

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, April 6, 2010
7:00 PM

1. CALL TO ORDER

Mayor McDonald called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, April 6, 2010 to order at 7:05 PM.

Mayor McDonald called for a moment of silence to honor the coal miners who lost their lives, and their family members, in the coal mine explosion in West Virginia.

PLEDGE OF ALLEGIANCE

2. ROLL CALL

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

Members Absent: None

Also Present: Phil Kern, City Administrator
Vince Vander Top, City Engineer
Marlene E. Kittock, City Clerk/AV Technician
Gail Sinkel, Senior Center Coordinator
Linda Van Lith, Senior Center Assistant Coordinator
Nancy Drumsta, Liquor Store Manager
Paula Bauman, Recorder

City Administrator, Phil Kern, recommended adding 13B: Discuss purchase agreement for 164 2nd Street North.

Motion Number (M-10-079) Motion by Brad Hotchkiss, seconded by Holly Schrupp to approve the agenda of the Delano City Council/Economic Development Authority of Tuesday, April 6, 2010 with the addition of 13B: Discuss purchase agreement for 164 2nd Street North. Motion Carried.

3. MINUTES

A. Minutes of the Special Workshop of Tuesday, February 23, 2010.

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- B. Summary minutes of the Special Workshop of Tuesday, February 23, 2010 for publication in the Delano Herald Journal.**
- C. Minutes of the regular City Council/Economic Development Authority meeting of Tuesday, March 2, 2010.**
- D. Minutes of the Special Meeting on Tuesday, March 11, 2010.**
- E. Summary minutes of the Special Meeting on Tuesday, March 11, 2010 for publication in the Delano Herald Journal.**
- F. Minutes of the regular City Council/Economic Development Authority meeting of Tuesday, March 16, 2010.**
- G. Minutes of the Special Meeting on Tuesday, March 18, 2010.**
- H. Summary minutes of the Special Meeting of Tuesday, March 18, 2010 for publication in the Delano Herald Journal.**

Motion Number (M-10-080) Motion by Betsy Stolfa, seconded by Holly Schrupp to approve Minutes 3A, 3B, 3C, 3D, 3E, 3F, 3G and 3H as submitted. Motion Carried.

4. SPEAKERS, PRESENTATIONS AND AWARDS

- A. Tim Litfin, 2010 Tour De Tonka.**

Tim Litfin discussed the event and presented Council with a plaque thanking the City for their dedication. The Tour De Tonka event will be held on August 7, 2010; more information can be found on their website: <http://www.minnetonka.k12.mn.us/tourdetonka>.

5. CONSENT ITEMS

- A. Motion to approve Pay Request No. 2 for Construction of Bridge Avenue Landscaping Improvements 2009.**

Motion Number (M-10-081) Motion by Betsy Stolfa, seconded by Betsy Stolfa to approve Consent Item 5A as submitted. Motion Carried.

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6. CITY STRATEGY No. 1: Provide high quality infrastructure and services in a planned fiscally responsible manner.

A. Consider Resolution approving the proposed special assessment policy.

Phil Kern reviewed the proposed special assessment policy and presented a power point presentation. Kern discussed the background and purpose of the policy, stating this policy will formalize the process and communicate assessment procedures directly for all stakeholders involved. This policy presents a detailed procedure for assessments and establishes a consistent and transparent process while formalizing the allocation of public improvement costs.

Kern then reviewed the details of the policy stating Sections 2 and 3 essentially restate State Statutes. Section 4 outlines the process which provides the City Council review stages of ordering the project, initiate feasibility report, hold public hearings, and accept bids and award contracts. Section 5 and 6 discuss Financing and General Policies. The assessments can be finance over time. Deferment provisions have been defined for those over 65 years of age, persons retired because of disability, or on active National Guard or other military reserve. This section also defines payment terms and established definitions and general policies. Section 7 explains methods of assessments. Kern stated there are two different mechanisms for two different types of property: Adjusted front footage – commercial property. Per Lot Method of Assessment – residential properties. Kern then jumped to Section 10 discussing what gets assessed: New Streets – 100% of project costs; Existing Street Reconstruction – 50% residential, 70% Commercial/Industrial; Existing Alley Reconstruction – 100% of project costs; Existing Street Maintenance (seal coating, overlays) – not ordinarily assessed; New Sidewalks – 100%; Existing Sidewalks – 50%; New/Existing Trails – No assessment. New Utilities – 100% and/or infrastructure fees; Existing Utilities – reserved for case-by-case basis. Section 8 reviews standards for construction and Section 9 reviews the expected life of construction.

Kern then discussed the impact of the proposed special assessment policy while discussing the shift of cost responsibility. In recent years these project costs would be increased by property tax; with the proposed policy 50-70% would be assessment while 30-50% would be increased by property tax. Kern reviewed the current city tax levy and the street portion of the levy; then gave examples of costs involved.

Kern stated the purpose of the assessment policy is to allocate a portion of public improvement costs to properties deriving special benefit; outline and formalize the procedures and practices for special assessment.

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Motion Number (M-10-082) Motion by Holly Schrupp, seconded by Betsy Stolfa to open the public hearing to hear public comment on the proposed special assessment policy. Motion Carried.

Rebecca (Becky) Tomlinson, 204 4th Street South, stated that a portion of her street is in terrible condition; and the City hasn't fixed it. Ms. Tomlinson questioned if it would be less expensive to fix a portion of the street versus the entire street. Ms. Tomlinson then stated that because of the Highway 12 detour her street had increased truck traffic - would the costs of the reconstruction of her street be billed to the Highway 12 contractor?

Joe McDonald stated it is not the intent of the City of Delano to put any street in disarray – there is a policy in place for staff to maintain City streets.

Vince Vander Top discussed the use of detour traffic on residential streets. Cities need to create the ability for the contractor to do the work; because of that reason residential properties are assessed 50% of construction costs.

Betsy Stolfa questioned if Fourth Street is included in the plans for reconstruction. Kern stated Fourth Street is included in the pavement management plan for reconstruction; then acknowledged Ms. Tomlinson's question regarding street maintenance. Kern stated there is certain point in the life of the street where there is a cost benefit gain to applying repair; once it gets into a disrepair condition it costs more to keep it good condition than it would cost to simply reconstruct the street. Kern stated at a certain point, investing maintenance funds isn't good practice and it will be scheduled for reconstruction. There is always a balance to maintain the functionality of the street.

Ms. Tomlinson stated the homes to the south of her do not have curb and gutter where she does – will she be assessed for curb and gutter even if she has it?

Kern stated the policy states those abutting the improvements will be assessed.

Ms. Tomlinson then stated Fourth Street does not have sidewalks and questioned if there is a proposal to add sidewalks?

Council stated currently there are no plans for sidewalks then discussed the addition of sidewalks stating a public hearing would need to be held and look at how much land is available for the sidewalks.

Thelma Estby, 15 Franklin Avenue West, questioned when they will install new sewer and water lines and question if that will be assessed to her property.

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Council discussed new developments and who pays for the sewer and water lines when they are developed.

Jack Russek, 309 Bridge Avenue East, questioned if he needs to wait four years for Bridge Avenue to be reconstructed; stating the road is in terrible shape. Mr. Russek then stated the benefit has to equal the cost when assessing properties.

Mark Johnson stated the policy needs to be done uniformly and cannot make special deals.

Joe McDonald recommended continuing the public hearing to April 20, 2010. Mr. McDonald stated he felt because of the flooding of the Crow River - the information wasn't adequately sent out to inform people of the public hearing. Mayor McDonald felt this is an important policy and residents need to be informed.

Betsy Stolfa reiterated that assessments can be deferred on property taxes and can be paid over a number of years.

Dianne Poss, Elm Avenue, asked for clarification of the reconstruction on Elm Avenue.

Phil Kern stated from River Street to Fourth Street on Elm Avenue is proposed to be reconstructed in 2014 and the remaining portion of Elm is slated for later in the decade.

Betsy Stolfa questioned properties that are in the township stating if the City is going to reconstruct a street and it benefits a property within the township to pursue annexation or payment. Bartels stated they should have the choice to annex into the City or pay the special assessment.

Motion Number (M-10-083) Motion by Joe McDonald, seconded by Brad Hotchkiss to continue Public Hearing to Tuesday, April 20, 2010. Motion Carried.

- 1. Adopt RESOLUTION adopting the Assessment Policy for the City of Delano.**

This item was tabled until April 20, 2010.

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

There was none.

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8. **CITY STRATEGY No. 3: Manage high quality growth consistent with the City's Comprehensive Plan.**

There was none.

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

There was none.

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

- A. Update from Gail Sinkel, Senior Center Coordinator and Linda Van Lith Assistant Senior Center Coordinator.**

Gail Sinkel, Senior Center Coordinator, presented Council with a power point presentation of 2009 year end statistics for the Senior Center. Ms. Sinkel presented the following statistics: 1) Individuals Served: 2,618 individuals participated in some form of programming at the Senior Center in 2009. 2) Dining: 16,529 meals were provided to 1,187 individuals. 3) Volunteers: 263 volunteers worked 10,234 hours. 4) Education: 184 classes of educational material were provided to an average of 27 people per event. 5) Transportation: 2,117 trips were provided to 358 individuals. 6) Information and referrals: 19,920 requests for information were handled at the center. 7) Tax Assistance: 184 individuals received tax assistance. 8) Health: 278 Health Screening. 9) Social/Recreational: 964 recreational and social programs and trips were scheduled - with an average of 68 participants. Ms. Sinkel discussed the Senior Center 2010 Revenues Budget of \$221,795

Sinkel discussed transportation options for the City of Delano which include: Delano Area Transportation is available for transportation to the Delano Senior Center for scheduled events such as out of town shopping trips and errands and day tours. River Rider Public Transportation is available for transportation to locations in the area such as Delano Senior Center, local grocery store, clinics, banks, hair salons, food shelf, restaurants and more. Wright County Volunteer Transportation is available for rides to out of town medical appointments for those Wright County residents age 60 and over. In 2009 Delano Area Transportation had a total of 2,101 one way rides and River Rider Public Transportation had a total of 4,470 one way rides.

The Delano Senior Center's 2010 Goals and Challenges include: • Exploring the idea of user fee for clients from non-supporting Cities. • Marketing and Outreach using facebook,

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e-mail updates, quarterly newsletter, visiting senior apartments. • Market and promote the use of River Rider and Senior Transportation. • Communities for a Lifetime: prepare for age wave of retired seniors and their increase lifespan. • By 2030, the number of Minnesotans over 65 will double, reaching 1.3 million, representing over 20% of the states population. By 2020, Minnesotans will have more retiree's than school age children. • Challenge of serving both the frail and well elderly senior population. • Budget-continue to secure financial support from surrounding communities, host fundraising events, seek individual donations, grants and user fees.

Brad Hotchkiss questioned what the average attendance is per day. Gail Sinkel replied the center serves, on average, 45 individuals per day; with 23 meals-on-wheels per day. A few changes that have been made regarding the dining are: There is now an option of "lighter side" meal options where patrons have the option of a lighter side meal or the regular menu. The Center also offers extended serving; which allows people to come in early for meals if they choose to do so. The contribution price did increase to \$3.50 per meal and offer "Two Buck Tuesdays" where the Golden Living Center pays \$1.50 and seniors pays the remaining \$2 for their meal.

Council thanked Gail and Linda for their hard work and dedication to the Senior Center.

B. Update from Nancy Drumsta, Delano Wine and Spirits Manager.

Nancy Drumsta, Delano Wine and Spirits Manager, presented Council with a Power Point Presentation updating Council on the liquor store. Nancy Drumsta stated since the year 2000 there has been steady incline in liquor store sales with a small decline in 2008; this was mostly due to the road construction and recession. All categories have grown at a consistent rate with wine being the highest gross profit item and beer the least. The growth in wine can be credited to the new location where the wine selection was expanded to keep up with the industry trends. Liquor remains the most unchanged with beer sales showing a slight decline over the time period shown. The decline can be attributed to customers purchasing more economically priced beer. Ms. Drumsta discussed the 10 Year Profit and Loss Summary; stating the lease was amended in 2005 which changed the lease payments to a flat rate versus a rate based on sales. The lease expires in 2014; at which time we can renew it for a two or five year period. Operating costs in general have remained at a constant slight growth over the years. In an effort to help with state aid cuts, the Liquor Store decreased spending for wages and benefits in 2009 by cutting back on staffing during slower periods.

In 2005 the Liquor Store operations allowed the City to purchase the former State Bank of Delano Building for the current library location. From 2006 to 2006; earning from the Liquor Store funded many Park Improvements within the City.

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Nancy Drumsta explained what Delano Wine and Spirits bring to the community: * Controls the alcohol sales within the community. * Great customer service, selection of products and competitive pricing. * Generated revenue remains within the City and is used to improve the quality of life for residents of Delano. * A clean and pleasant shopping experience to encourage our residents to shop local.

Brad Hotchkiss questioned if the City is locked into the lease for the building. Nancy Drumsta stated the lease expires on January 31, 2014.

Larry Bartels questioned how much business comes from out of town. Nancy Drumsta stated she doesn't have a number to give council; stating a lot of the business is from drive by traffic from Highway 12. Kern stated the McComb study should be available within the next few weeks; that should give some information.

Council thanked Nancy and her staff for all her hard work stating they do a wonderful job.

Jack Russek also congratulated them on always passing compliance tests done through Wright County and not selling to minors.

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.

A. Minutes from the Delano Fire Department meeting of Thursday, March 11, 2010.

No discussion or motion taken.

13. OTHER BUSINESS

* Council announced the Rivertown Boutique on Saturday, April 10 from 9:00 AM – 2:00 PM. * The Delano Chamber of Commerce Spring Expo on Saturday, April 10 from 9:00 AM – 1:00 PM. * Also, on Saturday, April 10 - Citizen of the Year dinner at Delano American Legion. * Thursday, April 15 and Friday, April 16 – Book Sale at the Delano Library

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A. Attorney/Client Privilege: 206 Babcock Boulevard Eminent Domain.

Motion Number (M-10-084) Motion by Larry Bartels, seconded by Holly Schrupp to enter into a Closed Session to discuss the Eminent Domain of 206 Babcock Boulevard. Motion Carried.

Motion Number (M-10-085) Motion by Larry Bartels, seconded by Holly Schrupp to exit out of Closed Session. Motion Carried.

Motion Number (M-10-086) Motion by Larry Bartels, seconded by Betsy Stolfa to authorize an extension to Leland and Sons, LLC, to vacate their property located at 206 Babcock Boulevard to May 31, 2010. Motion Carried.

B. Discuss purchase agreement for 164 2nd Street North.

Motion Number (M-10-087) Motion by Larry Bartels, seconded by Betsy Stolfa to enter into Closed Session to discuss the purchase agreement for 164 2nd Street North. Motion Carried.

Motion Number (M-10-088) Motion by Holly Schrupp, seconded by Brad Hotchkiss to exit out of Closed Session. Motion Carried.

Motion Number (M-10-089) Motion by Brad Hotchkiss, seconded by Holly Schrupp to execute purchase agreement for 164 2nd Street North. Motion Carried.

14. COMMUNICATIONS AND ANNOUNCEMENTS

This item was discussed in Other Business.

15. CLAIMS

A. City Claims

Motion Number (M-10-090) Motion by Brad Hotchkiss, seconded by Betsy Stolfa to approve the City Claims in the amount of \$240,873.72. Motion Carried.

B. EDA Claims

Motion Number (M-10-091) Motion by Larry Bartels, seconded by Betsy Stolfa to approve the EDA Claims in the amount of \$40,070.80. Motion Carried.

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16. ADJOURNMENT

Motion Number (M-10-092) Motion by Larry Bartels, seconded by Betsy Stolfa to adjourn the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, April 6, 2010. Motion Carried.

There being no further business to discuss the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, April 6, 2010 was adjourned at 9:50 PM.

Joe McDonald, Mayor

Marlene E. Kittock, City Clerk

ATTEST:

Paula Bauman, Recorder