

**Glyndon City Council**

**10/24/2018**

Budget Meeting – 5:30 p.m.

Glyndon City Hall - Council Chambers

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 5:30 p.m.
2. **Roll Call:** Council Members Present: Dave Owings, Justin Schreiber, Joe Olson and Kimberly Savageau; City Clerk Wendy Affield and Administrative Assistant Susan Dayley.
3. **Budget Discussion - All Departments**

**Changes Made to Budget:** Affield explained she increased the New World account in the Police Department budget from \$25,200 to \$25,400; Increased Professional Services in the Water Department from \$13,000 to \$15,000 – because of an unforeseen \$10,000 bill for repairs; Increased Xcel-Electric/Gas Bill from \$3,400 to \$3,600 in the Sewer Department; Decreased Miscellaneous Revenues Account from \$250 to \$200 in the General Fund – these are for faxes, copies and stamps; Increased the Revenue in Police State Grants & Aid \$22,000 to \$24,000 due to yearly increases; Added \$4,300 to General Professional Services for 40% of Kelly Richards Letter of Credit for Southview – when more homes are built in the development, the letter of credit decreases; Decreased Copy Machine Rentals from \$6,300 to \$5,500 in the General Fund due to the decrease in the lease agreement for the new machine.

**Tax Levy Preliminary Percentage was set a 4½%:** Affield reported at this percentage rate the increase is \$21,663.41, which still needs to be added to the budget once set.

**Garbage \$.78 (.71 service/\$.07 tax) Decrease Discussion to Keep Utility Rates Lower Since Water Looping, Mosquito and Clean-up Week were Increased:** Affield recommends decreasing the garbage rate to \$18.46, which in turn decreases the garbage sales tax to \$1.79. This change would keep the base rate of a single residential utility bill to \$100.00. The Garbage Fund Revenue Account would decrease approximately \$4,166.28. Affield informed Council even with the garbage decrease the City is still receiving sufficient funds for processing the garbage fees for Fuchs Sanitation. Olson wondered when the \$1.00 Water Looping fee will be added to the utility statement. Affield responded it will begin in 2019, the first bond payment will be around \$6,000. Olson questioned how it is determined which account is billed for City projects. Affield explained it depends on the funding because the City needs to specify how they will pay for the project and once it is paid, it will drop off the utility statements. Savageau asked when the Water Looping Bond will be paid off. After discussion, it will be in 20 years, 2037. Affield revealed some cities add a charge on their utility bill for capital improvements, this results in funds being available prior to the project starting. Owings commented the City could do this as long as Council votes on the plan. Schreiber stated the fee would need to be substantial to accumulate adequate funds for a major project.

**“Glyndon” Sign Repair Discussion to be Included in 2019 Budget:** Affield reported the quote for repainting both “Glyndon” signs came in at \$3,300 and needs to be added to the 2019 budget. This type of repair is expected to have a life expectancy of 10 years. Schreiber

asked which budget item this falls under. Affield stated it would be placed under Maintenance Department's Professional Services. Schreiber asked if Lofgren has received electrical bids for lighting at each sign location. Affield stated, he has not received them yet. Schreiber suggested to have everything taken care of at once. Affield reminded Council they have until December 12, 2018 at the Truth and Taxation Hearing to decide. Owings asked what the RO means behind the account codes in the budget. Affield explained they mean those account balances will be rolled over if they still have a balance at the end of the year.

**Lawn Mower Discussion to be Included in 2019 Budget:** Affield relayed Lofgren recommended buying a Hustler Super Z 60" Heavy Duty Commercial lawn mower from Buffalo River Sales for \$8,998.00. Owings reported Buffalo River Sales will no longer be selling Altoz tractor mowers. Affield informed Council the mower Lofgren looked at was sold so Buffalo River Sales will need to order a 2019 model, which may be higher in price. Savageau stated the new pickup requested by Lofgren has been taken out of the budget since the pickup is still in working condition. Affield stated there is \$7,500 in the vehicle escrow account and \$1,844 in a restricted savings account for the Maintenance Department. Owings suggested purchasing the lawn mower yet this year. Savageau would rather see a payment plan set up when the time is right to purchase a vehicle for maintenance. Mayor Johnson commented we need to consider the condition the snow plow is in, as it may not be in working condition much longer. Owings questioned whether or not to save the \$7,500 for repairs or replace the plow truck. Mayor Johnson recommends letting the State know we might be interested in purchasing another plow truck, so they would keep us in mind when they replace one. Owings mentioned a single axle snow plow is the type of truck Lofgren prefers because it is much easier to make turns in the cul-de-sacs. Mayor Johnson stated the gas tank had to be replaced on the plow truck as it was rusted out. Owings wondered if having the maintenance equipment sitting outside in the elements was a factor in the equipment needing repairs. Everyone agreed it is indeed a huge factor in equipment longevity. Olson stated items of concern are storage for maintenance equipment and the Community Center roof and parking lot. Schreiber wondered if there is a big price discrepancy between a single and double axle plow truck. Mayor Johnson responded there is a big difference and stated it is hard to maneuver a double axle truck. Owings commented that Lofgren is not able to drive the plow truck to Dilworth on Highway 10 because he needs a Commercial Driver's License. Affield suggested requesting the new maintenance employee to obtain a CDL. Owings is aware there will not be funds added to each department escrow in the 2019 budget. Owings would like to see the funds in the maintenance escrow account be used to purchase the lawn mower this year. Savageau commented the maintenance department appears to receive new equipment without using their escrow account and when the Fire Department needs a new truck the City will need to make payments because the cost is so high to try and save for one. Savageau is fine not putting funds into escrow and using the existing funds on purchasing the mower and zeroing out the accounts. Affield agrees it would help with the line items and she will work with Eide Bailey to simplify the bookkeeping. It was agreed unanimously, maintenance will not be acquiring a new pickup. Affield reported a Minnesota unclaimed properties refund check of \$1,032.26 is in the Restricted Savings account which could be used to help pay for installation of the lights on the "Glyndon" signs. Council had further discussions concerning a new pick-up for maintenance and decided a used pick-up could be purchased when the time was necessary.

**Clay County Prosecution Cost Increase Discussion for the 2019 Budget** (*Contract with the City of Moorhead*): Affield stated Lisa Jetvig from the City of Hawley has organized a meeting with the Cities of Moorhead, Dilworth, Barnesville, Hawley and Glyndon for Monday, October 29, 2018 at 4:30 p.m. in Moorhead. This meeting is to discuss the prosecution cost increase from \$342,000 to \$431,000, which is a 23% increase to the City of Glyndon. Affield

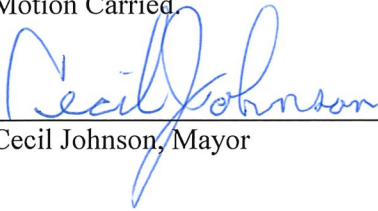
explained Chief Cline will have more information and data at the regular Council Meeting following this meeting.

Schreiber reconfirmed with Affield, if the Fire & Rescue Department stay under budget, they could allocate the excess funds. Affield stated that is correct and explained it will be the excess revenue that will be put into the Fire/ Rescue fund. Affield explained \$100,000 will be transferred from the Garbage/Recycling Fund to the General Fund because the County pays all the recycling expenses and the difference is the administration fees for garbage. Eide Bailly considers the funds part of the general when doing the audit. Owings stated the reserves have been growing for many years. Mayor Johnson suggested using the garbage capital to build a new maintenance building. Schreiber suggested taking funds that exceed the '6-month reserve operating budget' and put them into a 'Reserve Fund'. Owings suggested to put a percentage of excess reserves into a Capital Project Fund. Olson would like a priority list of projects it could be used for. Discussion among Council and staff agreed a cold storage shed with a gravel floor would be sufficient to store the equipment. Owings mentioned he spoke to Mike Qualley recently and asked if he would consider selling the land his business is on next to City Hall and move to a lot in Stockwood. What holds Qualley back from moving his business, is that he had to have special power installed in his building to run a piece of equipment. Savageau reminded Council we have Xcel rebates available that could help with the cost of installing electricity. Owings is willing to visit with him again.

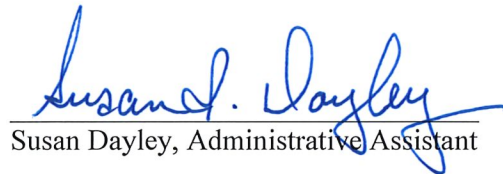
**4. Open Forum**

**5. Adjournment** - A motion to adjourn at 6:24 p.m. was made by Kimberly Savageau, seconded by Justin Schreiber. All in favor.

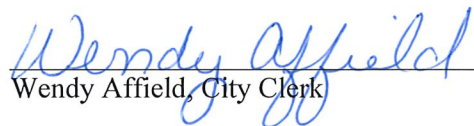
Motion Carried.



Cecil Johnson, Mayor



Susan Dayley, Administrative Assistant



Wendy Affield, City Clerk

October 24, 2018 Glyndon City Council Budget Meeting Minutes