

Glyndon City Council
4/26/2023
Regular Council Meeting
Following 6:00 P.M. Public Hearing
City Hall Council Chambers

1. **Call to Order:** Mayor Tracy Tollefson called the meeting to order at 6:40 p.m.
2. **Roll Call:** Council Members Present: Justin Schreiber; Steven Ring, Bryant DeVries; Police Chief Justin Vogel; City Engineer Kris Carlson; Fire Chief Bob Cuchna; City Clerk Wendy Affield.

As Per Sign in Sheet: Jacob Cuchna; Kelly Richards; Shaun Erickson & guest.

Virtual Attendees: John Hagan from Eide Bailly; Council Member Patrick McCoy; Heather Kunza.

Absent:

3. **Motion to Approve Consent Agenda** – A motion to approve the consent agenda was made by Steven Ring, seconded by Justin Schreiber. All in favor.
Motion Carried.

a. **3/8/2023 – Council Meeting Minutes**

b. **Approve Resolution of Payments**

- **Accept Grant Check from Minnesota Chiefs of Police Foundation for \$1,200 to go towards Glyndon PD's After School Outreach/UC Hope Kids Program**
- **Recommendation to use \$30,000 ARPA Funds for Purchase of 2023 Police Squad**

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

5. **Motion to Approve the Agenda** – A motion to approve the agenda was made by Steven Ring, seconded by Bryant DeVries. All in favor.
Motion Carried.

6. **Open Forum – Public Comments/Concerns** – None.

7. **Department Reports – Committee Reports -**

a. **Justin Vogel, Police Chief** – Vogel said his department continues to be busy with over 1,800 calls for service so far this year, which is a bit ahead from last year. He said the new police squad just arrived on Tuesday, and is now at Code 4 Services getting fully equipped to be ready in a couple of weeks. The 2015 squad vehicle will be placed on auction soon. Vogel said he and his officers have been assisting Ty Wegenast of the Maintenance Department with any needs in order to keep everything up to speed. He said the County's STS (Sentence To Serve) and Work Detail crews will be here in town to assist with the clean-up weeks. He wanted to thank Jacob Cuchna, City Engineer Kris Carlson, and also Ron Kleinschmidt from Ulteig Engineering for helping out with any Water and Sewer needs, as well as the City of Dilworth for their help. DeVries and Mayor Tollefson both thanked the P.D. for all of their hard work. Vogel said they have ordered some grass seed and are waiting on some black dirt to become available in order to help Wegenast patch some lawns which had been damaged over the winter.

b. Maintenance Committee – Tollefson & DeVries – Mayor Tollefson said there will be four interviews conducted this evening for the open Maintenance Supervisor position. She said there will be a special meeting scheduled for May 3rd, 2023 to approve the chosen candidate. DeVries added the water levels came up and then went down, so that was good. Carlson noted the water level in the ponds are getting high and once the ice is gone it will need to be tested so we can release them soon. Ron is monitoring them closely with Wegenast in order to avoid an emergency discharge. Schreiber asked which ponds he is referring to? Carlson said the three (3) ponds east of town. Vogel asked to confirm if May 15th is the deadline? Carlson said yes. Mayor Tollefson also thanked DeVries for his help using the payloader when Parke Avenue had some water running over.

c. Bob Cuchna, Fire Chief – Cuchna said his department would gladly help out with maintenance duties but he wasn't aware of the situation. He said recently there have been several "junk" items being left out at the ponds, he will check again and visit with the new Supervisor concerning what needs to get cleaned up. Cuchna said he is aware that a new generator is on the Fire Department's Capital Improvement list, but it isn't starting again and needs looking at. Ring asked when the last time the generator had been professionally repaired? Cuchna said it used to be done once a year, but the last couple of years the Maintenance Department took over the repairs but it hasn't been done in a while. Ring recommended getting someone to come out and look it over and get a good idea of what needs fixing. Mayor Tollefson asked if there is a replacement or extra generator that can be used in the interim until the new Maintenance Supervisor gets brought on? Cuchna said it is the only generator they have and it runs the entire Fire Station, however it is very old and is too small. He said the last assessment was possibly replacing the circuit board, but it was roughly a couple thousand dollars to do so. Mayor Tollefson asked if Cuchna can recall what the cost was for a brand new one? Cuchna said the quote is now old, and was for a type of gas generator that he would not recommend for their type of building or work. He says his recommendation would be for a petrol generator instead, but he is not sure on the cost. Mayor Tollefson asked if he could get some estimates on a new one? Cuchna said he will do that, but is hoping to get the current one looked at right away as they were not able to start it by hand the other day. Schreiber asked Carlson if he knows of any deals on generators? Carlson said he is only familiar with the kind they use in the water plant, but those are very expensive and run about forty thousand dollars (\$40,000). He said he can check with Butler Machinery and see if they have any lease-to-own options. Ring mentioned maybe having a propane tank for just the Fire Station? Cuchna said that is a possibility, and he would like to see the station have a diesel generator.

He also wanted to mention the Red Cross has been checking in to see if the Community Center is still a part of the City's emergency operations plan, but he is not sure what the current status is. Vogel said he cannot find any documentation on this either. Cuchna said at one time there were agreements with the Red Cross, Salvation Army, the local churches and also a few transportation companies for emergency situations. Affield said Council had previously discussed this but had decided not to allow the Community Center as a shelter due to lack of supervision. Cuchna said this goes above any of the City's emergency plans, due to the Red Cross being a County division. He said if there was a disaster, then the County determines which locations will serve as shelters and the Red Cross would be in charge. Vogel asked to clarify in those emergency situations, the Red Cross has to man the building and direct the function? Cuchna said that is correct. Vogel agrees there should be a place in town for when disasters happen, but he would like to see a specific plan in place. Mayor Tollefson asked if there is a template for disaster planning? Cuchna said there used to be one but he is not able to locate it currently. Jacob Cuchna said those plans may be recorded and available through the County, and if he finds them he will send them over. Mayor Tollefson said she was also contacted at the school about this last week. Cuchna recommends the City looks at putting a plan together, and once he finds the old one, he will update the information as necessary. Vogel asked if the Red Cross provides background checks for those employees which would be present during any emergencies? Cuchna said it is doubtful. Vogel explained it would be very essential for the P.D. to know exactly who is working within the City. Cuchna is guessing the majority of workers would be volunteers. Vogel said for instance when they conduct a missing persons

search, any volunteers are vetted first. Cuchna said he will try to get everything up to date, and Ring mentioned he could be available to help out on the generator situation.

d. Wendy Affield, City Clerk – Affield said West Central Initiative is donating two apple trees to the City, and they will be picked up at Thompson Greenery. She is wondering if Council has any particular preference on where they should be planted? DeVries suggested Anstadt Park.

e. Tracy Tollefson, Mayor – Mayor Tollefson said she only has some Maintenance Department overview that will be discussed later.

8. Committee Reports –

9. New Business –

a. Eide Bailly's 2022 Audit Review – John Hagan – Hagan introduced himself as being with Eide Bailly for over seven years, and he works solely in the government realm. He referred to the included audit review packet, and said he will begin with the Executive Summary:

Executive Summary/Audit Opinion – Hagan explained the City received a “Clean audit opinion,” which is exactly what you would want. This means the City’s financial statements “are prepared using accounting principles prescribed by the MN Office of the State Auditor, and those financial statements do not contain material misstatements and are fairly presented.” Hagan said that in forming an audit opinion, auditors are required to communicate any findings that come up during the audit. He said these are broken down into two categories, Audit Findings and Cash/Investments.

Audit Findings – Hagan went over the financial statements portion first. *Segregation of Duties:* since Glyndon is a small city, there are not enough employees to properly segregate all of the duties of the office, such as receipt disbursements and other items. Hagan explained in order for the City to improve on this, an additional four to five employees would need to be hired but that just doesn’t work for a city of this size. *Material Journal Entries/Preparation of Financial Statements:* each year, auditors will prepare the financial statements and as a result will end up with some additional journal entries that are made on behalf of management. He said these findings have been in the City’s previous audit reviews, and are to be expected for a small city. *Minnesota Legal Compliance:* Hagan said this is a separate set of compliance related tasks and procedures that auditors do as they are required by Minnesota law. He said the City’s results show no issues with legal compliance.

Cash & Investment Balances – Hagan said this graph shows the City’s balances for water/sewer and governmental funds for the last ten years (10 yrs.) He said this graph indicates steady growth since 2013, with 2022 capping out at just a little over three million dollars (\$3M). This balance total does not include “restricted” capital projects. He said this is for comparative purposes, as capital projects are affected by bonds and also the timing which can really sway the cash balance.

General Fund – Hagan explained this is the main operating fund for the City. The numbers on this sheet are split between Receipts and Disbursements, and show the original budget numbers as compared to the final budget numbers. He said total receipts for the year came in over +\$150k, mainly due to some additional Federal ARPA funds, and other miscellaneous receipts and donations that are difficult to anticipate. As far as disbursements for the year Hagan said the numbers came in slightly over budget, but this total too can be hard to anticipate when unexpected items come up during the year that need to be paid for or purchased. He then indicated the very last number on the page is the total fund balance for end of year 2022, with just over a million dollars in the general fund. Since this is a positive fund balance, Hagan said this “contributes to a favorable bond rating, produces investment income/provides a source of working capital to meet cash flow needs, and offers a cushion for unexpected expenditures or revenue shortfalls.” He said there is no golden rule on where the City should be

financially, but Eide Bailly has provided a couple of recommendations from the MN State Auditor's Office. One is that the City set aside 35-50% of general fund operating money for expenditures, at no less than five (5) months' worth. The other is for the City to maintain an unrestricted fund balance of no less than 5-15% of operating expenses. Hagan explained these recommendations are on an "accrual" basis, whereas the City is on a "cash" basis due to its size. As for the City's unrestricted fund balance at the end of 2022, the City has about 75% in disbursements/expenditures. He said this means the City can operate "as-is" for about 9 months with no additional revenue coming into the General Fund.

Water Fund – Hagan said this graph compares the City's operating revenues, operating expenses, and operating income/losses over the last 10 years. For 2022, the City's operating income in the Water Fund did slide down into the negative, but since the City is not in the business of making money, it is only important to remember that the money coming in needs to be enough to offset the operating expenditures. He said the City will see an increase in expenditures due largely to inflation, additional costs, and also additional depreciation from the Parke Avenue Project assets that came onto the books in late 2021. Hagan said the only way to change these numbers is to increase the water rates to ensure income coming in covers expenses going out or to cut down on costs.

Sewer Fund – Hagan said the numbers and information here are very similar to what we see in the Water Fund. He said for 2022, the City came in at break-even around \$330,000+, with the same situation of additional depreciation of fixed assets.

Water/Sewer Funds – Cash v. Operating Expenses + Debt Service – Hagan said this final worksheet is similar to the one for the General Fund, but mostly focuses on the cash balances in both of these funds as a percentage of operating expenditures. He said these numbers do not include depreciation as that is just a paper expense, but auditors have added back in any debt service requirements (principal, interest, etc.) Hagan said from the current cash balance numbers, the Water Fund can operate as-is for about three (3) months. He said the Sewer Fund has a much higher cash balance and can operate as-is for about four (4) years. He said overall these funds have been pretty consistent over the last ten (10) years.

Hagan concluded the audit presentation and asked if anyone had any questions? Mayor Tollefson asked Affield about the overage amount in expenditures and wondered if anything in particular jumped out? Affield said she believes the overage was from the payloader purchase as well as a couple of large water/sewer repair expenses. She also added there were unexpected repairs to the Water Treatment Plant last year as well. Hagan said these types of expenditures do come up, but as long as Council is keeping track then it should be fine. Before he signed off, Hagan said he is available for questions via email and thanked Affield for coordinating the presentation and being so accommodating each year. Council thanked Hagan for his presentation.

b. Approve Resolution 2023-3 – A Resolution Ordering Improvement and Preparation of Plans for Charleswood Addition – Carlson said this authorizes Ulteig Engineering to put plans together and get ready for the bidding process. He said he can begin as soon as tomorrow unless Council decides to wait. Ring said if all things fall into place, then the sooner the better. A motion to approve Resolution 2023-3 was made by Steven Ring, seconded by Bryant DeVries. All in favor.
Motion Carried.

c. Special Assessment Policy Review – City Engineer Kris Carlson – Carlson said this is something he has drawn up for other cities, and it is written in a way to leave room for Council to make any changes as they see fit. He explained by having an assessment policy, everything stays consistent moving forward. Schreiber asked if there is a max cap listed in the policy? Carlson said there isn't one currently, but if Council wants to do that then he can certainly add it in. He also noted the policy contains different classifications of projects based on their respective benefit to the City and to the property specifically served. Schreiber asked if Council votes to approve the policy, does Carlson still need to present Council with any assessment proposals for future projects? Carlson said that is correct, and it

would be at that point that Council would determine what was fair. A motion to approve the Special Assessment Policy was made by Justin Schreiber, seconded by Steven Ring. All in favor.
Motion Carried.

d. Mayor Tollefson has Requested a Special Meeting for May 3rd, 2023, to discuss Applicants that were interviewed for the Public Works Superintendent Position – Mayor Tollefson said she is requesting this special meeting in order to not have to wait an additional week to make a decision. Council is in agreement. A motion to meet on Wednesday, May 3rd, 2023 at 6:00 p.m. was made by Steven Ring, seconded by Justin Schreiber. All in favor.
Motion Carried.

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

11. Old Business/Unfinished Business Updates –

a. Nuisance Ordinance #194 – Mayor Tollefson said City Attorney Ken Norman is currently doing a review of the ordinance and will report back to Council at the next regular meeting. Ring asked if Norman was just doing a review of the wording? Affield said yes, as well as looking into the fees and penalties. Mayor Tollefson asked Vogel as to the suggestion on how to proceed with commercial properties? Vogel said it will depend on what Norman finds in his research. Ring asked when the goal is to have this ordinance in place? Affield said it is likely to be ready by the second Council meeting in May. Vogel said there needs to be enough time to have two separate readings and to allow public input. Mayor Tollefson said she would like to see this ordinance be really promoted to the public and maybe even a separate mailer with a draft of the ordinance be sent out to all residents in order to get as much feedback as possible. Vogel agreed and said of all ordinances this is the one that will be the most time-consuming, so he wants to ensure the City takes its time in preparing it.

12. Miscellaneous Announcements & Recognitions –

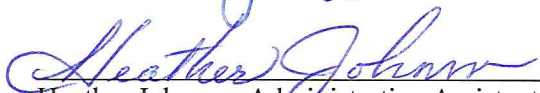
13. Adjournment – A motion was made by Steven Ring to adjourn at 7:22 p.m., seconded by Bryant DeVries. All in favor.
Motion Carried.



Tracy Tollefson, Mayor



Wendy Affield, City Clerk



Heather Johnson, Administrative Assistant

April 26, 2023 Council Meeting Minutes