

**MINUTES  
CITY OF DELANO  
SPECIAL WORKSHOP  
City Council/Economic Development Authority  
Monday, June 28, 2010  
6:00 PM**

**1. CALL TO ORDER**

Mayor McDonald called the Special Workshop of the Delano City Council/Economic Development Authority of Monday, June 28, 2010 to order at 6:20 PM.

**2. ROLL CALL**

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

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

**Also Present:** Phil Kern, City Administrator  
Brian Bloch, Finance Director  
Paula Bauman, Recorder

**3. SPECIAL ORDER OF BUSINESS**

**A. Discuss Clover Springs Development Agreement amendment.**

Phil Kern discussed the Clover Springs Development Agreement stating the agreement was approved by Council at a previous council meeting. Since the approval of the agreement, Sparky Real Estate Investments has reviewed the agreement with their attorney and came back with some minor changes. The changes include the following: 1) references to the punch list items for the first, second and third additions of Clover Springs. The City Attorney had tied all four agreements together making the developer assume all obligations. The developer feels this to be unfair. Staff has spoke with Mark Johnson who feels comfortable taking out the reference to the first, second and third agreements. 2) The developer would like all \$75,000 to be spent for park improvements within Clover Springs. 3) The developer requested the removal of the reference to the temporary cul-de-sac removal 4) In regards to the TIF program - the developer would like the date extended to October 31, 2010 from September 30<sup>th</sup>.

Kern stated Staff is comfortable with the requests and would recommend the authority for Mark Johnson to draft a Development Agreement with the changes discussed.

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**Motion Number (M-10-143) Motion by Brad Hotchkiss, seconded by Larry Bartels to approve the Clover Springs Development Agreement amendments. Motion Carried.**

**B. Review the City's Compensation Plan.**

Kern stated Council Member Schrupp requested this item be on the Agenda and because she was unable to attend the meeting tonight to table this item to discuss as a future date. Council discussed the current Compensation Plan for the City and are not prepared to implement step increases. Council agreed to table the item and discuss at a later date. No motion taken.

**C. Discuss Motor Vehicle Operation.**

Brian Bloch discussed the revenues and expenditures for the motor vehicle office for the last ten years. Bloch stated there has been a drop in revenues due to lack of dealer work and the last time the fees have been raised was in 2001 and the overall economic climate. The majority of transactions have a \$4.50 service fee.

Council discussed the services offered within the Motor Vehicle Department and questioned how much time Brian Bloch spends in the department. Bloch stated he spends about 4 hours a week and discussed what he does.

Hotchkiss questioned what type of marketing is done to promote the office. Bloch stated currently nothing is done. Council discussed different marketing options which included flyers, e-mails with human resource departments with different businesses within the community and notices in utility billing.

Bloch stated staff has looked into cutting 24 hours of staff time per week to cut \$20,000. The majority of the hours will be cut during the morning hours as mornings tend to be slower than the afternoon.

Kern discussed the use of credit cards and fees involved with credit transactions. Currently those fees cannot be passed on to the consumer.

Council approved of the reduction of staff hours in the motor vehicle office and recommended a marketing campaign to promote the business. No motion taken.

**D. Discuss internal policies and procedures.**

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Brian Bloch discussed the two policies for council to review:

**Investment Policy.**

This policy is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the City and conforming to all Minnesota statutes governing the investment of public funds. The purpose of the policy is: 1) to develop an overall program for cash and investments, designed and managed with a high degree of professionalism, worthy of the public trust; 2) establish that elected and appointed officials and employees are custodians of a portfolio which shall be subject to public review; 3) to establish cash and investment objectives, delegation of authority, standards of prudence, internal controls, authorized investments, selection process for investments, and broker representations. Bloch stated this procedure has been in place – there just hasn't been a written policy.

**Electronic or Wire Transfer Policy.**

This policy is to allow electronic or wire transfers out of the City's bank or investment accounts in a manner complying with the requirements of this policy and conforming to all Minnesota statutes governing the electronic or wire transfers to pay claims or make investments. The purpose of this policy is to develop overall guidelines for when electronic or wire transfers can be purposed, to provide proper procedure to ensure electronic or wire transfers are properly approved, and to establish delegation of authority and internal controls. The responsibility for electronic or wire transfers is delegated from the City Council to the Finance Director who shall act in accordance with the procedures as established with the policy. All claims paid by electronic or wire transfers are required to be submitted to the City Council at the next regular meeting following the transfer. Transfers of funds from investment accounts are also required to be submitted to Council.

Larry Bartels questioned if Brian Bloch is bonded. Bloch stated no, and he will look into it. Bloch continued to discuss the current procedure for transfers stating it isn't reported to Council whereas this policy requires him.

Council discussed the procedure of one person signing off on transfers and recommended changing to the Finance Director and City Administrator sign off on all transfers. Bartels stated it is not a good idea for one person in charge and liked the idea of two people signing off on it.

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Bloch stated he will update the policy to have two people sign off on all transfers and be sure the bank and the broker gets a copy of the policy. No motion taken.

Phil Kern discussed the contract with Veolia Water. The City of Delano treats Veolia Water like professional contracts where the Council reviews fees and extends a contract. Kern reviewed a letter submitted by Chuck Keyes, Veolia Water. Veolia Water is requesting the City renew the agreement for another five years. Kern recommended a decision be made by August 1 of what process Council would like to take for renewal or other options. Council questioned what the City pays Veolia Water per year. Bloch stated it's approximately \$400,000 per year. This includes two full-time employees and a portion of Mr. Keyes salary. Council discussed and questioned if it was possible to operation the waste water plant on our own. Council discussed their options. Staff will explore the options and bring back at a later date.

**E. Consider entry banner.**

Kern discussed the concept drawing of a downtown banner which is 26 feet long and 2 feet tall. The banner meets the specs for what was designed there and is also designed for wind. Council approved the banner stating it must be put up there professionally and performs the way it was designed.

**Motion Number (M-10-144) Motion by Larry Bartels, seconded by Brad Hotchkiss to approve the entry banner for downtown. Motion Carried.**

**4. ADJOURNMENT**

There being no further business to discuss the special workshop of the Delano City Council/Economic Development Authority of Monday, June 28, 2010 was adjourned at 7:50 PM.

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Joe McDonald, Mayor

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Marlene E. Kittock, City Clerk

ATTEST

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Paula Bauman, Recorder