

**MINUTES  
CITY OF DELANO  
City Council/Economic Development Authority  
Tuesday, December 15, 2009  
7:00 PM**

**1. CALL TO ORDER**

Mayor Joe McDonald called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, December 15, 2009 to order at 7:00 PM.

**PLEDGE OF ALLEGIANCE**

**2. ROLL CALL AND APPROVAL OF AGENDA**

**Members Present:** Joe McDonald, Mayor  
Holly Schrupp, Council Member  
Larry Bartels, Council Member  
Brad Hotchkiss, Council Member

**Members Absent:** Betsy Stolfa, Council Member

**Also Present:** Phil Kern, City Administrator  
Brian Bloch, Financial Director  
Mark Johnson, City Attorney  
Vince Vander Top, City Engineer  
Alan Brixius, City Planner  
Ernie Eden, Public Works Director  
Marlene Kittock, City Clerk / AV Technician  
Wendy Biel, Recorder

**Motion Number (M-09-295) Motion by Holly Schrupp, second by Larry Bartels to approve the Agenda as submitted for the City Council/Economic Development Authority meeting of Tuesday, December 15, 2009. Motion carried.**

**3. MINUTES**

- A. Minutes from the Special Workshop of Tuesday, November 24, 2009.**
- B. Summary minutes from the Special Workshop of Tuesday, November 24, 2009 for publication in the Delano Herald Journal.**
- C. Minutes from the Special Workshop of Tuesday, December 1, 2009.**

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- D. Summary minutes from the Special Workshop of Tuesday, December 1, 2009 for publication in the Delano Herald Journal.**
- E. Minutes from the regular City Council/Economic Development Authority of Tuesday, December 1, 2009.**

**Motion Number (M-09-296) Motion by Holly Schrupp, second by Larry Bartels to approve Minutes 3A, 3B, 3C, 3D and 3E as submitted. Motion carried. Brad Hotchkiss abstained from Minutes 3A, 3B, 3C and 3D; Mayor McDonald abstained from Minutes 3E.**

**4. SPEAKERS, PRESENTATIONS AND AWARDS**

Chad Gessel presented a report from River Rider Transportation; mentioning that Delano was third of four city mergers with River Rider. Gessel estimated that the total rider cost through November 2009 is \$68,250. According to the contract with MnDOT, 15% is billed back as a local share cost. This percentage is paid through the rider's fees collected and by the City. Gessel gave the breakdown of  $\$68,250 \times 15\%$  (local share cost) = \$10,237.50 – \$5,188.75 (rider's fees collected) = \$5,048.75 to be paid by the City. Phil Kern updated Council that the City's local share cost of \$5,048.75 is considerably less than previously estimated for the 2009 budget.

Gessel also wanted to remind Council and Delano residents that River Rider is available to all residents, including students, and is available for a variety of rides from medical and dental appointments, shopping errands, etc.

**5. CONSENT ITEMS**

The items listed for consideration will be enacted by one motion unless the Mayor, a member of the Council, City Staff or a person in attendance requests an item be removed from the Agenda.

**EDA**

- A. Adopt a RESOLUTION (EDA-09-06) approving the Implementation of a Delano EDA/Crow River Villa Stimulus Recovery Grant number MN 4S062501-09 dated December 15, 2009.**

**Motion Number (M-09-297) Motion by Holly Schrupp, second by Brad Hotchkiss to approve Resolution (EDA-09-06) for the implementation of a Delano EDA/Crow**

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**River Villa Stimulus Recovery Grant number MN 4S062501-09 dated December 15, 2009. Motion carried by Roll Call Vote.**

**Furthermore, Motion Number (M-09-297) to include Consent Items 5C, 5E, 5F, 5G, 5I, 5J, 5K and Consent Item 5L. Motion carried.**

**Consent Item 5B pulled for discussion by Brad Hotchkiss; Consent Item 5D pulled for discussion by Mayor McDonald; and Consent Item 5H pulled for discussion by Holly Schrupp.**

**CITY**

**B. Consider Employee Salary and Benefit changes for 2010.**

Brad Hotchkiss asked if the City of Delano was a member of an employee benefits group; Phil Kern explained that the City of Delano is one of approximately 44 cities within the LOGIS group. Brian Bloch updated Council on a new HSA Benefit package available to all eligible City employees for 2010.

**Motion Number (M-09-298) Motion by Brad Hotchkiss, second by Larry Bartels to approve the Employee Salary and Benefit changes for 2010. Motion carried; Holly Schrupp abstained.**

Larry Bartels pointed out that step increase(s) had been suspended due to budget restraints.

**C. Authorize membership with the Wright County Economic Development Partnership.**

**D. Approve the Social Media Policy relating to public comments.**

Mayor McDonald elaborated on the City of Delano's communication opportunities with Facebook, Twitter, and YouTube as well as the City's website [www.delano.mn.us](http://www.delano.mn.us). To ensure that all comments are acceptable, Staff has proposed the Social Media Policy as a type of regulation.

**Motion Number (M-09-299) Motion by Holly Schrupp, second by Brad Hotchkiss to approve the Social Media Policy relating to public comments.**

**E. Authorize solicitation of Request for Proposals for the Delano Village Hall.**

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- F. Authorize first pay request for Szar Construction for Highway 12 monument project.**
- G. Authorize 2010 Highway Maintenance Agreement with Wright County.**
- H. Approve the replacement of the water tank on the Public Works Water Truck.**

Holly Schrupp questioned the replacement tank size and its necessity. Ernie Eden reviewed the current Water Truck, its substantial leak and additional functions that Public Works can utilize with the replacement.

**Motion Number (M-09-300) Motion by Holly Schrupp, second by Larry Bartels to approve the replacement of the water tank on the Public Works Water Truck.**

- I. Approve hiring two seasonal employees to assist with snow removal.**
  - J. Request approval of Pay Request No. 5 for 85<sup>th</sup> Street Improvements.**
  - K. Request approval of Pay Request No. 1 for Bridge Avenue Landscaping Improvements 2009.**
  - L. Request approval of Pay Request No. 1 for Construction of Highway 12 Phase 1 Landscaping.**
- 6. CITY STRATEGY No. 1: Provide high quality infrastructure and services in a planned fiscally responsible manner.**
- A. Adopt RESOLUTION (R-09-35) of the Final 2009 payable 2010 Tax Levy for the City of Delano.**

Brian Bloch gave a brief background of the budget workshops by Staff and Council which reviewed, discussed and approved changes to the 2010 budget and tax levy. Mayor McDonald confirmed that the preliminary 2009 payable 2010 Tax Levy discussions began in September 2009. Per the direction received from those workshops, Staff has prepared Resolution (R-09-35) for final approval this evening.

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Mayor McDonald inquired if the tax levy could be altered proceeding tonight's approval; Bloch informed Council any changes to the tax levy would have to be made this evening and approval by Council would then be final.

**Motion Number (M-09-301) Motion by Larry Bartels, second by Brad Hotchkiss to approve Resolution (R-09-35) of the Final 2009 payable 2010 Tax Levy for the City of Delano. Motion carried 4-0 by Roll Call Vote.**

**B. Adopt RESOLUTION (R-06-36) for the 2010 Budget for the City of Delano.**

Bloch pointed out that in addition to the Resolution (R-09-35) of the Final 2009 payable 2010 Tax Levy, Staff is requesting approval of the Resolution (R-09-36) for the 2010 Budget for the City of Delano.

Mayor McDonald extended appreciation for the due diligence of the Department Heads, Staff and Council for their continued focus during budget discussions assuring the highest quality services in a fiscally responsible manner.

**Motion Number (M-09-302) Motion by Brad Hotchkiss, second by Holly Schrupp to approve Resolution (R-09-36) for the 2010 Budget for the City of Delano. Motion carried 4-0 by Roll Call Vote.**

**C. Adopt RESOLUTION (R-09-37) implementing the Capital Improvement Plan for 2010 – 2014 for the City of Delano.**

Bloch reviewed Resolution (R-09-37) and gave a summary of the Projects by Department and the Projects by Funding Source for the 2010 – 2014 Capital Improvement Plan. Bloch pointed out that too this was part of the workshop discussions previously mentioned.

**Motion Number (M-09-303) Motion by Larry Bartels, second by Holly Schrupp to approve Resolution (R-09-37) implementing the Capital Improvement Plan for 2010 – 2014 for the City of Delano. Motion carried 4-0 by Roll Call Vote.**

**7. CITY STRATEGY No. 2: Ensure the City's financial stability.**

**A. Adopt RESOLUTION (R-09-38) establishing 2010 sanitary sewer user fees.**

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Phil Kern explained the Sanitary Sewer Fund 2009 – 2010 Annual Review. The City operates the sanitary sewer fund which has three principle funding needs: operation of the sanitary sewer system, capital improvements, and payments for debt issuance. In order to cover the costs of these three needs, the City collects revenues by user fees and hook-up charges.

In 2006, the Sanitary Sewer Fund had a surplus and the City then reduced the user fees; and as a result there was a decrease in monthly sanitary sewer billings. However the residential housing market began to stagnate shortly thereafter and due to the continued lack of residential and commercial growth the revenue from new sanitary sewer hookups has been drastically reduced.

The City took action in 2008 to repeal the 2006 user rate reduction and increased the user fees; and again in 2009 this fee was increased to \$8.69 per 100 gallons. A revised sanitary sewer fun analysis was completed and presented to Council this evening. This analysis proposes several options for consideration. The first recommendation is to establish a base fee of \$8.00 per user. In comparison of several other communities, Delano was one of the only communities that have not previously established a base fee.

Staff recommends an \$8.00 base fee plus \$1.00 user fee increase. This results in a 2010 user rate of \$10.12 per 1000 gallons, up from the initially planned rate increase to \$9.12 per 1000 gallons.

Council reviewed the submitted analysis and resolution, expressing concerns for the expected growth of 50 units in 2010, 60 units in 2011 and continuing at 10 units per year up to 100 units by 2015. Mayor McDonald agreed that the lack of growth has greatly affected the sanitary sewer fund. Bartels stated in order to be proactive, the base fee plus \$1.00 increase is necessary so that the City was taking action before a larger problem forms. Council also requested a review in summer 2010 to re-evaluate the sanitary sewer user fees and their impact on the sanitary sewer fund balance.

**Motion Number (M-09-304) Motion by Larry Bartels, second by Holly Schrupp to adopt RESOLUTION (R-09-38) establishing 2010 sanitary sewer user fees of implementing option number three. Motion carried 4-0 by Roll Call Vote.**

- B. Motion to approve a three year contract for janitorial services beginning January 1, 2010 for the City Hall, Senior Center, Library, and Community Center.**

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Kern reviewed that on October 30, 2009, staff had mailed out 9 requests for proposals of a three year janitorial contract for the cleaning of the City Hall/Senior Center, Library, and Community Center (large room above History Center only – not the museum area on the first floor of the old city hall). On December 1, 2009, Council tabled this issue because from the proposals were all very close in cost, ranging from \$205.50 to \$207.02 per week, and Council instructed Staff to compile professional references.

Larry Bartels questioned if there were any termination limitations or obligations within the current contract; Mark Johnson noted that the City is only obligated to a thirty (30) day notice. He further informed Council that this is not a sealed bid process and as a result there is no requisite to take the lowest bid. Johnson suggested that Council state the reason(s) if a new vendor is approved.

Staff did collect and has submitted two referrals for the four lowest bids. Mayor McDonald stated he was aware of ProCare Services and has heard many compliments on their service and noted the referral comments and background. Bartels asked if Staff had any recommendations. Staff acknowledged that the current vendor, Carlson Building Services, was performing an okay service and made no further recommendations.

**Motion Number (M-09-305) Motion by Brad Hotchkiss, second by Larry Bartels to award the three year contract for janitorial services to ProCare Services due to the reference check results submitted to Council on Tuesday, December 15, 2009. Motion carried.**

8. **CITY STRATEGY No. 3: Manage high quality growth consistent with the City's Comprehensive Plan.**
  - A. **Consider a request from Marc Gillet owner of the property dba MAJG LLC, of the property located at 901, 903 and 905 Babcock Boulevard, for a Conditional Use Permit for an Automobile and Truck Repair Business (including body shops) for the properties legally described as Exhibit A to the City of Delano (PID Number 107500-131201) in accordance with the City's Zoning and Land Use Code Chapter 51.21, Subd.D.1.**
    1. **Approve RESOLUTION (R-09-39) for a conditional use permit to allow auto and truck repair at 901-905 Babcock Boulevard within the City of Delano, Minnesota.**

Alan Brixius reviewed the request for a conditional use permit to allow the property located at 901, 903 and 905 Babcock Blvd to have an auto repair. The Planning Commission had

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reviewed this request on Monday, December 14<sup>th</sup> and recommended it onto Council for final approval pending recommendations by the City Planner and an additional recommendation by the Planning Commission on the revised **RESOLUTION (R-09-39)**.

Holly Schrupp inquired if there would be rental space available at this location; Marc Gillet explained that the auto repair would be in the front of the building and there was additional rental space available.

**Motion Number (M-09-306) Motion by Holly Schrupp, second by Larry Bartels to approve Resolution (R-09-39) for a conditional use permit to allow auto and truck repair at 901-905 Babcock Boulevard within the City of Delano, Minnesota. Motion carried 4-0 by Roll Call Vote.**

**B. Consider market analysis proposal from McComb Group, Inc.**

Kern described the City's goals from 2009 – 2010 involving enhancing economic developments. The Staff, members of the Dream Team II, and the Chamber of Commerce have been working to develop some tools and techniques to help market and promote Delano, especially during this time following Highway 12 construction. Both Staff and members of these local groups have discussed the need to conduct a market analysis of the Delano trade area; specifically requesting services from the McComb Group for the market analysis.

Kern stated this type of study fits well with the Council's goal of encouraging economic development, the Dream Team II's goal of creating more jobs, and the Chamber of Commerce's goal of fostering the development of Delano's overall market. McComb also submitted some additional areas of opportunities: (1) identification of competitive shopping areas particularly the impact of other communities on Delano's retail community, (2) evaluate trade area, (3) evaluate existing retail sales and market shares, (4) identify demand for retail stores in 2010 and 2015; and (5) determine the benefits and costs to Delano for a large store located in Independence.

Through negotiations with Staff, McComb stated it would lower the cost of the market analysis to \$15,000.00 if hired by the City in December 2009. Staff would oversee the completion of the analysis, in partnership with Dream Team II and Chamber of Commerce representatives. The project will cost the EDA \$12,000 with another \$3,000 being contributed by the Delano Dream Team II. Staff recommends these funds be drawn out of the 2009 contingency funds.

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Brad Hotchkiss asked if the school district would like to be involved; Phil Kern responded they would not be involved at this time.

**Motion Number (M-09-307) Motion by Brad Hotchkiss, second by Larry Bartels to approve the market analysis proposal submitted by McComb Group, Inc. Motion carried.**

**9. CITY STRATEGY No. 4: Ensure a well-trained and productive workforce to meet the changes of the City.**

**A. Consider Personnel Policy Amendments.**

Kern explained that each year employees have the option to “opt in” to less expensive insurance policies which may provide a surplus in their benefit allocation for the year. Current Personnel Policy language dictates that remaining funds are directed to a retirement account. Staff would like to clarify language to allow the employee to purchase supplemental insurance if the employee so chooses. This change would only formalize a current practice and simply require the word “supplemental” be added to the current policy.

Staff has identified additional areas within the personnel policy that could also be updated, but would like to present those changes formally to the Human Resources Committee at a future work session before presenting them to Council. The addition of the “supplemental” word to the current policy is being presented so employees can make their 2010 benefit allocations in December 2009.

**Motion Number (M-09-308) Motion by Holly Schrupp, second by Brad Hotchkiss to approve the submitted Personnel Policy Amendment and require the word “supplemental” added to the current policy. Motion carried.**

**10. CITY STRATEGY No. 5: Increase accountability by measuring and evaluating service delivery.**

There was none.

**11. CITY STRATEGY No. 6: Continue to improve the City’s downtown.**

There was none.

**12. CITY STRATEGY No. 7: Encourage communication and ideas with residents and business owners.**

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**A. Appoint an official newspaper for Legal Advertisements.**

Bids were submitted from the Delano Herald Journal and Delano Eagle for the official newspaper of legal advertisements. Mark Johnson informed Council that there are legal perimeters that must be observed when appointing an official newspaper for legal advertisements: (1) it must be a qualified paper, (2) it must have a minimum circulation of 400, (3) it must have a primary office within the City, County, or adjoining county, and (4) it must carry local news and updates. In comparing the two bids, Council cited that the Delano Herald Journal did meet all the aforementioned requirements.

**Motion Number (M-09-309) Motion by Holly Schrupp, second by Brad Hotchkiss to appoint the Delano Herald Journal as the official newspaper for Legal Advertisements. Motion carried.**

- B. Minutes from the Planning Commission of Monday, November 9, 2009.**
- C. Minutes from the Historic Preservation Advisory Committee from Monday, December 7, 2009.**
- D. Minutes from the Delano Fire Department from Thursday, December 10, 2009.**

No further discussion or motion made.

**13. OTHER BUSINESS**

- A. Attorney/Client Privilege: Discuss potential litigation with Anchor Properties, LLC.**

**Motion Number (M-09-310) Motion by Holly Schrupp, second by Brad Hotchkiss to enter into Executive Session for the purpose of Attorney/Client Privilege: Discuss potential litigation with Anchor Properties, LLC. Motion carried.**

**Motion Number (M-09-311) Motion by Brad Hotchkiss, second by Holly Schrupp to exit Executive Session. Motion carried.**

**14. COMMUNICATIONS AND ANNOUNCEMENTS**

There was none.

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**15. CLAIMS**

**A. City Claims.**

**Motion Number (M-09-312) Motion by Brad Hotchkiss, second by Holly Schrupp to approve the City Claims in the amount of \$393,039.59. Motion carried.**

**B. Claims List of the Delano EDA/Crow River Villa Apartments for the month of November 2009.**

**Motion Number (M-09-313) Motion by Holly Schrupp, second by Larry Bartels to approve the Claims List of the Delano EDA/Crow River Villa Apartments for the month of November 2009 in the amount of \$4,959.89. Motion carried.**

**16. ADJOURNMENT**

**Motion Number (M-09-313) Motion by Holly Schrupp, second by Brad Hotchkiss to adjourn the regular meeting of the Delano City Council/Economic Development Authority Tuesday, December 15, 2009. Motion Carried.**

There being no further business to discuss the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, December 15, 2009 was adjourned at 9:20 PM.

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Joe McDonald, Mayor

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Marlene Kittock, City Clerk

ATTEST:

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Wendy Biel, Recorder