

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Tuesday, October 17, 2017**  
**7:00 PM**

**1. Call to Order**

Mayor Graunke called the regular City Council/Economic Development Authority meeting of Tuesday, October 17, 2017, to order at 7:00pm.

**2. Roll Call & Approval of Agenda**

**Members Present: Dale Graunke, Mayor; Councilmembers Betsy Stolfa, Jason Franzen and Jon Sutherland**

**Members Absent: Holly Schrupp, Councilmember**

**Also Present: Phil Kern, City Administrator; Nick Neaton, Senior Center; Paula Bauman, Admin Services Coordinator; Justin Markon, Administrative Intern**

**Motion by Betsy Stolfa, seconded by Jon Sutherland to approve the agenda as submitted; motion carried.**

**3. Minutes**

**Motion by Betsy Stolfa, seconded by Jason Franzen to approve the minutes of the regular City Council/Economic Development Authority meeting of Tuesday, October 3, 2017, as submitted; motion carried.**

- A. Minutes of the regular City Council/Economic Development Authority meeting of Tuesday, October 3, 2017

**4. Speaker, Presentations and Awards**

**5. Consent Items**

**Motion by Jon Sutherland, seconded by Betsy Stolfa to approve the consent items as submitted; motion carried.**

- A. Consider a reduction of the letter of credit for Willowbrook, Wright Neighborhoods 4th Addition.
- B. Consider purchase of alternative work stations and upstairs conference room furniture

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

A. Motion amending City Code Section 211.01 and establishing the Spirit of Community Commission

Nick Neaton presented the proposed Delano's Spirit of Community Commission. The purpose of the commission is to promote an atmosphere of mutual understanding and cooperation among all members of the Delano community. This is done by building the Spirit of Community and improving public engagement within the Delano community. Staff recommended creating this new commission; the membership would include a member from City Council, School District, Chamber of Commerce and the Faith Community. There would also be 3-5 "at large" members to encourage a diverse cross section of members. This could be persons of color, new and long-time residents, community and civic involvement; to name a few.

Dale Graunke questioned if staff will be taking applications similar to other commissions and if members will start out on rotating schedules. Phil Kern stated it will be the same application process. Betsy Stolfa questioned which night the commission will meet. Nick Neaton stated that has not been decided.

**Motion by Jon Sutherland, seconded by Betsy Stolfa to adopt resolution O-17-06 replacing the Historic Preservation Commission and establishing the Spirit of Community Commission; motion carried.**

B. Resolution adopting Delano Fire Relief Association Pension Contribution Policy

Fire relief pensions are managed by private associations across the State of Minnesota as a benefit for members of municipal fire departments. In Delano, the Delano Fire Relief Association (DFRA) is a private, non-profit organization comprised of members of the Delano Fire Department. The City provides annual funding to the Fire Relief Association, which manages these funds and other revenues to provide a retirement pension to vested, retired members of the Association.

As a statutory City, Delano essentially has two key obligations when it comes to the pensions of the Fire Relief Association. First, Delano is responsible for funding the pension and guaranteeing the payment of earned pensions in accordance with the bylaws. Second, Delano is responsible for setting the pension level and approving the bylaws that govern the payment of pensions. The application of these obligations requires an annual audit of the pension fund and a report on the present funding level. If the pension fund is in a projected deficit, the City is financially obligated to make it whole.

Since approximately 2007 and prior to the recession, the DFRA's pension fund has been operating in an underfunded state. At one point, the funding level of the pension was below 60%. The City since 2007, in partnership with the DFRA, has been focused on building the pension fund through a mixed-strategy of fund investment changes, withholding significant pension increases, and a balanced, long-term funding increase approach. Through this process, the fund has managed to reach a funding level of 114% by December 31, 2016 – meaning the pension fund is fully funded.

Moving forward, the proposed Resolution would provide a guideline for how the City and DFRA collectively agree on managing the pension fund. It provides the following: 1. A formula for future pension increases that is tied to the health of the pension fund, targeting increases when the fund reaches a funding level of 115% or greater. 2. Establishes a reporting process and timeline for the DFRA to complete its annual audit and report to the City Council. 3. In the event the pension fund falls below 115% funding, provides for City contributions to provide a 1% pension increase at most every-other year until the fund can be restored above the 115% level.

Staff believes this policy is the last step in the long-term, cooperative approach started with the DFRA almost 10 years ago to establish a strong, sustainable pension fund for Delano Fire Rescue personnel.

**Motion by Jason Franzen, seconded by Betsy Stolfa to adopt resolution R-17-27 regarding Delano Fire Relief Association Pension Increases; motion carried 4-0 by roll call vote.**

- 7. CITY STRATEGY No. 2: Ensure the City's continued sustainability and financial stability**
- 8. CITY STRATEGY No. 3: Plan for the maintenance, replacement and efficient operations of the City's equipment, buildings, and infrastructure, energy and utility systems.**
- 9. CITY STRATEGY No. 4: Manage the City's growth so that it is high quality and consistent with the city's Comprehensive Plan while maintaining the City's historical culture, characteristics and features.**

- A. Adopt Resolution approving the purchase of property by the City of Delano and subsequent conveyance to the Delano Economic Development Authority

The Northwest Business Park was started in 2013 by a privately-owned developer. The development group started its process, but hasn't been successful and has proposed revised terms. As a result, the City is taking over ownership of the land. The City is not putting any money into the purchase of the property and is purchasing for \$0. The City will be the fee holders of the land, and will have the ability to sell and negotiate and make deals. As part of the process, the resolution needs to be approved prior to the close on the property.

**Motion by Betsy Stolfa, seconded by Jason Franzen to adopt resolution R-17-28 approving the purchase of property by the City of Delano and subsequent conveyance to the Delano Economic Development Authority; motion carried 4-0 by roll call vote.**

- 10. CITY STRATEGY No. 5 Encourage and improve the communication of information and ideas with residents and business owners.**
- 11. CITY STRATEGY No. 6: Ensure communication and positive relationships between the Council, City Staff, Employees and Commission members.**
- 12. CITY STRATEGY No. 7: Ensure the City has a well-trained, productive and accountable workforce to meet the changing needs of the community.**

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

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

**15. Other Business**

**16. Communications & Announcements**

A. Discuss October worksession date - scheduled for October 31, 2017

Council rescheduled the October worksession date to Monday, October 30, 2017, at 7:00pm.

**17. Claims**

A. Claims | By Account

**Motion by Betsy Stolfa, seconded by Jon Sutherland to approve the city claims as submitted; motion carried.**

**18. Adjournment**

There being no further business to discuss, the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, October 17, 2017, was adjourned at 7:46pm.

Signed:

Dale Graunke, Mayor

Brian Bloch, Finance Director/Clerk

Attest: Paula Bauman, Administrative Services Coordinator