

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, March 31, 2020
7:00 PM

1. *Due to COVID-19, the meeting was conducted via Zoom telephone and video conference as allowed under Minnesota Statutes, Sections 13D.021. All motions were approved by roll call vote.*
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2. **Call to Order**

Mayor Graunke called the special workshop of the Delano City Council/Economic Development Authority of Tuesday, March 31, 2020, to order at 7pm.

3. **Roll Call**

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

Also Present: Phil Kern, City Administrator; Mark Johnson, City Attorney; Shawn Louwagie, City Engineer; Paula Bauman, Administrative Services Coordinator

4. **Special Order of Business**

- A. Discuss community health emergency

Phil Kern gave a brief review of the City's operating structure under the Governor's stay a home order. Staff has changed its method of providing service; there are few areas not in operation. Senior Center is closed and the Motor Vehicle is also closed. The Crow River Villa is closed to guests. Everything is ongoing. Building Inspections is moving forward with video inspections. Administration and Finance continue to be available by phone and email. Public Works staff is working on a split shift and when working from home are planning activities and revisiting standard operating procedures for equipment.

On March 17, the Council approved an amendment to the Personnel Policy adding community health emergency leave and clarifying ongoing pay for all staff with potential reassignment to other duties. Following that approval, the Federal Government approved new employment rules that mostly mirror the city's changes. One notable change is the amendment to the FMLA rules, which have allowed 12-weeks for leave for all employees for family or medical reasons. The amendment at the Federal level now adds a paid leave provision to weeks 3-12 of FMLA leave.

Many retailers have temporarily increased wages for clerks and others directly interacting with the public by \$2/hour. This would be hourly wage workers such as Delano Wine and Spirits, Motor Vehicle Department and Delano Fire and Rescue. These are workers that by nature of their jobs cannot be segregated from interaction with the public. Several local businesses have also increased temporary wages by \$2/hour. Staff is recommending the City do the same

during the community health emergency period.

Jon Sutherland supported the increase and stated Council should add the City Administrator's discretion on which employees this would apply to.

Jason Franzen questioned if this will affect the budget. Phil Kern discussed stating it will cost the City, but will total less than 1% of the overall budget.

Motion by Jon Sutherland, seconded by Betsy Moran to approve a temporary \$2/hour increase for City Staff working directly with the public during the Governor's Stay-at-Home order; motion carried.

The City has received requests from both residents and businesses experiences hardship to have flexibility with revenue collection and/or establish a program to help small businesses. Delano Municipal Utilities has temporarily suspended disconnects for failure to pay the monthly bill, allowing with waiving late fees. This essentially has the effect of allowing those with hardship to avoid payment during this time. Staff is recommending the City do the same with the City's portion of the utility bill.

When this policy is rescinded, the lump sum payment of those not paying could be significant. The City presently has \$100,000 in its revolving loan fund balance. This fund was received by the City in a grant from the State of Minnesota in 2015 and is established specifically for the purpose of supporting industrial growth, equipment purchase, or expansions. The City has not had a loan request in the past five years for this, and instead has utilities other sources (TIF) for industrial business assistance. The Governor, through Executive Order 20-15, has amended the terms of the City's Revolving Loan fund to allow loans retail and service businesses. Staff is recommending the City move forward and make the necessary changes to allow retail and service businesses to access set a max loan of \$2,000. There would be two priorities of loans:

1. Priority One – businesses that are forced to close during the Governor's Stay at Home Order. Examples would be hair salons, barber shops, health clubs etc.

2. Priority Two – businesses that are currently open with limited operation. Examples would be bars and restaurants.

The recommendation would be to allow those who have completely closed and give them first priority to apply for the Revolving Loan Fund. This loan would be to pay for local utility bills and staff is proposing a 0% interest with twelve-month repayment starting on September 1.

Betsy Moran stated some businesses won't come to the \$2,000 max, can the money be used for something else? Kern stated that would be up to the Council discretion and discussed potential options.

Jon Sutherland questioned if the loan max could be increased. Phil Kern stated its reasonable as staff doesn't know the number of applicants at this time.

Council discussed the winter months and recommended taking March out of the winter months and add to the summer months for winter averaging.

Motion by Betsy Moran, seconded by Jon Sutherland to authorize retail and service businesses to apply for a Revolving Loan Fund at a maximum of \$2,000 for those businesses effected by the Government Stay at Home Order; motion carried.

Motion by Betsy Moran, seconded by Jon Sutherland make the following changes to the City of Delano sewer fees for businesses during the Government Stay at Home Order: 1. Exclude the month of March for the winter average. 2. Eliminate late fees on sanitary sewer utility bill. 3. Eliminate Sewer Usage Fee. Motion carried.

- B. Discuss potential Granite Works Redevelopment Project (a portion of this item may be discussed in a closed session to discuss real estate negotiations.)

Phil Kern outlined the next steps on the potential Granite Works Redevelopment Project, which includes publishing an RFP/RFQ to request a limited scope of the project and identify a development partner.

Motion by Betsy Moran, seconded by Holly Schrupp to enter into closed session for the purpose of discussing real estate negotiation for acquisition of the Granite Works property located at 265 River Street North; motion carried.

Motion by Jason Franzen, seconded by Jon Sutherland to exit out of closed session; motion carried.

5. Adjournment

There being no further business to discuss, the special workshop of Tuesday, March 31, 2020, was adjourned at 8:45pm.

Signed:

Dale Graunke, Mayor

Attest: Paula Bauman, Administrative Services Coordinator