

**Glyndon City Council**

**7/22/2015**

7:00 p.m. Regular Council Meeting  
City Hall Council Chambers

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 7:00 p.m.
2. **Roll Call:** Council Members Present: Chris Jensen, Joe Olson and Kimberly Savageau, City Staff Present: Clerk/Treasurer Denise Anderson, Deputy City Clerk Wendy Affield, Police Chief Mike Cline, City Engineer Chris Thorson.

**As Per Sign in Sheet:** Bryant DeVries and Karen Kringler.

3. **Motion to Approve Consent Agenda**
  - a. Minutes – Revised page 3 of the 6/24/2015 Minutes
  - b. Minutes – 7/8/2015
  - c. Motion to Approve Resolution of Payments – Chris Jensen made a motion to approve the Consent Agenda, seconded by Kimberly Savageau.  
Motion Carried.

4. **Additions to Agenda**
  - Payment to KPH for Road Construction – Denise Anderson
  - Ottetail Inflatables for Glyndon Days – Denise Anderson
  - League of Minnesota Cities Legislator of Distinction for 2015 – Mayor Johnson

5. **Motion to Approve Agenda**

A motion to approve the 7/22/15 Agenda was made by Joe Olson, seconded by Chris Jensen.  
Motion Carried.

6. **New Business**

**a. Ulteig Construction Update** – Chris Thorson explained to Council that the street projects are in the final stages with paving completed. Thorson stated the next steps will be grading of the ditches, topsoil put into place, seeding of the grass and then the final clean-up to finish up the project. Thorson stated that if any concerns arise concerning the project the City is to contact Alex Ranz with questions. Mayor Johnson asked Thorson if the issues have been addressed with the ditch on 12<sup>th</sup> Avenue and Lyndon Avenue. Thorson has met with the home owner and surveyed the condition of the ditch and was informed that years back Loretel did some work and left the ditch the way it is now. Thorson stated that the City will want to contact the County to see if something can be resolved with that issue. Olson questioned if the grass does not grow will they come back next year to reseed. Thorson explained that the first 30 days are the contractor's responsibility. KPH will water and maintain the seed until a specific growth height occurs and if issues arise where the grass does not grow they will need to reseed. Thorson stated that a payment for \$298,957.50 will need to be made to KPH, Inc. for the work already completed and the balance will be paid once the grass growth is acceptable to Ulteig and the City. Thorson explained that Ulteig will have a final list for the contractor concerning items that may need to be finalized before the last payment is issued. Joe Olson made a motion to approve the payment of \$298,957.50 to KPH, Inc., seconded by Kimberly Savageau.

Motion Carried.

Chris Thorson gave an update on the Water Tower stating that the crane has been removed from the site and the steel will arrive sometime in October.

**b. Arvig Construction Report** – Denise Anderson informed Council Members that she received a letter from Arvig discussing a proposed construction project for installing fiber optic line from 3<sup>rd</sup> Street to Seter’s East Development. Arvig stated in the letter that this project is a proposed fiber to the home project which is the latest technology available. Also along the proposed route Arvig will leave facility’s to provide advanced service to those customers. The proposed construction will consist of directional boring, setting, pedestals, and setting vaults along the route. Olson asked if a letter has been constructed yet concerning the cost the residents of Glyndon are charged from Arvig for internet service. Anderson informed Council that she visited with a worker from Arvig and he explained that other cities have competitive bidders so they can drop the rates as where Arvig owns the phone/internet lines in Glyndon and do not have to lower the costs that the state mandates. Anderson will meet with Mr. Owings to better understand the facts and then compose a letter to Arvig with the concerns the residents of Glyndon have with the cost of internet service. Olson stated he will also meet with Mr. Pompe concerning the information he has gathered on this topic. Anderson informed Council that Maple River Communications has been researching sites around town that would work to install another antenna for the residents on the south end of town. Anderson stated that it will not happen until next year when the new tower is installed.

**c. “Knock-down” Parcels in Centennial TIF District No. 1-1 Recommendation**  
**David Drown – City Financial Advisor** – Anderson discussed the letter that David Drown sent to the City explaining his findings concerning the overpayment to Mr. Sefkow. Drown indicated that there are 183 platted lots in the Centennial Addition with 49 lots served by the first phase of public improvements and 154 remaining vacant and unimproved. Since 2000 the empty lots have generated \$151,993 in tax increment revenues that were paid to Mr. Sefkow to reimburse the development costs. Due to the lots not being improved on within the 4 year knock-down clause Mr. Sefkow was overpaid and to comply with TIF law, the City of Glyndon will need to recover the excess payments that were paid to Sefkow and return the \$151,993 to the County.

**Recommended plan:** *(David Drowns letter stated)*

I have had several conversations with Mr. Sefkow, and we have agreed that the following approach is workable.

1. First, there is actually a surplus in TIF revenues that have not been paid to Mr. Sefkow - \$56,741 remained in the TIF account after our last payment on February 1, 2015. This amount will be set aside to cover a portion of the county payment.
2. This leaves \$95,251 to be accumulated. We propose to reduce the next four (4) semi-annual TIF payments to Mr. Sefkow – keeping \$47,626 in 2015 and \$47,626 in 2016.

This approach will allow us to return \$104,367 to the County by the end of this year and the balance at the end of next year, all with no impact on the City’s other funds. And since these payments are paid back to taxing jurisdictions as “excess increments” you can expect to see about \$60,000 repaid to you in 2016 and another \$25,000 in 2016.

Even with slightly lower payments for the next two years, Mr. Sefkow's note will be fully repaid by 2019. This will allow the captured value of this TIF District to be returned to the tax rolls in 2020 – increasing your tax base by about 15%.

**Actions Required:** *(David Drowns letter requested)*

Approval of a Resolution removing the excess parcels from TIF District No. 1-1 at the end of this year, and providing for the repayment of \$151,993 in TIF revenue to the County over the next two years.

Kimberly Savageau indicated in Drown's letter he says the City will receive \$60,000 in 2016 and \$25,000 in 2016, she is questioning if it should be 2015. Anderson will visit with Drown and check the year. Jensen questioned if the Resolution needed action today. Anderson replied that it would be best to accept the Resolution today and that way it will show that the City is in the process of decertifying the lots.

**d. Resolution – Approval for removing the excess parcels from TIF District No. 1-1 at the end of this year, and providing for the repayment of \$151,993. in TIF revenue to Clay County over the next two years** – A motion was made by Kimberly Savageau to accept Resolution 2015-15 Removing Unimproved Parcels from Tax Increment Financing District No. 1-1 and Authorizing TIF Repayment of \$151,993 to Clay County, seconded by Chris Jensen. Motion Carried.

#### **7. Old Business/Unfinished Business**

**a. 3rd Reading and final adoption of Ordinance #177 – An Ordinance Regulating Special Vehicles within the City of Glyndon, Minnesota. Providing Penalties for Violations of this Ordinance and Repealing Ordinance #131** – Chris Jensen mentioned he was approached by the snowmobile club asking if you need to have a permit if you are not a resident of Glyndon. Jensen explained to them that this Ordinance is for the residents in Glyndon that do not follow the rules and are riding in the coulee and not respecting other people's property. Chief Cline informed Council that they will not be bothering the individuals that are obeying the rules, it is so the City has some teeth behind the Ordinance when needed. A motion was made by Kimberly Savageau to waive the complete reading of Ordinance #177 and except this third reading, seconded by Joe Olson. Motion Carried.

**b. Council Approval of "Summary Publication" of Adopted Ordinance #177 Repealing Ordinance #131** – Anderson explained that each time an Ordinance passes it needs to be published and due to the length of Ordinance #177 she has checked with the League of Minnesota Cities and according to Minn. Stat. § 412.191, subd. 4 "*Statutory cities may choose to publish the title and summary of an ordinance if it is lengthy, or if it includes charts or maps. The council must approve summary publication by a four-fifths vote*". Anderson enclosed in the Agenda Packet a summary of the ordinance stating "*This published material is only a summary. The full text of Ordinance #177 is available for public inspection at the Glyndon City Hall, 36 3<sup>rd</sup> Street South, Glyndon, MN 56547 or if requested the material may be sent by means of standard electronic mail*". A motion was made by Chris Jensen to approve the summary publication of Ordinance #177, seconded by Kimberly Savageau. Motion Carried.

**c. Stockwood Discussion** – Mayor Johnson and Clerk Anderson met with representatives from Xcel in regards to the cost of installing electric/gas to the Stockwood Addition. Anderson informed Council the price difference between the two options.

Option 1: Installation of three phase underground for \$77,314.

Option 2: Installation of three phase overhead for \$44,225.

The gas lines would run approximately \$12,000 for the development if brought in at the same time as the electric. Anderson stated that the additional cost put onto each lot for these services would be around \$5,800. Chris Jensen asked Anderson if the representatives from Xcel explained why the cost dropped half or more since the estimate the City received 5 years ago. Anderson stated that the question was never asked. Anderson explained that Xcel informed them that if they bring the electric and gas lines in and all the lots are hooked up and carry the expected load limits, Xcel will reimburse the City 100% for the cost of the installation. Anderson explained to Council that the City should receive a letter from the County stating they have 60 days to purchase the lots in Stockwood otherwise the County will take control and auction them off in December. Anderson informed Council that she has visited with Lori Johnson at the County and when we receive our property taxes and LGA in December the City would have the funds to purchase the lots for the actual land value the County places on them, then Lori Johnson from the County will reimburse the City in January instead of July for the tax forfeit costs excluding the administration fee. Council Members discussed options concerning the purchasing of the Stockwood lots. Council gave Anderson direction to inform Lori Johnson the steps the City would like to take in regards to the Stockwood lots so the County would not have to go to the trouble of taking pictures of each lot and the paper work that also goes along with tax forfeit property. Mayor Johnson and Denise Anderson informed Council that they met with Steve Iverson concerning the Seter Addition and Iverson questioned what the next steps will be concerning the Stockwood development. Iverson stated he has been researching the prices on the lots and may have some investors interested in purchasing it. Anderson informed Council that Iverson was proposing that if purchased by his investors the City rezone the lots for the possibility of an assistant living complex and a 50+ housing development. Bryant DeVries visited with Council concerning the approximate amount of money the City will need to recoup and pay on the Bond for Stockwood. Kimberly Savageau stated that she has been doing research on this topic and has found out that the total is \$892,000 on that bond with 21 lots available for sale. Olson asked DeVries what he is thinking when it comes to the City purchasing the property. DeVries as a resident of Glyndon thinks the City needs to move forward and purchase the lots, install the electricity/gas and then sell the lots. By doing so DeVries feels the city could come out of this tough situation with a positive outcome. Chris Thorson stated that the Bond total was 1.8 million and the City should want to recoup the money that they have paid already for the last 6 1/2 years. Chris Jensen firmly believes that the City would benefit by purchasing the lots and it would also give the City the control of what is built in the development. Mayor Johnson informed Council that next week a gentlemen was coming to City Hall to visit about Economic Development. Council agreed that further discussion will need to be talked about on this topic but at this point they will wait to receive the letter from the County. Anderson informed Council Members that she would email the letter to them as soon as she receives it.

**d. Seter's East Second Addition Update** – Anderson informed Council that the reason they have not heard anything from Mr. Iverson in the last few weeks is because he does not have any new information on the Seter's East Second Addition Development. Anderson stated that Iverson is trying to devise the means to purchase the whole piece of property (*phase 1, 2 & 3*) from the Seters. Anderson informed Council that during the meeting with Iverson, Mr. Drown had called and was added to the meeting by speaker phone. During the meeting further discussion was talked about regarding the Letter of Credit, and other avenues that would possible work to help the project move forward.

**e. Professional Services – Joe Olson** – Joe Olson handed out the following chart to Council Members concerning the professional services topic he has been discussing at prior meetings.

**Three Year Compilation of Civil Attorney Billing:**

	2012	2013	2014	Total
Dilworth	\$10,440.00	\$36,524.00	\$61,439.00	\$108,403.00
Barnesville	\$21,362.00	\$18,524.00	\$18,208.00	\$58,094.00
Hawley	\$19,768.00	\$20,239.00	\$18,907.00	\$58,914.00
Glyndon	\$40,426.00	\$40,250.00	\$45,857.00	\$126,533.00

**Other Cities Legal Fees Compared to Glyndon:**

	3 Year Total	Glyndon's Total	Difference	More/Less
Glyndon	\$126,533.00			
Dilworth	\$108,403.00	\$126,533.00	(\$18,130.00)	LESS
Hawley	\$58,914.00	\$126,533.00	(\$67,619.00)	LESS
Barnesville	\$58,094.00	\$126,533.00	(\$68,439.00)	LESS

Olson informed Council Members that the correction was made to page 3 of the June 24<sup>th</sup>, 2015 minutes showing the amount paid to Wold Johnson in 2013 & 2014 for legal services. Olson mentioned that Council will be able to review the correction in the minutes for June 24<sup>th</sup>, 2015 so he will not discuss that item further but would like to explain the sheet he handed out. Olson stated that this chart he put together is to help put things in a little better perspective concerning the numbers the City of Glyndon are spending on Attorney fees. Olson asked Council to look at the three year totals for the four cities he has compared on his chart and would like to discuss how the City of Glyndon is using this service. Olson would like to determine when it is appropriate for City workers/officials to bring in the services of the City Attorney or should they ask themselves “could the answer be resolved by calling the League of Minnesota Cities?”. Olson informed Council that the last billing statement from Miller, Norman & Associates was itemized to his satisfaction with the breaking down of the hours and amounts for each day. Chris Jensen brought it to Councils attention that prior Attorney bills have included the work done to Annex Monsanto in and the City will be reimbursed from Monsanto for those charges. Jensen stated that this is a good exercise to follow by looking into certain bills more closely but feel this is more of an operational issue – stating when Mr. Peterson left the City, the increased use of attorney services was because the next two City Clerks that were hired did not have the experience and knowledge to know what was expected of them so they needed to contact the City Attorney to find out the correct way to proceed with a situation. Olson stated that you cannot pin point one specific person because this has been going on for many years. Olson brought up an item on Norman’s invoice stating that a citizen called and asked him to research a topic and the City was billed for it. Olson would like to know if there are steps that should be taken with the Council before Mr. Norman is brought into the picture on an issue. Chief Cline stated that maybe the council, department heads and city workers should start tracking correspondence when it comes

to the use of the City Attorney and then compare everyone's time with the monthly invoice. Mayor Johnson feels Council needs to put more emphasis on the people that work for the City and make sure they do their job that the tax payers are paying them for. Johnson stated that City employees should do as much research as possible on their own before they bring the question to the City Attorney. Savageau stated that a citizen should not be calling the City Attorney about something that has not come in front of Council first. Savageau asked if each department head looks at the expense sheet before it goes into the Agenda packet. Affield stated that each receipt/purchase order is either brought in by the individual that picked up the item and coded or it will come in the mail and she will contact the department head to make sure it was something they ordered. Anderson questioned if she is to document when Ken Norman calls the City questioning information he is researching. Olson informed Anderson that she should document it. Jensen asked how David Drown is breaking his bills down. Anderson informed Council that Mr. Drown had his bill itemized into three items - TIF Creation Fee, Annexation/Development Agreement and Expenses. Anderson explained that Mr. Drown is paid after a project has been finalized, if the project does not go, the City is not billed. After further discussion concerning Professional Services and Legal Fees, Olson and Savageau decided to meet again with Anderson concerning the budget and then present it to Council.

**Additions to Agenda:**

➤ **League of Minnesota Cities Legislator of Distinction for 2015** – Mayor Johnson informed Council that he received letters stating that Kent Eken and Paul Marquart have been selected as a League of Minnesota Cities Legislator of Distinction for 2015 by the League's Board of Directors and have been recognized for their actions and leadership on a wide variety of legislative issues of importance to cities across our state. Mayor Johnson requested Karen Kringler to include a section in the article she writes for Clay County Union acknowledging Kent Eken and Paul Marquart for this honor. Chris Jensen made a statement thanking both representative for their services and loyalty to our region. Joe Olson would also like to see it in the monthly Newsletter.

➤ **Ottertall Inflatables for Glyndon Days** – Joe Olson made a motion to approve the \$2500 payment to Ottertall Inflatables for the bouncy houses at Glyndon Days, seconded by Chris Jensen.  
Motion Carried.

Bryant DeVries voiced his concerns on the subject of Glyndon Days not charging a fee to play on the inflatables. Mr. DeVries feels that if other towns hear that the inflatables are free during Glyndon Days we will have more children coming from other areas, which will result in longer waiting time for the children that are residents of Glyndon. Joe Olson explained to DeVries that Glyndon Days is being run by a new group of volunteers and during the meetings it was brought up that some parent last year did not bring their child up to play because they could not afford it or they had to many children that the expense was to large. Olson stated that this is a Glyndon community event and the committee was hoping the City could take a portion of the cost burden because they did not want any child to be excluded. Olson also stated that a line item should be added to the Budget for Glyndon Days and with each year new ideas will be addressed concerning the activities. Savageau informed DeVries that the fund raising usually starts earlier in the year and since this was the first year for most volunteers that did not get started in time so they came to Council for help.



**8. Department Reports / Committee Reports**

**a. Mike Cline, Police Chief** – Chief Cline informed Council that he is working on getting more acts at the Community Picnic, will be ordering corn this week, and will get the Girl Scouts lined up to serve the main meal. Chief Cline asked if anyone knew if Life Flight was able to make it to the picnic. Chris Jensen responded with “he believes they are scheduled to come but it is kind of flighty if they can make it.” Jensen said the cut out fire house from Sabin will be there again this year along with the fire and rescue trucks.

**b. Bob Cuchna, Fire Chief** – Not Present - Chris Jensen offered his ranger and trailer for the Council Members to ride on during the Parade.

**c. Scott Lofgren, Maintenance/Public Works Supervisor** – Not present.

**d. Denise Anderson, City Clerk** – Denise Anderson explained the Budget changes she included in the Agenda packet concerning the transfer of the \$5000.00 from Restricted Savings to the General Checking Account for the down payment on the 2015 F150 Ford truck for the Maintenance Department. Council Members gave Anderson permission to make the payments for Midwest Development Co. and the County when David Drown informs her of the amount to pay. The publications for MN DOT’s Public Hearing for August 26<sup>th</sup> at 6:00 p.m. have been sent to Clay County Union to be published. The Well Head Protection process is completed and all the materials have been sent out so the City is good for another 10 years and the Public Hearing has been scheduled for September 23<sup>rd</sup> at 6:45 p.m. Anderson stated she will send the summary of Ordinance #177 to be published on Monday. Anderson informed Council that Shawn from Simple Website Creations came in today and addressed some website concerns we had along with showing how to move around and make changes. Anderson reported that she is waiting for a check from Monsanto for reimbursement for the services from David Drown & Associates and Miller, Norman & Associates Law Office.

**e. Councilman Joe Olson & Kimberly Savageau, Glyndon Improvement Committee** – Savageau gave Chief Cline the phone number for the Leader of the Girl Scouts so he could contact her in regards to the Community Picnic.

**9. Open Forum** – Nothing


**10. Miscellaneous Announcements** – Nothing.

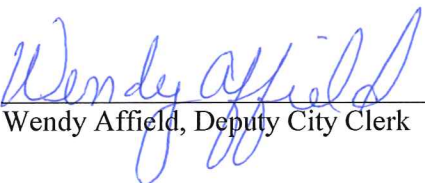
**11. Adjournment**

A motion was made by Chris Jensen, seconded by Kimberly Savageau to adjourn at 8:45 p.m. Motion carried.

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Cecil Johnson, Mayor

  
Denise Anderson, City Clerk/Treasurer

  
Wendy Affield, Deputy City Clerk