

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, December 6, 2011
7:00 PM

1. CALL TO ORDER

Mayor Graunke called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, December 6, 2011 to order at 7:00 PM.

PLEDGE OF ALLEGIANCE

Members of the local Webelo Cub Scout group joined Council is saying the 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
Paula Bauman, Recorder

Council moved item 7B: Motion to approve Operating Budget for FYE March 31, 2012 Delano EDA/Crow River Villa Apartments as submitted to HUD to Consent Item 5F.

Motion Number (M-11-268) Motion by Betsy Stolfa, seconded by Derek Schansberg to approve the agenda of the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, December 6, 2011 with the changes discussed. Motion Carried.

3. MINUTES

There was none.

4. SPEAKERS, PRESENTATIONS AND AWARDS

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Mayor Graunke presented Joseph McDonald a plaque recognizing his hard work and dedication serving the City of Delano as Council Member and Mayor. Mayor and Council thanked Mr. McDonald.

5. CONSENT ITEMS

EDA:

- A. Motion to approve the replacement of carpet in Apartment 104 at the Delano EDA/Crow River Villa.**

City:

- B. Motion to approve the release of the remainder Letter of Credit for Parkview Hills Third Addition.**
- C. Motion to approve Pay Request No. 1 for Park Avenue Sanitary Sewer Improvements.**
- D. Adopt Resolution R-11-34 authorizing the American Cancer Society and the Delano Relay For Life to conduct lawful gambling at the Delano Central Park located at 650 Third Street North and authorize execution of the lease agreement between the American Cancer Society and the City of Delano.**
- E. Motion amending Sanitary Sewer Rate calculation for Easiway Systems, Inc.**

EDA:

- F. Motion to approve the Operating Budget for FYI 03/31/2012 for the Delano EDA/Crow River Villa Apartments as submitted to HUD.**

Motion Number (M-11-269) Motion by Betsy Stolfa, seconded by Dan Vick to approve the Consent Items 5A, 5B, 5C, 5D, 5E and 5F as submitted. Motion Carried 5-0 by Roll Call Vote.

- 6. CITY STRATEGY No. 1: To provide and proactively facilitate the delivery of quality public and community services in a planned, fiscally responsible manner.**

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There was none.

7. CITY STRATEGY No. 2: To ensure the City's continued sustainability and financial stability.

A. 2012 Tax Levy and Budget Proposal presentation.

Brian Bloch presented a power point presentation outlining the 2012 Tax Levy and Budget proposal. Bloch discussed the budget purpose and process while discussing the expenditures and revenues. Bloch outlined the basics of property taxes, the City of Delano tax levy and how property taxes are calculated.

The budget is a tool utilized by the City to allocate resources towards goals and priorities for the City. This is a reflection of the plans, policies and objectives regarding the services the City plans to provide in the following year. It is also a tool to reach and end – providing the highest quality services in a fiscally responsible manner.

The total General Fund Expenditures are \$2,918,425. Items impacting expenditures are capital needs, economy, inflationary adjustments, comprehensive plan update, flood concerns and debt refinancing.

The total General Fund Revenues are \$2,918,425. Items impacting revenues include the economy, Local Government Aid Unallotment, State's change from Market Value Homestead Credit to Homestead Market Value Exclusion, Sharing of Building Official services with the City of Watertown, Transfer of Delano Water, Light and Power Commission. The General Fund Budget is balanced. Total General Fund Budget increase of \$324,308. Capital expenditures increasing \$202,268 while operations and other expenditures increasing \$122,040. Tax revenues increase of \$226,198 while charges for services increase \$53,060 transfers in increase \$36,000, and other revenues increase \$6,550.

Bloch discussed the Tax Levy stating the preliminary 2012 tax rate was 54.167% whereas the proposed 2012 tax rate is 52.556%. The City establishes a levy amount based on three factors. General Fund, Debt Service and Tax Abatement.

The general operations levy is \$2,126,971. Bloch highlighted the following points: The reduction of \$65,943 from the preliminary levy approved in September. The levy increase from 2011 to 2012 is \$115,596 or 5.75%. This compares to a levy increase of \$96,274 or 5.03% for 2011.

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The debt levy is \$348,000. Tax abatement levy is \$100,000. The total levy for 2012 is \$2,574,971 which is an increase of 4.11% from 2011. This results in a tax rate increase of 5.946% of 2011 due to statewide funding problem and the economy.

While discussing the calculation of property taxes Bloch stated each property has an assessed market value. Homesteaded properties valued at less than \$414,000 are allowed an exclusion of a portion of their market value. Classification rate is applied to the taxable market value to determine the net tax capacity of the property. The net tax capacity of the property is then applied to the tax rate to determine the taxes due. Each taxing entity (City, County, and School) establishes a rate, and the sum equals the total tax rate. Preliminary tax rates for 2012 are City: 52.556%, County: 43.482%, School 25.651% with a total preliminary tax rate of 121.689%. Of the 17 cities in Wright County, Delano has the seventh lowest City tax rate. If the 17 cities in Wright County, Delano has the lowest proposed total tax rate.

Bloch stated the General Fund budget is balanced. Two items property tax payers need to take into account when paying their property taxes are the City's total levy increased \$401,596 or 4.11%. The goal when reviewing the budget is to provide the highest quality services in a fiscally responsible manner.

Motion Number (M-11-270) Motion by Holly Schrupp seconded by Dan Vick to open the Public Hearing to hear discussion on the 2012 Tax Levy and Budget Proposal. Motion Carried.

Mayor Graunke called for public comment three times. None was heard.

Motion Number (M-11-271) Motion by Derek Schansberg seconded by Betsy Stolfa to close the Public Hearing. Motion Carried.

Motion Number (M-11-272) Motion by Betsy Stolfa seconded by Holly Schrupp to table discussion and approval of the 2012 Tax Levy and Budget Proposal until the December 20, 2011 regular meeting. Motion Carried.

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

This item was approved under Consent items.

- C. Consider amendment to City Code Section 610.01 regarding Sanitary Sewer rate monthly calculation.**

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Kern stated in March, 2005 the Council adopted Ordinance O-05-08 amending charges for General Users. During the six winter months (November, December, January, February, March and April) for every thousand gallons of water used residents will be charged the set sewer rate. During the six summer months (May, June, July, August, September and October) the previous six winter months are averaged. The reason this is done is because during the winter months residents are not watering lawns, trees and so on.

Due to accuracy problems with the current system and the high amount of residents watering lawns and trees during April and November; Staff is recommending amending the Ordinance to switch from a six month average to a four month average. Staff is recommending approval.

1. **Adopt Ordinance O-11-06 amending City Code Chapter 600, Section 610.01 Subdivision 8.A., by replacing the entire section of the City Code.**

Motion Number (M-11-273) Motion by Betsy Stolfa, seconded by Dan Vick to adopt Ordinance O-11-06 amending City Code Chapter 600, Section 610.01 Subdivision 8.A., by replacing the entire section of the City Code. Motion Carried 5-0 by Roll Call Vote.

8. **CITY STRATEGY No. 3: To plan for the maintenance, replacement and efficiency of the City's equipment, buildings, infrastructure, energy and utility systems.**

There was none.

9. **CITY STRATEGY No. 4: To manage the City's growth so that its high quality is consistent with the City's comprehensive plan while maintaining the City's historical culture, characteristics and features.**

There was none.

10. **CITY STRATEGY No. 5: To encourage and improve the communication of information and ideas with residents and business owners.**

There was none.

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11. **CITY STRATEGY No. 6: To ensure communication and positive relationships between the Council, Staff, Employees and Commission Members.**
- A. **Minutes from the Delano Water, Light and Power Commission meeting of Monday, October 24, 2011.**
 - B. **Minutes from the Park and Recreation Committee meeting of Wednesday, October 26, 2011.**
 - C. **Minutes from the Delano Fire Department meeting of Thursday, November 10, 2011.**

No discussion or motion taken.

12. **CITY STRATEGY No. 7: To ensure the City has a well trained, productive and accountable workforce to meet the changing needs of the community.**

There was none.

13. **CITY STRATEGY No. 8: To ensure the public's safety from crime and manmade or natural disasters.**

There was none.

14. **CITY STRATEGY No. 9: To ensure the overall aesthetic appeal of the City.**

There was none.

15. **OTHER BUSINESS**

There was none.

16. **COMMUNICATIONS AND ANNOUNCEMENTS**

17. **CLAIMS**

- A. **City Claims**

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Motion Number (M-11-274) Motion by Derek Schansberg, seconded by Betsy Stolfa to approve the City claims in the amount of \$291,891.23 as submitted.

18. ADJOURNMENT

Motion Number (M-11-275) Motion by Betsy Stolfa, seconded by Dan Vick to adjourn the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, December 6, 2011. Motion Carried.

There being no further business to discuss the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, December 6, 2011 was adjourned at 8:15 PM.

Dale Graunke, Mayor

Marlene E. Kittock, City Clerk

Attest:

Paula Bauman, Recorder