

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, August 27, 2019
7:00 PM

1. Call to Order

Mayor Graunke called the special workshop of Tuesday, August 27, 2019, to order at 7:00pm.

2. Roll Call

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

Also Present: Phil Kern, City Administrator; Brian Bloch, Finance Director; Shawn Louwagie, City Engineer; Bob Van Lith, Fire Chief, Paula Bauman, Administrative Services Coordinator; Cody Mathison, Wenck Engineering; Members of the Delano Fire Department

3. Special Order of Business

A. Discuss Fire Department Capital Needs

Bob Van Lith, and members of the Delano Fire Department, met with City Council to discuss the current and future needs of the Delano Fire Department and its vehicles. Delano's current fleet includes three engines, two tankers, one light rescue truck, one utility truck, one command vehicle, one grass (1-ton) truck and an ATV. Bob Van Lith discussed the community needs including the existing industrial park, predicted growth including additional housing development and commercial and industrial growth. The group evaluated the difference between tower trucks versus ladder trucks and the advantages and disadvantages of buying new or used aerial tower trucks. Currently, the cities of Buffalo, Rockford, Maple Plain and Watertown have aerial ladder trucks; Bob Van Lith discussed the age of these trucks and costs of maintenance and projected replacement dates.

The biggest advantage of acquiring an aerial tower truck includes its safety features, its stability and safer evacuation for young, disable, unconscious or elderly victims. This type of truck provides greater capabilities with fewer firefighters. In addition, the vehicle is easier and safer to deploy tools from the ground to higher elevations. The aerial tower will require additional operational costs and will require more training for the department.

After further review, Bob Van Lith stated the recommendation from the Fire Department is to further explore the 100' Heavy-Duty Aerial Tower. The justifications are:

- A. Positions the Delano Fire Department to meet its mission for the next twenty-five years
- B. Allows the Department to be proactive in meeting current and future goals
- C. Prioritizes the safety of all firefighters

- D. Provides a more efficient and reliable response with current staffing
- E. Cost avoidance of increased maintenance brought by older fire apparatus
- F. Foster equitable collaboration between neighboring Fire Departments
- G. Will be able to complement the capabilities of aerials in nearby communities

Brian Bloch discussed the funding sources for the new truck. Bob Van Lith stated options for purchase include: purchase, lease purchase plan (ability to purchase the apparatus gradually over time – terms for this plan range from 2-15 years), turn in lease plan (contains a balloon payment for the estimated resale value of the truck at the end of the lease).

Council and staff discussed the need for additional fire fighters and options to recruit.

B. Discuss 2020 Street and Utility Improvement Project

Wenck has performed an in-depth analysis of proposed improvements for three areas considered for a reconstruction project in 2020. The three areas are:

- A. Area 1: South of Central Park and east of River Street
- B. Area 2: South of the Railroad Tracks and east of River Street
- C. Area 3: Maplewood Estates Development (south of Flippin Bills)

Area 1. The existing condition of the sanitary sewer located throughout Area 1 is very poor. The existing piping is VCP (vitrified clay pipe) with multiple issues contributing towards I/I (infiltration and inflow). It is Wenck's and the Public Works staff opinion that all the sanitary sewer is replaced, which also applies to the watermain throughout these streets. Replacement of the existing sanitary sewer and watermain would trigger a full reconstruction of the street due to the excavation activities.

There is a lack of existing storm sewer utilities located within Area 1. Analysis of the existing stormwater routing and the existing main pipes leaving this area determined that the existing outlets are inadequately sized. Additional storm sewer infrastructure is needed for Area 1. The proposed storm sewer system is shown in the attachments and includes:

- A. New storm sewer in Oak/Wallace west of River Street
- B. Additional storm in Maple Ave from 2nd to 3rd connecting to an existing outlet
- C. A new storm system in Oak Ave (2nd to 4th) and 3rd St (Oak to Maple) discharging to the ditch located east of the area

Changes from 2018 study include:

- A. Additional storm sewer infrastructure
- B. Costs to incorporate sidewalk on 1 side of each street (tree removals, concrete, aggregate base, additional restoration)
- C. 2nd Street from Elm to Oak switched from reclaim to reconstruct
- D. Updated unit prices per observed 2019 bid results

Engineering Estimated costs for Area 1 is: \$4,028,125.42.

Area 2. Analysis of Area 2 was focused on Rockford Avenue and 2nd Street. Both these streets are in poor condition regarding sanitary sewer, stormwater drainage and street conditions. The only existing storm sewer located within Rockford/2nd is located between Rockford and Franklin and appears to run across property lines and in some areas below house foundations. Televising the sanitary sewer within 2nd and Rockford showed VCP piping in need of repair. The street condition rating and the needed replacement of the sanitary piping would require these streets to be reconstructed.

Additional storm sewer is proposed for Area 2, primarily in the Rockford/2nd Street areas. The proposed storm sewer system is shown in the attachments and includes:

- A. New storm sewer in Rockford Ave from River to 3rd including a connection to the alley
- B. Additional storm 2nd Street from Rockford to Franklin
- C. Additional storm in 3rd Street from St. Peter to Franklin
- D. Replacement of existing storm sewer in 5th Street Changes from 2018 study
- E. Additional storm sewer infrastructure
- F. Costs to incorporate sidewalk on 1 side of each street (tree removals, concrete, aggregate base, additional restoration)
- G. Updated unit prices per observed 2019 bid results

Engineering Estimated costs for Area 2 are: \$4,241,881.42.

Area 3. The existing utilities located throughout Area 3 are in the best condition for the (3) areas analyzed. The sanitary sewer mains located in the streets are PVC and the watermain id DIP (ductile iron pipe). There is also good coverage of storm sewer infrastructure in these streets. DMU has experienced issues with hardware failure on their watermain valves and fittings due to hot soils, or electrolytic corrosion. Spot replacement of the gate valves and watermain fittings would be recommended.

The primary issue in Area 3 is the subsurface drainage, and the inability of the streets to shed water to the curblines. Multiple areas hold water on the pavement right in front of the lip of the

curb. Reclamation of these streets, spot replacement of curb, additional draitile, and sump pump connections would benefit this area.

Changes from 2018 study include:

- A. Additional draitile line accounted for (sump pump connections)
- B. Costs to incorporate sidewalk on one side of each street (tree removals, concrete, aggregate base, additional restoration)
- C. Updated unit prices per observed 2019 bid results

Engineering Estimated costs for Area 3 are: \$3,367,550.17.

Central Park Parking Lot. In 2017, WM Mueller placed the aggregate base for the Central Park parking lot extension with the intent to complete the parking lot with a future project. Additional work necessary includes the placement of concrete curbing, shaping the existing aggregate, and placing the bituminous pavement.

Engineering Estimated costs for the Central Park Parking Lot is \$224,542.50.

Tiger Drive Draitile. A segment of Tiger Drive has experienced frost boils in the southbound lane during the springs of 2018 and 2019. Frost boils occur as the frost layer begins to leave the road section, which thaws from top to bottom. If the water created from the thawing frost is unable to drain out of the street section, traffic loads will “pump” the water and damage the street section. This segment of Tiger Drive is located between (2) areas of Tiger Drive which have been improved in the 2008/2009.

Based on the locations of the damage and the surrounding topography, it is believed that the side hill on the west side of Tiger Drive is leaching water. The placement of a draitile trench behind the existing curb can serve to capture leaching/trapped water and convey it to the storm sewer system. Placement behind the curb will reduce impacts to the street and the tile may be kept in place if this segment of Tiger Drive is reconstructed in the future.

Engineering Estimated costs for Tiger Drive Draitile is \$47,354.87.

Johnson Drive Intersections. Wenck reviewed the intersections of Johnson Drive/7th Street, and Johnson Drive/County Line Road to consider constructing concrete intersections with modified radii to accommodate the truck traffic traveling through the intersection. The existing intersections are bituminous with approximately 30’ radii on the corners. The truck traffic is assumed to exert turning/twisting forces on the bituminous pavement as they turn through the intersection.

The existing section of Johnson Drive consists of 5.5” of bituminous, over 8” of CL-5 aggregate, over 12” of CL-4 aggregate. The proposed section to construct a concrete pavement at these intersections would incorporate the existing aggregate base section in place.

Engineering Estimated costs for Johnson Drive/7th Street is \$145,041.00 and Johnson

Drive/County Line Road is \$170,391.00.

Phil Kern stated the purpose of this discussion was to deep dive on the needs of the project and to look into the potential costs. In September, Staff will ask Council what areas to include within the feasibility study.

C. Discuss draft 2020 Budget and Tax Levy, and draft 2020-2024 Capital Improvement Plan

Brian Bloch reviewed his August 23, 2019, memo discussing the tax levy, CIP, and the revenue and expenditures that affect the tax levy. The preliminary tax levy needs to be approved and sent to Wright County by the end of September. The preliminary levy is used by the County to prepare the notices of proposed property taxes and public meetings of taxing authorities which is sent out in November. Therefore, it is important that we determine the appropriate levy that is necessary while making sure it is sufficient, because once the preliminary levy is set, it cannot be increased. The levy can always be lowered before the final levy is approved in December.

The total preliminary tax levy is expected to increase 5.2 percent compared to the total final levy in 2019. That compares to an expected 7.3 percent increase outlined in the five-year forecast presented to Council earlier this year. The increase from 2018 to 2019 was 7.9 percent.

The General Fund certified levy is expected to increase \$106,411 or 4.13 percent. This is needed to fund the increases in operating and capital expenditures of 6.2 and 3.3 percent, respectively.

Debt levies are expected to increase \$78,500, or 9.07 percent. Most, \$65,500, of the increase is from the 2016 Streets bond.

The tax abatement levy of \$100,000 remains the same as the prior year and provides revenues to repay the 2015A bond issued for the Flood Wall and Storm Water projects.

Local Government Aid (LGA) of \$291,750 is expected in 2020. This is a 20.05 percent increase over the \$243,033 we should receive this year (2019).

General Fund Revenues. The preliminary budget for 2020 shows the General Fund expecting revenues of \$3,929,650. The budget estimates 98.00 percent of taxes levied will be collected. The actual collection rate for 2018 was 98.61 percent. Financial advisors recommend a 95.00 percent collection rate when levying for debt.

The budget estimates 98 percent of taxes levied will be collected. The actual collection rate for 2018 was 98.61 percent. Financial advisors recommend a 95 percent collection rate when levying for debt.

Bloch further reviewed the General Fund Expenditures by department.

Council discussed key dates moving forward:

- A. September 30, 2019 - Approve preliminary tax levy.
 - B. December 3, 2019 – Public Hearing on proposed 2020 Budget and Tax Levy
 - C. December 3 or 17, 2019 – Approve the 2020 Budget Tax Levy and 2020-24 Capital Improvement Plan
- D. Discuss potential sale of excess property along Highway 12
- Phil Kern stated after the Highway 12 reconstruction, MnDOT placed a blanket easement over the properties abutting the highway. Council discussed the potential sale of these properties to abutting homeowners. Staff will investigate further.
- E. Consider real estate negotiations on 125 Woodland Road (this item may be considered in a closed session for purposes of real estate negotiations)
- Council discussed the purchase price of the property and discussed next steps.

4. Adjournment

There being no further business to discuss, the special workshop of Tuesday, August 27, 2019, was adjourned at 10:10pm.

Signed:

Dale Graunke, Mayor

Attest: Paula Bauman, Administrative Services Coordinator