

**Glyndon City Council**  
**4/27/2022**  
**Regular Council Meeting – 6:00 P.M.**  
**City Hall Council Chambers**

**1. Call to Order:** Mayor Tracy Tollefson called the meeting to order at 6:00 p.m.

**2. Roll Call:** Council Members Present: Dave Owings, Justin Schreiber, Patric McCoy, and Kimberly Savageau; Police Chief Justin Vogel; City Clerk Wendy Affield; Public Works Supervisor Andy Olson; City Engineer Kris Carlson.

**As Per Sign in Sheet:** Mahlon Karppinen, Louis Kuhry, Jeremy Kelly, Christopher Leigh, Anthony Cross, and Jim & Leslie Sullivan.

**Virtual Attendees:** Fire Chief Bob Cuchna.

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

**a. 4/13/2022 – Council Meeting Minutes**

**b. Approve Resolution of Payments**

- **Approve Southview Addition Draw Down on the Letter of Credit for \$56,682.00 to Pay the First Half of 2022 Assessments**
- **Approve Police Department’s Lidar Purchase for \$2,125**

**4. Any Additions to the Agenda** – None.

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

**6. Open Forum – Public Comments/Concerns** – Resident Louis Kuhry was present as he is concerned with the rezoning of Parcel #55.175.0030 at 418 2<sup>nd</sup> Street SE. He said his property does not abut the parcel in question, but he is curious about change going from residential to commercial. Mayor Tollefson said the change would be from a R-1 designation to C-1, and Affield noted all the other Stockwood lots are also C-1. Kuhry said he thought this would be referred to light industrial, but Savageau clarified that is a different classification. Kuhry then asked if technically a truck wreckage facility could purchase that lot? Mayor Tollefson said yes if the purchasing company falls under the C-1 category. She said Affield has a list which delineates what business classifies as what, which can be emailed to Kuhry. Kuhry said he would like to have that emailed to him. He said he has another issue he would like to discuss, which he has spoken to Affield about previously. He would like to know if Council has been putting any plans together for street repairs on Andrews Avenue due to the damage from the heavy trucks driving through to Stockwood? Mayor Tollefson said in early June the Council is hosting a Strategic Planning Committee Meeting to discuss with the City Engineer about long-term goals and projects. She said once they know more from the audit findings there will be more discussion, and Chief Vogel has been monitoring the traffic along Andrews Avenue. She said she feels Kuhry’s concern is valid, and it is something the Council will continue to work on. Kuhry said he also wished to note his previous requests to have the drainage issue along Andrews Avenue to be addressed as well. Mayor Tollefson thanked Kuhry for his comments and concerns, with Carlson adding his agreement on the condition of the road.

## 7. Department Reports – Committee Reports

a. **Justin Vogel, Police Chief** – Vogel said his department continues to be busy with over 1,500 calls-for-service so far this year. He said last week's "Bike Safety" event at the Community Center was a hit and a lot of kids showed up, as well as our local Volunteer Fire Department. Vogel said there is a TZD wave going on right now, so there will be more traffic stops than usual. He said this is like the "Safe & Sober" campaign. He also noted that the trailer courts have new management again, and he has been working with them on cleaning the properties up getting rid of unlivable trailers. Mayor Tollefson asked to clarify if the Bike Safety Night was a collaboration with UC HOPE Thrift Store? Vogel said yes. Owings asked Vogel what the situation is with the Dilworth Police Department? Vogel said he does not know of anything in particular? Owings said he had been approached by someone who said something about a situation and thought Vogel might be able to clear it up. Vogel said there's nothing he knows about.

b. **Andy Olson, Maintenance Supervisor** – Olson said in the next couple weeks Jet-way will be flushing out sewer lines between 4<sup>th</sup> Street to 9<sup>th</sup> Street, which is the second portion of the town as last year they did the north side. He said the final flushing of everything south of 9<sup>th</sup> Street will be next year, with this recurring on a three (3) year schedule. Olson said he will get an exact date over to Affield in the next week so that an email alert can go out to notify residents. He then said the spring discharge of the ponds has gone really well and is flowing through to the river nicely. The next discharge will be in August. Mayor Tollefson asked about the quantity of water meters for the year? Olson said a few have come in and they should be fine with the meters, but the MXU readers are on backorder. Mayor Tollefson then asked about the new hires, and if they are confirmed to start this summer? Olson said yes, and one of the workers has already started. She then asked about the new spring and summer banners for the street poles? Olson said his department will be putting those up on Monday. Savageau asked about the City's burn site, and if it has been opened yet for the public to use? Olson said the road situation is pretty dicey right now, and there is more rain forecasted this weekend. Savageau said she was curious because the previous notice to residents had said it would be opened after two weeks and that time has passed, so there may need to be an updated timetable for residents.

c. **Bob Cuchna, Fire Chief** – Cuchna said his department has not yet decided on what new cabinetry they will go with yet. He said burning restrictions will be coming off soon. Cuchna said this is all he has for updates right now.

d. **Wendy Affield, City Clerk** – Affield said she has no updates at this time. Mayor Tollefson asked if the new Parking Ordinance had been published in the newspaper yet? Affield said yes. Vogel said FM Printing is about two (2) weeks out on getting the ordinance booklets back to the City.

## 8. Committee Reports

a. **Public Relations/Glyndon Days Update** – Mayor Tollefson said the planning committee went through the festival schedule and all the events that will be happening that week and have identified some areas which will need additional help from Council. She said Owings will need some help with the parade and was hoping McCoy would like to assist? McCoy said he would definitely help. Mayor Tollefson said the latest vendor/craft booth count is at forty-nine (49), and Owings will be working with resident Bill Dally for sound and amplification needs during the parade. She is hoping Savageau will still assist with the Cub Scouts in providing the meal for the Community Picnic? Savageau said yes. Mayor Tollefson said there are two (2) confirmed food trucks and resident Steven Davis is checking on the availability of a third truck. She said Vogel and the Police Department will help shuck the corn for the picnic. The city-wide garage sale will continue this year, and more bouncy houses were added. Mayor Tollefson said additional tents will be purchased to provide shade for those eating by the food trucks. She said she is

checking with the local bars to see what they have planned for events, and the City will be partnering with UC HOPE for a kids' art exhibit at the Community Center. She said the committee is in need of suggestions for the Grand Marshal, which can be either a person or a group of people. Mayor Tollefson said wristbands will be sold again this year for the Saturday event, keeping the price at ten dollars (\$10) if purchased by Friday the 22<sup>nd</sup> or twelve dollars (\$12) the day of with a maximum cap at thirty dollars (\$30) a family. She said if Council thinks of any other events which might be fun to host, please let the committee know. Lawnmower Races was an idea by Owings, to possibly include Power Wheel Races for kids too. Mayor Tollefson said the committee is actively seeking donations, and any suggestions on possible donors will be welcome. She added there will be face painting this year as well as someone to do balloon figures for kids.

Mayor Tollefson then asked if any of the other committees had any updates to share? She said she wanted to mention that she and Affield recently attended a Rural Cities meeting at the County, and each city had delegates who spoke a bit about current events and news for their communities. The County mentioned the Sentence To Serve program will be reinstated, as one of the major topics was workforce shortage in the region. She said Clay County Sheriff Mark Empting spoke about the reinstatement of the Mutual Aid between Minnesota and North Dakota Police Departments, as well as the new dispatch center plans. She said Governor Timothy Walz visited the Law Enforcement Center and discussed the importance of the recruitment and retention of law enforcement personnel, as well as fire and emergency medical personnel via incentives and other methods. Mayor Tollefson said Empting shared there will be a county-wide HAZMAT training on May 14<sup>th</sup> for all fire departments, and the Director of Homeland Safety Joe Kelly will be visiting the County in June for a training session on public safety.

## 9. New Business –

**a. Eide Bailly's 2021 Audit Review – Brian Stavenger** – Stavenger apologized for not having the bound copies of the audit report with him, as he did not see the box when he left the office. He said he will walk the Council through the audit summary packet which the Council has copies of. To begin, he said the audit opinion is simply a third-party review of the City's financial statements, which comes from information provided by the City Clerk. This year's audit of 2021 received a "clean" audit opinion, which Stavenger said is exactly what a City would want to achieve and continue to strive for. As for audit findings, he said this is broken down into two general categories, "Financial Statements" which covers general, overall operations, and the second category is "Minnesota Legal Compliance." Stavenger said the City was found to have zero findings or issues in regard to legal compliance, and the only topics regarding financial statements are the same three each year: Segregation of Duties, Material Journal Entries, and Preparation of Financial Statements. He explained that the City will always have a segregation of duties mark in their audit due to the fact that City Hall only has two employees, and unless the City somehow were to afford to double the size of its employees, there is no way to avoid this mark as it is seen as a potential risk. Stavenger said it is Eide Bailly's job to assist the City with material journal entries and making sure financial statements are accurate, making sure the water and sewer funds are to what they call full approval. He said at the end of the year, capital assets, infrastructure, and long-term debt all need accurate reporting, which Eide Bailly assists with. Stavenger said the organization and management of financial statements all become compiled and there were no changes to those findings.

Moving on, Stavenger said "Cash and Investments" is the next big category to discuss, and the audit report provides a ten-year look at the City's balances, segregated between Water/Sewer funds and Governmental Activities, which are funded by property taxes, special assessments, grants, etc. Stavenger said the findings show good and steady growth in these fund balances, with just over three million dollars (+\$3M) combined at the end of 2021. He said the largest portion of that growth was from governmental activities, mainly due to COVID-19 money coming in. Onto the "General Fund" section, Stavenger said he wanted to highlight the budget-to-actual report. The total receipts for 2021 took in one hundred eighty-nine thousand dollars (+\$189,000) more than anticipated, which is roughly a fifteen percent (15%) positive

variance. On the disbursements side, he said the City came in under budget by one hundred twenty-one thousand dollars (-\$121,000) which is a nine percent (9%) positive variance. For example, he said, overall general expenditures were down last year as well as snow removal costs. Stavenger said the main total at the bottom of the page is "Fund Balance, End of Year" which is basically the cash balance for the City at the end of the year. 2021's balance came in at about one-point-one million dollars (+1.1M), and these funds can be utilized going forward.

From here, Stavenger said the focus becomes on finding out how to utilize a positive fund balance. He said it is important to manage this, as these funds are often used in times of unexpected purchases and can also improve a city's bond rating, also just good fiscal policy. He said the goal oftentimes is to ensure that a positive fund balance can cover six-months of cash flow needs. Stavenger then said the "Unrestricted Fund Balance" report shows a percentage of disbursements in the General Fund over the last ten (10) years. Really what this shows is how much the City has had to rely on its reserves over the years, and the graph has shown positive increases since 2012. The largest increase was last year mainly due to COVID-19 funds. Going forward, Stavenger said he will be focusing on how this fund balance will look in the coming years, as external funds start to level off. The two other funds he wants to look at are water and sewer.

Stavenger said the water fund in general should generate positive operating income, which is needed to repay any debt obligations and also have some reserve on hand. He said this has been the case with the City's water revenue over the last ten (10) years, which also shows a lot of consistencies since 2015. As an auditor, he said this tells him that the Council has a very good feel for how their budget needs to be from year to year. As for the sewer fund, Stavenger said much is the same between operating income throughout all ten (10) years and shows the same consistency. Savageau asked for clarification between the definition of "operating incomes" and "operating revenues"? Stavenger said operating revenues are only the funds coming in, which generally consist of charges from residential and commercial utilities. He said operating income is then taking the revenues and using them to pay the operating expenses, which are usually salaries, benefits, supplies, etc., and what is left over is your bottom-line profit. Stavenger said the final graph in the audit report shows what the City has for cash on hand. When looking at the general fund, any ending balance or cash gets compared to the budget and they are accounted for differently. Cash-on-hand gets compared to both operating expenses and also debt service, which are often annual obligations, loan interest, etc. He said for example in 2021, the sewer fund had four times the operating cash compared to operating expenses, and the water fund was around the fifty percent (50%) mark. Stavenger said this is likely due to the water fund having more significant debt obligations, or also reallocation of charges. He said this is not a huge concern, but something Council can look at to try and even out with the sewer fund. Owings asked if Council has the ability to do a one-time transfer from one fund to another, as long as the entire Council votes in favor? Stavenger said that is correct. Affield asked if that has to be put back from where it was transferred? Stavenger said no. Savageau said she thinks the sewer fund grew faster due to preparation for work on the lagoons. Stavenger says he feels that is an excellent example of how the City has been so consistent, due to preparation for upcoming projects. He said a one-time transfer such as Owings suggested is perfectly acceptable with full approval from the Council. He said as far as final comments, he wished to make note that this year's audit was completed a full two weeks ahead of last year's and went extremely well. He also wanted to thank Affield for all of her help during the audit process, and communication lines between City Hall and Eide Bailly have improved greatly. Schreiber asked about excess cash-flow, and what other cities tend to use theirs for? Stavenger said the majority of cities just "sit on" and hold onto the excess, although there is no rule against using it. Resident Louis Kuhry asked Stavenger his opinion on why or how it should be used? Stavenger said it comes down to simply not needing that much in reserves, because really it does not serve to sit on excess cash if it can be used to help residents. Savageau asked if a certain percentage of the excess was moved to a specific reserve fund, and then down the road if there is a high tax levy the Council could offset that with some of the excess to lower the levy percentage? Stavenger said if Council decides to use the excess in that manner, they would need to be very clear and transparent and set up a separate fund just for that

purpose alone. He said the worst thing to happen would be to move funds to that special reserve and then never use any, so he highly recommends those funds be used as they intend to. Savageau asked if excess cash from 2021 can be used for a future bond payment? Stavenger said that would be one example, and other cities sometimes use it for capital, and call those funds “capital reserves” as those types of needs are far more common. Mayor Tollefson asked if anyone else had questions prior to thanking Stavenger for his presentation.

**b. Approve Request for Rezoning Parcel #55.175.0030 from R-1 to C-1** – A motion to approve the rezoning of parcel #55.175.0030 from R-1 to C-1 was made by Dave Owings, seconded by Patric McCoy. All in favor.  
Motion Carried.

**c. Request to be on the Agenda – Christopher Leigh – Charleswood Addition Development** – Mr. Leigh said he is present with a small number of others who are involved in this development, and he is also speaking on behalf of some who are not present. He said they have reviewed the proposed Developer’s Agreement, and after doing research on the Letter of Credit option, they are finding this will be a huge issue for himself and the other Developers. He also noted that they are having some issues with the timing being set for specials to be paid, as they were hoping to request a three (3) year deferral. Lot owner and builder Anthony Cross spoke next, and said he would like to clarify the wording regarding subcontractors needing to have the City listed on their insurance? Affield said this is a requirement only for the Developer. Carlson clarified that the Developer’s Agreement pertains only to the water and sewer and the streets. Cross then asked if the City provides water and sewer lines up to the house? Carlson said they are piped in up to the property line, which is about ten (10) feet past the utility easement. The other two Developers present said their questions were the same as those already asked, and one said having to build and pay off specials at the same time does not make much sense. Mayor Tollefson asked them to clarify if their biggest question or concern is the Letter of Credit being difficult to attain? Leigh said that is correct, along with the three (3) year deferral. Mayor Tollefson then asked Affield if this is possibly worthy of its own separate meeting with the Planning Committee? Savageau said she definitely feels this discussion would be better served at the committee level, where all interested parties could be present along with the City Attorney and Jason Murray from David Drown Associates. Carlson also agreed and said sometimes things can be changed with the bonding package like with the Parke Avenue Project. Savageau also said it would be hard but hopefully doable to have all interested parties be able to attend this meeting, sooner rather than later. Developer Jim Sullivan said he thinks the main issue the banks are having with the Letter of Credit is the fact that these builders are new to the business, they are not Developers, and essentially this turns into two mortgages per property. All present were in agreement and set a meeting date, with Zoom access, for Monday, May 2<sup>nd</sup> at 10:00 a.m. at City Hall. Leigh also wanted to mention they have signed a request to have the specials that are already on each lot deferred until an agreement is settled on. Affield said she will take the document for the next Council meeting. Savageau noted that the specials for 2022 have already been set and have been certified, so there is nothing the City can do at this point to change the amounts or due dates.

**d. Approve Resolution 2022-5 – A Resolution Requesting LGA Formula Update and \$90M Appropriation Increase** – A motion to approve Resolution 2022-5 was made by Dave Owings, seconded by Justin Schreiber. All in favor.  
Motion Carried.

**e. UC HOPE – BINGO Dates & Themes** – Mayor Tollefson said the Police Department’s Administrative Assistant, Stacy Pritchard, had sent everyone an email asking for suggestions on possible Bingo dates or themes. Vogel said anything in June might be getting too close to Glyndon Days, so he suggests just having the one during Glyndon Days, and maybe a Halloween-themed one for October in order to get two solid dates planned for sure. Mayor Tollefson agreed and said the Glyndon Days Bingo night is already scheduled for Friday, July 22<sup>nd</sup>, so the open dates for October are either Wednesday the

26<sup>th</sup> or Thursday the 27<sup>th</sup>. Savageau said that Wednesday is a Council Meeting night, so that won't work. Council agreed that Thursday, October 27<sup>th</sup> works the best for a Halloween Bingo Night.

**10. Time to Discuss Additions to the Agenda – None.**

**11. Old Business/Unfinished Business Updates –**

**a. Update on 418 2<sup>nd</sup> St SE & 202 Eglon Ave SE Demolition** – Mayor Tollefson asked if the demolition looks to be on track for completion by June 15<sup>th</sup>? Affield said probably not because the weather has pushed things back a bit. She said A-1 Demolition Company came to town to look at both properties, and they commented on how both properties were the worst they've ever seen in terms of stuff inside the houses and outbuildings. She said after coming back for a second view of the properties, they provided an estimate of twenty-six thousand, five hundred dollars (\$26,500) to clean out both locations, but this does not include any dumpster charges or other fees. Affield said Olson had a few people from the Heartland Group come in today to help with clean-up week and when they were done with the North side of town, they started cleaning the outside of 418 2<sup>nd</sup> St SE, and UC HOPE employees will see if there are items, they want for their thrift store. Vogel said he is on the waiting list for use of the Sentence To Serve workers, but the people who had previously been in charge of that program have retired and the new operators are still working out the details. He said this is why the date of June 15<sup>th</sup> may need to be pushed back a bit until STS is able to provide him with an actual date. Mayor Tollefson asked if there are any other groups that can be hired to do some clean up? Olson said he plans to incorporate the help of the two seasonal employees to start clearing some items off the property, and they can work a little bit each day to help clean them up. Kuhry asked if there are any items which could be sold to the public or allow the public to take? Vogel said this could potentially delay progress further, as well as becoming a liability issue for the City due to the poor conditions of the properties. Mayor Tollefson asked to clarify that when items are being cleared out they are put directly into a roll-off dumpster? Vogel and Affield both said yes. Affield said the intention will be to toss as much as possible out the windows into the dumpsters. Mayor Tollefson asked if there are roll-offs on the properties already? Olson said yes. Kuhry asked again if items will be available for public removal? Mayor Tollefson said allowing that would delay the progress too much and cause too many liability issues. Vogel said his recommendation would be to not allow it, as the City needs to move forward and get this done as soon as possible. Affield asked Olson if he had an update from Clay County Health Inspector Kent Severson? Olson said Severson had conducted the asbestos testing at both locations, and the property at 202 Eglon Ave came back with minimal asbestos amounts, and the property at 418 2<sup>nd</sup> Street did not have any. He said any and all reports will be sent to City Hall, and garbage can still be removed while they wait for the report.

**12. Miscellaneous Announcements & Recognitions** – Mayor Tollefson asked Council to review the Parks & Recreation survey and offer any thoughts or feedback to Affield and Johnson. She asked if the Yard of the Week campaign would be good to have again this year? Council agreed. She also wanted to have at the next meeting some discussion about the Positive Community Norms grant, where roughly ten thousand dollars (\$10,000) in funds are available to help fund a portion of the electronic sign on Hwy 10. She said the school has agreed to donate that for the sign, as well as other funds, but she would like to bring more information about it before full Council. Mayor Tollefson said she was approached by Arvig to become an exclusive provider listed on the sign, which they would put forth as donated money. She is wondering if this is a committee conversation instead? Owings said he feels since this involves the City spending money, it should be brought before the full Council. Mayor Tollefson said she will compile the information into a spreadsheet for the next regular Council meeting.

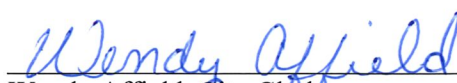
Savageau said she had an additional question for Affield regarding the demolition projects, which is to check on if the fees incurred by the City will be put back onto the homeowner as special assessments, can City labor costs can be included as well and keep track of the hours spent? Affield said she will check with Lori Johnson at the County. Savageau said it would be better to ensure that the entire residents of

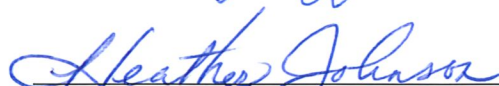
Glyndon won't be responsible for any demolition costs, roll-off charges, etc. Schreiber asked if the City is not able to do that, should they halt any work going on until further notice? Savageau said it is a double-edged issue, but feels that in the long run it would be better for City employees to do the work at a reduced cost. Vogel agreed, but feels that the delay will only be a couple of weeks or so and then STS will be able to have their workers come in and take over. Mayor Tollefson asked how long it might take to clear both properties? Vogel said he estimates around four (4) days.

Mayor Tollefson said her final announcement is that today is Administrative Professionals Day, and she wanted to give a big kudos to Affield and Johnson for all of their hard work for the City.

**13. Adjournment** – A motion was made by Kimberly Savageau to adjourn at 8:02 p.m., seconded by Dave Owings. All in favor.  
Motion Carried.

  
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Tracy Tollefson, Mayor

  
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Wendy Affield, City Clerk

  
\_\_\_\_\_  
Heather Johnson, Administrative Assistant

April 27, 2022 Council Meeting Minutes