

**CITY OF HANOVER
CITY COUNCIL MEETING
DECEMBER 6, 2016 – OFFICIAL MINUTES**

Call to Order/Pledge of Allegiance:

Mayor Chris Kauffman called the regular meeting of Tuesday, December 6, 2016 to order at 7:05 p.m. Present were Mayor Chris Kauffman, Councilors Doug Hammerseng, Ken Warpula, and Jim Zajicek. Also present were City Administrator Brian Hagen, Accountant/Deputy Clerk Elizabeth Lindrud, Public Works Supervisor Scott Vogel, City Engineer Justin Messner, and City Attorney Jay Squires. Guests present included James Calder, Clark Lee, MaryAnn Hallstein, Abby Peterson, Neil Karsten, Dave Malewicki, Amy Biren, Jason Doboszanski, Pat Meister, and Doug Voerding with the Wright County Journal Press. John Vajda was absent.

Approval of Agenda:

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

Consent Agenda:

Lindrud added a claim for Burschville Construction for the Final Pay Voucher for the CSAH 19 Sidewalk Extension in the amount of \$123,849.05, bringing claims to \$256,837.33 and total claims to \$280,634.01.

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

- a. **Approve Minutes of 2016 Election Canvassing Board**
- b. **Approve Minutes of November 15, 2016 City Council Work Session Meeting**
- c. **Approve Claims as Presented:**
 - **Claims** **\$ 256,837.33**
 - **Payroll** **\$ 14,986.76**
 - **P/R taxes & Exp** **\$ 5,935.92**
 - **Other Claims** **\$ 2,874.00**
 - **Total Claims** **\$ 280,634.01**
- d. **Res No 12-06-16-124 – Approving Multi-Family Rental Dwelling Licenses**
- e. **Res No 12-06-16-125 – Approving Purchase of Metal Locator**
- f. **Res No 12-06-16-126 – Approving Purchase of Fire Department Radios**
- g. **Res No 12-06-16-127 – Approving Purchase of Fire Department Helmets**
- h. **Res No 12-06-16-128 – Approving Purchase of Fire Department Apparel**

Motion carried unanimously.

Citizen's Forum:

James Calder

James Calder inquired if there was an update to the discussion on the Pheasant Run road repair. Messner stated that he is putting together estimates for a complete improvement to the roads in Pheasant Run for 2017 and the scheduled 2018 project. At a minimum Messner would like to have a repair done to the section in front of Calder's home in 2017.

Clark Lee

Clark Lee thanked Council for the great job they did this year.

Public Hearings:

MOTION by Warpula to open the Public Hearing at 7:12 p.m., seconded by Zajicek. **Motion carried unanimously.**

Truth in Taxation

Hagen provided the Truth in Taxation Presentation for the Proposed 2017 Budget. Hagen educated the audience on the factors that influence the tax levy and how the property tax system works. He stated that the levy will increase by \$187,769 from 2016 to 2017. The levy remained flat for several years but has increased the past three years. The tax rate went from 49.50% in 2015 to 53.25% for 2017. Hagen gave an example of proposed tax amounts of a median value home in both Hennepin and Wright County. Hennepin County median home value is approximately \$335,000, total tax is \$4,995.07, and the City portion is \$1,738.18. Wright County median home value is \$253,500 total tax is \$3,325, and the City portion is \$1,241.60.

The final budget and tax levy for 2017 is set to be adopted on December 20th, 2016 at 6:00 p.m at City Hall.

Hagen asked if there were any questions from the public. Bill Bolte, Neil Karston, and Clark Lee all expressed concern over the increase in taxes being between 7%-14% and inquired as to what changed in the City to cause these increases. Hagen stated there were several factors. The City implemented a Capital Improvement Plan to increase cash balances to fund future projects and avoid issuing debt. The Fire Department moved from a per call wage to an hour wage. There is a proposed third Public Works employee in the budget as well as technology updates needed to the server and election equipment. Hagen added the City is also updating the Comprehensive Plan, which incurs additional consultant costs. Kauffman stated these figures are all from the preliminary tax levy and that Council is still working with staff to reduce the levy down to a flat tax rate of 49.50%.

MOTION by Warpula to close the Public Hearing and re-open the Regular meeting at 7:35 p.m., seconded by Hammerseng. **Motion carried unanimously.**

Unfinished Business:

Res No 12-06-16-129 – Awarding the sale of 2016A G.O. Bonds

Tammy Omdal from Northland Securities explained that City is bonding \$1.5 million for a new Public Works building and that bond was sold with an interest rate of 2.99%. The final bond levy is approximately \$110,000 per year.

MOTION by Hammerseng to approve Res No 12-06-16-129, seconded by Zajicek. **Motion carried unanimously.**

Res No 12-06-16-130 – Calling Redemption of the Outstanding 2009A G.O.

Hagen stated this resolution will be calling the 2009A G.O. bond, the bond will be called in February. Kauffman inquired if the bond will be removed from the levy. Hagen stated that it will be removed from the debt levy, however, due to the funding plan the amounts of both the 2009A G.O. bond and the 2010 Equipment Certificates will still be levied as a Capital Levy to keep the City's CIP plan in place. Tammy Omdal stated that the plan was created to eliminate assessments for future road projects and reduce the amount of debt required. She stated if Council were to decrease the levy in 2017 and 2018, there would then be a large increase in 2019. She further explained one of the other goals was to keep a steady increase of around 3% each year instead of large fluctuations from year to year. She stated that calling the bonds early will save on interest and help reduce future bond issuance.

MOTION by Warpula to approve Res No 12-06-16-130, seconded by Hammerseng. **Motion carried unanimously.**

Res No 12-06-16-131 – Calling Redemption of the 2010 Equipment Certificates

Hagen stated the 2010 Equipment Certificates will be paid in full after approval tonight.

MOTION by Warpula to approve Res No 12-06-16-131, seconded by Zajicek. **Motion carried unanimously.**

Third Public Works Position

Hagen stated that he has included a worksheet with cost estimates of projects that Public Works would like to take in house with the addition of third person. Vogel stated he would like to take on more projects like the crack filling, sidewalks, asphalt patching, fire department maintenance in house instead of hiring it out. He also explained that the MS4 regulations will require additional time to complete documentation. Messner added that other cities have hired an additional part time employee to handle just the MS4 documentation. He explained that as they are inspecting, public works will also have to fix any issues that are found. Vogel explained the third person would free him up to handle the MS4 documentation and also help with the projects that he would like to bring in house. Hagen stated there are other benefits as well, Public Works will be able to get more things done during the year, if something similar to the July 5th storm were to happen, it would not set them back for weeks on regular tasks. Council requested that Vogel come back with further justification for a third person.

2017 Final Budget DRAFT 2

Kauffman stated that there is still \$40,000 that needs to be cut to bring the tax rate down to a flat 49.50% rate. Council and Hagen discussed having a special budget meeting to go through line by line to reduce the costs. Hagen explained the final levy has to be certified by December 28th. Council agreed that if the final budget is not ready by the December 20th work session they will schedule a special session.

New Business:

Res No 12-06-16-132 – Approving 2016 Staff Reviews

Hagen stated that he presented staff their reviews with the recommended increases. Hammerseng stated that if a third person is added to Public Works, Vogel's position will need to change to reflect the additional responsibilities.

MOTION by Warpula to approve Res No 12-06-16-132, seconded by Zajicek. **Motion carried unanimously.**

Res No 12-06-16-133 – Approving Purchase of Mini Excavator

Vogel stated that the mini excavator would be used for pond maintenance and other projects that he would like to bring in house. He stated currently he rents and it takes an hour to pick up and an hour to drop off with each rental. Warpula inquired as to how often Vogel felt he would use the mini excavator, Vogel stated at least once a week. Hagen stated the cost would come out of the Storm Water Fund, since it will be used for the pond and storm water maintenance. Messner added that any work Public Works does related to MS4 can also be paid out of that fund. Kauffman inquired as to the timing for the purchase, since pond maintenance will not start until spring. Hagen stated the resolution authorizes the purchase, not that it necessarily will happen today.

MOTION by Warpula to table Res No 12-06-16-133, seconded by Hammerseng. **Motion carried unanimously.**

Res No 12-06-16-134 – Approving AEM Financial Solutions, Audit Services Proposal

Lindrud stated that AEM provided a proposal for 10-15 hours of Audit Prep Review at \$180 per hour. Lindrud explained that the cost last year for full audit prep was \$6,800 and this would be around \$3,000. Lindrud further stated that she is creating a step by step manual for future use. Warpula inquired when the City can expect to no longer have to pay for audit prep, Lindrud stated this will be the last of the costs.

MOTION by Warpula to approve Res No 12-06-16-134, seconded by Hammerseng. **Motion carried unanimously.**

Res No 12-06-16-135 – Approving Final Pay Voucher for CSAH 19 Sidewalk Extension

Hagen stated this if the first and final pay voucher for the CSAH 19 Sidewalk Extension. Messner stated that the post construction inspection went well and the project looks good. There is a two-year warranty. Burschville also put in new sidewalks around City Hall.

MOTION by Hammerseng to approve Res No 12-06-16-135, seconded by Zajicek. **Motion carried unanimously.**

2016 Mahler Pit Annual Update

Hagen stated they are 37% complete and the permit is good until the end of 2018.

Reports

Vogel

- The plows are ready to run.
- Made a smaller snowblower for a section of sidewalk near Mallard Park that the City is now clearing.

Messner

- Will have the Hanover Hills final pay voucher shortly, they completed their punch list.
- Does not have a final pay for the 5th street watermain project, he is still waiting for them to complete their punch list.
- Introduced Nick Preisler to Council. He is Messner's assistant and will be helping take on any communications with Hanover.

Hammerseng

- Planning Commission is reviewing ordinance amendments that relate to fencing, accessory buildings, and solar panels.

Zajicek

- Park Board reviewed the Park Comp Plan and funding information.

Warpula

- Inquired how street light outages are reported and if that information could be put in the next newsletter.

Lindrud

- Both Mat Boie and Colleen Williams terms are up on the Park Board and they have both reapplied for another term.

Hagen

- The EDA discussed downtown parking and what can be done.
- Received a check from JS Stewart for the 5 acres off 5th street.

Squires

- Stated that both Vogel and Doboszinski's time can also be allocated to the storm water fund for any MS4 related activities.

Kauffman

- Next Wednesday is the Wright County Mayor's Association meeting in Cokato, Council members are welcome to attend.

Adjournment

MOTION by Warpula to adjourn at 9:06 p.m., seconded by Hammerseng. **Motion carried unanimously.**

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator