

**Glyndon City Council**

**09/12/2018**

Budget Meeting – 5:30 p.m.

General, Fire & Rescue

Glyndon City Hall - Council Chambers

1. **Call to Order:** Mayor Cecil Johnson called the meeting to order at 5:30 p.m.
2. **Roll Call:** Council Members Present: Dave Owings – arrived at 6:16 p.m., Justin Schreiber, Joe Olson and Kimberly Savageau, City Clerk Wendy Affield, Administrative Assistant Susan Dayley – arrived at 5:40 p.m., Police Chief Mike Cline arrived at 5:55 p.m., Fire Chief Bob Cuchna and Maintenance Supervisor Scott Lofgren.
3. **Budget Discussion – General, Fire & Rescue** – Fire Chief Cuchna – Affield explained she added Cuchna’s figures from his budget worksheet, excluding the escrow fund requests. Affield stated the Finance Committee – Mayor Johnson and Kimberly Savageau and herself met recently to discuss budget items. Savageau questioned why the Fire and Rescue payroll line item has been lowered. Affield stated Cuchna is switching to ‘Standby’ services, the amount of \$2,760 was separated into a new fund call ‘Charges for Standby Services’ for volunteers who work at the race park. Cuchna explained the average monthly wages are \$850.00 and for meetings they are paid \$10.00, in which three (3) are held each month. Schreiber suggests keeping the pay rate the same as this year. Cuchna explained the Race Park pays for the Fire Department to be on standby when they have races. Savageau questioned whether the Fire and Fire Department will code the standby wages separately. Cuchna did confirm they will be coded separate. Affield explained the Revenue line item for ‘Charges for Standby Services’ is used for an in/out type of account for the wages paid to the crew on duty. Cuchna explained the Race Park pays the department \$200.00 per night; \$120 to wages and \$80 to the Fire Department General Fund. Olson wondered if it was a fire or rescue volunteer on standby at the races. It is a combination of both, depending on who is available. Cuchna explained the department has funds from the County – which is approximately \$13,000, funds from the Township Fire Contracts, and \$8,000 for Charges for Services. Cuchna stated those funds are what he believes he can spend for the year. Cuchna would like to use funds in the escrow account to purchase equipment and reminded Council the Fire Department needs a new fire truck and updated equipment needs to be purchased in the near future. Olson confirmed with Cuchna the department has 2 Engines, 2 Water Tenders, 1 Grass Rig and 1 Rescue vehicle and wondered if any of this equipment could be traded in on newer equipment. Cuchna responded the department should be able to use a piece of large fire equipment for 28-30 years. Cuchna noted the pump truck has been in the shop for seven weeks to have a new pump installed and he does not expect the truck to last much longer. The time frame Cuchna would like to set is as follows: 2018 – Tanker – price \$230,000; 2022 – Fire Engine Truck – prices range from \$325,000 to \$350,000; 2026 – Fire Engine Truck – prices range from \$350,000 to \$375,000. Cuchna expressed he would like to trade in the 6-wheeler next year for a Side by Side. Olson commented we should look into trading up and make monthly payments instead of trying to save up enough to purchase equipment outright. Cuchna commented on the Capital Improvement Plan you need to buy a new truck every 7-8 years. Affield reported there is \$15,000 in the vehicle escrow account and \$4,100 in the restricted savings account which does include the transfer of funds for 2018. Schreiber suggested the surplus funds allocated for the

2018 Fire & Rescue Budget roll over into an escrow with the exception of the in/out accounts. Savageau asked if Eide Bailly had been contacted regarding the reserve funds for Fire & Rescue. Affield stated she wanted to wait until after the budget meetings. Olson commented the City does need to address the concerns Cuchna has presented but still need to look at the levy amount set at the end of the year. Schreiber recommends setting the levy amount so a fire truck can be added within a few years instead of increasing the levy high in one year. Affield reminded Council in two years when Centennial comes out of the TIF District, the City will begin collecting those yearly property tax funds. Discussion among Council and Staff agree there are other issues needing to be addressed since the City is not up to speed on new technology and equipment. Affield stated with the additional revenue from the TIF property taxes of approximately 50 homes, the levy would not necessarily need to be raised. Savageau is concerned with departments rolling over the excess funds at year end because they may have been inflated to increase the funds going into escrow. Schreiber suggested when Council goes through the budget line by line, the question would be asked to the department head why there was such an increase in that account. Savageau indicated her frustration with the budget is when department heads wait until the end of the year to purchase items. Council cannot have a true picture of what is needed to operate a department efficiently when nothing is spent until after the Preliminary Tax Levy has been set. Savageau suggested determining a specific date and if a percentage of the budget is not spent, an explanation from the department head would be expected. Cuchna understands what Savageau is saying, you do not want frivolous items purchased just because the funds are in the budget. Olson questioned if we have a fund set up for unanticipated expenditures. Savageau responded the City does not have a reserve fund. Olson wondered if we should build a reserve fund that would benefit all departments so their budget is not depleted if a big-ticket item was needed. Schreiber mentioned Eide Bailly states a city should have enough funds reserved to operate for six months and suggests creating a policy for surplus funds beyond that be added to a reserve fund. Affield stated the funds taken from one fund to another would eventually have to be put back into the original fund. Hypothetically speaking, Olson wondered if the City started a 10-year plan for a fire truck, what would it take to pay for the equipment. Cuchna revealed a tanker should have been replaced this year for \$230,000; in 2022 an engine that is 28 years old should be replaced for an estimated amount of \$325,000 to \$350,000; and in 2026 the 1998 engine should be replaced at roughly \$350,000 to \$375,000. Cuchna guessed the engines would have a trade in value of close to \$40,000. Olson questioned if you could lease a fire engine. Cuchna confirmed there are leasing programs available for government entities. Olson pointed out leasing may be a better option, you have a yearly payment that comes out of your budget and the repairs and upkeep should not be expensive since it is a newer piece of equipment. Cuchna suggested talking to a finance person to weigh the pros and cons of leasing or not leasing. Savageau pointed out monthly payments were made on a new maintenance vehicle so the City should expect to do the same for fire department equipment. Savageau mentioned the grass rig was added into a bond which we make payments on. Olson requested leasing information be collected so the City can consider the options and asked Cuchna if he foresees the fire business changing, such as technology and equipment. Cuchna stated he would like to see mutual aid be available County-wide. Cuchna informed Council the ground work has been set for Automatic Mutual Aid in Clay County is scheduled to start January 1, 2019. Cuchna pointed out for instance, if the City of Hawley has a fire, they automatically page the Glyndon Fire Department within their city limits, everything is map drawn for the entirety of Clay County. Cuchna reported the Glyndon Fire Department will not be going to Dilworth as frequent on a 1<sup>st</sup> alarm call because they have Moorhead available to them. Mayor Johnson wondered if they would go further than Hawley. Cuchna replied it would be the whole County and the 2<sup>nd</sup> and 3<sup>rd</sup> alarm calls bring in more resources, depending on the extent of the fire emergency. Volunteers assist in operating fire departments, which there is a shortage of manpower and when there is a structure fire, a minimum of 15 firefighters are needed. Cuchna predicts in the future, cities will

have standby firefighters available during the day. Olson commented drones are used quite often and Cuchna responded they do not use drones but have access to them. Olson commented the radios are a few years old and asked how long they should be able to use them. Cuchna thought they would be good for 15 years. Chief Cuchna exclaimed the Glyndon Fire Department was awarded the AFG Award (Assistant Firefighter Grant) in the amount of \$97,500.00 to purchase Self Contained Breathing Apparatuses (SCBA) and the City needs to match 5% of the funds, which is roughly \$5,000-\$6,000. The funds will need to come out of this year's budget. Mayor Johnson asked how long the apparatuses last. Cuchna reported the lifespan is 15 years but is hoping to purchase a brand he can repair if needed. Savageau recommends using line item funds from this year's budget so the reserve funds do not need to be used. Cuchna stated each breathing apparatus generally costs \$1,000.

**General Fund Budget Discussion** – Wendy Affield – Affield presented two charts, one with raise percentage options and the other as to how the amounts will affect the budget. It is noted the 2% employee raise is already figured into the Police Department Budget. Affield stated the budget would need to be adjusted accordingly to the percentage Council sets for raises in other departments. Olson mentioned, not knowing exactly what is going to take place with the third maintenance position, it is difficult to decide on wages. Affield explained, in the budget figures, she has the wage included as to what the third maintenance position was being paid before leaving the City. Savageau commented the third maintenance position will be discussed at the Council Meeting. Savageau questioned whether the Employer Paid Benefit Payout item 101-41000-132 is the benefit paid to employees that did not take the City paid health insurance. Affield verified future employees will not be eligible for this benefit. Savageau asked if there was an estimate for the 2019 employee health insurance premium. Affield sent an email but has not received a response from the provider. Affield reported on the following line items: Office Supplies - Decreased; Computer Supplies – Decreased; General Training – Increased; Operating Supplies – No Change; Repair/Maintenance Supplies – Decreased; Professional Services – No Change; Auditing/Accounting Services – No Change; Engineering Fees – Affield stated this account has expenses from the Parke Avenue Project; Legal Fees – No Change; Mayor Johnson wondered if the line item, Legal Fees, would consist of the legal work Mr. Norman does to resolve the issue with the Lugo property and possibly one other property. Affield informed Council this item is on the agenda for the Council Meeting; Criminal Legal Fees – Moorhead – Affield stated this may be increased due to the staffing issue at the County Courthouse. Savageau reported the County may be looking at their contract with the City of Moorhead to see if the amount of the contract actually covers the legal expenses. The County has discovered they are not able to hire entry level attorneys at the contract amount so there may be an increase in the legal fees. Chief Cline stated he spoke to Joe Olson about possibly hiring a contracted attorney for the City because the County Attorney's office is not prosecuting cases Cline feels have merit. Cline added a few minor cases did not receive their due diligence that should have been prosecuted. Cline reported he is not seeing the same quality of prosecution that has been provided in the past. Savageau stated she sees this as a line item having a significant increase. Olson wondered if the City needs to hire their own prosecuting attorney as was done in the past. Cline added if the Prosecuting Attorney's Office continue to reject cases, they should not be billing the City. Cline commented if the Prosecuting Attorney's Office feel they need more information to prosecute a case, they need to contact him and not deny the case after it has been sitting for two years. Owings questioned whether the City should research hiring an attorney for cases to be prosecuted. Cline explained there is a 'Chiefs Meeting' tomorrow and this is an agenda item to be discussed. If the City went jointly with Hawley to hire an attorney both cities use, this could possibly save both cities legal fees. Cline commented if misdemeanors and gross misdemeanors were the type of cases the attorneys had, they are mainly straightforward types of court cases, which is a good position for an attorney starting their career. Mayor Johnson

questioned how the City would determine if they were hiring a good attorney. Cline suggested having the City Attorney, Ken Norman seek references because the City does need to be prepared if the situation arises. Building Inspector Fee – Increased; Building State Surcharge – No Change; Telephone – No Change; Postage – No Change; Travel/Mileage Expense – No Change; Advertising – Decreased; Legal Notice Publication – No Change; Office Equipment Rental – Increased; Dues and Subscriptions – No Change; Awards and Indemnities – No Change; Furniture and Fixtures – Decreased; LOMC General Liability Insurance – Increased; LOMC Membership Dues – No Change; BANYON – Increased; City Specials – Decreased; Bank Fees – Decreased; Glyndon Days – No Change;

Stockwood:

Transformer Expense – Increased; Stockwood Special Assessments – Decreased.

Garbage & Recycling:

Affield explained the County reimburses the City for all recycling expenses from Rose Anderson's salary, Fuchs Sanitation recycling invoices, MinnKota invoices and any expenses that may come up. Refuse/Garbage Disposal – Increased; Clean Up Week – Increased.

Utility Rates - Will be discussed at the Council Meeting following the Budget Meeting.

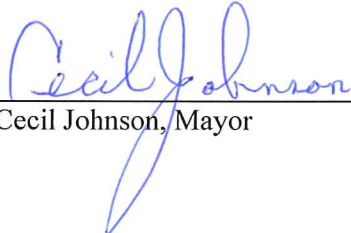
Mosquito – Increased \$0.50; Water Looping – Added Item for \$1.00; Clean Up Week – Increased \$0.25. Monthly Base Rate would be \$100.78 if Council approves the changes.

Affield stated the bond payments are set up with the yearly payment amount and Monsanto annexation payment to the Township is for five (5) years.


#### 4. Open Forum

5. **Adjournment** - A motion to adjourn at 6:30 p.m. was made by Justin Schreiber, seconded by Kimberly Savageau. All in favor.

Motion Carried.

  
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Cecil Johnson, Mayor

  
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Susan Dayley, Administrative Assistant

  
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Wendy Affield, City Clerk

September 12, 2018 Glyndon City Council Budget Meeting Minutes