

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, December 4, 2018
7:00 PM

1. Call to Order

Mayor Graunke called the regular meeting of the Delano City Council/Economic Development Authority meeting of Tuesday, December 4, 2018 to order at 7:00pm.

2. Roll Call & Approval of Agenda

Members Present: Dale Graunke, Mayor; Councilmembers Betsy Moran, Jason Franzen, Holly Schrupp, and Jon Sutherland

Also Present: Phil Kern, City Administrator; Brian Bloch, Finance Director; Madison Hagenau, Management Assistant; Samson Streachek, Student Liaison; Lydia Ramstad, Student Liaison; Chloe Lilliston, Student Liaison

Motion by Holly Schrupp, seconded Jon Sutherland by to approve the agenda as submitted; motion carried.

3. Minutes

Motion by Betsy Moran, seconded by Jason Franzen by to approve the minutes as submitted; motion carried.

- A. Minutes of the regular City Council/Economic Development Authority meeting on Wednesday, November 7, 2018
- B. Minutes of the regular City Council/Economic Development Authority meeting on Tuesday, November 20, 2018
- C. Minutes of special workshop of Tuesday, November 27, 2018 | Summary minutes for publication

4. Speaker, Presentations and Awards

5. Consent Items

Motion by Betsey Moran, seconded by Holly Schrupp to approve the consent items as submitted; motion carried 5-0 by roll call vote.

A. City

- 1. Motion to hire part-time staff at Delano Wine and Spirits

2. Approve public facility lease agreement, outdoor dance application and temporary on-sale liquor license for Puck in the Park on January 18-19, 2019

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

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

A. Consider the 2019 Budget, Tax Levy and Capital Improvement Plan

Brian Bloch explained that the budget setting process began two years ago at our goal setting meeting where Council and Staff established what our strategy should be in terms of where we focus our efforts. Through those goals we determine what to include in our Capital Improvement Plan. In August, we set our tax levy and lowered it in September, when we set our Preliminary Tax Levy.

Our proposed General Fund Expenditures are \$3,725,000. 30% is being allocated to Community Services, which mainly includes parks. General Government and Public Safety each get around 20% of the budget. Public Works receives about 12%. 13% is allocated to Capital Outlay and 5% is allocated to Other, which is primarily used for debts, like paying off the City Hall building.

Some of the items that are impacting the General Fund include an increase in medical insurance for city employees, a 3.0% cost of living adjustment and different capital needs. The Splashpad and significant software updates also will impact the General Fund.

The General Fund revenues haven't changed significantly over the past few years. Two-thirds of our revenues come from property taxes. Franchise Fees and Intergovernmental Aid both amount to 10% each. Licenses and Permits, Transfers In and Charges for Service all amount to about 12% of our revenue in total.

Some of the items impacting revenues include property taxes, an increase in franchise fees and our Splashpad revenues. The Splashpad revenues will hopefully exceed the expenditures, but it is budgeted for the revenues to equal expenditures in 2019. The total General Fund Budget increase amounts to \$164,200.

While tonight's meeting outlines the City Budget, property taxes also go to the County and the School District. The state establishes formulas for how taxes are divided amongst properties.

Our tax levy is going up, but our tax rate is going down. This is because our tax capacity is increasing. The three components of our tax levy are our General Fund, Debt Service and Tax Abatement. The General Fund pays for things like police, parks and fire. Debt service pays for street construction and Tax Abatement pays for our flood improvements.

Our total general operations levy is \$2,577,196, which is an increase of 4.55% over last year's levy. Our debt levy is \$865,000, an increase of 20% from last year. The debt for street projects is a large factor in the increase. The tax abatement levy remains the same at \$100,000.

The total levy for 2019 is \$3,542,696, an increase of 7.92% from 2018. We choose to not specially assess benefiting property owners for street projects. Brian Bloch explained that this allows us to charge all residents the same for a street project and not charge one household more in taxes because the street project is done right in front of their home.

Our tax rate has slightly decreased from 2018 because of a significant increase in Taxable Market Value, due to inflation, home improvements, and new homes. The city tax rate for 2019 is 53.367%. Of the seventeen cities in Wright County, the City of Delano has the 7th lowest tax rate for the proposed City tax rate. The City of Delano has the 11th lowest proposed tax rate.

Of the total property tax allocations, 39% goes to city and is the same as last year. 29% goes to Delano Public Schools and 32% goes to Wright County. Of the city's allocations, a large portion goes to the debt for street reconstructions, as well as parks and trails.

In summary, our General Fund Budget is balanced, our revenues are meeting our expenditures. The City's total tax levy is increasing by 7.92%, where more than half of the increase is related to street improvements. Brian Bloch concluded that the City's overarching goal is provide the highest quality services in a fiscally responsible manner.

Motion by Betsey Moran, seconded by Jon Sutherland to open public hearing; motion carried.

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

Motion by Jason Franzen, seconded by Betsey Moran to close public hearing; motion carried.

1. Resolution approving 2019-2023 Capital Improvement Plan

Motion by Holly Schrupp, seconded by Jon Sutherland to adopt Resolution R-18-39 adopting the City of Delano Capital Improvement Plan for 2019-2023; motion carried 5-0 by roll call vote.

- a. 2019-2023 Capital Improvement Plan by Department
- b. 2019-2023 Capital Improvement Plan by Funding Source

2. Resolution approving the Final 2018 payable 2019 Tax Levy for the City of Delano

Motion by Betsy Moran, seconded by Jason Franzen to adopt Resolution R-18-40 adopting the 2018 Tax Levy, collectible in 2019, for the City of Delano, County of Wright, State of Minnesota; motion carried 5-0 by roll call vote.

3. Resolution approving the 2019 Budget for the City of Delano

Motion by Holly Schrupp, seconded by Jon Sutherland to adopt Resolution R-18-41 adopting the City of Delano budget for the calendar year 2019; motion carried 5-0 by roll call vote.

- a. Summary of the 2019 General Fund Budget and Other Tax Levies Compared to the Prior Nine Years
- b. Copy of the Final 2019 Revenue Budget
- c. Copy of the Final 2019 Expense Budget

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.

- A. Consider bids and award contract for field lighting to Musco Sports Lighting *Attachments:* Quote | Vendor Proposals

The main baseball field at Central Park has served as the city's main ball field for many years. The current lights are believed to be original to 1961 and while they have been modified and rehabilitated over time, the towers and light fixtures are still original. Phil Kern introduced the proposal to replace lights at the top of towers and the infrastructure inside the tower and extending into the ground at the main baseball field. The proposal includes maintaining the original towers, as the athletic club, baseball community, and city staff want to maintain the nostalgia of the park.

In 2013, when the city last hosted the Minnesota State Amateur Baseball Tournament, new lights were considered. However, given other projects happening in Central Park, the city decided not to move forward at the time. In our 2014 budget, we included a project to take place in 2018 to improve the light fixtures. After an analysis conducted by Wenck, they recommend to replace everything, as the wiring is not in conduit and is believed to be original to the early 1960's.

Delano Municipal Utilities has worked with Wenck on the analysis to find the most cost-effective manner. DMU is proceeding with the project, as far as doing all of the underground work. They plan to add conduit to the wiring to add longevity to the underground infrastructure. Since the city did not bid this out, there is no cost comparison, however, the savings are believed to be between \$60,000-\$80,000 by using DMU. Phil Kern noted how great of a partner DMU has been to the city on this project and in many other respects.

We did bid out the other electrical improvements, including the actual fixtures. There are 65 light fixtures in the recommended bid. In the conducted analysis, staff looked at the actual field itself and tried to reach a standard of 60-foot candles of light on the infield and 40-foot candles of light in the outfield. Wenck has helped us to identify contractors and we received four proposals. Musco is our recommended contractor and they are the leading field lighting provider in Minnesota. Musco was the second lowest bid at \$248,423 and is willing to provide

a 25-year warranty. The other lowest bid only offered 10-year warranty. The additional warranty with Musco is a smart value for the city, as they will cover all parts and labor for the next 25 years. Musco is a state bid contractor.

The city had \$190,000 budgeted for this project. The athletic club is willing to add \$40,000 to project in preparation for the state tournament next year. We restructured the previous debt we had with the athletic club from the field improvements in 2011, 2012, and 2013, which will generate another \$43,000 in revenue towards this project. Phil Kern notes that this results in just over one-third of the total cost being fundraised by the community. The cost to the city is \$164,457 for the project, being funded out of our general capital reserves. Staff recommends Council award the contract to Musco Lighting.

Councilmember Sutherland pointed out that the LED lights will only shine on the field and no longer shine into the neighborhood, Phil confirmed that everything will be directed towards the field and that the neighbors to the north will hopefully experience less light pollution.

Moran noted that our partnership with DMU is value saved that we would not get that same service with a big outside company.

Motion by Jason Franzen, seconded by Jon Sutherland to authorize bids and award contract for field lighting to Musco Sports Lighting; motion carried.

- 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.**
- 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.**

A. Updates from Commission Liaisons

1. Fire Relief Association
2. Park and Recreation Commission
3. Planning Commission
4. Public Safety Commission
5. Spirit of Community Commission
6. Water Light and Power Commission

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 and Announcements

- A. Update from Student Liaisons on community project

17. Claims

- A. City Claims | By Account

Motion by Holly Schrupp, seconded Jon by to approve city claims as submitted, Betsy Moran abstained; motion carried.

- B. EDA Claims

Motion by Jon Sutherland, seconded by Jason Franzen to approve EDA 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, November 20, 2018, was adjourned at 7:57 p.m.

Dale Graunke, Mayor
Paula Bauman, Administrative Services Coordinator
Attest: Madison Hagenau, Recorder