

**Glyndon City Council**

**8/12/2015**

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

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 7:00 a.m.
2. **Roll Call:** Council Members Present: Dave Owings, Joe Olson and Kimberly Savageau, City Staff Present: Clerk/Treasurer Denise Anderson, Deputy City Clerk Wendy Affield, Police Chief Mike Cline, Maintenance Supervisor Scott Lofgren, City Engineer Chris Thorson & Alex Ranz.

**As Per Sign in Sheet:** Karen Kringler.

**3. Motion to Approve Consent Agenda**

Mayor Johnson asked for a motion to approve the Consent Agenda. Joe Olson stated he would like to make a motion to approve the Consent Agenda excluding Miller, Norman & Associates invoice. Olson informed Council that he has visited with Mr. Norman requesting the invoicing of his bills to be broken down with the hours for each day instead of a total at the end of the invoice. Olson stated that last month's bill was itemized but the July bill is not. Olson requested that this item be put under Old Business/Unfinished Business for further discussion. Kimberly Savageau asked if this one invoice can be approved later during the meeting. Savageau was informed that yes it can be approved later in the meeting after further discussion.

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b. Motion to Approve Resolution of Payments – Joe Olson made a motion to approve the Consent Agenda excluding payment of the Miller, Norman & Associates invoice, seconded by Kimberly Savageau.

Motion Carried.

**4. Additions to Agenda**

- Letter to Arvig – Dave Owings
- Ice Rink – Dave Owings

**5. Motion to Approve Agenda**

A motion to approve the 8/12/15 Agenda was made by Joe Olson, seconded by Dave Owings. Motion Carried.

**6. New Business**

a. **Ulteig Construction Update** – Chris Thorson informed Council Members that the Water Tower will be starting in August instead of October, with the first shipment of steel already delivered. Thorson stated that it should still be painted in June and starting service in July of 2016. Mayor Johnson discussed the condition of the parking lot at the Community Center and feels something will need to be done soon to repair it. Thorson talked about the street project on Lyndon, Lund & 9<sup>th</sup> stating a letter was sent out to KPH, Inc. informing them that Ulteig does not approve the final work course of asphalt done on the streets because it has Aggregate Segregation, which means that it has a honeycomb look to it and once it fills with water, goes through the freeze/thaws cycle pieces of asphalt will break off. Thorson informed Council that

KPH, Inc. subcontracted the asphalt paving of the streets to Howards Driveway and Marks Sand & Gravel was the material supplier. Marks Sand & Gravel will need to look at the material on the streets to see if they may be responsible. Chris Thorson informed Council that the mix design for the asphalt was MN DOT approved. Owings questioned if boring samples were taken and are we going to have a problem having this issue resolved. Thorson explained that the practice years ago was to take boring samples but now the mix must be MN DOT approved before it leaves the plant and yes he believes there will be an issue of who will take the responsibility for the expense of fixing the roads. Mayor Johnson asked how long will it take to find out who is responsible and when will it be repaired. Thorson explained that the project was set up with 42 calendar working days which will be up Friday the 14<sup>th</sup>, after that the City can liquidate damages because the project was not completed in the time frame. Thorson stated that 8% retainage was held back along with payment for some items that had not been completed at the time. Which per the contract the City will need to pay once the items have been completed and the City is billed. Thorson informed Council that what is backing up the City on this project is the retainage we are holding along with the Performance Bond that the City can act on. Thorson stated that if KPH, Inc. or the subcontractors choose not to address the issue then the City will have to hire a contractor and pull the funds from the Performance Bond to pay for the repair work. Olson asked what needs to be done to fix the problem. Thorson stated that the top 1 ½" of asphalt needs to be milled off and replaced which will then leave some touch up work on the shoulders. Savageau and Olson requested a copy of the letter Chris Thorson sent to KPH, Inc. concerning the issue with the top layer of asphalt. Dave Owings asked Thorson who is responsible to make sure this issue gets resolved. Thorson stated that he is here to help the City but the contract is between the City and KPH so if any legal services are needed the City would have to contact their Attorney. Council Members discussed how the residents affected will need to be notified on the status and informed that they will not be charged for the relaying of the asphalt. Thorson will send a copy to Mr. Norman informing him of the status and where the situation stands so he is aware of what is happening. Thorson informed Council that Monsanto will be starting the underground water and sewer installation as soon as the crops are harvested. Owings asked Anderson if the City has received any money for the TIF/Annexation preparation from David Drown and the legal services charged from the City Attorney. Anderson stated that the City has not received a payment at this time and she has sent two requests for payments which is a total of around \$23,000.

**b. Employee Health Insurance Review – Denise Anderson** – Mayor Johnson informed Council Members that Bill Schultz met with City employees yesterday regarding health insurance. Mayor Johnson stated he took it upon himself to visit with Kent Eken regarding the questions concerning health insurance reimbursement regulations. Mr. Eken visited with the League of Minnesota Cities who then in turn notified the City Hall to request all the correct information needed to do the research on this insurance topic. Affield received an email from Laura Kushner, HR Director from the LOMC and Yvonne Johnson, Area Vice President at Gallagher Benefits Services informing the City that they are handling the insurance reimbursement correctly. Anderson informed Council that she was very confused as how to address this issue since she was informed by the places she checked out that the City was not allowed to do “cash in lieu” for health insurance reimbursement. Anderson stated that she does not have a problem with cash in lieu, she just wants to make sure the City is in compliance. Anderson explained that the misunderstanding is that of one word “*individual*” health insurance policy as to the City has a “*group*” health insurance policy. Anderson mentioned that Bill Schultz recommends that the City only reimburse 50% of the cash in lieu for health insurance benefits, but it is up to Council to decide. Anderson will be attending a meeting that will be held in Fergus Falls regarding health insurance and what the increase will be for next year’s premiums. Council was informed on some insurance changes that will come into view in 2018. Anderson will notify Council when she finds out what the City’s percentage will be for next year. Mayor

Johnson requested Bill Schultz to research what the cost would be for eye and dental insurance if an employee would like to pay the premium for that policy.

**c. Resolution 2015-6 a Resolution Amending Resolution 2015-1 to Purchase F150 Ford Truck through Auto Leasing Specialist, LLC** – Anderson explained to Council that Resolution 2015-1 stated that the City would make an annual installment payment of \$6,356.75 for 3 years is being amended to change the payment schedule to \$536.00 a month for 36 months due on or before the 6<sup>th</sup> of each month. Dave Owings made a motion to pass Resolution 2015-6 and to amend Resolution 2015-1, seconded by Kimberly Savageau.  
Motion Carried.

**Additions to Agenda:**

➤ **Letter to Arvig – Dave Owings** – Owings stated that after his conversations with Arvig over the last year he does not feel anything will change with the pricing Arvig charges the residents of Glyndon for internet service. Owings requested Anderson to formulate a letter to Arvig asking if they could please notify the residents with the information explaining why Arvig can charge more for internet service then they charge surrounding cities. Olson would like Arvig to send the City a letter explaining the situation so if any resident questions this the City Hall can give them a copy of the letter. Olson informed Council that he talked to Paul Marquart at Glyndon Days and was informed that he would make a call to Arvig to see if anything can be addressed on this situation. Anderson questioned Council concerning the Franchise the City has with Arvig wondering if the City has to renew a Franchise because they do not pay us anything. Owings would like to know what the definition and requirements are concerning a Franchise. Mayor Johnson brought up Maple River Communications and the line of sight that is needed to get that internet service and is wondering if they will be installing equipment on the other side of town. Affield stated that they used up their equipment budget for 2015 and would be looking into it for next year. Anderson and Affield were requested to research with the League of Minnesota Cities in regards to what a Franchise means to the City.

➤ **Ice Rink – Dave Owings** – Owings addressed Lofgren on where the location of the Ice Rink is. Lofgren stated that the rink location is east of the spot where KPH had their equipment sitting during the road reconstruction. Lofgren informed Council that there is an approach to get to the rink with available parking, power running in the area for lighting along with water and sewer lines close by. Lofgren would like to install a hydrant so they can flood the rink instead of hauling water with the fire trucks. Owings would like Lofgren to get an estimate on what it would be to install the hydrant and two lights. Owings visited with the Construction Class teacher at the school to see if they would be able to build a warming house in class and was informed that at this time he does not have enough students signed up to be able to do the project, but will keep it in mind for future classes. Lofgren informed Council that the rink is already built measuring 75' x 100' with a berm around it. The question was brought up on how the Maintenance Department will clean the snow off the rink. Lofgren stated that they will first try the tractor and also plan to build an apparatuses to put on it.

**7. Old Business/Unfinished Business**

**a. Centennial Development - Update** – Mayor Johnson informed Council that last week individuals representing Centennial were at the City Hall for a meeting trying to come up with an agreement that would benefit all parties involved. Mayor Johnson stated that Mike Lefor who is partnering up with Mr. Sullivan will have a proposal to the City in a few weeks concerning the Developers Agreement. Mayor Johnson also stated that David Drown has been working with

Sullivan's attorney John Shockley. Kimberly Savageau stated that they had everyone needed at this meeting including their banker, which she believes shows that they are serious about getting this development going. Mayor Johnson informed Council Members that a question was asked by Mr. Sullivan concerning the City Engineer. Sullivan would like permission from the Council to be allowed to use the City Engineer instead of having two Engineers communicating back and forth on what needs to be done. Sullivan feels that it will save time and money for both parties if the City Engineer controls the project since he knows what standards are needed to be put into the design layout for the development. Thorson indicated that he feels this would be a good situation for the City and will save a lot of headaches down the road. Savageau stated that Mr. Norman mentioned that if the City took that route they should have Sullivan sign a waiver saying that Ulteig Engineering will be protecting the City's interests first. Owings is concerned that if Thorson is the engineer for both parties, Sullivan may at some point disagree with Thorson which could cause problems. Thorson informed Owings that he is no longer concerned as he visited with both Austin and Jim Sullivan and said they were both forthcoming with the same vision for the project and after the meeting he felt comfortable working with them. Olson feels that if Thorson is comfortable doing it for both parties involved he is ok with it and if at some point things do not work out Thorson can step away and only work for the City. Thorson stated an agreement will be set up to safe guard the City. Owings is also concerned that Sullivan will not pay his portion of the engineer bill. Olson and Thorson both replied stating a contract will be drawn up explaining who is responsible for what portion of the bill. Council will have further discussions once the proposal has been received from Sullivan and Lefor.

**b. Stockwood Tax-Forfeited Land** – Anderson informed Council that the letter from the County was received, giving the City of Glyndon the opportunity to purchase the tax-forfeited land in the Stockwood Addition. The City will have 60 days to notify the County, then the City has up to 6 months to purchase the property once the Intent to Purchase has been sent to the County. Anderson informed Council that a State Deed will also need to be applied for and sent to the County. Mayor Johnson and Anderson talked about the meeting they had with Xcel Energy in regards to installing electricity and gas lines to the Stockwood property. Council discussed what the old estimate was for the electrical and what the price is at this time stating that electricity will need to be installed in order to sell the lots. Owings remembers the estimates from years ago being \$160,000 to \$180,000 and is very surprised how much the cost has dropped. Savageau asked if the City received the estimate in writing. Mayor Johnson replied with yes it is in writing and broken down between underground service and above ground service. Anderson read from the sheet that Xcel gave her indicating a five year refundable program on Commercial Development for electrical up to 100% including the gas lines. With this program all the lots would need to be hooked up to the electrical within 5 years. Anderson informed Council Members that she met with a lady that is interested in purchasing one of the lots to build a Day Care Center. Anderson visited with Drown to see if it would be possible to purchase just that lot at this time if the Day Care Center wants to start building before December. Drown does not see why that could not happen as long as the City has a contract with the individual stating that they will purchase it from the City. Drown then feels the City should wait until December to purchase the rest of the lots. Anderson stated if the City purchases the lots in December, Lori Johnson at the County will then reimburse the City the funds back after a small administration fee is taken out. Anderson informed Council if the City purchased it before December a Public Hearing would need to be held. Savageau questioned if a Public Hearing would need to be held if the City only purchased the one lot for the Day Care. Anderson responded with no, because the City would not have to take out a Bond to purchase it. Anderson also mentioned to Council that if the lots are purchased the Council will need to decide what to sell them for. David Drown recommended to Anderson that the City should sell the lots for what they are special assessed for. Council needs to make sure the City recoups the funds that have already been paid by the

residents. Savageau asked Anderson what Drown thought about selling the lots for a smaller price and then recertifying the Special Assessments giving the owner the option to pay them all up front or make yearly payments. Anderson stated that Drown did not recommend that at all. Savageau is looking at the startup cost for a new business to come in, explaining that it might be hard for a business to pay that amount right away. Anderson mentioned that with new businesses coming into Glyndon we could steer them towards Minnesota DEED which has incentive programs that may help out new businesses. Kimberly Savageau would like Anderson to compile a list for potential purchasers of possible funding for new businesses. Owings stated that the City has two options: 1.) lot purchased for the Special Assessed value, 2.) lot purchased for a lesser amount and have the Special Assessments recertified. Council Members wonder why David Drown would rather not have the lots recertified. Anderson explained to Council that Drown says all you are doing is exchanging money with the County. Savageau and Owings feel that the deal breaker for a new business may be making payments over the years for the Special Assessments instead of paying the full amount upfront. Mayor Johnson has been contacted by individuals who may be interested in a few lots to build storage garages that can be rented out. Drown does not feel that would benefit the City since they will not use any of the City's utilities and would not carry a very high tax base income. Drown informed Anderson that the City does have the choice who the lots are sold to and what will be built on them. Anderson will call David Drown to see if he is available for Council to Skype him into this meeting and discuss some issues concerning Stockwood. Anderson explained to Council that they should not adjourn the meeting until she has had the opportunity to contact Mr. Drown.

**c. Invoicing – Joe Olson** – Olson informed Council that he is not satisfied with the bill that was received from Miller, Norman & Associates as it is not itemized like he requested. Mayor Johnson explained that Olson set a precedence that he would like all bills itemized with how much time is spent on each item and he believes any professional business should have their bill broken down that way. Savageau asked if anyone called Mr. Norman when the bill was received to ask him why it was not broken down like the prior month. It was mentioned that Council has already discussed how the bill needs to be itemized from him. Olson stated that he needs to stay consistent and put his hours down so Council can approve the bill. Owings stated that he has multiple questions concerning this topic starting with why this was not brought up from prior Council Members years ago and he does not have an issue with how Norman bills the City. Olson addressed Karen Kringler concerning a comment she made at a prior meeting stating that years ago Council did request Ken Norman to itemize the bill, but was never pursued when he stated this is how he does his billing. Olson stated that this is not an easy thing to bring up to Mr. Norman since he has been the City Attorney for many years, but he does perform an hourly service to the City and the bill should be broken down hourly, not one total at the bottom of the bill. Olson informed Council that the May bill from Norman was \$4500, he brought up questions concerning the billing process and then the next month's bill was for \$1300, and now this month's bill is \$500. Olson is just requesting that the hours be added to the billing process. Savageau stated that her concerns are that we have a contract with Monsanto for them to pay the legal fees but we do not have any billing that has it broken down. Anderson stated that she does have a statement that has all the hours on it from Mr. Norman. Savageau explained that we do not have it on the bills that we have approved and paid already if anyone wants to see the prior invoices. Savageau stated that she has a paralegal degree so she knows some about how the legal system does their billing, explaining that when she worked on a case she would first look at the clock and write down the time and when she completed her task she wrote down that time and the client was billed for every minute. Olson questioned if Council should ask Norman to attend a meeting so he can explain why he does not itemize his bill. Joe Olson made a motion to deny Ken Normans invoice until we receive an itemized bill with the hours broken down, Kimberly

Savageau asked, if the motion passes, how Norman will be informed. Anderson stated that she will send a letter to him explaining the situation. Kimberly Savageau seconded the motion.

All in Favor: Mayor Johnson, Joe Olson and Kimberly Savageau.

Nay: Dave Owings.

Motion Passed.

Anderson asked Council what they would like included in the letter to Mr. Norman. Olson and Savageau would like to see the bill itemized and have an explanation on why it was not itemized. They stated this does not have to be done in person, he may send Council a letter or email explaining.

## **8. Department Reports / Committee Reports**

**a. Mike Cline, Police Chief** – Chief Cline informed Council Members that the ATV/Snowmobile permit decals have been made and are located at the City Hall. An application will be created for the owner to fill out with the proper insurance and license information. Glyndon Days went very well, no incidents to report. Cline informed Council that a check for \$100.00 will need to be issued to the Art Ology Department for the three girls that volunteered to do the face painting at the Community Picnic. Chief Cline informed Council that he has 6 impound vehicles and 2 Police Department vehicles to sell. He is hoping to make enough money after the Auction to purchase a new squad and then sell the Crown Victoria before mechanical issues start. He is planning to clean the vehicles in the next few weeks, take pictures and put them on Craig's List with the Auction starting sometime in September. His budget is ready except for the salaries for his 2 officers. Cline will receive that figure once the Union Contract has been finalized for 2016. He would like to meet with the Police Department Committee so he can go through his budget with them and explain a few items that need to be addressed. Olson has visited with the Union Representative and will be setting up a meeting to discuss the 2016-2017 Union Contract. Owings questioned why Chief Cline will be sitting in the meetings. Cline and Olson stated that it is just for the first few to make sure what the officers are requesting is acceptable to the Chief. Chief Cline stated that the only issue he can see will be the salaries, as the Forum ran an article "Starting Annual Pay for Police Officers and Deputies", and Glyndon officers are the lowest paid.

**b. Bob Cuchna, Fire Chief** – Not Present

**c. Scott Lofgren, Maintenance/Public Works Supervisor** – Lofgren informed Council that the new Maintenance truck has finally arrived. He will check out prices for both the fire hydrant and the lighting situation for the ice rink.

**d. Denise Anderson, City Clerk** – Nothing at this time. Joe Olson would like to get another meeting scheduled to look at the Preliminary Budget.

**e. Councilman Joe Olson & Kimberly Savageau, Glyndon Improvement Committee** – Nothing at this time. Olson stated that Glyndon Days went well and mentioned that Kimberly is compiling information needed for it to be more successful next year. Anderson requested some pictures for the newsletter.

**9. Open Forum** – Karen Kringler visited about the Day Care idea and the entrance into Stockwood from Highway 10.

Denise Anderson tried to get David Drown on speaker phone to address some questions the Council had concerning Stockwood but was unable to at this time.

Further discussion by Council concerning the entrance into Stockwood that is not going to be all the way open since MN DOT will only allow full entrances a certain distance apart and if the one by Stockwood was to be opened then 110<sup>th</sup> St. would be taken away. The problem with that is

that the City does not own Stockwood so a gravel road cannot be installed for the homes on 110<sup>th</sup> Street to have a way to access their property and MN DOT was on a time schedule for their site plans. Lofgren and Savageau visited the issue concerning the lot that has no access to it but has a large amount of specials attached. Savageau will do further research on this issue.

Dave Owings suggested that during the Council Meetings we have the laptop and screen set up to display the GIS map that is on the County website. This way it will show the parcel numbers and will be easier to match up the price list with the lots.

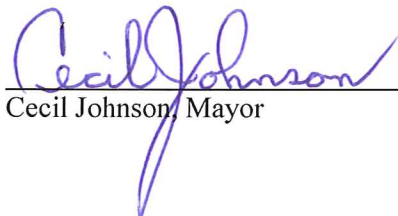
Anderson will set up a Skype meeting with David Drown and two Council Members concerning questions on purchasing Stockwood.

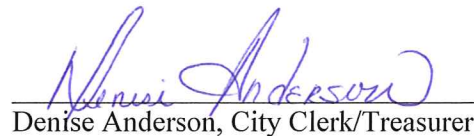
Council Members informed Anderson that she does not have to attend the Insurance meeting in Fergus Falls.

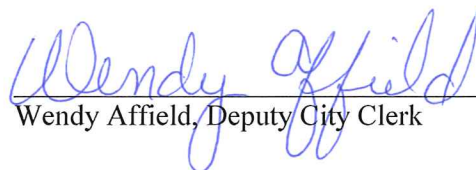
**10. Miscellaneous Announcements – Nothing.**

**11. Adjournment**

A motion was made by Kimberly Savageau, seconded by Dave Owings to adjourn at 8.52 a.m. Motion carried.

  
Cecil Johnson, Mayor

  
Denise Anderson, City Clerk/Treasurer

  
Wendy Affield, Deputy City Clerk

August 12th, 2015 Glyndon City Council Minutes