

Pursuant to due call and notice thereof, an Avon City Council Special Meeting was duly held at City Hall on the **17th day of March 2016** at 6:00 pm.

**THE FOLLOWING MEMBERS WERE PRESENT:**

Hugh Knox – Mayor; Julie Jarnot, Jeff Manthe, Jeff Meyer, Jesse Springer – Councilors;  
Kathy Schulzetenberg – Deputy Clerk

**CALL MEETING TO ORDER**

Pledge of Allegiance

**Motion by Councilor Manthe to approve Resolutions 2016-11 and 2016-12, PERA Declarations for Officers Jansky and Luethmers. Second by Councilor Meyer. Motion passed unanimously.**

**Motion by Councilor Manthe to approve Resolution 2016-13 to appoint Chief Nellis as Master Subscriber. Second by Councilor Meyer. Motion passed unanimously.**

Discussion on the survey of replacement costs of the city's buildings. **Motion by Councilor Meyer to approve the changes of the Appraisal Report from the League of MN Cities. Second by Councilor Jarnot. Motion passed unanimously.**

Discussion on meeting pay for hourly employees. **Motion by Councilor Manthe to approve the rate for meeting pay for hourly employees to be set at \$50 for first two hours and then \$25 for each additional hour. Second by Councilor Springer. Motion passed unanimously.**

Discussion on MMCI. Council feels that we need to encourage staff that is willing to take additional training and plans to be here long term. **Motion by Councilor Springer to approve sending Kathy Schulzetenberg to the Minnesota Municipal Clerk Institute for (one week each) the next three years including cost for classes, lodging and mileage. Second by Councilor Manthe. Motion passed unanimously.**

Discussion in regards to personnel and hiring of a City Clerk Administrator. Tom Schneider has agreed to help with the review and interviewing. Discussion on contract for Bob Derus. Discussion as to having him do recruiting. **Motion by Councilor Springer to approve the contract for Bob Derus contingent on changes in job title to "City Clerk/Administrator Consultant" and with approval from Mike Courri. Second by Councilor Manthe. Motion passed unanimously.**

Discussion on JobZ. (submitted by Mayor Knox). *Part of our discussion at our 17.March.2013 Special City Council Meeting was about the end of two State financial incentive programs in the City. Those programs were to promote residential, commercial, and industrial development across the State. JobZ was a program to promote job creation through increased personnel and production capacity. One of our TIF districts aged out and ended which promoted commercial development in the older commercial district of the City. We also discussed how to use the subsequent increased tax capacity available to the City at the demise of the two programs.*

*JobZ came to an end for Columbia Gear and for Blattner Energy at the end of 2015 along with one of the City's TIF districts. The end of those programs added about \$200,000 to the City's net tax capacity. Leaving our levy the same, that increased net tax capacity reduces the City's property tax rate from about 84% to about 68%, a decrease of 16%. In addition, the increased net tax capacity will allow the City to dedicate more to paying down general obligation and infrastructure bonds. The schedule for paying down those bonds accelerates in 2016 in anticipation of the demise of the TIF district and of JobZ and the subsequent added tax capacity.*

*Something that the City must consider as it moves forward in the 2016 budgeting cycle for 2017 is increasing the levy. Increasing the levy at or about \$80,000 still reduces the City's tax rate from about 84% to about 71%, a decrease of about 13%. Those added monies will allow the city to begin to lay aside funds for implementing a neglected street maintenance and repair schedule thereby increasing the longevity of streets in our newer developments. Those added monies will also allow the city to schedule reconstruction of badly neglected streets in the older parts of town and in*

*Suncrest with minimal bonding. Finally, those added monies will allow the city to get back to a schedule of equipment and vehicle replacement rather than having older equipment and vehicles out of service for costly repairs.*

*We also discussed the importance of TIF in attracting development, in this case market rate multi-family residential development in the SE corner of Avon Estates. The site is platted for multi-family housing and has been sitting with two successive developers over the years. The second developer of market rate multi-family housing notified us through our attorney the day of regular City Council Meeting of 7.March.2016 that he had another larger project and would not attend to request TIF approval and proceed to build. Council has had questions regarding the need of this developer for TIF financing, the possibility that transferring the land for the sum of \$1 was a give-away for the City, and that market rate as proposed was too high and possibly unnecessary despite data indicating the contrary in the City's Housing Study of 2013. There also seemed to be a belief that multi-family development, especially market rate, was unnecessary in the City.*

*From the documentation including his Proforma ~~and the "But For" statements~~ presented to the Council through our attorney, the developer's need for TIF appeared well established. In addition, returns on TIF is not on the land value, but the added value of the structure, which in this case was to be quite substantial. Also, the market rate appeared within the bounds of our Housing Study and of the going rates in surrounding communities. Finally, it has been noted that apartment dwellers in the Suncrest I and II apartments were among the buyers of housing in Suncrest as it built out and both apartments were market rate.*

*Columbia Gear and Blattner Energy have and are adding jobs to meet their former JobZ and current DEED Job Creation Funding. Perhaps those new employees would be ideal tenants while they awaited single family housing to develop in Avon Estates and Waters Edge. Remember, the developer planned on adding another sixteen units as the original twenty filled up. TIF is an important tool for the City's use especially in this case of residential development in Avon Estates.*

Discussion on clean up after a recent house fire at 201 Chinook Avenue SW. Apparently there is still an investigation going on in regards to the fire. Issues involving eye sore and environmental hazards. Corey spoke with Mr. Dahlin. There is a different insurance payout in regards to if it is rebuilt or not. The City may be interested in this property.

Casey Jansky provided estimates for cleaning the duct work (\$1,000, \$2,000 and \$3,285). Discussion in regards to putting the heating and a/c vents in the ceiling and abandoning the in ground ones. Casey was asked to get another estimate.

Reminder from Councilor Jarnot to put agendas on line as soon as they are ready. And also to put minutes on as soon as they are done instead of waiting until they are approved with the note: "contingent on approval".

Jon Forsell discusses that there has been a water leakage on Hamlet Drive N. A representative from the MN Rural Water Association came out and assisted with locating the leak. Residents in this area will be notified in advance when water will be shut off for repairs.

Chief Nellis discusses that a few years ago a resident had come in and questioned electronic dog collars in lieu of a leash. At that time it was decided that as long as the dog was "under your control" with an electronic dog collar it would be permitted. This was a trial amendment. It was decided that the ordinance will be kept as is and that the trial amendment has expired. **No action needed.**

**ADJOURNMENT: Motion by Councilor Meyer to adjourn the meeting at 7:48 pm. Second by Councilor Springer. Motion passed unanimously.**

Respectfully Submitted,  
Kathryn Schulzetenberg, Deputy Clerk