

**MINUTES**  
**CITY OF DELANO**  
**City Council/Economic Development Authority**  
**Tuesday, September 29, 2020**  
**7:00 PM**

**1. Due to COVID-19, the meeting was conducted via Zoom webinar as allowed under Minnesota Statutes, Section 130.021. All motions were approved by roll call vote.**

**2. Call to Order**

Meeting called to order by Dale Graunke at 7:07pm

**3. Roll Call**

Present: Dale Graunke, Betsy Moran, Holly Schrupp, Jason Franzen

Absent: Jon Sutherland

Also Present: Phil Kern – City Administrator, Shawn Louwagie – City Engineer, Nick Neaton – Community Services Director, Brian Bloch – Finance Director, Scott Dornfeld – Building Official, Rebecca Gaida – Administrative Intern

**Motion to approve the agenda by Schupp, second by Moran. Motion passed.**

**4. Consent Items**

**Motion by Schrupp to approve both consent items, second by Moran. Motion passed**

- A. Motion authorizing execution of quit claim deed for conveyance of property to Wright County
- B. Motion approving low bid to construct a salt shed on behalf of public works

**5. Special Order of Business**

- A. Adopt resolution establishing Preliminary Levy and Budget for 2021

Brian presented on the tax levy stating that there will be a 0% increase in the tax levy. Increased revenue and growth in tax base have helped the City reach a 0% increase. The total levy is approximately \$3.7 million: about \$865,000 for debt, \$100,000 for tax abatement, and about \$2 million for general fund.

**Motion to adopt resolution establishing a Preliminary Levy and Budget for 2021 by Moran, second by Franzen. Motion approved 4-0 by roll call vote.**

Franzen asked about LGA projections. Brian said that the State has some reserves which would cover the shortfall, but LGA cuts won't be announced until December.

B. Consider 221 2nd Street North lease agreement with Helping Hands Food Shelf

Neaton discussed the 221 project and negotiations with the food shelf stating, the City suggested raising the rent to \$300/month. Neaton is working on a Lease agreement that is a 20 year lease, with renewal increments of 5 years. Food shelf is looking for a better space and more security in the lease agreement. The lease includes that the city is responsible for maintaining the building, food shelf is responsible for improvements which relate to operations. The City would install HVAC, work on the exterior and common spaces. The food shelf would finish the storage, install or remove doors, and remodel the space to fit their use. Schrupp and Franzen both stressed that they are happy with the move and look forward to an expanded food shelf.

**Motion to approve the Lease Agreement between the City and Helping Hands Food Shelf of the 221 2<sup>nd</sup> St North building by Franzen, second by Schrupp. Motion passes.**

C. Consider 221 2nd Street North final purchase agreement (This item may be discussed in a closed session to discuss real estate negotiations.)

**Motion to enter a closed session to discuss real estate negotiations of the 221 2<sup>nd</sup> St North buildings by Schrupp, second by Franzen. Motion approved.**

**Motion to exit closed session of real estate negotiations of the 221 2<sup>nd</sup> St North building by Schrupp second by Moran. Motion approved**

**Motion to purchase the 221 2<sup>nd</sup> St North building at \$180,000 by Franzen, second by Moran. Motion approved.**

D. Accept Heritage Center structural repair bid and authorize contract

Kern showed the structural issue with the Heritage Center. Work was done in 2010, combined with water main break in 2014, and there is now structural damage. The Southwest corner is pulling away from the building causing a crack on the side of the building. If it is not addressed the corner will fall away from the building. A&M construction was selected to fix the crack. This claim has been submitted to the League of MN Cities Insurance Trust; there will be partial coverage of the work. The underground work will be the responsibility of the City and the damages to the building will be cover by insurance. The final bid was presented. The below ground work received 2 bids, high bid at \$95,000 and low bid at \$72,000-90,000. Franzen asked if concrete could be used instead of soil grout. Louwagie responded that the grout method just fills the void and there would be no need to excavate. Franzen asked again how do we know this method will work. Louwagie answered that the company would likely monitor the slab. Kern continued on about the above ground work including interior and exterior repairs; the bid for this work has come out around \$62,000. The third component of the project would include non-structural work and the bid comes in around \$52,000 with a \$5,000 credit, so a total of about \$47,000. Staff recommendation of approving the work but not the bid, as it is not yet decided who will pay for this work. Schrupp asked about the water main near the step and if it will be moved. Kern said that there will be a reconfiguration of the stairs which would allow for a wider space of concrete for better snow maintenance. Graunke asked if any trees

will be removed. Kern said no. Graunke asked about the total. Kern said the initial estimate went up from \$160,000. Graunke asked about the contract. Kern will talk with the contractor and ask for a 10-year guarantee on the work. Franzen asked to clarify which costs are the LMC and City's responsibility. Kern replied that the City would pay for underground and the League would pay for above ground and the non-structural work has not been decided yet. Schrupp asked the total costs the city would pay. Kern said \$72,000-90,000

**Motion to approve scope of work of the Heritage Center and bids for Phase 1 and 2 by Schrupp, second by Franzen. Motion approved.**

- E. Consider Purchase/Development Agreement with Ebert Construction/Michaels Development for Granite Works site (This item may be discussed in a closed session to discuss real estate negotiations.)

**Motion to go into closed session to discuss the purchase/development agreement with Ebert Construction/Michaels Development for the Granite Works site by Schrupp second by Franzen. Motion approved.**

**Motion to exit closed session to discuss the purchase/development agreement with Ebert Construction/Michaels Development for the Granite Works site by Schrupp, second by Moran. Motion approved.**

**Motion to approve purchase/development agreement with Ebert Construction/Michaels Development for the Granite Works site by Moran, second by Schrupp. Motion approved.**

- F. Consider Purchase/Development Agreement with Ron Clark Construction for Granite Works site (This item may be discussed in a closed session to discuss real estate negotiations.)

**Motion to enter closed session to discuss the purchase/development agreement with Ron Clark Construction for the Granite Works site by Schrupp, second by Franzen. Motion approved.**

**Motion to exit closed session to discuss the purchase/development agreement with Ron Clark Construction for the Granite Works site by Schrupp, second by Moran. Motion approved.**

**Motion to approve purchase/development agreement with Ron Clark Construction for the Granite Works site by Moran, second by Franzen. Motion approved.**

- G. Consider amendment to public event application as it relates to insurance requirements

Kern discussed the terms of the City's special events policy and insurance. The Spirit of Community Commission discussed the topic early this month. The League of Minnesota Cities Insurance Trust provided guidance and recommends requiring insurance for the private use of facilities. The guidance includes questions and consideration for requiring additional insurance.

The recommendation from staff and Spirit of Community Commission is to require insurance based on the type of event. Criteria: alcohol use requires insurance, charging a fee requires insurance, sporting event that charges admission requires insurance, storage of equipment requires insurance, more than average risk requires insurance, and events longer than 1 day requires insurance. If an event does not meet any of those criteria, insurance would not be required. Schrupp asked if the number of people at the event be considered. Kern answered that the current policy considers the number of people, but under new guidance the number of people does not matter. Schrupp asked if larger events would require insurance and determining risk. Kern answered that the current recommendation does not discriminate based on size of event but considers the nature of the event. He added that the item “more than average risk” is subjective, could be interpreted as what kind of activity is going on and is it congruent with the intended use of the space. Graunke asked about defining “a day” is this 24 hours or business hours. Kern answered that the City has discretion to define “a day”.

**Motion to approve an amendment of the public events policy as it relates to insurance requirement by Moran, second by Schrupp. Motion approved.**

- H. Consider Memorandum of Understanding with Wright County regarding County Road 30 and Tiger Drive intersection

Kern stated that the topic was last discussed in 2018. The intersection of Tiger Dr and Cty Rd 30 was discussed with the County and there has been an accident there. There were considerations of a stop sign, turn ramp, and round-about. Nothing has happened since 2018 with traffic management. This year with COVID, bussing, and parents dropping off kids there is one way turning implemented by the school. The County is proposing to prepare for a round-about. A round-about would control traffic but not stop traffic. The County would like an MOU but, there is no funding commitment yet. The City would begin a traffic study. The County has funding and could start as early as 2021. Schrupp asked about plowing. Kern showed the example of the St. Michael round-about. He added that a round-about also helps control pedestrian traffic. Moran asked about cost assessment. The County's MOU outlines a share of the cost for the City. The City could assess some costs to the school. Schrupp mentioned that the school will be giving up the land. Moran clarified that Delano Schools include more than just Delano taxpayers and will benefit from the round-about. She added that the current traffic control by the school has been working well. Franzen added that most people that use the road come from outside of Delano and the school should have a responsibility to pay a portion of the project as they are the primary beneficiary and bring in students from outside of Delano. Moran asked if CARES funding can be used on this. Kern clarified that CARES money must be used by Nov 15<sup>th</sup>. Graunke would like to know the value of the school property. Moran questioned what will happen if the school refuses to pay for a portion the round-about. Louwagie added that the costs estimate for the roundabout is \$300,000 total, and the city would likely pay \$100,000. Moran added that \$100,000 could go to other problematic intersections. Graunke asked if the County is going ahead with the round-about no matter what. Kern replied he doesn't know. Graunke would like to see a definite price on the City's portion and get more information.

**Motion to table the MOU with Wright County regarding Cty Rd 30 and Tiger Dr by Schrupp, second by Moran. Motion approved.**

- I. Authorize the hiring of a part-time temporary Elections Assistant position

**Motion to table the hiring of a part-time temporary Elections Assistant position by Franzen, second by Moran. Motion passes.**

## **6. Adjournment**

With no further business the meeting was adjourned by Dale Graunke at 9:28pm

Signed:

Dale Graunke, Mayor

Paula Bauman, Administrative Services Coordinator

Attest: Rebecca Gaida, Administrative Intern