

**CITY OF HANOVER  
COUNCIL WORK SESSION  
JANUARY 15, 2012 – DRAFT MINUTES**

**Call to Order**

Mayor Kauffman called the City Council Work Session of January 15, 2012 to order at 6:03 p.m. Present were Mayor Kauffman, Councilors Hammerseng, Pinor, and Vajda. Also present were Lead Maintenance Worker Scott Vogel, Accountant/Deputy Clerk Annita Smythe, Interim City Administrator Bob Derus, Secretary/Receptionist Lori Herwig, City of Hanover Intern Brian Hagen, and guest Michelle Armstrong.

**Approval of Agenda**

Mayor Kauffman introduced the agenda for the Work Session.

- Annual Appointments were moved to the last topic of the Work Session
- Bob asked if anyone could tell him if the land on the east side of Jonquil Lane of approximately 38 acres had a building entitlement. Council had a variety of thoughts on it, but suggested it be reviewed by the Planning Commission.
- Annita introduced discussion on Board of Equalization. It will be placed on Council agenda for the January 22, 2013 City Council meeting.

**MOTION** by Pinor, seconded by Hammerseng, to approve the Agenda as modified. Motion carried unanimously.

**Report by Interim Administrator:**

- **2012 Budget Preliminary Review** – Bob explained the 2012 year-end preliminary budget report Accounts are generally in good shape, with healthy balances He explained Hanover’s balances and levy’s and how/when those can be expected to be paid off. Higher year-end balances will equal lower interest rates for bonds.
- **2013 Budget Other than General Fund** – Bob identified a list of up and coming Capital Improvement Projects. He explained the approximate costs and the means of payment for the projects. Council requested a copy of the list of projects (see attached exhibit A). Council expressed concern for a cap on council spending, but most thought it would not be a problem in the future.
- **Compensation Plan** – Mayor Kauffman and the council members wanted clarity on the different options they had for a compensation plan. Bob explained the similarities and differences between the two options. It was expressed that in order to retain good employees the compensation has to be competitive with other cities. Council requested detail job descriptions to be able to set goals and track performance.
- **2013 Goals and Objectives** – Limited discussion due to time constraints. Bob asked the council to think about what they want the city to become in the future. The decision on that will help with decisions on various projects. Council wants to move ahead with land annexation talks. Fire Hall flooring upgrade
- **Follow-up on Office Remodel** – Was not discussed due to time constraints.
- **Annual Appointments** – Mayor Kauffman and the council members discussed who they would like to see appointed to open positions for the council and various committees. This will be placed on the January 22 agenda for final selections.

**Adjournment**

Mayor Kauffman adjourned the meeting at 9:30 P.M.

APPROVED BY:

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Chris Kauffman, Mayor

ATTEST:

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Bob Derus, Interim City Administrator

**2012/2013 Possible Projects and Funding**  
Reviewed at 1-15-13 City Council Work Session

- Signal ≈ \$100K city → (CIP?) / \$100K county
- Beebe Lake Trail ≈ \$45K construction / engineering + \$25K right of way cost  
≈\$70K max → (Park CIP?)
- Lamont \$250K city cost
  - : Funding = combo of CIP, storm, sanitary, and water – (EDA?) ***One thing about this that I did not think about until the next day; this has already been mostly paid for out of the CIP fund. So, instead an additional \$250,000 coming out of the CIP as I reported on Tuesday, it is actually closer to an additional \$250,000 coming into the CIP from the DTED grant!***
- Pheasant Run \$1.7M – net city \$1M
  - : Bond @ 20 year payment of approximately \$65K tax levy
- Hennepin County Trail ≈ \$200K (rough guess) → (Park CIP?)
- New Public Works Building \$1.5M?? → (CIP)
  - : \$500K lease purchase
  - : \$1M → annual payment of \$70K per year tax levy or set aside funds
- Bridge Decking ≈ \$50K → (Historical CIP, \$63K)
  - : Looking at a better method to attach bridge deck protection (plywood) for snowmobile traffic
- Loader → ≈ \$170K (CIP)
  - : Received late December 2012
- Land annexation – Extension of Utilities (Sewer, Water and Storm CIP Funds)
- Accounting Software