

Glyndon City Council - 12/9/2020
Public Hearing – 6:00 P.M.
Truth in Taxation 2020
Glyndon Community Center

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 6:00 p.m.
2. **Roll Call:** Council Members Present: Dave Owings, Joe Olson, Kimberly Savageau, and Justin Schreiber; City Clerk Wendy Affield; Police Chief Justin Vogel.

As Per Sign in Sheet: Tracy Tollefson, Darrell Sjothun, Leroy Babolian, Terry Thomason, Elaine Gilbert, Gary Leach, Jamie Leach, Sarah Peterson.

3. **Items Included in Packet:**
 - a. **Bonds & Budget Requirements from David Drown & Associates**
 - b. **Letter to Lori Johnson on Proposed 5% Levy/Sample Resolution 2020-19**
 - c. **2020 Tax Levy Amount Payable in 2021 (\$524,612.06) with Proposed Percentages for 1% to 5% Increase**
 - d. **Prior Years' Levy Percentages – 2009 to 2020**
 - e. **Expenditure/Revenue Budget Worksheet**

4. **Discussion** – Affield said the last two pages of the packet are the changes she made to the budget from the prior meeting. She will go through and explain these line by line:

General – Expense: *Salaries* – Affield moved some payroll items to different lines. Administrative Assistant salary was moved to Full-Time Hourly. *PERA and FICA:* Increased from COLA (+3%) and PERA Mayor additions were added.

Police: *Salaries, Full-Time Hourly/Overtime, PERA and FICA* – All lines were adjusted to include the increase for COLA.

Water / Sewer: Affield said Maintenance Supervisor was not previously under *Salaries*, and this has now been switched. Mayor Johnson asked if the Supervisor salary is split in thirds? Affield said no, her salary is split in thirds but the Maintenance Supervisor salary is split in half between *Water* and *Sewer*. She said these two funds also have the COLA increase factored in.

Fire & Rescue: Affield said she decreased the *Escrow – RO* line by ten thousand dollars (-\$10,000) after the previous discussion with Jason Murray regarding funds in the General Account she feels it needed to be reduced. She said when doing the audit, the fire department is included in the General Fund. There will still be twenty thousand in the Rollover (\$20,000).

Tax Abatement Note: *Capital Outlay (General)* – Affield changed the numbers in this line to match the revenue amounts.

General – Revenue: *General Property Taxes* – Affield said the five percent levy (5%) is already added in, along with the Wheelage Tax to pay for the 2019A Bond. *Licenses & Permits* – Increased by fifty dollars (+\$50). *Building Permits* – Increased as this year is over from last year already (+\$2,500). *Franchise Fees* – Increased as this is over from last year as well, and MIDCO will be added in 2021. *State Grants & Aids* – Increased slightly by one thousand (+\$1,000).

Water: *Water Sales* – Affield explained she made a new account line for this because there is not enough room in the comments side to put all of the bond information in. All utility bill water sales will go into this line, and she will transfer it to the line where the bond payments are made from.

Sewer: *Sewer Connect/Reconnect* – Affield said this line was increased by four hundred dollars (+\$400). Sewer Sales – She said the same was done for this line as what she did for the Water Bonds, as it is easier to track.

Bonds: *Tax Increments* – Affield dropped this line by two thousand (-\$2,000) to match with the revenue amount.

Affield said the above are just the changes which have been made to the budget, and the next section focuses on the bonds and budget requirements from David Drown & Associates for next year. Mayor Johnson asked which bond is the closest to being retired? Affield stated the tax abatement bond will be paid off in 2023, this was for the bridge replacement by the coulee on Parke Avenue. She said this had to be replaced prior to the Parke Avenue project beginning.

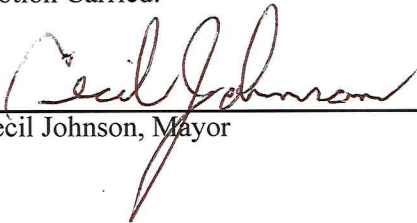
Next, Affield referred to the packet and letter she sent off to Clay County Auditor Lori Johnson, which was after the proposed tax levy of five percent (5%). She said the next page is of Resolution 2020-19 which was created to adopt the tax levy payable in 2021, and will need to be approved once Council makes their final levy determination. The next page is a breakdown of the 2021 Levy Percentage increases from 2020 to 2021 in ranges from one percent to five percent (1% - 5%). She said this amount is already included in the budget. A couple of newly built homes in Southview are part of the 2-year Tax Abatement, and the City will be paying this back to the County once we are billed. Affield said the next page is a graph showing what the City has previously set the tax levy at in years past, starting in 2009. She asked if Council had any thoughts or questions?

5. Open Forum – Mayor-Elect Tracy Tollefson asked Affield about property taxes and Stockwood revenues, and if there were more funds due to come in based on what is showing on the budget sheets? Affield said we have received most of those funds already, a portion will not be coming in from a business along Hwy 10, but the main difference came from the decertification of the Centennial TIF that she misunderstood the amount of funds the City was to receive back. Tollefson asked about the general property taxes related to Stockwood, and if this is the same situation? Affield said Stockwood tax revenue was moved into the General fund, and other tax revenue from special assessments are estimated because we do not actually know what amount will be paid. Tollefson asked if any of the salary or benefits for the Maintenance Supervisor put into the General Fund versus just water and sewer? Tollefson asked if this inflates overall what water and sewer costs are on utility bills? Savageau said this particular salary has always been split between water and sewer funds, and Affield explained if this salary came out of the General Fund then the tax levy would need to be raised even higher. Tollefson then asked about the bond's summary sheet, and why the 2014B Water Tower Bond revenue is different from the expense, this is the only one different than the others? Affield said this is based off of what the City has been bringing in. Schreiber said this bond was set up based on a certain amount of new growth, and as the City brings in more residents, this is where the increase comes from. Affield added the revenue budget for this bond is different because it is based on utility bill revenues. Tollefson asked what the seventeen thousand dollars (\$17,000) in the PFA System Replacement revenue is for? Affield said this is from when the City did the Water Looping Project, and PFA then required money be set aside, which was a percentage of water used each year. She said this money has to remain set aside, and can only be drawn from if the City is doing any water-related projects. Tollefson asked if some funds from the Park line were moved? Affield said those were special assessment revenues from Southview Addition. Tollefson thanked everyone, and said she did not have any more questions.

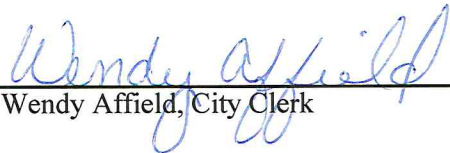
Savageau said she wanted to mention there was a levy number which was one she had proposed two years ago, which was one-point-seven-five percent (1.75%). She said looking back, this number should have been higher in order to avoid having to set a higher percentage like they will tonight. It is a lesson learned for sure, she said, and one Council will need to remember for the future. Mayor Johnson agreed, and said residents would be more willing to accept tax levies which remain stable, rather than fluctuate from high to low and back up again. Olson said this process started back in July, and wanted it known that staff has worked hard to keep spending down. Affield said sometimes things come up which cannot be foreseen or avoided.

Resident Darrell Sjothun was present to ask Council to reevaluate his property in terms of the rest of Stockwood. Savageau asked if Sjothun meant the value of his property or the property taxes? Sjothun said he meant the special assessments, and asked if those could be reassessed? Savageau said this Public Hearing is only for the City to discuss a proposed tax levy percentage for next year, they cannot discuss specials for properties at this time. She said the County is responsible for determining individual property values and taxes. Savageau referred Sjothun to direct his questions to the County Assessor's office.

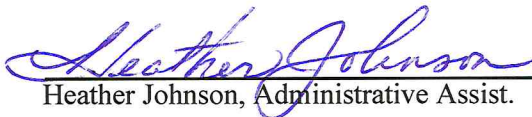
6. Adjournment – A motion was made by Justin Schreiber to adjourn at 6:23 p.m., seconded by Dave Owings. All in favor.
Motion Carried.



Cecil Johnson, Mayor



Wendy Affield, City Clerk



Heather Johnson, Administrative Assist.

December 9, 2020 Public Hearing Minutes – Truth in Taxation