

**CITY OF HANOVER  
CITY COUNCIL MEETING  
AUGUST 5, 2019 – OFFICIAL MINUTES**

**Call to Order/Pledge of Allegiance:**

Mayor Chris Kauffman called the regular meeting of Tuesday, August 5, 2019, to order at 7:03 pm. Present were Mayor Chris Kauffman, Councilors Doug Hammerseng, Ken Warpula, Jim Zajicek and MaryAnn Hallstein. Also present were City Attorney Jay Squires, and City Administrator Brian Hagen. Several guests were present.

**Approval of Agenda:**

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

**Consent Agenda:**

Warpula requested removing item 3.g. to 7.b.

Hammerseng inquired on the turnout gear being requested to purchase. Hagen explained that when there is a probationary member that passes their certification and becomes a full firefighter, they are equipped with new turnout gear and no longer needs to wear older gear.

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

- a. **Approve Minutes of July 16, 2019 City Council Work Session Meeting**
- b. **Approve Minutes of July 22, 2019 Special City Council Meeting**
- c. **Approve Minutes of July 22, 2019 Joint Council and Planning Commission Meeting**
- d. **Approve Claims as Presented:**
  - **Claims**                   \$ 76,038.64
  - **Payroll**                   \$ 10,288.72
  - **P/R taxes & Exp**       \$ 3,713.58
  - **Other Claims**           \$ 2,602.31
  - **Total Claims**           \$ 92,643.25
- e. **08-05-19-67 – Recognizing the Resignation of Timothy Brown Jr**
- f. **08-05-19-68 – Approving Purchase of Fire Department Turnout Gear**

**Motion carried unanimously.**

**Citizen's Forum:**

None

**Public Hearings:**

None

**Unfinished Business:**

**Res No 08-05-19-70 – Approving Final Plat for Crow River Heights West 4<sup>th</sup> Add.**

Hagen stated that the final plat was approved earlier in the year. As staff worked with the developer to finalize the plat and developers agreement, an issue arose with how the land is being purchased. This updated final plat provides new outlots that do not impact the number of plated single family home lots, nor does it impact the lot sizes of the single family homes. The new outlots created allows the developer to purchase the smaller outlots outright, and therefore not require previous owners to be subject to the

development terms of the Crow River Heights West 4<sup>th</sup> Add. The City Attorney has reviewed the proposed changes and the City remains protected to ensure the development is constructed as required.

**MOTION** by Hallstein to approve Res No 08-05-19-70, seconded by Warpula. **Motion carried unanimously.**

**Res No 08-05-19-71 – Approving Developers Agreement for Crow River Heights West 4<sup>th</sup> Add.**

Hagen noted this agreement was previously approved, but with the change in final plat, a revised agreement should be approved. The agreement removes the requirement for current land owners to sign the agreement. The agreement allows the City to remain protected to ensure the development is constructed as required.

**MOTION** by Hallstein to approve Res No 08-05-19-71, seconded by Warpula. **Motion carried unanimously.**

**Res No 08-05-19-72 – Approving Amendment #1 to the Crow River Heights West 3<sup>rd</sup> Add. Developers Agreement**

Hagen noted the amendment was requested by the developer to eliminate the escrow pledge and payment requirement to provide financial security to the City. Instead, the agreement calls for a Letter of Credit be provided to the City for the financial security. A Letter of Credit is more typical for financial security to the City. Squires noted that a clarification of the Letter of Credit amount should be reviewed and inserted in the agreement. The amount should reflect the remaining work to be completed and the amount of security to cover that work.

**Motion** by Hallstein to approve Res No 08-05-19-72 directing staff to adjust the Letter of Credit amount as needed, seconded by Hammerseng. **Motion carried unanimously.**

**New Business:**

**Res No 08-05-19-73 – Ratifying FRA Pension Increase**

Councilor Warpula abstained from discussion due to conflict of interest.

Kauffman requested an explanation of how the FRA Pension Fund receives money. Hagen explained how the fund receives money which is via funds passed down by the State of Minnesota and by a local contribution from the City. The City's contribution is included in the Fire Services contract cost with Corcoran, Greenfield, and Rockford Township. Hagen further explained what it means for the City Council to ratify the pension amount.

Kauffman expressed a desire for the City to ratify a minimum dollar amount recognizing that the FRA Board members may increase the pension amount at their discretion. Kauffman further expressed concern on not wanting the City to be subject to future additional funding due to market tendencies to fluctuate and a potential to lose money in investments. Discussion continued to occur on when a city would be required to pay extra funds into the FRA Pension fund, but a clear understanding was not available. Council directed Squires to review statute and provide a letter of opinion on when the City becomes obligated to provide additional funding.

**MOTION** by Hallstein to table Res No 08-05-19-73 to a future meeting subject to the City Attorney's opinion letter, seconded by Hammerseng.

**Aye: Kauffman, Hammerseng, Zajicek, Hallstein.**

**Abstained: Warpula**

Councilor Warpula excused himself for a fire call at 8:00 pm

**Res No 08-05-19-69 – Accepting Legal Services Engagement Letter with McDonald Hopkins**

Hagen outlined the data breach that occurred, noting that preliminary review of the breach appears to be an email account and not the City's computer network. He further noted that the City's insurance provider, LMCIT, recommends this firm to complete the required review of the breach. The insurance would cover up to \$250,000 of costs incurred due to the breach after a \$1,000 deductible is paid. Council expressed concern about the high hourly rate. Squires noted that because LMCIT identifies this firm as a preferred vendor, the firm likely will not take advantage of the City.

**MOTION** by Hammerseng to approve Res No 08-05-19-69, seconded by Hallstein. **Motion carried unanimously. Warpula was absent.**

Councilor Warpula returned at 8:10 pm

**Reports**

**Zajicek**

- Park Board reviewed future park amenities in preparation for the upcoming joint Council/Park Board meeting.

**Hammerseng**

- Stated the Harvest Festival was another great event
- Expressed concern about Hanover Dental's landscaping and how it appears to be overgrown tall grass.
  - Hagen noted the plantings are supposed to be native prairie grasses with wild flowers growing within the grasses. Hagen spoke with the general contractor and was informed that the seeds should be growing, but at times, the flowers do not grow until the following year. Given 2019 is the first growing season, it was recommended to possibly reseed the area this fall and allow for the flowers to grow next spring. Hagen further noted that if the flowers do not grow next spring, the next step may be to require Hanover Dental to establish a more typical turf grass that requires regular mowing.
  - Hallstein noted she inquired on what native plantings require, and a detailed maintenance plan is typically established to ensure proper growth.

**Hagen**

- Updated Council on the Mahler Mining IUP application, EAW, and the need for an additional short extension of the existing IUP to allow the mine to remain in good standing. Planning Commission will be reviewing the application in their upcoming meetings.
- Inquired if Council supported adding 5<sup>th</sup> St. NE to the chip seal project. The addition would add \$25,329 to the project cost, which is still below the budgeted project costs. Consensus was to add 5<sup>th</sup> St. NE to the project.

**Adjournment**

**MOTION** by Warpula to adjourn at 8:30 pm, seconded by Hammerseng. **Motion carried unanimously.**

APPROVED BY:

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Chris Kauffman, Mayor

ATTEST:

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Brian Hagen, City Administrator