

Pursuant to due call and notice thereof, a City Council meeting was duly held at City Hall on the 2nd day of February 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.

PUBLIC ACCESS FORUM

Larry Hosch – Updates on State Budget

\$4.8 billion deficit is the current forecast. Expected that the Feb forecast will bring a deficit of closer to \$6 or \$7 billion. There has been a loss in state revenues coupled with an increase in demand for state services. The governor is proposing approximately a 25% cut to LGA which could result in a 40% increase in taxes.

Representative Hosch is again carrying the administrative penalty bill. It is expected that the legislature will come to some agreement this year.

Mayor Grutsch expressed his concern not only for the LGA cuts, but also the fact that the City of Avon is not receiving anticipated property tax revenues. This puts the City of Avon in a precarious position as our administration has continued to attempt to level out property taxes for several years and now could be facing increases as a result of the LGA cuts.

Mayor Grutsch asked how the stimulus package would impact the state government. Representative Hosch stated that the vast majority of those funds cannot be used to offset the state's budget problem, rather for construction type projects. Representative Hosch also suggested that mandate relief and reform may be part of the solution that the legislature may offer for cities.

Peter Gustafson – Chinook Avenue

Mr. Gustafson presented a petition requesting that the city take over the portion of Chinook Avenue that lies on the south side of I-94. Currently the school bus does not come down this private road, nor does the city plow or maintain it. Ray Schmidt and Mayor Grutsch will meet with Peter Gustafson on site to take a look at the property.

CONSENT AGENDA

1. Council Minutes of 01/05/09 and 01/13/09
2. PC Minutes 01/20/09
3. FD Minutes 12/29/08
4. Claims Register and Monthly Expenditures/Revenues, Cash Flow
5. Capital Expenditures, Legal Fees, Engineering Fees Detailed Reports
6. Resolution 09-787 Husker Athletic Booster Club Gambling at Buckhorn Bar
7. Amend the Agenda to change the order of the items in the 7:15 slot for S.E.H. as follows:
 - i. Consider Pay Request No# 9 – to Nodland for Avon Estates \$66,475.50 for work completed to date
 - ii. Consider Pay Request No#10 – to Nodland for Avon Estates for retainage
 - iii. Consider Resolution Transferring Retainage to Cash Escrow Account per MOU with Nodland

Motion Hugh Knox to approve consent agenda

Second Margie Evens

Passed Unanimously

Scott Lange/Bryan Remer, S.E.H.

Consider Pay Request No# 9 – to Nodland for Avon Estates \$66,475.50 for work completed to date. This is for the work on the generator. The only outstanding item is for the cords for the lift station. They should be in on Thursday. Scott Lange suggested that the city make the payment contingent upon receipt of the cords.

Motion Margie Evens to approve Pay Request Number 9 to Nodland for \$66,475.50 to be released as soon as the cords for the lift station are received

Second Hugh Knox

Passed Unanimously

Consider Revised Pay Request No#10 to Nodland for Avon Estates for \$750 (not including payment of retainage). The council noted that Nodland's original request was to have the full amount paid including the retainage. City Attorney advised against that. The council considered revised Pay Request Number 10 in the amount of \$750.

Motion Hugh Knox to approve pay request No. 10 in the amount of \$750

Second Jim Stang

Passed Unanimously

Consider Resolution Transferring Retainage to Cash Escrow Account per MOU with Nodland

Nodland's attorney requested that the resolution specifically address when the interest will begin to accrue on the funds that they believe should have been placed in an escrow account when the funds were received.

Motion John Grustch to table the Resolution Transferring Retainage to Cash Escrow Account with the assumption that Pay Application No. 10 is not the final

Second Hugh Knox

Passed Unanimously

Consider Change Order No. 1 & approve payment of invoice – Preferred Controls for Radio Upgrade \$3,245.06

Motion Hugh Knox to approve Change Order No. 1 and payment to Preferred Controls for \$3,245.06

Second Jim Stang

Passed Unanimously

Administrative

LGA Outlook/Budget Cuts

Staff presented a plan for budget cuts for 2009 as a result of state LGA cuts.

Auditing Firm Proposals

Larson Allen \$27,450

MMKR \$34,900

Abdo Eich \$33,385

KDV \$21,750

Motion Marge Evens to hire Larson Allen for the 2008 Audit and authorize staff to sign letter of engagement.

Second Kurt Marthaler

Passed Unanimously

Initiative Foundation Grant

ACIC has considered putting this project off, however, the Mayor would like to see it happen. ACIC will meet next week to discuss the possibility of holding the visioning meeting in August.

ISSUES BY STAFF

Ray Schmidt: Written Report

Corey Nellis: Written Report

People Service: Written Report

Council consensus to authorize staff to accept additional sludge from Cold Spring Brewery on an ongoing basis with monthly reports from People Service.

ISSUES BY COUNCIL

ADJOURNMENT

Motion Hugh Knox to adjourn at 8:35 pm, Second Kurt Marthaler.

Respectfully Submitted by,

Jodi Austing-Traut, City Clerk/Administrator