

**Glyndon City Council**

**09/25/2019**

5:00 p.m. 2020 Budget Meeting  
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:** City Council Members present: Dave Owings, Joe Olson, and Kimberly Savageau; City Clerk/Treasurer Wendy Affield; City Police Chief Michael Cline; City Maintenance Supervisor Scott Lofgren; City Fire Chief Bob Cuchna and City Engineer Kris Carlson.

**Absent:** Council Member Justin Schreiber

3. **As per sign in sheet:** Corey and Rachel Trick, Tracy Tollefson, Bryan Thygeson, Ron Fick, and Sara Joelson.

4. **Budget Discussion:** Mayor Johnson directed Council's attention to the budget packet, and referenced the bond information as being first to discuss. Affield noted the first page shows the bond requirements from David Drown, and the 2020 Budget Summary breaks down each bond regarding special assessments, property taxes, tax abatements, and water/sewer revenues. Affield stated the following sheet of the packet discusses the 2020 Utility Rates per Month for Glyndon, and noted to Council there are a couple of rate changes coming. She said there will be a three dollar (\$3) increase to Water, due to the PFA Water Looping Bond. Approximately sixteen thousand dollars (\$16,000) will need to be set aside in a reserve fund until the PFA loan in 2037 is paid in full. Clean-Up Week will be increased by twenty-five cents (\$0.25) due to this year's tonnage going over in residential garbage pickup. Owings asked if the Recycling line will be removed going forward? Affield responded the Recycling line is included only in case the City decides to move ahead with curbside recycling. She also stated Fuchs Sanitation informed her there will be a garbage increase for next year, but she has not been given a final figure yet. Water Looping will need to be increased slightly due to the fluctuating bond payment. Council will need to decide on the final amount in order to cover the seven thousand, one hundred ten-dollar (\$7,110) payment. Affield presented the last item to discuss, which is the "Proposal to Perform an Exterior Cleaning of the 200,000-Gallon Single Pedestal Water Tower Located in the City of Glyndon, Minnesota" from KLM Engineering, Inc. This proposal is for the maintenance of the outside of the water tower, which will be a five thousand, nine hundred-dollar (\$5,900) charge to the City. Affield said she already allocated for this amount in the 2020 budget, as some time next year the maintenance will need to be done. Mayor Johnson asked when the inside of the tower is usually cleaned? Lofgren said it will be cleaned next summer. Mayor Johnson asked if the outside would be cleaned at the same time? Lofgren said no, as it is a separate job altogether and the City still needs to approve the bid. Mayor Johnson asked how it is possible for mold to grow on the outside of the tower? Lofgren responded the mold comes from the condensation which builds up on the outside.

**Revenue Budget:** \*\*Unless listed below, line items stayed the same for 2020 or were deleted and/or moved to another line\*\* Council agreed to start with the Revenues portion of the packet. Affield stated many of the revenue budget lines are estimated, as final numbers for permits, etc. are not known at this time. *Local Government Aid:* This line increased by twenty thousand dollars (\$20,000). *Glyndon Days Donations:* This year donations were not requested, and so the amount for next year has been estimated. *Police State Grants & Aids:* Currently at twenty-four thousand dollars (\$24,000), these funds fluctuate and will depend upon what the County disperses. *Police Fines and Forfeits:* Affield just added a receipt to this line so it might need to be increased for next year. *Community Center: Rentals:* Private rentals have brought in two thousand four hundred dollars (\$2,400) this year. *Mosquito Fee - RO:* Council had

previously discussed increasing this line item, and this year's expenses were budgeted for nine thousand, two hundred seventy dollars (\$9,270). So far this year, nine thousand two-hundred sixty dollars and sixty cents (\$9,260.60) has been spent on spraying. Savageau asked if the costs of spraying this year increased significantly? Affield responded the ground chemicals purchased this year are costly. Lofgren agreed, and said more chemicals were purchased due to weather conditions and the number of mosquitoes. He said it will fluctuate from year to year based on those conditions. Olson asked if a new fogger will be needed going forward? Lofgren responded yes, as more hours are spent trying to repair the machine than are spent actually spraying. Olson asked what a new fogger costs? Lofgren estimated between seven and nine thousand dollars (\$7,000-\$9,000). Savageau asked what the cost per application is for a single ground-spray? Lofgren responded it is roughly thirty dollars per gallon (\$30/gal) for product, and each application is approximately thirty (30) gallons. He estimates it costs six hundred dollars (\$600) for product, and added labor makes each application roughly seven hundred fifty dollars (\$750). Mayor Johnson asked how much chemical is on hand now? Lofgren responded he has about twenty-seven (27) gallons on hand. Owings said spraying on this schedule roughly costs the City about twelve thousand dollars per year (\$12,000/yr) in chemical alone. Savageau asked if there are any other preventative measures for mosquitoes? Lofgren said his department purchases larvicide packets which are then placed into any standing water around town, along with larvicide spray. This includes ditches, ponds, and alleyways as well. Olson asked for a total cost of overall spraying, both ground and aerial, and the cost of a new fogger? He also asked if it would be better to have ground spraying only, and save on cost? Lofgren responded he feels the aerial spraying covers far more of an area and is more effective in his opinion. Lofgren estimated all told, it roughly amounts to twenty thousand dollars (\$20,000) to operate the Mosquito fund. Olson and Savageau figured the cost to residents for 2020 mosquito spraying will be doubled from one dollar fifty cents (\$1.50/household) to three dollars (\$3/household). Savageau expects there may be some concerns from residents about the higher cost, but she said far more residents are concerned about mosquitoes and would rather pay a little more in order to enjoy the summer. Olson asked for Lofgren to get a final estimate for a new fogger before the next Council Meeting.

*Stockwood General Property Taxes:* This line dropped ten thousand dollars (\$10,000) from last year because lots were sold. *Stockwood Project Reimbursement:* This year the City received a reimbursement of twenty-nine thousand dollars (\$29,000) for three (3) transformers, and the City will not have to reimburse those businesses because Xcel installed the transformer free of charge for the high electric usage they will have. Mayor Johnson asked how many years are left with Xcel? Affield responded there are roughly three (3) more years left with their contract. *Water: PFA System Replacement Fund:* This line contains the seventeen thousand dollars (\$17,000) for the 2018A PFA System Replacement Fund. Eide Bailly suggested having a separate bank account for these funds. *Water Looping (Service Fee):* This payment was increased slightly for next year. *Water Meter Sales:* This line item was dropped by one thousand dollars (\$1,000) as new meter purchases have gone down. *Other Sanitation Charges (Utility Pump Fee):* This line was increased by four thousand dollars (\$4,000). *Sewer Sales:* This line was lowered by three thousand dollars (\$3,000). *Sewer Penalty:* Was lowered by five hundred dollars (\$500). This line is for finance charges. *Special Assessments (2010B Bond):* This line dropped one thousand five hundred dollars (\$1,500). *Garbage & Recycling: Grants/Staff Wage/Reimbursements:* This line was increased by two thousand dollars (\$2,000) due to salary changes, and the City is refunded by the County. *Clean Up Week:* This was increased by one thousand dollars (\$1,000) as the tonnage is expected to go up for next year. *Fire & Rescue: Charges for Services:* This line was decreased by two thousand dollars (\$2,000).

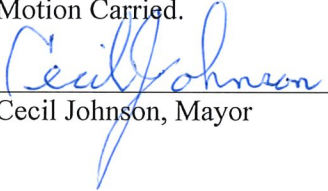
Chief Cuchna asked how close is the General Property Tax revenue figure? Affield stated the number would need to be increased once the levy number was decided on. Chief Cuchna believes the amount should be double what the Townships pay. Olson asked when do the township contracts see an increase. Cuchna stated there is a two (2) percent annual increase. *Charges for Standby Services:* This line includes services provided to the Buffalo River Race Park, and was decreased by one thousand, three hundred dollars (\$1,300). *Township Contracts (1<sup>st</sup> Half & 2<sup>nd</sup> Half):* Both line items were raised due to the two percent (2%) annual increase. *Projects Fund - Bonds: Tax Increments (Centennial TIF):* Affield spoke to Jason Murray from David Drown Associates who said the City will bring in approximately fifty-

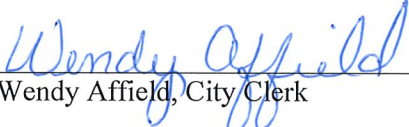
five thousand dollars (\$55,000) in revenue once the TIF is decertified. *Tax Increments (Monsanto TIF)*: Affield said funds will be in and out from this line for a few more years. *Special Assessments (2014A Bond)*: This line is the Lyndon/Lund assessments, and it was increased by four thousand, two hundred fifty-seven dollars (\$4,257) for 2020. Affield finished the Revenue Budget review by stating the City finished this year with a two hundred fifty-five thousand, nine hundred sixty-two dollar and three cents (\$255,962.03) surplus. She wanted it be known to Council the City will need to set aside one hundred twenty-three thousand, seven hundred nine dollars and fifty cents (\$123,709.50) for the replacement pond reserve. The surplus would then only be around one hundred thirty-two thousand (\$132,000). The final surplus total does not include raises other than for the Police Department. Affield asked Council what they would like to do regarding the Police Escrow account, nothing has been added to the Maintenance or Fire Department Escrow accounts. Mayor Johnson and Olson both agreed one escrow cannot be done without the others. Affield pointed out the “general expenses” are more than the “general revenue.” Owings asked if the pond funds are removed from the surplus, is the City right on target for a ‘0’ based budget? Explaining it is a good practice to have a 5% surplus with the budget. Affield responded yes. Olson asked if the upcoming bond payments will affect the final number? Affield said the first payment is already due February of 2020, but the payment has already been factored in. She stated smaller payments will come first, and then in 2026 the payment jumps up to two hundred, ninety-one thousand dollars (\$291,000). This is why David Drown & Associates had advised the City to factor those larger payments in prior to setting the levy. Olson reminded Council there will also be other large projects to factor in, including repairs to the Community Center, asphalt repairs, etc. Savageau asked what Eide Bailly thinks of the several accounts which have rolled over from prior years? Affield stated they are fine with them, our computer system does not allow for her to do the transfer the way Eide Bailly suggests so they in turn make an end of year adjustments. Savageau asked Lofgren about the current mosquito fogger machine, and wanted to clarify the seven thousand (\$7,000) is only for the machine, and not the pickup truck as well? Lofgren agreed, and said the fogger is slid in and out of the back of the pickup. She stated she is concerned the current pickup used is not going to last long, and asked if it is only used for fogging? Lofgren responded no, the pickup is used daily by the entire department, not just for mosquito spraying. Savageau said she must be thinking of a different truck, and Lofgren clarified there used to be a dark green pickup used in the past, but is no longer drivable and is up for auction. Olson asked if the current pickup used for fogging is reliable? Lofgren responded no, and Olson said it is likely a new pickup needs to be purchased. Affield asked if Lofgren has finished his research into a new payloader? Lofgren stated he received estimates from local companies for used payloaders, but is still hoping to find one which does not have as many work hours put on it. He said his goal was to find a payloader for roughly forty-to-fifty (40-50) thousand dollars, but so far estimates have been coming in at around ninety thousand dollars (\$90,000) for a used machine. Mayor Johnson asked if any local companies, like Randall’s Excavating or Sellin Bros. might have one for sale? Lofgren said so far he has not had any luck finding a local machine which would be available. Olson asked approximately how much had been paid out to Randall’s for work they did for the City last year on snow removal? Lofgren estimated it was about seven thousand dollars (\$7,000), and it was only for removal, not maintenance. He said the figure could possibly double if snow removal in the Southview Addition is factored in. Owings figured by this estimate, the City would be looking at spending roughly eleven thousand dollars (\$11,000) per year in snow removal. Savageau asked if Lofgren could estimate how long a typical payloader is expected to last? Lofgren responded not counting work hours, a typical machine could last at least twenty (20) years if treated well, which includes keeping it indoors. Olson asked if Lofgren could estimate the cost of maintenance for a payloader? He figured there would be the cost of gas, insurance and a maintenance, on top of the eleven thousand dollars (\$11,000). So, Olson is wanting to know for the City how the costs of owning a payloader compare to hiring out for snow removal. Lofgren noted Olson’s point, but said his department would need a payloader for various reasons every day, whereas he knows a company like Randall’s would not be available that quickly or often. Savageau said she felt it would be necessary to have proper storage for such an expensive piece of machinery, rather than see it sit outside and face the elements. Lofgren responded a payloader of this cost would definitely be stored indoors, and to make room he

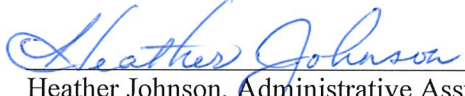
would have his work pick-up sit outside. Affield asked Lofgren if he had any updates regarding the alleyways in town? Lofgren said yes, and noted to Council he spoke with Hough about maintenance. Hough quoted alleyway maintenance to the City at two hundred, fifty dollars (\$250) per hour, all to be completed within one day. It would be approximately two thousand dollars (\$2,000) for Hough to be hired for the work. Olson said he feels this is a fair price, and certainly a cost which should be factored into the budget each year going forward. Savageau asked if this cost also includes the gravel? Carlson responded the City already has some available to use. Savageau then asked about the drainage issue, and if the alleys would be built up in order to remedy drainage problems? Carlson responded yes, but each alley has different issues which need to be researched first. Savageau asked if the two thousand dollars (\$2,000) is already in the budget? Affield responded no. Council agreed to factor in a yearly alleyway maintenance cost for the 2020 budget. Lofgren requested from Council for a more specific dollar range for a payloader, in order to narrow down the field of prospective machines. Savageau responded she and Olson will need a more detailed maintenance estimate which will help determine what could be spent on a new payloader.

➤ Fire Chief Cuchna addressed Council regarding Capital Improvements. He will meet with Affield to provide final budget numbers for 2020. Olson asked what the Fire Department's biggest ticket item will be for the next five (5) years? Cuchna responded a new vehicle would be needed in 2022, 2026, 2028, 2032. Olson asked if there would be need for repairs to the Fire Hall, in terms of space? Cuchna stated, yes that also needs to be addressed.

**5. Adjournment** – A motion to adjourn the General Budget Review Meeting at 5:56 p.m. was made by Joe Olson, seconded by Kimberly Savageau. All in favor.  
Motion Carried.

  
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Cecil Johnson, Mayor

  
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Wendy Affield, City Clerk

  
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Heather Johnson, Administrative Asst.