

**MINTUES  
CITY OF DELANO  
SPECIAL WORKSHOP  
City Council/Economic Development Authority  
Tuesday, November 24, 2009  
6:00 PM**

**1. CALL TO ORDER**

Mayor Joe McDonald called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, November 24, 2009 to order at 6:00 PM.

**2. ROLL CALL**

**Members Present:** Joe McDonald, Mayor  
Holly Schrupp, Council Member  
Larry Bartels, Council Member  
Betsy Stolfa, Council Member

**Members Absent:** Brad Hotchkiss, Council Member

**Also Present:** Phil Kern, City Administrator  
Brian Bloch, Finance Director  
Mark Johnson, City Attorney  
Ernie Eden, Public Works Director  
Wendy Biel, Recorder

**3. SPECIAL ORDER OF BUSINESS**

**A. Discuss Delano Municipal Utilities/CMMPA Agreement.**

Phil Kern reviewed with Council that over past 20 years, Delano Municipal Utilities (DMU) has had a “handshake” agreement with CMMPA; however in the past five months, the City, DMU and CMMPA have revised several draft versions of the Agency Agreement originally proposed by CMMPA.

Kern described three principal issues regarding the future of electric utilities in Delano that Staff felt remained in question: (1) whether the City should extend its financial liability over to CMMPA, (2) if the City should commit decision-making authority to an entity in which Delano has only one vote out of twelve on all decisions and (3) given the possible ongoing liability to CMMPA, is a five-year termination period acceptable.

Mark Johnson presented his recommendations dated September 2, 2009 and October 28, 2009 for the proposed amendments to CMMPA Agency Agreement and By-Laws. Johnson

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summarized his concerns focusing on revisions to the 60-day withdrawal period, where the liability under the Agency Agreement falls, additional powers in the new Agency Agreement and Bylaws and the creation of an “executive committee.”

Council discussed additional options: whether the City can sustain their own utility company and private purchasing options, precautions and worst-case-scenarios within the five-year termination structure, is the City and/or DMU responsible for fulfilling the financial obligations of this agreement, and what process can be taken to research further brokerage options.

Further discussion was requested by Council following additional information from Staff; Kern reminded Council that CMMPA is requesting a decision by January 2010.

- B. Attorney/Client Privilege: Discuss Bridge Avenue easements.**
- C. Attorney/Client Privilege: Update on the Leland and Sons eminent domain action.**

**Motion Number (M-09-286) Motion by Holly Schrupp, second by Larry Bartels to enter into closed session for the purpose of Attorney / Client Privilege to Discuss Bridge Avenue easements and Update on the Leland and Sons eminent domain action. Motion carried.**

**Motion Number (M-09-287) Motion by Holly Schrupp, second by Larry Bartels to enter into open session. Motion carried.**

- D. Update on Rivertown Rowhomes.**

No discussion or motion made.

- E. Discuss 2010 Budget and Tax Levy.**

Brian Bloch explained the re-evaluation Council requested of the 2010 Budget as submitted on August 25, 2009. The revised budget for 2010 shows the General Fund with a 2.3% decrease under 2009’s original budget; the primary reason being the potential loss of Local Government Aid (LGA) and Market Value Credit Aid. In the area of General Fund Expenditures, there would be an increase of 8.9% for 2010 over the amended budget of 2009; notable areas of increase are operating expenditures for administration and community services areas.

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Bloch continued with a detailed description of alterations to the 2010 plan for revenue and expenditures and through diligent effort by Staff and Department Heads, he summarized a surplus of \$17,035 of revenue over expenditures for 2010. Council further discussed whether to re-invest the potential surplus. Council proposed leaving the surplus as a contingency and will re-evaluate the contingency in six months.

Bloch stated that the 2010 Budget and Tax Levy will be discussed during the Special Workshop on Tuesday, December 1<sup>st</sup> and the final draft will be submitted for approval at the regular Council meeting Tuesday, December 15, 2009.

**F. Review Draft City Survey.**

No discussion or motion made.

**4. ADJOURNMENT**

**Motion Number (M-09-288) Motion by Holly Schrupp, second by Betsy Stolfa to adjourn the Special Workshop of the City Council/Economic Development Authority of Tuesday, November 24, 2009. Motion Carried.**

There being no further business to discuss the special workshop of the Delano City Council/Economic Development Authority of Tuesday, November 24, 2009 was adjourned at 8:08 PM.

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Joe McDonald, Mayor

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Marlene Kittock, City Clerk

**ATTEST:**

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Wendy Biel, Recorder