagen requested to remove item 7, 5th Street Water Extension, from the agenda since there were only 3 members present and felt it would be a better discussion to have when the entire Council was present.

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

Consent Agenda

Hagen stated that claims were amended due to several invoices that were due before the next Council meeting. The amended claims totaled \$149,361.58 bringing the total claims to \$161,171.11.

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

a. **Approve Minutes of December 1, 2015 City Council Meeting**

b. **Approve Claims as Presented:**

➤ Claims	\$ 149,361.58
➤ Payroll	\$ 7,216.60
➤ P/R taxes & Exp	\$ 2,844.85
➤ Other Claims	\$ 2,288.08
➤ Total Claims	<u>\$ 161,171.11</u>

c. **Res No 12-15-15-88 – Approving Bridge Rehabilitation Pay Request No. 1**

d. **Res No 12-15-15-89 – Approving City Consultant Rates**

e. **Res No 12-15-15-90 – Approving 2015 Budget Transfers**

Motion carried unanimously.

Public Hearing – Ordinance 2015-08-2016 Fee Schedule

MOTION by Warpula to open the public hearing at 6:06 p.m., seconded by Zajicek. **Motion carried unanimously.**

Hammerseng asked if there were any comments from the public. There were none.

MOTION by Warpula to close the Public Hearing at 6:07 p.m., seconded by Hammerseng. **Motion carried unanimously.**

Doug Voerding asked what the changes were. Hagen stated that the water and utility fees changed and that Staff had put together a comparison of St. Michael and Albertville's fees to Hanover's fees. Hanover revisits the fees each year and has raised them for 2016. Hagen stated that the auditors have noted in the past that the utility fees have been covering the operating costs, but not the total depreciation. Browning provided a rate survey that showed how Hanover's fees compare to other cities with populations under 5,000. Hanover's fees are currently on the lower end for the survey.

Hagen stated that the escrow amounts for building permits have increased; the amounts collected in the past would not have been able to cover work done if required. The erosion control fee was also changed to one flat fee for all lot sizes; due to the fact the City has minimal large lot parcels available.

MOTION by Zajicek to adopt Ordinance 2015-08, seconded by Warpula. **Motion carried unanimously.**

Mahler Pit Update

Hammerseng asked Carol Dixon to give a brief background on the Mahler Pit Mining agreement. Dixon stated that Mahler's permit started out as a 6 year permit, but was then extended another 6 years expiring in 2018. As a part of this agreement Mahler Enterprises provides an annual update to Council. She said that work did pick up the second half of the year and approximately 32% of the project is complete.

MOTION by Zajicek to accept the Mahler Enterprises annual update, seconded by Hammerseng. **Motion carried unanimously.**

Resolution 12-15-15-91 – Approving 2016 Final Budget

Kelly Browning presented Veolia's 2016 budget with Council. Browning stated there were few changes from 2015. There was an increase in labor and postage. Veolia is having a difficult time and finding employees. She found that most people currently are working and are expecting higher wages than in past years. Hagen compared it to the last WCAT meeting stating that the Trailblazer Transit has also had to increase wages to attract and retain employees.

Hagen stated that the City budget received minor changes since the December 1st meeting. The public works telephone budget of \$3,500 was an error and has been adjusted to \$2,000. The levy remains the same \$1,410,972 amount from previous drafts.

Hagen stated that the EDA's final budget received zero changes from the preliminary budget.

Hagen stated there is a clerical error, that line referencing Joint Powers Water Board should be changed to Veolia in the resolution.

MOTION by Warpula to approve Res No 12-15-15-91, seconded by Zajicek. **Motion carried unanimously.**

Ordinance 2015-07 – Amending Chapter 10, B-1 Downtown River Commercial District

Nash spoke to clarify the ordinance amendment. She stated that the original amendment was drafted to allow PHS West to expand. She stated the proposed amendment in discussion would amend the ordinance to allow for limited manufacturing.

MOTION by Warpula to adopt Ordinance 2015-07, seconded by Zajicek. **Motion carried unanimously.**

Res No 12-01-15-80 – Approving Library Funding Agreement

Hagen stated that the proposed library funding agreement was included in the agenda packet and he also added a copy of the agreement between St. Michael and Albertville. He stated in the St. Michael/Albertville agreement section VII addresses the concerns Council had over what would happen if the Library were to close. The section states that should the Library close, St. Michael will reimburse Albertville in an amount equal to the proportion of the library building's bond payments that have been paid by Albertville under this Agreement multiplied by the value of the library portion of the building at the time of such discontinuance, with the value of the library portion of the building being that as determined by an appraiser. Hagen advised that this same wording should be added to the St. Michael/Hanover agreement.

MOTION by Hammerseng to approve Res No 12-15-15-80 with the added verbiage found in section vii of the St. Michael/Albertville agreement, seconded by Zajicek. **Motion carried unanimously.**

Res No 12-01-15-83 – Approving Northland Securities Underwriter Engagement Letter

Hagen stated that this resolution was tabled from the December 1, 2015 meeting. Hagen stated that Northland Securities would receive 1.96% of the total bond issued for a \$1.5 million bond. The percentage varies with the bond amount. There would also be some legal counsel fees. There is a \$10,000 bond ratings fee included in the total charge. This is not required, however, a new bond rating is estimated to save the City \$60,000 over the life of the bond.

MOTION by Warpula to approve Res No 12-01-15-83, seconded by Hammerseng. **Motion carried unanimously.**

Res No 12-15-15-92 – Approving Dissemination Agreement with Northland Securities

Hagen stated that the City's 2011 bond requires that financial information be uploaded annually. This has not been done in the past and Northland Securities can handle this annual filing for \$450 yearly fee.

MOTION by Zajicek to approve Res No 12-15-15-92, seconded by Hammerseng. **Motion carried unanimously.**

Res No 12-15-15-93 – Approving the Hire of Fire Department Member

Hagen stated the Chief Malewicki would like to hire an additional member to the fire department. The fire department currently has 28 members and can have up to 30, however there are many members nearing retirement and Malewicki would like to have enough experienced members in place as members begin to retire.

MOTION by Warpula to approve Res No 12-15-15-93, seconded by Hammerseng. **Motion carried unanimously.**

Board Appointments

Hagen included a list of 2015 appointments as an FYI. He stated these appointments are annual.

Reports

Lindrud:

- Transferred an initial \$1 million into the 4M fund. 4M will provide rates for short term investment opportunities and a savings account. The current balance at Bankwest was too large for Bankwest to insure in its entirety. The funds with 4M will remain accessible for the upcoming street maintenance project.
- Year-end payroll has been completed for Council, Board Members, and the Fire Department.

Hagen:

- The Historical Bridge deck timbers still have not been able to harvested due to weather. The ground is still too soft. It is estimated that it will take one week to cut the trees down and another week to cut boards.
- Vogel and Doboszinski added rip rap and erosion control under the bridge.
- Year end and the tax levy certification are the main focus right now.
- Wright County doesn't anticipate any costs related to the BCA agreement that was approved at the December 1 meeting.

Warpula:

- Stated that it was a great year and that the City has a great team and wanted to thank everyone for their hard work.
- Inquired on goal setting for 2016, Hagen stated that will be on the agenda for January or February.

Zajicek:

- Attended the Hanover Lions meeting to see if they would like to sell candy and drinks for Movie at City Hall. They stated that they would discuss it and get back to the City.
- Stated that he drove through the Bridges neighborhood and the brush near the new stop sign was trimmed back, but with the activity from the Greenhouse construction, he didn't feel the signs should be removed yet.

Hammerseng:

- Requested an update on the Greenhouse project. Hagen stated that the attorney is trying to get in contact with Brad Bass for the Purchase Agreement. He further stated that Scott Cole said to move forward with the permit process after January 30th when the new building codes come out.

Adjournment

MOTION by Warpula to adjourn at 7:01 p.m., seconded by Zajicek. **Motion carried unanimously.**

APPROVED BY:

Doug Hammerseng, Acting Mayor

ATTEST:

Brian Hagen, City Administrator