

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Wednesday, December 27, 2017**  
**8:00 AM**

**1. Call to Order**

Mayor Graunke called the Delano City Council/Economic Development Authority special meeting of Wednesday, December 27, 2017 to order at 8:00 AM.

**2. Roll Call**

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

**Also Present: Phil Kern, City Administrator; Mark Johnson, City Attorney; Brian Bloch, Finance Director; Justin Markon, Recorder**

**3. Special Order of Business**

A. Consider resolution related to Clover Springs 4th Addition Development Agreement.

Johnson shared general information pertaining to all development agreements with the City, which include reports by the engineer and planner pertaining to public improvements. Development agreements include a letter of credit to cover the security from the developer to make these improvements. These letters of credit are issued by financial institutions. At the present time, some public improvements for the Clover Springs 4<sup>th</sup> Addition are not yet complete. The current letter of credit balance is \$167,297.40 to complete improvements. Johnson said that he received a letter from the legal council of Topline Federal Credit Union, which issued the letters of credit for the developer of the Clover Springs 4<sup>th</sup> Addition, saying that there is potential fraud related to the letters of credit, which is under investigation. Johnson concluded that he recommends drawing on the letter of credit to complete the project.

Kern noted that the vast majority of the public work is complete in the Clover Springs 4<sup>th</sup> Addition. Items left to be complete include the final lift of blacktop, curb repair, sanitary sewer work, and as-built surveys and grading for lots. The total cost for this work is approximately \$150,000, plus ongoing engineering expenses, which could exceed the letter of credit amount. Franzen asked whether there have been any complaints from contractors regarding payment by the developer, and Kern answered there have not been any.

Johnson stated that he wrote a resolution calling for the City to draw upon the letter of credit to complete public improvements in the Clover Springs 4<sup>th</sup> Addition. He added that the developer would still control the lots, but the City must give notice if any public improvement work will be done. Additionally, the City could withhold issuance of building permits and assess properties for costs over the letter of credit.

**Motion by Schrupp, seconded by Franzen to approve resolution related to Clover Springs 4<sup>th</sup> Addition Development Agreement; all members voting aye; motion carried.**

#### **4. Adjournment**

There being no further business to discuss, the special meeting of the Delano City Council/Economic Development Authority of Wednesday, December 27, 2017, was adjourned at 8:40 AM.

Signed:

Dale Graunke, Mayor

Brian Bloch, Finance Director/Clerk

Paula Bauman, Administrative Services Coordinator