

Glyndon City Council

7/24/2019

Budget Review Meeting - 5:00 P.M.
Water & Sewer Departments
Glyndon City Hall - Council Chambers

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 5:00 p.m.
2. **Roll Call:** Council Members Present: Dave Owings, Joe Olson, and Kimberly Savageau; City Clerk Wendy Affield, and Maintenance Supervisor Scott Lofgren.

Absent: Council Member Justin Schreiber

As Per Sign in Sheet: None

3. **Budget Discussion – Water & Sewer Department**

Water Fund: Salaries: Affield stated this amount will stay the same. Clerk is 33.3% *Full-Time Hourly:* Maintenance Department wages, 50% Water, 50% Sewer – some is for Administrative Assistant position. Affield stated Lofgren has requested the addition of another full-time employee, which is included in the number, divided between water and sewer. Owings asked for clarification, and Lofgren responded he would like to see a fourth maintenance employee position added. He feels the needs of the City would be better met with an additional person. Affield confirmed with one employee out due to an injury, it could be another month before the City will know how to staff the maintenance department properly. Lofgren stated the goal is for Terry Cummings to come back full-time when he is cleared by his doctors, and to also place new employee Ron Fick on full-time. Savageau asked what Fick is doing specifically to help the department? Lofgren responded Fick is a very mechanically-capable hire and is able to work on his own with minimal supervisory direction. Savageau asked if Fick is currently working forty (40) hours per week? Lofgren confirmed yes. She continued by saying at previous budget meetings last year, it was made clear due to the upcoming Parke Avenue Project certain “asks” were not going to be met due to the heavy cost of the project. *Full-Time Hourly/Overtime:* Affield stated this amount was increased, due to the differences between some employees using “comp” time for their on-call as opposed to using overtime. It will be adjusted in order to cover for next year. *PERA and FICA:* These are adjusted to current wages. Savageau asked if the numbers for these two funds were for four (4) maintenance employees? Affield confirmed yes. *Office Supplies:* This was increased as over half of the funds have already been used, and it is only the middle of the year. Mayor Johnson asked for clarification of the current year amount of six-hundred fifty dollars (\$650) and if that was up to date? Affield responded the amount is what was budgeted for the whole year, and explained there has already been four hundred thirty-four dollars and seventy-three cents (\$434.73) spent on supplies. Mayor Johnson then asked how much billing paper is ordered at one time? Affield said she usually tries to order every six months. Mayor Johnson asked who supplies our paper and envelopes? Affield responded we order our billing paper through Reardon Office Supplies, and the envelopes come from FM Printing. Mayor Johnson asked if it was possible to check into buying these items in bulk and seeing if a discount in price is an option? Affield said with the billing envelopes they currently

use labels that are hand applied with a stamp of 'The City of Glyndon' in the upper left-hand corner, but she is going to look into what it will cost to get window envelopes instead. *Uniforms:* Affield stated she added two hundred dollars (\$200) to Water and two hundred dollars (\$200) to Sewer to cover for the extra employee if added. She stated she did the calculation to see what the expenses would be if a fourth employee were hired at eighteen dollars per hour (\$18/hr.), and it would be close to fifty-seven thousand dollars (\$57,000) including benefits, vehicle and cell phone is not included in that dollar amount. *General Training:* Stayed the same. *Operating Supplies:* Stayed the same. Affield asked if Lofgren was alright with the number, and he replied yes. *Motor Fuels:* Increased due to gas prices. *Chemicals and Chem Products:* Stayed the same. Mayor Johnson asked if the City still has product remaining due to Cummings not spraying? Lofgren clarified these chemicals are specifically for water and sewer, not general maintenance. *Repair/Maintenance Supplies:* Will be deleted. *Equipment Parts:* Will be deleted. *Utility Maintenance Supplies:* Affield asked Lofgren if it would be alright to delete this account as well, and move it to Operating Supplies. He responded yes. *Professional Services:* Affield stated she added five thousand dollars (\$5,000) to this account for hydrant replacement and curb stop projects. Olson asked what caused the amount to jump between 2018 and 2020? He also asked if at one point the amount had been decreased? Affield responded yes it had, and Lofgren clarified by stating no two years are the same, budget-wise, and so the dollar amount for that particular account has fluctuated. For example, he stated this year gate valves will need to be replaced and hydrants needed repair, but those costs have not yet been factored in to the budget. Some of those repairs cannot be done by the Maintenance Department due to not having the proper equipment, so the City will need to hire those repairs out. Savageau asked what the optimal time of year is to replace the valves, and if Lofgren has not had them fixed due to budget shortfall? Lofgren responded he is waiting for Randall's Excavating to have time to fix them, and expects by next week the valves will be taken care of. Savageau stated she feels the 2020 budget amount of twenty thousand (\$20,000) is not going to be enough. Lofgren responded it is difficult to determine from year to year how much to include for Professional Services, as some years there are no major projects or repairs. He agreed more funds should probably be added to the account. Mayor Johnson asked if all of the City's fire hydrants are in good working order? Lofgren stated when he flushed the hydrants this year all of them were working. The only ones he is not sure of would be the hydrants along Parke Avenue. Lofgren stated based on this year's budgeted amount compared with what has been used, which is already nearly ten thousand dollars (\$10,000) over, he believes this account should have a budget of around thirty-four thousand dollars (\$34,000). Owings asked if Lofgren knows for sure the amount he is requesting will actually get used, based on knowledge of upcoming repairs or projects, or based on current ones? Affield also wanted to clarify to Lofgren the amount would have been better for this year, but might be too high for next year if there are no major projects or expenses. Lofgren responded he agreed it is hard to determine but he feels every year the amount seems to increase anyway. Owings asked if the year-to-date amount includes the broken pipe which occurred across from the baseball fields? Lofgren responded no, as the repair amount will be on the sewer side, not water. Affield asked if perhaps thirty thousand (\$30,000) would be the better amount to put in, and Lofgren agreed. *Engineering Fees:* Affield stated these funds are usually for a project, and will be charged to the project, not to this account. *Cell Phone:* Stayed the same. Olson asked if the department is going through the government in order to get a discount? Both Affield and Lofgren confirmed yes. *Postage:* Affield increased for next year, as the cost of stamps has gone up and the increase of utility bills. *Travel/Mileage Expense:* Stayed the same. *Xcel-Electric/Gas Bill:* Stayed the same. *Water & Yard Meters:* Affield asked Lofgren to keep the five thousand (\$5,000) in there, for when the City does purchase new meters. *Depreciation (General):* Will be deleted. *Lawn Meters:* Will be deleted and merged. *Land Rental:* This is for the BNSF water line, and will stay current. Mayor Johnson asked if BNSF contacts City Hall if they are going to increase the rental amount? Affield responded she asks in advance, and is provided by BNSF a

three-to-five-year (3-5 yr.) breakdown sheet. She stated it goes up by a small percentage each year. Lofgren asked if the rental amount changed at all when the City repaired the second water line? Affield responded no, she has not seen a change. *Generator Lease*: Stayed the same. *Bobcat Trade-In Yearly*: This will be deleted. *Well Head Certificate*: Will not occur until 2025. *Motor Vehicles*: Affield stated currently there is nothing on this account the City is paying for. *Banyon*: Affield stated she heard back from Banyon after the sheet was printed, it should read twelve hundred dollars (\$1200) instead of one thousand dollars (\$1000) as it currently reads. *MN Department of Health*: Nothing paid on this anymore. Affield stated this line will eventually be deleted. *Miscellaneous Income/Expenses*: This line is used only if something comes up. Nothing used yet for this year. *Tower Construction & Maintenance*: Affield asked for Lofgren to check on what the cost would be to clean the tower, and he responded he will be cleaning the inside next year. Mayor Johnson asked what the timeframe is for cleaning? Lofgren responded the cleaning is done every five years (5 yrs.), and the underground reservoir was just cleaned two weeks ago by KLM. Affield asked about the condition around the outside of the tower, and whether it also needs to be cleaned? Lofgren responded yes, and there should be a scheduled outside cleaning. He stated he will check with KLM if they will take care of the outside as well, and get prices from them for it. He also added the City has signed a twenty-year (20 yr.) contract with KLM, which he has in his office and it lists their fees. *2014B Series Bond Debt Service*: Affield noted the amount has changed. Savageau asked if the bond payment amounts are going down? Affield confirmed yes. *Transfer In/Out - EB*: This line is used by Eide Bailly. *Debt Service Bond Principal - 2002 PFA Bond - Drinking Water*: Affield stated this line went up by one thousand dollars (\$1000). *Debt Service Bond Interest - 2002 PFA Bond*: The interest amount went down. *Debt Service Bond Interest - 2018 PFA Water Loop*: This amount went down. *Water Looping Project*: Affield stated per the PFA loan, the City's usage of fifty cents per one thousand gallons (\$0.50/1000 gal) needs to be placed into a special account each year until the Water Looping Bond is paid in full. She spoke with Steve Lafontaine from PFA earlier this year and he is the one who brought it to her attention. As such, next year the City will need to increase the water rate. Lofgren stated the account will need to have sixteen thousand dollars (\$16,000) in it to cover the usage. Affield asked Lofgren if the current construction crews are being charged by the City for the water usage taken from the hydrants? Lofgren responded no. He also noted this amount will only go up as the City gains more residents in the coming years. Affield stated she spoke with Courtney Richman at Eide Bailly and she referred her questions to PFA instead. Lofgren noted the entire City typically uses between thirty-two to thirty-four million (32,000,000-34,000,000) gallons of water each year. Savageau asked if the City knows exactly who is pulling water from the hydrants? Lofgren responded the contractors are, including Hough who is doing dust control on the gravel roads. Savageau stated it would be worth checking if other cities charge for the use of hydrant water, and whether we should be billing the contractors. Lofgren stated it could be added, but the contractors might turn around and bill the City for it anyway as a cost of the project. Owings asked if its possible the City is being billed for hydrant water even though its being used for free? Savageau agreed it should be looked into. Affield stated she will talk with City Engineer Kris Carlson and find out.

Sewer Fund: Affield stated many of the lines for sewer are the same as for water. *Salaries*: Stayed the same. *Full-Time Hourly*: Increased. *Full-Time Hourly/Overtime*: Increased. *PERA*: Increased. *FICA*: Increased. *Office Supplies*: Same as water increase. *Uniforms*: Same as water increase. *Operating Supplies*: Stayed the same. *Motor Fuels*: Increased by five hundred (\$500). *Chemical and Chemical Products*: Affield stated there were more Team Lab invoices this year as compared to previous years, and so the amount for this line was increased. Lofgren stated the MPCA has requested more sampling so the lab cost this year has tripled. Mayor Johnson asked to clarify if the City has to do so many water samples? Both Lofgren and Affield responded the City is required to do them by the MPCA.

Repair/Maintenance Supplies: Will be deleted. *Utility Maintenance Supplies:* Will be deleted. *Professional Services:* Stayed the same. Affield asked if it needs to be increased at all? Lofgren responded he feels the amount is fine where it is at. Affield wondered if we should factor in repairs to the lift station for next year? She stated Hughes Lift Station has been out to the City three (3) times to repair and clean out the lift station by the mobile home park, as residents are flushing the incorrect items down their toilets. Affield informed Council Heather will be putting a letter together to add to the utility bill statements informed residents what not to flush down the toilet. Lofgren noted this particular lift station was put installed in 1991, making it the oldest station in the City, and is now starting to show its age. But those repairs would not be a budget item included with this line item because the cost would be around forty or fifty (\$40,000-\$50,000) thousand dollars. Lofgren suggested raising the budget to twenty thousand dollars (\$20,000) in the event any minor repairs are needed. *Engineering Fees:* Not needed, and will eventually be zeroed out. *Cell Phone:* Stayed the same. Mayor Johnson asked if these phones are only used at the lift station? Lofgren clarified these are the phones carried by all maintenance staff, and Affield noted this also includes the Mi-Fi device for the GPS program. Lofgren stated only two phones are currently being used, as both Ron Fick and Andy Olson use their own cell phones. The additional phone line was given to Police Chief Mike Cline for one of his Officers to use. Savageau asked for clarification on who uses their own personal phone. Lofgren stated Olson was offered a City phone but chose to use his own personal phone as he was more comfortable using it and did not want to carry two phones. Savageau then wondered what the City should do when an employee is technically saving them money by using their own phone? Owings stated the employee should either get a stipend, in which case they would be required to always answer the phone, or they need to use a City phone. He feels in either case, the nature of the employment almost mandates they should be required to always answer their phone. Lofgren agreed, and suggested the matter be looked into more in order to create a policy. Savageau also posed the question of what happens when an employee breaks their personal phone while at work? She stated she feels the City would then be liable to pay for the damages or for replacement. Olson asked if the phone contract is for unlimited minutes? Lofgren stated yes, and Affield continued by saying the entire City phone bill is around five hundred and five (505) dollars for the most recent bill. That includes all departments, and also includes all Air Cards and Mi-Fi devices. *Postage:* Increased by one hundred dollars (\$100). *Travel/Mileage Expense:* Stayed the same. *Xcel-Electric/Gas Bill:* Stayed the same. *Depreciation (General):* Will be deleted. *Land Rental:* For sewer lines on the BNSF area. *Watershed District:* Nothing at this time. *Motor Vehicles:* Nothing at this time. *BANYON:* Increased from one thousand dollars (\$1000) to twelve hundred dollars (\$1200). *Transfer In/Out:* Used by Eide Bailly. *Debt Service Bond 2010 Principal:* Will be deleted. *Debt Serv Bond 2010 Interest:* Will be deleted. *Debt Service Bond PFA 2010B Principal:* Increased by one thousand dollars (\$1000). *Debt Service Bond PFA 2010B Interest:* Decreased by five hundred sixty-five dollars and eighty-six cents (\$565.86). Mayor Johnson asked which bond is the one ending the soonest? Affield stated the 2018 PFA Bond would conclude in 2037, the 2017A Bond would conclude in 2039, the 2016 Tax Abatement Bond concludes in 2024, the 2014B Bond concludes in 2035, and the 2014A Consolidated Bond concludes in 2032, the 2010 PFA concludes in 2030, and the 2002 PFA Bond concludes in 2022.

4. Open Forum – Savageau stated with just these two departments, the budget is over by seventy-one thousand dollars (\$71,000) from the previous year, which does not include the upcoming water tower cleaning. Lofgren will get the actual number to have in the 2020 budget. Olson asked Lofgren if the lift station pumps would be considered “big ticket items”? Lofgren responded yes, as each pump roughly costs seven thousand dollars (\$7000), and the City is possibly going to need to replace two (2). He stated next year he also wants to address the piping for the 10th Street lift station. Affield noted the State Workman’s Comp Auditor mentioned if the

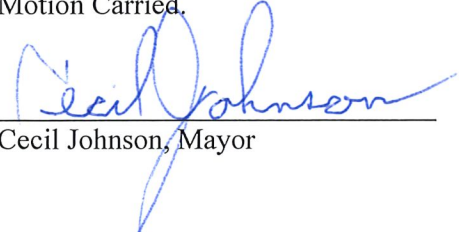
requesting Council raise Fick's hourly wage by two dollars per hour (\$2/hr.). After discussion, request was denied. It was the opinion of the Council the request comes too soon in comparison to Fick's start date, and noted it is not being denied outright, but will be tabled for now and revisited in the near future.

d. Wendy Affield, City Clerk – Affield stated the new flowers and plants for the Pollinator Garden were planted, and Bayer has donated a 20" x 24" sign for it. Labels for small signs will be made for each plant and flower, and along with the Bayer sign those will be placed by the time of Glyndon Days on August 8th.

10. Open Forum – Resident Corey Trick wanted to state to Council he feels there has been a lot of miscommunication from the City regarding the Parke Avenue project. His wife owns a hair salon on Parke Avenue, and because they did not know packages were not going to be delivered due to construction, his wife missed an important package and lost some customers last weekend as the package was delivered to City Hall instead. He has come to the Council Meeting to see why there has been little to no communication to residents about the project. Affield stated the City notifies, and has been notifying, all residents of project updates through the monthly newsletters, the City website, email alerts, and the City's official Facebook page. She continued the newsletter comes out with the utility bill, to ensure every resident receives one, and information can also be found in the Council Minutes from the meetings which are on the website. Public Hearings regarding the Parke Avenue project were held in the Community Center where every resident involved were notified. Olson asked if a resident wanted to get information over the phone, who would they call? Affield responded any resident can call City Hall at any time for further information. She continued to say the delivery of packages of both UPS and FedEx were brought to City Hall via those companies, not by order of the City. Affield has suggested to other Parke Ave residents to have packages delivered to a different address if they do not want City Hall to receive them. Trick also wanted to note his and his neighbors' main concern regarding how the costs of the project are being assessed to residents overall. He asked if there were certain minutes he could look at and read what has already been discussed during prior meetings? Savageau responded in February each homeowner was sent a notice from the City Engineer showing the breakdown of the costs and how the assessments would be laid out. Olson added the original amounts were all preliminary, not set in stone, and coming up will be another assessment meeting which resident are encouraged to attend before a final amount is voted on. Savageau also noted the final amount will not go higher than the original estimate, and could possibly end up lower. Affield stated a spreadsheet was provided to the Council regarding those original estimates, and any resident who wishes to know the amounts can call City Hall explaining these are only estimates. She includes everything she can in the meeting minutes so residents have as much information available to them as possible.

11. Miscellaneous Announcements

12. Adjournment – A motion was made by Kim Savageau to adjourn at 7:14 p.m., seconded by Joe Olson. All in favor.
Motion Carried.



Cecil Johnson, Mayor



Wendy Affield, City Clerk



Heather Johnson, Administrative Assist.