

MINUTES
CITY OF DELANO
City Council/Economic Development Authority
Tuesday, December 1, 2020
7:00 PM

1. Call to Order

Mayor Graunke called the regular meeting of the Delano City Council/Economic Development Authority of Tuesday, December 1, 2020, to order at 7pm.

2. Roll Call and Approval of Agenda

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

Members Absent: Councilmember Jason Franzen

Also Present: Phil Kern, City Administrator; Brian Bloch, Finance Director; Shawn Louwagie, City Engineer; Paula Bauman, Administrative Services Coordinator; Rebecca Gaida, Administrative Intern

Motion by Holly Schrupp, seconded by Betsy Moran to approve the agenda; motion carried.

3. Minutes

Motion by Betsy Moran, seconded by Holly Schrupp to approve the consent items as submitted; motion carried.

- A. April 21, 2020 - Regular Meeting
- B. April 28, 2020 - Special Workshop | Summary
- C. May 19, 2020 - Regular Meeting
- D. May 26, 2020 - Special Workshop | Summary
- E. June 2, 2020 - Regular Meeting
- F. September 29, 2020 - Special Workshop | Summary
- G. October 20, 2020 - Regular Meeting
- H. October 27, 2020 - Special Workshop | Summary
- I. November 9, 2020 - Regular Meeting
- J. November 17, 2020 - Regular Meeting

4. Speakers, Presentations and Awards

Motion by Holly Schrupp, seconded by Betsy Moran to approve consent items as submitted; motion carried.

5. Consent Items

- A. Motion authorizing execution of five-year extension to Veolia Water NA contract for wastewater treatment services
- B. Consider quotes received for the Delano Fire Department lighting needs of the new command truck

6. City Strategy No. 1: Provide comprehensive services to meet community needs

7. City Strategy No. 2: Maintain financial sustainability and fiscal stewardship

- A. Consider the 2021 Budget, Tax Levy, and Capital Improvement Plan

Brian Bloch presented the 2021 budget, tax levy and capital improvement plan and recapped past discussions and meetings. State statute call for the city to hold a public meeting in which property tax payers are able to present their questions, comments and/or opinions about the proposed tax levy and budget.

Motion by Betsy Moran, seconded by Holly Schrupp to open the public hearing to listen to public comment relating to the proposed tax levy and budget; motion carried.

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

Motion by Holly Schrupp, seconded by Jon Sutherland to close the public hearing; motion carried.

- 1. Adopt resolution approving 2021-2025 Capital Improvement Plan

Motion by Betsy Moran, seconded by Holly Schrupp to adopt resolution R-20-50 approving the 2021-2025 Capital Improvement Plan; motion carried 4-0 by roll call vote.

- a. 2021-2025 Capital Improvement Plan by Department
- b. 2021-2025 Capital Improvement Plan by Funding Source

- 2. Adopt resolution approving the Final 2020 payable 2021 Tax Levy for the City of Delano

Motion by Jon Sutherland, seconded by Holly Schrupp to adopt resolution R-20-51 adopting 2020 Tax Levy, collectible in 2021, for the City of Delano, County of Wright, State of Minnesota; motion carried 4-0 by roll call vote.

3. Adopt resolution approving the 2021 Budget for the City of Delano

Motion by Jon Sutherland, seconded by Betsy Moran to adopt resolution R-20-52 approving the 2021 budget for the City of Delano; motion carried 4-0 by roll call vote.

- a. Summary of the 2021 General Fund Budget and Other Tax Levies Compared to the Prior Nine Years
- b. Copy of the Final 2021 Budget Report

8. City Strategy No. 3: Conscientious asset/infrastructure management

9. City Strategy No. 4: Manage sustainable and planned growth

- A. Hold a Public Hearing for proposed Tax Increment Financing (Redevelopment) District No. 13 - Granite Works Redevelopment Project

Staff received requests from the developers of the Granite Works site for financial assistance for their proposed construction of their multi-housing facilities at the Granite Works site in Delano. They have indicated they will need some type of financial assistance to go forward with their projects. Staff believes the best solution would be assistance in the form of Tax Increment Financing (TIF). Staff has been working with Baker Tilley (the City's financial advisor) to provide a projected Tax Increment revenue report regarding the project.

Motion by Holly Schrupp, seconded by Jon Sutherland to open the public hearing to consider the proposed Tax Increment Financing (Redevelopment District No. 13 – Granite Works Redevelopment Project); motion carried.

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

Motion by Jon Sutherland, seconded by Holly Schrupp to close the public hearing; motion carried.

Motion by Betsy Moran, seconded by Holly Schrupp to adopt resolution R-20-53 to establish Tax Increment Financing (Redevelopment) District No. 13, within Development District No. 4 and approving the Tax Increment Financing Plan Therefor; motion carried 4-0 by roll call vote.

- B. Adopt a resolution providing for the issuance and sale of the \$2,535,000 General Obligation (G.O.) Taxable Temporary Tax Increment Bonds, Series 2020B

On October 20, 2020 the City approved resolutions providing for the construction of two multi-family housing units on the site of the old Granite Works. The City also entered agreements with the two developers to get the site ready for construction. Site preparations such as

demolition, site clearing, soil corrections, installation of streets and utilities along with the purchase of the property are expected to cost \$2,476,250. This temporary bond will fund those expenditures and cover the bond costs for the 3-year term of the bond.

Staff has been working with Baker Tilly Municipal Advisors, LLC, the City's financial advisor, to issue the bonds. A representative from Baker Tilly will be at Tuesday's meeting to present the results of the competitive bid.

Motion by Holly Schrupp, seconded by Betsy Moran to adopt resolution R-20-54 providing for the issuance and sale of \$2,535,000 General Obligation Taxable Temporary Tax Increment Bonds, Series 2020B, pledging the security for thereof tax increments; motion carried 4-0 by roll call vote.

C. Consider bids for demolition at the Granite Works Redevelopment Site

Staff is recommending moving forward with the demolition base bid from Veit Construction for \$233,000. This will result in the demolition of everything above grade. The second part of the demolition is Alternate 1, which has three parts. Alternate 1 is the removal of all concrete, asphalt, footings, foundations and underground items. As for disposal of items within the bid, 1A is to haul offsite and dispose, 1B is to crush onsite and sue for redevelopment work. At this time, Staff is recommending to move forward with the base bid and discuss the alternate work at the December 15 meeting.

Motion by Jon Sutherland, seconded by Holly Schrupp to award the base bid from Veit Construction for \$233,000 for the Granite Works Redevelopment Site and hold the price for thirty days; motion carried.

D. Consider option agreement modifications with Randy's Environmental Services and Ken & Penny Murphy with regards to the West Metro Business Park

The EDA has an option to purchase land with Ken and Penny Murphy for the expansion of the West Metro Business Park and a concurrent option to sell a portion of this land to Randy's Environmental Services. The options were executed in March 2018 and are set to conclude in March of 2023. With Randy's impending sale to Republic Services, the conveyance of the option to Republic Services has been an item of discussion between the parties. At its last meeting, the Council approved a conveyance of the option to Republic Services conditioned on Republic compensating the City for expenses to keep the option available between now and March 2023.

Staff is recommending approve termination of agreement with Randy's Environmental Services and table the agreement with Ken and Penny Murphy for further discussion.

Motion by Holly Schrupp, seconded by Jon Sutherland to terminate the option agreement with Randy's Rentals (Randy's Environmental Services) and table the agreement with Ken and Penny Murphy for further discussion; motion carried.

10. **City Strategy No. 5: Foster engaged and informed community**
11. **City Strategy No. 6: Ensure a high-performing team of public servants**
12. **City Strategy No. 7: Manage a safe and healthy community**
13. **City Strategy No. 8: Maintain and protect community strengths**
14. **Updates from Commission Liaisons**
15. **Other Business**
16. **Communications and Announcements**

Phil Kern briefly updated Council on the City of Delano Preparedness Plan. The Council has continued to extend emergency period and Staff's goal is to maintain as many services as we can while maintaining a healthy environment for the public. The group continued to discuss city services and reminded staff and the public to stay home if they have any symptoms.

17. Claims

A. City Claims

Motion by Jason Franzen, seconded by Holly Schrupp to approve City 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, December 1, 2020, was adjourned.

Signed:

Dale Graunke, Mayor

Attest: Paula Bauman, Administrative Services Coordinator