

**CITY OF HANOVER
CITY COUNCIL MEETING
SEPTEMBER 5, 2017 – OFFICIAL MINUTES**

Call to Order/Pledge of Allegiance:

Mayor Chris Kauffman called the regular meeting of Tuesday, September 5th, 2017 to order at 7:00 p.m. Present were Mayor Chris Kauffman, Councilors Doug Hammerseng, Ken Warpula, Jim Zajicek and MaryAnn Hallstein. Also present were City Administrator Brian Hagen, Accountant / Deputy Clerk Jackie Heinz, City Attorney Jay Squires, City Planner Cindy Nash, Public Works Supervisor Jason Doboszenski. Guests included Clark Lee, Thomas Jones, Carl Olson, Dennis Backes, Fire Chief Dave Malewicki, Fire Department members George Diaz, Dave Pinor, Ryan Jacobson, Ben Scherer & Bob Waldorf.

Approval of Agenda:

Kauffman requested to add Clark Lee to the agenda as item 7c. Hagen requested to replace item 7a with an approval of Repairs to Fire Department Washing Machine, and strike the approving MS4 Program Implementation Proposal to a later meeting.

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

Consent Agenda:

MOTION by Warpula to approve the consent agenda, seconded by Zajicek.

Consent Agenda Items:

- a. **Approve Minutes of August 15, 2017 City Council Meeting**
- b. **Approve Claims as Presented:**

➤ Claims	\$ 56,593.49
➤ Payroll	\$ 8,335.04
➤ P/R taxes & Exp	\$ 3,307.38
➤ Other Claims	<u>\$ 2,172.15</u>
➤ Total Claims	<u>\$ 70,408.06</u>
- c. **Res No 09-05-17-84 – Approving City of Hanover Mission Statement**
- d. **Res No 09-05-17-85 – Approving City of Hanover Vision Statement**
- e. **Res No 09-05-17-86 – Recognizing Resignation of Lucas Pollock**
- f. **Res No 09-05-17-87 – Approving Hire of Dylan Freund**
- g. **Res No 09-05-17-88 – Approving BankWest ACH Agreement**
- h. **Res No 09-05-17-89 – Approving UBS Certification & Agreement**
- i. **Res No 09-05-17-90 – Approving Release of Quail Pass 2nd Addition Escrow Funds**

Motion carried unanimously.

Citizen's Forum:

Fire Department Pinning – Ryan Jacobson

Fire Chief Dave Malewicki stated Ryan Jacobson has successfully completed the Firefighter I and Firefighter II courses and will be a great asset to the Hanover Fire Department. He then presented Jacobson with his Fire Department Badge.

Carl Olson

Carl Olson introduced himself as the new third public works employee.

Public Hearings:

None

Unfinished Business:

Res No 09-05-17-91 – Approving Crow River Heights West Third Addition Developer’s Agreement and Escrow Pledge and Payment Agreement

Nash provided a revised and final draft of both the Developers Agreement and the Escrow Pledge and Payment Agreement. The Developers Agreement outlines all expectations of the developer for the project. It further establishes fees owed for the project. Nash further explained the Escrow Pledge and Payment Agreement. This agreement is being utilized instead of a Letter of Credit due to funding for the project coming from private investors. The Escrow Pledge and Payment Agreement still ensures the City there are funds to complete the project. The agreement also allows the City authority to access the funds to complete the improvements should the developer fail to complete the terms of the project. The funds collected would be held by a third party title company.

Warpula asked why the developer wouldn’t escrow with the city, Nash replied it is less administrative work for staff, however, the engineer would review quantities and work completed prior to the title company releasing funds for payment to contractors.

Kauffman asked what the new name of the company is, Backes replied Backes Development LLC.

Hallstein asked what the typical agreement is for cities. Nash stated a letter of credit from an FDIC insured bank. Nash further stated that this type of financial backing is becoming increasingly difficult to get, unless the developer is a larger national developer.

Hammerseng asked to clarify the escrow amount of \$787k +125%, what does the \$157k represent. Nash stated the \$157k is the additional 25% the city requires to ensure enough funds are available should the city incur costs on the development. Squires stated this is standard language and requirements for developments. Nash stated the construction costs are reviewed by the city engineer, but are drawn up by the developers engineer. Justin did review and concur with the estimates.

Hallstein asked about park dedication fees. Nash stated there is currently a credit for 31 units from the previous phase, 30 of the 31 credits will be utilized in this phase, with 1 unit remaining for future phases.

MOTION by Hammerseng to approve Res No 09-05-17-91, seconded by Zajicek. **Motion carried unanimously.**

Res No 09-05-17-92 – Approving 2018 Preliminary Budget & Levy

Hagen explained there will be a reduction to the tax rate of 3.5% bringing the tax rate to just over 46%. We are currently on the 3rd draft of the budget. Hagen further explained the Fire Department revised the capital improvement fund and had some changes to the general operating budget. There was an added amount to council miscellaneous, increased the election equipment upgrades based on a discussion with Wright County and unknown state funding. Kauffman stated the tax rate is great news. Hammerseng asked what is driving the tax rate down. Hagen replied market value has increased \$100k in Hennepin County and \$200k in Wright County. This comes from the construction of the Greenhouse project, new homes coming onto the tax rolls, as well as other building improvements, and in general property value has increased. Hagen further stated the 2017 levy amount was \$1.486 million, in 2018 it will be \$1.5 million.

MOTION by Warpula to approve Res No 09-05-17-92, seconded by Hammerseng. **Motion carried unanimously.**

Res No 09-05-17-93 – Approving Construction of Settlers Park Ballfield Dugouts

Hagen explained the \$5k price includes concrete costs and building materials. Hammerseng inquired if there would be a backside or roof on the dugouts. Doboszanski explained that sides on the dugout would block the view of people sitting or standing behind the dugout, but would provide a roof over the bench. They plan to have the concrete and footings done by fall.

MOTION by Warpula to approve Res No 09-05-17-93 up to \$5,000, seconded by Hammerseng. **Motion carried unanimously.**

New Business:

Fire Department Washing Machine Repair

Doboszinski stated the current washing machine at the Fire Station has been there for 10 years and was purchased used. The bearings are going bad among some other minor repairs. Fire Chief Malewicki thought it would be best to keep the current machine and wait to purchase a new machine when there is grant money available. Hagen stated the estimate to repair the washing machine is \$1,185.00. Doboszinski explained the machine requires a special bearing that is not available in stores. Hagen further explained the majority of the estimate are the labor costs. Warpula stated a new machine costs around \$24k.

MOTION by Warpula to approve Fire Department Washing Machine Repair Estimate, seconded by Zacijek.
Motion carried unanimously.

Res No 09-05-17-95 – Approving 2018-2019 Law Enforcement Agreement

Hagen the only change to the agreement made was for hourly costs. The agreement states an increase to \$72.00 per hour in 2018 and \$74.50 per hour in 2019. The time of 4 hours per day will remain the same.

MOTION by Warpula to approve Res No 09-05-17-95, seconded by Hallstein. **Motion carried unanimously.**

Clark Lee

Lee stated he received a call back from the Department of Commerce, they had a 45 minute discussion about the city's building standards. Lee stated the city has 4 existing building standards which include 1,000 sq. ft. of habitable living space above grade, minimum garage size, 24' width minimum and perpendicular orientation. He is requesting the planning commission review these standards as well as 2 standards that were eliminated in 2013. Those two standards are brick or stone and garage not occupying over 40% of the front of the house.

Hallstein inquired why brick and stone is important, Lee stated it is part of the aesthetic of the neighborhood. Hallstein inquired if there are homes that have the garage as more than 40%, Hagen stated in 2013, three stall garages were the new standard and that standard wouldn't allow for 90% of today's homes. The brick or better standard was set at 20 – 25%, most plans were coming in at 15% and getting denied. Even though the standard has been removed, homeowners continue to put brick on the house.

Hammerseng asked if the standards are too hard to interpret, are they too gray or vague, is there a loophole. Hagen stated no, our standards are stated clearly. Nash stated 1,000 sq. ft. has been previously discussed. Other city standards were looked at and most don't have regulations as strict as Hanover. There are a lot of different housing types required by consumers.

Hallstein stated not many homeowners use their front door, we are looking at long term for a variety of homes. The lots are problematic but won't cause a home made from shipping containers. The amount of staff time involved in this matter over the previous 15 months well exceeds \$1,000. Lee stated based on those comments the city would grant a variance, look at the plat in the office, there is only 22' and the ordinance requires 24'. Lee further stated Sibleys are asking \$50k for the 2 lots, the Sibleys found out it cost too much to build.

Hagen stated 3 – 4 weeks ago an individual inquired about the lots.

Jones stated we've all spent time on this subject, the 24' minimum width is true and he is concerned when staff is unsure.

Lee stated his brother-in-law is a civil engineer who has looked at the two lots, he feels the lots are non-buildable by present standards. A variance is for a hardship

MOTION by Hammerseng to approve Jay Squires and Cindy Nash review plans submitted for 500 Kadler Ave. NE and 520 Kadler Avenue NE, seconded by Zajicek. **Motion carried unanimously.**

Reports

Doboszanski

- Catch Basin is in, Poured Curb and Gutter last Friday
- Looking at Painting the Crosswalks in town, they've never been done in the 3 years he has been employed.

Hagen

- Exterior shell of Public Works will be constructed by end of September, utilities are being installed this week, driveway will be completed yet this fall
- Getting millings from City of Edina with possible free trucking
- Budget is complete, will be diving into the final soon
- Closed on the EDA purchase, currently working with Jay on a residential agreement

Kauffman

- Plan a ground breaking picture at the public works site at the next workshop on Tuesday, September 19th
- Have an individual throw out the first pitch at the inaugural ball game at the new ball field

Adjournment

MOTION by Warpula to adjourn at 8:19 p.m., seconded by Hallstein. **Motion carried unanimously.**

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator