

Pursuant to due call and notice thereof, a City Council meeting was duly held at City Hall on the 31<sup>st</sup> day of August 2009 at 7:00 pm.

**THE FOLLOWING MEMBERS WERE PRESENT:**

John Grutsch Mayor, Hugh Knox, Jim Stang, Kurt Marthaler – Councilors

Jodi Austing-Traut - Clerk/Administrator

Absent: Margie Evens

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

**OPEN FORUM**

**Larry Hosch** was present to discuss the legislative process & unallotments. Larry explained the \$6.4 Billion deficit at State Level. Representative Hosch expects a large deficit next session as well. From 2003 to 2009 property taxes have increased 54% statewide while at the same time unemployment in cities has gone down 8% during that same time period.

**Cheryl Knox (ACIC/EDA)** was present with Lucy and “Mopar” Senstad (of Aunt Annie’s Quilts). The Senstads would like to make improvements to the exterior of their business and would like to request revolving loan funds to assist them with their project. Cheryl explained that her feeling is that the city’s current guidelines for revolving loan funds are not set up for small business loans such as this. Katie Reiling requested that the current EDA begin to meet to discuss the revolving loan fund criteria and guidelines within the criteria to address storefronts.

**Lewis Fisher** was present to discuss the removal of the raft at the Avon Beach. Mr. Fisher gave a historical perspective on the Avon Beach and explained the historical significance of having the raft at the beach and how the raft and beach are an integral part of the identity of this small town.

**CONSENT AGENDA**

1. Council Minutes of August 3<sup>rd</sup>
2. ACIC Minutes July 14<sup>th</sup> and August 5<sup>th</sup>
3. Lakers Baseball Team Minutes August 18<sup>th</sup>
4. Avon Community Improvement Committee (ACIC) Minutes August 11<sup>th</sup>
5. Claims Register and Monthly Expenditures/Revenues, Cash Flow
6. Capital Expenditures, Legal Fees, Engineering Fees Detailed Reports
7. Resolution 09-797 Authorizing Deputy Mayor as official signatory
8. Approve Linneman Lake Street Vacation
9. ~~Approve Changes to Code of Ordinances~~

*Motion John Grutsch to table item #9.*

*Second Hugh Knox*

*Passed Unanimously*

*Motion Hugh Knox to approve consent agenda items #1-8*

*Second Kurt Marthaler*

*Passed Unanimousl.*

**David Drown – Debt Review**

David gave an update of what he has been working on since our last workshop. David presented an analysis of financing for the wastewater treatment plan. The economic environment and failing housing market has not provided for the SAC/WAC development fee income that the city had counted on when the wastewater treatment plant was built.

**Randy Jenniges – Update on CMFCU/ Alley**

Proposal is for a 22' wide alley. Property would need to be acquired, preferably from St. Benedict's Church. Mr. Jenniges requested approval to submit a proposal for engineering services to complete the design and bidding of the improvements. Anticipated cost of about \$4,000. Construction could be completed by the end of this construction season. Due to the improvements to CMFCU and the entrances that they are proposing the alley improvements are needed. The city will require cash or security up front from CMFCU for the project expenses.

*Motion Hugh Knox to authorize S.E.H to design and bid the alley project (maximum cost of \$4,000) and authorize Randy to draft a letter of understanding to the church and a letter to the Central MN Federal Credit Union*

*Second Jim Stang*

*Passed Unanimously*

## **COUNCIL BUSINESS**

### **Budget Review & Set Preliminary Levy**

*Motion Kurt Marthaler to set preliminary levy at \$700,000*

*Second Hugh Knox*

*Passed Unanimously*

### **Set Truth in Taxation Hearing for December 7<sup>th</sup> 6:00 pm**

*Motion Hugh Knox to set the Truth in Taxation Hearing for December 7<sup>th</sup> at 6:00 pm*

*Second Jim Stang*

*Passed Unanimously*

### **Visioning Session Results**

#### **ISSUES BY STAFF**

**Ray Schmidt:** Written Report

**Corey Nellis:** Written Report

**Joel Birr/Jon Forsell:** Written Report

*Motion John Grutsch to authorize order for alum (approximately \$11,000)*

*Second Hugh Knox*

*Passed Unanimously*

#### **ISSUES BY COUNCIL**

Mayor and Clerk/Administrator will be meeting with New Market bank on Thursday.

#### **ADJOURNMENT**

**Motion Hugh Knox to adjourn at 9:25 pm.**

Respectfully Submitted by,

Jodi Austing-Traut, City Clerk/Administrator