

Glyndon City Council

09/26/2018

6:30 p.m. Regular Council Meeting
City Hall Council Chambers

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 6:30 p.m.
2. **Roll Call:** Council Members Present: Dave Owings, Justin Schreiber, Joe Olson and Kimberly Savageau; Police Chief Mike Cline, Public Works Supervisor Scott Lofgren, City Clerk Wendy Affield, Administrative Assistant Susan Dayley and City Engineer Kris Carlson.

As Per Sign in Sheet: Jim & Leslie Sullivan, Matt McCoy and Jacob Arends.

3. **Motion to Approve Consent Agenda**
 - a. Minutes – 9/12/18 Budget Meeting – General, Fire & Rescue
 - b. Minutes – 9/12/18 Council Meeting
 - c. Approve Resolution of Payments – A motion was made by Justin Schreiber to approve the Consent Agenda, seconded by Kimberly Savageau. All in favor.
Motion Carried.

4. **Additions to Agenda**
 - None

5. **Motion to Approve Agenda**

A motion to approve the 9/26/2018 Agenda was made by Dave Owings, seconded by Joe Olson. All in favor.
Motion Carried.

6. **New Business**
 - a. **Request for Deferment of Special Assessments from Jim Sullivan for Charleswood Addition – David Drown’s Letter Attached** – Mr. Sullivan began with a response on the attached letter from David Drown. Sullivan states Drown received a copy of the Developers Agreement in June of 2017 and they did not receive a response for over a year. Sullivan is not sure if the delay with the Developers Agreement is his fault or Drown’s. Sullivan recalls at a Council Meeting held in May or June of 2017 that Norman was in attendance and announced he would not sign a Developers Agreement until there was a Corrective Plat recorded for Southview Addition. Sullivan is not certain where the obstacle is to move the project forward. Mayor Johnson stated there is a disconnect when communicating with one another. Sullivan read from the letter of Mr. Drown “the assessments have already been delayed for one year”. Sullivan does not understand why it states the trunk sewers are benefitting his property since he does not have a plat recorded. Sullivan noted when the project was built in 2017, it was agreed in a meeting the first assessments would not to be paid until 2019 and believed all in attendance new he was not going to start until Kelly Richards portion was completed. Sullivan explained this was done because he didn’t want to be in competition with Richards on smaller lots compared to larger lots. Sullivan recalls in a meeting held April or May of 2017, during a committee meeting, David Drown stated the specials would be approximately \$260,000 and he would send a document to Sullivan to sign, which he did not receive. Mayor Johnson suggested to have Drown come to a meeting in person or by skype to address the concerns both sides have. Sullivan agreed

and would like the meeting recorded so there is no question as to the discussion during the meeting and everyone hears the same thing. Sullivan recalls in an email sent in August to him by Drown, stating it would not be a problem to defer the special assessments. Sullivan will forward the email to Affield. Olson stated that his opinion is a lot of miscommunication and asked Sullivan what his plans are to begin his project. Sullivan reiterated, he is asking for a one-year deferral, not pending deferral. Olson summarized, regarding the Developers Agreement, Drown and Sullivan need to communicate with each other in order to move forward. Olson requested a list of 'to do' items along with timelines to keep things moving forward. Sullivan informed Council there is an escrow agreement attached to the Developers Agreement if they were going to go with a TIF District. Sullivan informed Council Drown called his bank to verify the escrow would be available if the project stopped in the middle of construction. The escrow funds would be let out once Carlson signed a payment request. Carlson added everyone needs to work together to finalize the Developers Agreement. Olson is concerned about 'hot button' topics arising during negotiations and would hope by scheduling meetings with all parties the topics would be worked through. Sullivan explained, due to the time restraints with their engineers to try and redraw his portion of the development, he decided to accommodate Kelly Richards so his portion of the development could start. Owings questioned the timeline for a decision to be made on the Special Assessments and deferral request. Carlson responded it is 30 days after Council passes the Resolution to accept the assessments. Owings suggested involving Affield, Norman, and Drown to help Sullivan fast-track the Developers Agreement. Schreiber asked Sullivan if his plans were to begin building in the spring of 2019. Sullivan responded they would be building in 2019 and wants to phase sections of the development. Affield retrieved the Developers Agreement which discusses the TIF District, stating if Mr. Sullivan is not going in that direction, the TIF process should be removed from the Developers Agreement. Sullivan commented originally, he was under the assumption the Special Assessments would be \$3,000 - \$4,000 per lot, and since they are higher it influences whether or not the development is in a TIF District. Sullivan understands he has specials from the lift stations and pond, he just needs to make sure the price of the lot fits into what is feasible for him to build on each lot.

Sullivan discussed the public right-of-way that was changed into a City easement, informing Council, if it was still a right-of-way, the utilities would have been brought to his property line and Southview would have been responsible for the cost to install but since it was changed to an easement, he is responsible for the whole expense. Sullivan stated the specs show a hydrant in the location he is to attach his piping, knowing it will be removed and used in another location within his development. Sullivan acknowledged the shared pond in Southview Addition was in the private Purchase Agreement between himself and Richards, if things would not have worked out he would have built his own pond and lift station. Olson asked Sullivan if there was anything the City could help with to move the project forward. Sullivan stated the main issue in question is the utilities that were installed in the easement and who is responsible for the cost. Carlson explained the line in question extends through the easement from the infrastructure to the Southview Addition, it was purposely set to solely serve Phase 2 (Charleswood Addition) and does not benefit Phase 1 (Southview Addition). Affield pointed out on the plat where the utilities actually abut to the cul-de-sac. Sullivan stated had he known the assessments were going to be charged to him he would have never agreed to the easement. Sullivan does not believe Phase 2 benefits from the easement but solely to Phase 1. Olson questioned the dollar amount on the utility easement issue in question. Carlson responded, \$57,000. Savageau responded the easement was meant for a quick go between in an event of an emergency. Sullivan informed Council if the public right-of-way would have stayed the way it was originally drawn, Richards would have been responsible for everything up to his property line and Sullivan from his property line. Discussion among Council, Staff and Sullivan agreed the engineers need to work together and get through this issue. Carlson will be sending information to Affield for the meeting to be

set. Olson reiterated the issues needed to be resolved are the letter from Drown responding to deferring the assessments, who is responsible to pay the \$57,000, and to work through the Developers Agreement. All agreed Carlson and Tooz will meet first then distribute a recommendation to Affield regarding the issues discussed. At the same time, Olson, Mayor Johnson, Sullivan's and Affield will meet with Drown. Affield reiterated a decision needs to be made regarding the TIF District. Sullivan stated it depends on the numbers the specials come in at will determine a final plan. Carlson stated there are 51 lots in the Charleswood plat, plus 3 lots in the Centennial Addition, for a grand total of 54 lots along with one undevelopable lot where the lift station is located. Carlson explained the lot with the lift station was not included in the assessment process.

Carlson mentioned if \$57,000 needs to be redistributed they will need to be divided among the lots in Southview. Affield informed Council she was putting the letters together after the meeting so they can be mailed tomorrow to make the Public Hearing notice deadline. Special Assessments need to be submitted to the County by November 15, 2018. Carlson reported he used the final assessment rolls as the previous Engineer, Chris Thorson, had them set. The amounts changed slightly from \$360,000 to \$388,000 mainly due to the pond correction. Carlson confirmed there is water mains, storm sewer mains, and sanitary sewer mains stubbed through the easement to provide service to the Phase 2 Addition.

Owings' understanding is Carlson will meet with Tooz and explain why his client is responsible for the \$57,000. Carlson explained who is the benefitting property for the utilities that were installed in the easement. Olson suggested to keep the hearing on schedule as planned and vote on the proposed assessments during the Council Meeting. Carlson informed Council Mr. Sullivan has the right to challenge the assessments, but he will have to get an official appraisal. Olson stated he feels the City has somehow misled Sullivan, because of this, Olson wants to personally call Mr. Sullivan to inform him of the further discussion after they left the meeting and explain why the \$57,000 is actually his responsibility to cover so he is aware of the consensus. Discussion among Council and Staff determined to confirm with the City Attorney the protocol to follow when recording meetings. Mayor Johnson informed Council if you ask all attending the meeting if it is alright to record you may. Affield reminded Council, of the second half of Sullivan's letter requesting Ulteig compensate interest for the first year. Schreiber wonders what reassurance the City has if they defer Sullivan's specials for one year. Affield stated it would need to be included in the Developers Agreement. Mayor Johnson read a line from Mr. Drown's email stating "if Sullivan signs a Developers Agreement, and provides the personal guarantees built into that agreement that can be applied to the current request to defer assessments for another year or so, I have no problem with that." Affield explained the City would need to make the first interest payment for Sullivan but will receive the funds one year after the bond is paid off, so he is still paying the full number of specials. Savageau would like to know if things can be contingent on the clay pile being leveled. Carlson informed Council Sullivan needs to remove his lots from the flood plain, he can still install the roads but no building permits can be issued until they are out of the flood plain. Owings wants to make sure the City is covered legally with the agreement between Sullivan and the City. Affield confirmed Norman and Drown have been working together with what needs to be included in the agreement.

b. Reschedule Public Hearing – Special Assessments for Southview Addition Phase 1 & 2 – A motion to re-schedule the Public Hearing for Monday, October 15, 2018 at 6:00 p.m. was made by Kimberly Savageau, seconded by Dave Owings. All in favor.
Motion Carried.

c. Set 2019 Preliminary Tax Levy Percentage – Savageau confirmed with Affield the expenses incurred this year and last year for the Parke Avenue Project will be reimbursed as revenue in 2019 when we bond out for the project. Affield confirmed this with Brian Stavenger from Eide Bailly. Owings addressed the information in the Engineer's Report on the Waste Water Treatment Facility which suggests an improvement project within the next 5-10 years. Compared to previous information, it was looking like the City would have to accomplish this in 3 years. With this new information it has given the City two more years to begin planning for the project. Carlson pointed out the replacement project the City did a several years ago, reduced the flows by half of the normal flow. Right now, the ponds are operating at approximately 50% but the MPCA suspects there is a cell leaking but the pond will not fail in the near future, and will be put on as a watch item. The project will cost approximately \$1,000,000. Carlson reported the ponds are close to 30 years old and over time they start to leak. If this does happen, the MPCA will notify the City to make repairs to the liner and rip rap improvements. Carlson recapped there is 8 acres of City property available by the ponds if they would need to be expanded. Because the ponds are at half capacity now, Carlson does not believe the ponds need to be made bigger.

Owings summarized with the extended life expectancy of the ponds, the City could obtain a bond, receive a lower interest rate because we have the money set aside and make yearly payments while having a reserve still in place to use for audit purposes. Owings suggests setting the levy at 4½ to 5%, Mayor Johnson is comfortable with 5% because it can be lowered. Savageau reminded this percentage number is what the County uses to estimate their preliminary levy and will influence the 2019 taxes. Savageau reminded Council in 2020 there will be new construction and will lessen the burden of the future tax levies. Owings made note the preliminary tax levy set tonight can be decreased, but not increased after it is set. Schreiber, Olson, and Savageau concur the preliminary tax levy should be at 4½%. A motion was made by Dave Owings to set the Preliminary Tax Levy for 2019 at 4½%, seconded by Justin Schreiber. Conversation: Mayor Johnson asked the amount ½% would influence the budget. Affield stated it would be \$2,407.05. All in favor.
Motion Carried.

d. Request from Sellin Brothers, Inc. for Partial Payment for Hydrant Repairs in Southview – Carlson reported they are in the process of closing out the Southview Project with Sellin Brothers. Sellin Brothers have submitted a request for the City to cost share \$7,692.50 on repairs for hydrants that froze in Southview. After Carlson had further discussion with Sellin Brothers, they reduced the request to cover only the parts at \$1,950.00, 13 hydrants @ \$150.00 each. Carlson stated it was originally believed the repairs were covered under warranty and with discussions from both sides, there is a gray area pertaining to the issue. Typically, on an annual basis, the City flushes hydrants in October and pumps them after they have been used. The contractor states they have never pumped a hydrant in their 80 years of business. Carlson stated Sellin Brothers did not communicate to Lofgren they were not pumped out, had they told him, City staff would have helped take care of the flushing. Carlson relayed the initial request was \$7,692.50, amended by 50% for \$3,846.25, then decreased to only paying for the parts at \$1,950.00. Mayor Johnson concluded it is not the Maintenance Department's fault. Mayor Johnson declared the City should not have to pay damages for the hydrants when it was not their mistake. Olson commented projects have punch lists, usually a person in charge has to sign off that everything has been completed, which did not happen because the project was still under construction, in turn, it deems the City not responsible for repairing the hydrants. Olson added because the project was not complete, how do you put the blame on someone else. Lofgren confirmed these statements are completely true. Carlson responded Sellin Brothers state the utilities were installed in July or August, therefore the City is responsible for the utilities after

installation. A motion was made by Joe Olson *not* to pay Sellin Brothers \$1,950.00 for the hydrant repairs in Southview, seconded by Dave Owings. All in favor.
Motion Carried.

Carlson will notify Sellin Brothers of Council's decision.

7. Old Business/Unfinished Business

a. Project Memo Update from Kris Carlson – Carlson announced Southview Addition is complete and he continues working on the closeout process. The corrective plat for Southview Addition has been signed by most parties with the exception of one signature. After everything is signed the plat will be recorded. No updates on the fountains.

The Parke Avenue Project Final re-bid plans have been submitted to MnDOT for final review and approval. After plans are approved an official bid date will be scheduled. Carlson announced the Seters have signed all documents and have sent them to the title company. The County will be paying the recording fees and invoicing the charges through the Memorandum of Understanding, which should be completed within the next two weeks. The County will hold all invoices until the bond is in place.

Wastewater Treatment Facility was briefly discussed earlier during this Council Meeting.

Schreiber questioned whether the City is eligible for any grants, such as the TIGER Grant. Carlson announced the TIGER Grant has been resubmitted for the Parke Avenue Project. Schreiber wondered if the plans were changed. Carlson answered, based upon the bids and feedback, they worked with the County to redesign a few things. The granular was taken out of the original bid, which saved approximately \$300,000.00, because of the excavation prices. Carlson stated Class 5 gravel will be added to keep the same strength of the road. Dirt truck hauling was reduced because some of the dirt can be piled near the City ponds and be constructed as a nice tabletop mound. Topsoil will be brought to Southview for the homeowners who need to build up their lots for future construction. Lofgren mentioned there is approximately 5,000 yards of clay currently stored by the ponds. Material will also be available if Mr. Sullivan needs any for this development.

b. Maintenance Department Hiring Discussion – Savageau explained the issue of contracting out snow and lawn services, along with other duties, would add more obligations from Council. Lofgren could be training a third person to take over duties in the event someone retires or is not at work. The probation period should be used to the City's advantage if the new person hired is not a good fit for the position. Lofgren stated it is difficult to manage the maintenance department with one person, a third person is needed to oversee additional duties if another employee is gone for the day or on vacation. Lofgren added the City needs to look to the future and train a person to manage the department when Lofgren retires. Owings suggested asking the new maintenance person to be a part of the Glyndon Volunteer Fire Department during regular work hours. Affield requested a maintenance employee stay on duty during the hours City Hall is open which is until 4:30 p.m. Lofgren informed Council at this time maintenance hours are 7:00 a.m. to 3:30 p.m. and if maintenance staff is needed after hours, City Staff can call him. Chief Cline suggested staggering the shifts so you always have someone here during City Hall office hours. Mayor Johnson commented during the middle of the day there should be a maintenance person available to provide service during regular business hours. Lofgren explained it is much easier to move snow or mow the parks when there is no one around because you get more accomplished. Olson concluded the City needs more representation from maintenance from 3:30 – 4:30 p.m. and communications need to be open and flexible with one

another. Owings added while one City Department is open regular business hours and another is not, the City's image is adversely portrayed. Owings went back to the issue of the new maintenance person being on the Glyndon Volunteer Fire Department. Lofgren suggests encouraging the new person to be a part of the fire department but should not make it a requirement. Mayor Johnson concurs with Lofgren. Mayor Johnson asked Council and Staff as to how soon the City should have a third maintenance person on board. Consideration from both, Council and Staff, determined which direction to head in during the hiring process. Olson informed Council the County has started advertising job positions as 'open until filled', this way you can start the interviewing process right away instead of waiting weeks. This process means you do not have to keep advertising, if you are happy with one of your applicants you can hire them and the process will be complete. Chief Cline stated he can do a background check in a few days. A motion was made by Kimberly Savageau to hire a third full-time maintenance person, seconded by Joe Olson. All in favor.
Motion Carried.

Conversation between Council and Staff concluded to advertise the maintenance position on various websites. Affield questioned if the starting wage would be \$18.00. Lofgren affirmed \$18.00 an hour is sufficient with incentives when water and sewer certifications are attained along with a six-month probation period.

c. 418 2nd Street Discussion – Chief Cline reported the vehicles are all licensed and neatly parked on the property. The property owner(s) are working on cleaning up the lot and will need to install siding on the house. Affield mentioned the property owner(s) have until October 10, 2018 to have the water and sewer connections tested by the City Maintenance Supervisor. Schreiber questioned Lofgren if he has been contacted by the owners of the property. Affield informed Council Sjothun did stop in to pick up Lofgren's business card.

8. Department Reports / Committee Reports

a. Mike Cline, Police Chief – Nothing at this time.

b. Bob Cuchna, Fire Chief – Absent

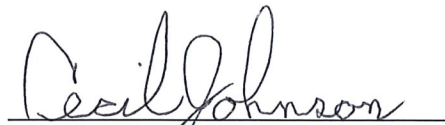
c. Scott Lofgren, Maintenance/Public Works Supervisor – Lofgren reported the concrete slab for the generator has been poured, the generator is on backorder and should arrive close to January 1, 2019, Xcel has installed the gas meter, Rungers will be installing the gas line, and Voxland Electric will be connecting the electric. Lofgren recommends adjusting the old generator from 208 to 240 at a cost of roughly \$3,700.00. The generator will need to be delivered to the Cities in order for the upgrade. If the power goes out three generators are needed in Southview, one on 10th Street, and one is needed at the main lift station. Lofgren commented the City needs to be prepared if there was not electricity available for an extended period of time, there is a great need for an additional generator. Lofgren stated the drive motor went out on the older lawn mower, replacement cost was \$600.00.

d. Wendy Affield, City Clerk – Affield reported Bruce Curfman was able to attain a transformer from Xcel Energy at his property in Stockwood for \$3,641.00 and will receive a refund of \$2,731.45 from the City. City Hall will be receiving a new copy machine from Liberty Business Systems and will save \$600.00 annually, the one used by City Hall will be moved to the Police Department.

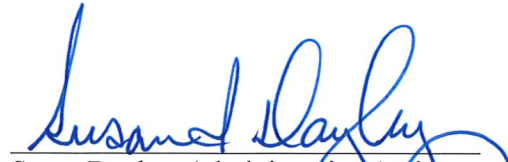
9. Open Forum –

10. Miscellaneous Announcements –


11. Adjournment - A motion to adjourn at 8:36 p.m. was made by Joe Olson, seconded by Kimberly Savageau. All in favor.
Motion Carried.



Cecil Johnson, Mayor



Susan Dayley, Administrative Assistant



Wendy Affield, City Clerk

September 26, 2018 Glyndon City Council Minutes