

1. **Call to Order:** Mayor Tracy Tollefson called the meeting to order at 6:00 p.m.
2. **Roll Call:** Council Members Present: Mayor Tracy Tollefson, Dave Owings, Joe Olson, Kimberly Savageau, and Justin Schreiber; City Clerk Wendy Affield; Police Chief Justin Vogel; Maintenance Supervisor Andy Olson; City Engineer Kris Carlson; Fire Chief Bob Cuchna; Administrative Assistant Heather Johnson.

**As Per Sign in Sheet:** Darrell Sjothun  
**Virtual Attendees:** Christopher Goltz

3. **Motion to Approve Consent Agenda** – A motion to approve the consent agenda was made by Kimberly Savageau, seconded by Joe Olson. All in favor.  
Motion Carried.

a. **4/14/2021 - Public Hearing Minutes**

b. **Approve Resolution of Payments**

- **Accept a \$5,250 Contribution Check from BNSF for the Glyndon Police Department for Technology Upgrades**
- **Approve DGF Trap Team Charitable Gaming Permit for May 23, 2021 at the Glyndon Rod & Gun Club**

4. **Any Additions to the Agenda** –

- **Digging in Glyndon by Arvig – Dave Owings**

5. **Motion to Approve the Agenda** – A motion to approve the agenda was made by Justin Schreiber, seconded by Dave Owings. All in favor.  
Motion Carried.

6. **Open Forum** – None.

7. **Department Reports – Committee Reports**

a. **Justin Vogel, Police Chief** – Vogel said his department continues to be busy, and they are at eleven hundred (1,100) ICRs currently. He said this is just barely behind the ICRs for Dilworth and Moorhead as the overflow from the F-M area makes its way out to Glyndon. Vogel said there is still an officer undergoing the training program, and his department should be fully staffed by mid-summer.

b. **Andy Olson, Maintenance Supervisor** – Olson said the discharge of the ponds is complete and there were no backups. He said the three part-time employees are starting today, and his crew will start flushing City hydrants next week.

c. **Bob Cuchna, Fire Chief** – Cuchna reminded Council the ISO report is complete, and available for their review. He is available for any questions, and was happy to be rated a Five (5) in the report. He is looking forward to working with the Maintenance Department on other points from the report, and said his volunteer crew has been really busy with calls lately. Cuchna also said the MN DNR has the state under a burn permit ban, so the City's burn pile should not be lit right now until the ban is lifted.

d. **Wendy Affield, City Clerk** – Affield said she has nothing at this time.

## 8. **New Business**

a. **Eide Bailly Audit Review – Brian Stavenger** – Stavenger began by introducing himself to Council, and relayed how it has been some years since he was here last. He said as he presents the findings of the review, Council may follow along with the audit results packet provided.

Stavenger said the overall "Audit Opinion" for the City came back as "clean." Eide Bailly is of the opinion everything has been recorded accurately for 2020, and all required disclosures were provided. He said a clean audit is what EB strives for, and what the City has achieved. In the report, there are detailed findings which EB compiles and breaks down into different sections and financial statements for review. Stavenger started with "Cash & Investments" and provided a graph showing the trends over the last ten (10) years. He said it is very important for a municipal government entity to have ready cash on hand, as reserves are there for instances of emergency such as when Covid-19 hit last year. The City is doing well, he said, with roughly two-point-four million (\$2.4M) in your funds.

Next, Stavenger discussed the "General Fund." He said most cities will often operate their General Fund on a "departmental" basis, and he will go through each one. The City's General Fund is the main operating fund, and covers line items such as property taxes, special assessments, revenues, state/federal, etc. Stavenger said he is focusing on the variance, and the City's total receipts for 2020 came in as a positive variance of one-hundred twenty-two thousand, nine-hundred seventy-five dollars (+\$122,975), which mainly came from Covid-19 funds. On the disbursements side, the City spent more than what was budgeted for 2020, and this was also due to Covid-19 as those payments were not expected or budgeted for. Stavenger said he is most concerned with "Net Change in Fund Balance" and the final numbers resulted in a positive, or "net" income. Reserves showing as a cash-on-hand "positive fund balance" is important, and will be what the City carries forward into the next year.

Stavenger said EB provides insight and recommendations regarding fund balances, and one is to encourage local governments to keep no less than five (5) months of operating expenses in their General Fund. For small municipalities like the City, he suggests keeping at least six (6) months at minimum. Schreiber asked to clarify if the City is right around that mark? Stavenger said yes. He referred Council to the "Unrestricted Fund Balance" graph and pointed out how the City was in a negative balance position ten years ago, but now is operating at about fifty percent (50%) in terms of disbursements. He said this is a good threshold for the City to be at, and is something to strive for each year. Next, he discussed the Water/Sewer Fund, and referred to the graph in the packet showing the City's operating revenues, expenses, and income. Stavenger explained these funds are ran like a business, you want to charge for those services, you want those charges to be enough to cover operating expenses as well as any debt service requirements, so you really do want to be generating operating income. He said as long as the City maintains "above zero" with operating income each year, then this is optimal. Stavenger then referred to what the City has in terms of reserves for each fund and compared those to the operating expenses and debt service for each one. He said this is the best way for a city to determine what cash they have on hand in order to cover those expenses and repayments. At the end of 2020, he said the City's Water fund has remained consistent at roughly sixty-to-seventy percent (60%-70%). The Sewer fund has grown a lot over ten years, and was almost at nothing back in 2012. Stavenger said since then the City has made great

changes in order to turn that around, and now has a healthy reserve to cover any expenses. He said strong reserves are also highly valued among bond-rating agencies, and can affect a city's ability to gain bonds. To sum it all up, Stavenger said the City is at or above where it needs to be in all three categories, which is excellent.

Stavenger discussed the general fund in the audit does not have a negative balance but on the bank reconciliation which summarizes all the cash balances in each fund shows a significant deficit in the general fund. Stavenger asked Affield to explain to Council what happened during the 2019 audit that may have affected the general fund. Affield explained the City had a CD with the Parke Avenue Bond Funds and when the bank put the funds back into the account, they were put into the general checking account instead of the bond savings account. The bank was notified and made the adjustment and EB also made a journal entry adjustment to correct it which now needs to be fixed internally in the Banyon System, stating no funds are missing. Stavenger explained the general fund for the audit is a combination of General, Community Center, Police, Maintenance, Garbage, Fire & Rescue but on the bank reconciliation they show up separately. Stavenger wanted to make note that in the past, ten (10) years prior, different funds were reported separately. As a requirement now, everything is pooled together into one fund and can be reviewed better. Internally, some of the Fire Fund expenses have been run through the General Fund instead, and while there is nothing wrong with it, he is suggesting this be changed. Stavenger said it would make more sense internally to have those funds run entirely through the Fire Fund, and is recommending the City make the change. Owings asked if there is a recommended time frame for this change over? Stavenger said it may be easiest for the City to make the transition for the 2022 budget. Owings agreed, and said he would also make this recommendation. Mayor Tollefson asked if the Fire Departments allocations are in the appropriate accounts. Affield explained that Fire Chief Cuchna was looking for numbers for his capital improvement like what his utilities are, vehicle insurance, workman's compensation, building insurance and their phone bill. Affield stated all the payments came out of the general fund, with last year's payments totaling fourteen Thousand Six Hundred and Nine dollars (\$14,609). Affield asked if we would also want to start separating out the water & sewer expenses that are paid out of the general. Affield informed Council we would have more accounts if this were done but the general fund would start seeing an increase. Savageau asked if this was the same idea as the health insurance and health savings adjustments, we did in the 2021 budget. Affield responded with yes. Stavenger feels a plan needs to be in place so everyone is on the same page. Owings reminded Council that any fund transfers have to come before Council for approval. Olson would like the City to start a Capital Improvement Fund for future projects. Stavenger mentioned to make sure the revenues are used for what they were dedicated for. Stavenger and Affield will work together and look at all the accounts and funds. Mayor Tollefson and Council thanked Stavenger for coming and presenting the audit findings.

**b. Clay County Fair Sponsor Donation Request** – Mayor Tollefson said Affield did some checking and determined the City is not allowed to make this type of donation.

**c. Change May 12, 2021 Council Meeting to an Evening Meeting** – A motion to change the morning Council Meeting on May 12, 2021 to an evening meeting was made by Dave Owings, seconded by Joe Olson. All in favor.  
Motion Carried.

**d. League of MN Cities Property Appraisal Due in 2021** – Affield said she received a letter from the LOMC, and forwarded it on to A. Olson so he is aware as well. She said this is informational only, as the LOMC will send agents to come through town and re-appraise City property.

**e. Clay County Planning & Zoning Comprehensive Plan** – Mayor Tollefson said there are three questions posed to Clay County cities which are due by May 14<sup>th</sup>, 2021. She said the County is looking for cities to identify their top three issues or challenges, top three strengths or opportunities, and

certain topics to be raised during the County's Capital Improvement Plan meeting. Affield said Cuchna had already submitted an answer to one. Council decided to take additional time to reflect on the questions, and to table the issue until the next regular meeting.

## **9. Time to Discuss the Additions to the Agenda**

- **Issues Concerning Boulevard Digging by Arvig – Dave Owings** – Owings said his street is one in particular which is seeing a lot of digging by Arvig, and he is concerned about the damage to his and others' yards, especially after Xcel Energy had done similar damage in the past and never repaired it. He said Midco did work last fall, but was a little better in terms of repair. Currently he is not seeing any repair work being attempted by Arvig, so he is wondering if the City had required a performance bond from Arvig? If not, Owings is thinking that in the future a performance bond should always be included with any contract with utility companies or other contractors. Savageau said Council has already implemented a right-of-way permit that these companies need to pay for prior to any digging, and she asked Affield if Arvig has paid for this permit? Affield said yes. Owings said he thought a performance bond was part of this permit process, and if it isn't he feels it should be looked at. Olson agrees that there needs to be some kind of inspection follow-up process. Affield said she and A. Olson discussed adding to the right-of-way permit verbiage requiring camera footage of the drilling/digging as utility lines get hit quite often. Mayor Tollefson asked if Affield could touch base with Arvig to inform them of the issue? Affield said yes, she would make a call to them. Owings said at least Midco had a contractor here to oversee the sub crews doing work, but he has yet to see a general contractor look at anything for Arvig. Savageau said Council did the right thing by starting the process with the right-of-way permits, but now they need to go a step further and require a performance bond, and determine what constitutes a violation of said permit? She suggests asking area cities what their policies are on digging and see what their permit processes is. Carlson said a performance bond is the best option, and if contractors are non-compliant then they receive a letter for a 30-day notice, and if the situation is not rectified then the work is hired out. He said contractors need to keep a good bond rating, so establishing performance bonds are a great resource. Council agreed to table the issue until the next regular meeting.

## **10. Old Business/Unfinished Business Updates**

- a. **Kris Carlson – Project Updates** – Carlson said plans have gone back to the state for final review on the Parke Avenue intersection project by Highway 10. No other updates, other than waiting on the concrete revision. He said once the concrete is repaired, Parke Avenue is officially finished and crews can then start on the Partridge Avenue crossing. Plans are complete and the permit has been submitted, so he is shooting for the project to begin after Glyndon Days. Carlson said he does not have any updates for Charleswood Development, as he is still waiting for the engineer's report. Once he receives it and gets a chance to review the report, he will make his recommendations to Council. Owings asked if the Quiet Zone will be finalized this year? Carlson said as soon as the crossings at Parke Avenue and Partridge Avenue are completed, he will submit the request immediately to BNSF for approval.

- b. **Glyndon Days Update – Mayor Tollefson & Dave Owings** – Mayor Tollefson said the overview sheet has been updated, except for the event times for each bar. Vogel said he spoke to both bar owners. Morty's is still determining how late they can have outdoor music, otherwise they agree about fencing off the location and checking IDs. Mayor Tollefson asked if the end time is somewhere around 11:00 pm? Vogel said this is what he is hoping for, but Morty's was hoping for longer. He said there have been noise complaints in the past, so it will be up to Council to determine a good end time. Vogel said he spoke to the owner of The Hill, and they are still deciding on what to do. He would like the same restrictions applied to both bars; whatever Council decides. His recommendation is that the outdoor music end no later than 11:30 pm. Vogel also said each bar will not need an extra permit to be outdoors, as they are covered by their current liquor licenses. He informed Morty's he would like set times for events by the

second Council meeting in May in order to prepare schedules for his officers, along with any Covid plans. Mayor Tollefson feels the planning is going well so far. Owings said the Grand Marshal for the parade will be the three winners from each category of the Little Miss Glyndon pageant, and they will ride together at the head of the parade. Affield said she has an estimate from Games to Go for the selected bouncy houses, and it came back at three-thousand, six hundred forty-nine dollars and twenty cents (\$3,649.20) for the Saturday inflatables, which will run from 11:30 am to 3:00 pm. She said they will provide employees to supervise the bouncy houses, so the City will not have to do that portion. Affield said the estimate for the Thursday inflatable is roughly four hundred dollars (\$400). She said in order to get these locked-down, the reservation requires half of the total up front. Affield said the owner of Games to Go is concerned if there will be enough power available, and if not, the City will need to provide a generator. Owings said he would like to get this locked in as soon as possible. Council agreed. A motion to approve the half-down payment to reserve Games to Go was made by Dave Owings, seconded by Justin Schreiber. All in favor.  
Motion Carried.

Schreiber said he spoke with the Glyndon Rod n' Gun Club, and they are not interested in running a beer garden this year. The previous event did not fare well, and they had way too many beverages left over. Council agreed to forego the beer garden event this year. Schreiber said they have received several vendor applications, and one vendor would like to sell fresh food if it is allowable. Savageau said as long as they have their proper food permits active with the County Health Department, they will be fine. Johnson asked if there are any food trucks lined up yet? Schreiber said there is one so far. Johnson then asked Council when the wristband sales should begin? Mayor Tollefson said she thinks once the Games to Go contract has been locked in, it should be fine to start ordering the wristbands. She also wondered if the price should be non-refundable? Schreiber thought that would maybe be a good idea, and asked how many they intend to sell? Vogel said it will have to depend on Covid restrictions. Savageau thought it would be better to wait until a couple weeks prior to the event, as people may not want to commit to the purchase so far in advance. Affield suggested then perhaps the watermelon serving be canceled also, and Savageau agreed that it would not work with Covid guidelines on serving/handling food. Affield and Johnson submitted some examples for the coloring contest for kids, and Mayor Tollefson said they look good and is in agreement with each participant getting a prize for their submission. Savageau said she spoke with the Cub Scouts regarding the Thursday night picnic, and she said they are checking on the date but definitely excited to participate again.

#### **11. Miscellaneous Announcements –**

- **The F-M Chamber of Commerce** – Thank you Mayor Tollefson for working with the Chamber on the article they will be running in May's edition of The Bridge magazine – "City Spotlight" article on Glyndon.

- **Bob Cuchna** – Cuchna said he wanted to let Council know that the City siren is working now, and needed minor repairs. He is looking to possibly add this repair to his capital improvement plan, and have the siren looked at every five years or so. Cuchna also wanted to add that he submitted his CARES Act funding request to Affield for a second set of gear for his volunteers. He is also wondering about internet for the Fire Hall, and is wondering if Midco is offering free internet to the City? Affield said she has recently found out from Midco that the new fiberoptic option will not be free, but the internet from the old lease agreement from the water tower antenna is still free. She said she is still checking on it.

**12. Adjournment** – A motion was made by Kimberly Savageau to adjourn at 7:30 p.m., seconded by Justin Schreiber. Roll call vote, all in favor.  
Motion Carried.

  
Tracy Tollefson, Mayor

  
Wendy Affield, City Clerk

  
Heather Johnson, Administrative Assist.

April 28, 2021 Council Meeting Minutes