

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, February 15, 2011
7:00 PM

1. CALL TO ORDER

Mayor Graunke called the regular City Council/Economic Development Authority meeting of Tuesday, February 15, 2011 to order at 7:00 PM.

PLEDGE OF ALLEGIANCE

2. ROLL CALL AND APPROVAL OF AGENDA

Members Present: Dale Graunke, Mayor
Holly Schrupp, Council Member
Betsy Stolfa, Council Member
Dan Vick, Council Member
Derek Schansberg, Council Member

Members Absent: None

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

Phil Kern recommended the addition of the following: 13B: Approve the amendment to the Law Enforcement and Prosecution Agreement. 16A: Attorney/Client Privilege: Discuss pending litigation of 120 2nd Street North.

Motion Number (M-11-51) Motion by Holly Schrupp, Seconded by Betsy Stolfa to approve the Agenda for the regular City Council/Economic Development Authority meeting Tuesday, February 15, 2011 as submitted with the addition of 13B: Approve the amendment to the Law Enforcement and Prosecution Agreement and 16A: Attorney/Client Privilege: Discuss pending litigation of 120 2nd Street North. Motion Carried.

3. MINUTES

- A. Minutes of the Special Workshop from Tuesday, February 1, 2011.**
- B. Summary minutes of the Special Workshop from Tuesday, February 1, 2011 for publication in the Delano Herald Journal.**

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- C. Minutes of the City Council/Economic Development Authority meeting from Tuesday, February 1, 2011.**

Motion Number (M-11-52) Motion by Betsy Stolfa, seconded by Dan Vick to approve the Minutes 3A, B and C as submitted. Motion Carried with Holly Schrupp abstaining.

4. SPEAKERS, PRESENTATIONS AND AWARDS

There was none.

5. CONSENT ITEMS

EDA:

- A. Motion to approve the Delano EDA/Crow River Villa Apartments 3rd Quarter Financial Report for 2009-2010.**

Dale Graunke asked for clarification to ensure the numbers were correct. Ms. Matthees, Housing Director, wasn't in attendance and will submit at a later date.

- B. Motion to approve the Operating Budget for FYE 03/31/2012 for the Delano EDA/Crow River Villa Apartments.**

CITY:

- C. Motion to approve step increase for Finance Assistant.**
- D. Review the City of Delano's selected Financial Reports and the Liquor Store Income Statement for the Quarter Ending December 31, 2010.**
- E. Motion to approve step increase for Administrative Assistant II.**

Motion Number (M-11-53) Motion by Holly Schrupp, seconded by Dan Vick to approve Consent Items 5 B and D as submitted. Motion Carried.

- 5C. Motion to approve step increase for Finance Assistant.**

- 5E. Motion to approve step increase for Administrative Assistant II.**

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Dan Vick stated he would like to discuss the policy in general stating he would like to see some research done and more detail on the employees performances. Council Member Vick stated he would like this done before these two step increases are approved.

Betsy Stolfa stated at the previous meeting a step increase was approved and personally felt that the pay increases have been frozen for two years and is comfortable approving the two items.

Dan Vick asked for these items to be pulled from the Agenda until it can be discussed further. Kern discussed the items slated for the next special workshop agenda on the 22nd of February.

Betsy Stolfa explained a budget discussion was held earlier in the year and one employee was given a pay increase according to that policy. Ms. Stolfa felt that Council should move forward and have further conversations, if need be, at a later date.

Motion Number (M-11-54) Motion by Betsy Stolfa, seconded by Holly Schrupp to approve Consent Items 5C: Motion to approve step increase for Finance Assistant and 5E: Motion to approve step increase for the Administrative Assistant II as submitted. Motion Carried with Dan Vick abstaining.

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

A. Discuss the Development Incentive Program (DIP).

Brian Bloch stated the State of Minnesota gave cities temporary authority to stimulate construction through the use of tax increments. This temporary authority states that the construction must commence before July 1, 2011 and would to date the program has been used by two residential projects and one commercial project.

Kern stated the response, from an Economic Development standpoint, has been positive. When the program was set up in July there were restrictions made to prevent one user to take all the grants for one project. Feedback received from staff and possible projects Staff is recommending adjusting the quantity restriction. Kern discussed a possible daycare facility building in town stating they will be a big SAC/WAC user Kern continued to discuss other commercial projects that could benefit from the grant.

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Council Member Schrupp questioned what will happen if there is still money in the fund after the June 30th deadline. Kern stated he doesn't feel the June 30th is the final date. There is talk in legislature to extend the deadline.

Council discussed the SAC/WAC fees and what the City of Delano's are compared to surrounding cities. Kern stated a survey was done two years ago and at that time we were 30-35% above the median.

Council discussed potential projects this grant program could benefit.

Motion Number (M-11-55) Motion by Derek Schansberg, seconded by Betsy Stolfa to allow multiple grants, with a maximum of eight SAC/WAC usages, for the Development Incentive Program (DIP). Motion Carried.

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

There was none.

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.

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. Minutes from the Delano Fire Relief Association meeting from Thursday, February 10, 2011.**

No discussion or motion made.

- B. Minutes from the Delano Fire Department meeting from Thursday, February 10, 2011.**

No discussion or motion made.

13. OTHER BUSINESS

- A. Consider Flood Insurance.**

Brian Bloch stated the League of Minnesota Cities Insurance Trust, the City's insurance provider, does not provide insurance for City buildings in case of flooding. Staff requested quotes for flood insurance for City owned property. Bloch discussed the quotes received discussing in the event of flooding FEMA would provide assistance to the City of Delano. Bloch stated at this time he does not recommend purchasing insurance.

No motion taken.

- B. Approve the amendment to the Law Enforcement and Prosecution Agreement.**

Mark Johnson stated because the City of Delano does not have their own police department and it is contracted through Wright County, Staff drafted an amendment to the Law Enforcement and Prosecution Agreement. The agreement states they will take the obligation and the County will fulfill the obligations required. Mr. Johnson stated the County Attorney approved the agreement and Staff is recommending approval.

Motion Number (M-11-56) Motion by Betsy Stolfa, seconded by Derek Schansberg to approve the amendment to the Law Enforcement and Prosecution Agreement. Motion Carried.

14. COMMUNICATIONS

15. CITY CLAIMS

- A. City Claims**

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Motion Number (M-11-57) Motion by Holly Schrupp, seconded by Dan Vick to approve the City Claims in the amount of \$362,207.09 as submitted. Motion Carried.

B. EDA Claims

Motion Number (M-11-58) Motion by Dan Vick, seconded by Betsy Stolfa to approve the EDA Claims in the amount of \$7,017.06 as submitted. Motion Carried.

16. Executive Session

Motion Number (M-11-59) Motion by Betsy Stolfa, seconded by Holly Schrupp to enter into closed session for the purpose of discussing potential litigation regarding 120 2nd Street North. Motion Carried.

Motion Number (M-11-60) Motion by Holly Schrupp, seconded by Betsy Stolfa to exit out of closed session. Motion Carried.

17. ADJOURNMENT

Motion Number (M-11-61) Motion by Betsy Stolfa, seconded by Holly Schrupp to adjourn the regular City Council/Economic Development Authority meeting of Tuesday, February 15, 2011.

There being no further business to discuss the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, February 15, 2011 was adjourned.

Dale J. Graunke, Mayor

Marlene E. Kittock, City Clerk

ATTEST:

Paula Bauman, Recorder