

Pursuant to due call and notice thereof, a City Council meeting was duly held at City Hall on the 5th day of January 2009 at 7:00 pm.

**THE FOLLOWING MEMBERS WERE PRESENT:**

John Grutsch Mayor, Hugh Knox, Jim Stang, Kurt Marthaler, Margie Evens – Councilors  
Jodi Austing-Traut Clerk/Administrator

Absent: None

The meeting was called to order by Mayor Grutsch and the Pledge of Allegiance was said.

**OATHS OF OFFICE –**

The following were sworn in :

John Grutsch, Mayor  
Kurt Marthaler, Councilor  
Margie Evens, Councilor  
Jim Stang, Councilor

**Ken Kofoed, Insurance Renewals**

Mr. Kofoed explained the League of MN Cities Insurance trust and the coverage that we currently have. Ken explained that overall the city should see a very slight decrease in our insurance premiums for 2009. Ken suggested that the city increase its Faithful Performance Bond coverage. Currently the bond has coverage limit of \$20,000 total. A bond with \$50K in coverage would cost the city an additional \$86/year whereas a bond with \$100K in coverage would cost \$254 per year. Ken also presented information suggesting that the council consider upgrading the Physical Damage portion of the city's auto insurance to include Guaranteed Replacement Cost coverage for city vehicles. This would cost approximately \$250/year for the 2006 International Pumper Tanker and \$180/year for the 1998 International Fire Truck. The final element that Ken requested action on was whether or not to waive the city's Per Person, Per Occurrence liability limit.

***Motion John Grutsch to increase the Faithful Performance Bond to \$50,000***

***Second Kurt Marthaler***

***Passed Unanimously***

***Motion John Grutsch to add Guaranteed Replacement Cost coverage for the 2006 International Pumper Tanker***

***Second Jim Stang***

***Passed Unanimously***

***Motion Hugh Knox to leave the per person per occurrence limit as it is***

***Second Margie Evens***

***Passed Unanimously***

**CONSENT AGENDA**

1. Council Minutes of 12/01/08 and 12/02/08
2. Claims Register and Monthly Expenditures/Revenues, Cash Flow
3. Capital Expenditures, Legal Fees, Engineering Fees Detailed Reports
4. ~~Larson Allen Letter of Engagement for Audit of 2008~~
5. State of MN Public Safety Grant Contract Approval
6. Approval of Updates to FD Bylaws
7. Appoint FD Officers 2009

The council directed staff to get proposals for auditing services.

***Motion Margie Evens to adopt consent agenda with the exception of #4***

***Second Kurt Marthaler***

***Passed Unanimously***

## **COUNCIL BUSINESS**

### **2009 Annual Appointments (attached)**

#### **Discussion of LGA Unallotment**

The City of Avon lost \$40,000 in LGA for 2008. Cash reserves will be used to cover this. It is expected that we are likely to lose at least double for 2009. Since the levy has already been set, the only solution is to attempt to cut expenditures. Staff will be working together to make cuts to the budget in every area possible.

#### **Discussion of Avon Estates**

The developer failed to pay their property taxes and assessments for 2008. The council will exercise their right to draw on the securities in place to make our bond payments. Currently we hold two \$100,000 letters of credit and one \$1,270,000 letter of credit along with \$460,000 in project retainage.

*Motion Hugh Knox to draw on \$100,000 LOC from Klein Bank as well as \$172,807.50 from project retainage in order to make the February bond payment.*

*Second Kurt Marthaler*

*Passed Unanimously*

## **ISSUES BY STAFF**

**Ray Schmidt:** Written Report

**Corey Nellis:** Written Report

**People Service:** Written Report

## **ISSUES BY COUNCIL**

### **ADJOURNMENT**

*Motion Kurt Marthaler to adjourn at 7:48 pm.*

Respectfully Submitted by,

Jodi Austing-Traut, City Clerk/Administrator

## 2009 APPOINTMENTS

Official Depository	Avon State Bank, US Bank/ 4M Fund "No conflict of interest between bank employees, the City of Avon, and Avon State Bank nor between the City of Avon and the 4MFund exists." Alternate investment with qualified institutions as approved by the City Council and for the Clerk/Administrator to negotiate and invest.
Official Newspaper	Stearns Morrison Enterprise
Alternate	St. Cloud Times
Deputy Mayor	Hugh Knox
Treasurer	Jodi Austing-Traut
Parks Board	Art Diedrich
	Gary Reiling
	Tom Jopp
	Staff - Ray Schmidt
Emergency Management Director	Jim Stang
Emergency Management Co-Director	Kurt Marthaler
Emergency Management Plan	Most Current Version of Stearns County Management Plan
City Attorney - Civil	Courie,MacArthur, Ruppe - Mike Couri
City Attorney - Criminal	Janel Kendall/Stearns County
City Engineer	S.E.H – Randy Jenniges
Economic Development Committee	City Council, Katie Reiling, Cheryl Knox
	<b>Chair and Vice Chair</b>
Planning Commission	Eric Larson
	Cathy Reiling
	Bob Pogatchnik
	Doug Millaway
	Rick Fischbach
Council Liaison to PC	Hugh Knox
Staff Liaison - Personnel	Margie Evens
Joint Planning Board	Hugh Knox
	Bob Pogatschnik

