

Pursuant to due call and notice thereof, an Avon City Council Meeting was duly held at City Hall on the 3rd day of August 3, 2015 at 6:00 p.m.

**THE FOLLOWING MEMBERS WERE PRESENT:**

Hugh Knox – Mayor; Jeff Manthe, Jeff Meyer,– Councilors; Julie Jarnot, Councilor Appointee  
Jim Thares, City Clerk/Administrator

**ABSENT:** Chuck Pelkey, Councilor

**CALL MEETING TO ORDER:**

Pledge of Allegiance

**ADMINISTER OATH OF OFFICE – JULIE JARNOT, COUNCILOR APPOINTEE**

City Clerk-Administrator Thares administered the Oath of Office to Councilor Appointee Julie Jarnot.

**2016 BUDGET WORKSHOP, DAVID DROWN ASSOCIATES**

David Drown presented information regarding the bond debt service payment schedule for 2016 and future years. He noted that the refunding, completed in May 2014, will allow the debt service to start dropping in 2017. Discussion ensued about the benefits of reserving funds now versus issuing future debt for improvements. A mix of both is likely most beneficial and realistic. The expiration of JOBZ at the end of 2015 and the expected decertification of TIF District #1-1 in late 2016 could bring additional property tax revenues to the City of approximately \$225,000. That is the current amount of potential tax revenue derived from property valuations tied to the direct TIF and JOBZ beneficiaries. Also, beginning in 2017, the General Fund debt service levy will pick up a bit more of the load for the bond payments. The expected additional available dollars for government services will be closer to \$150,000. All other existing property owners' share of the tax levy will remain static or could possibly decrease slightly depending on the mix of decisions the City makes in regards to potential tax relief versus building up capital fund dollars from the additional tax capacity. Debt supported by revenue sources is generally appropriate in most cases. Two key benchmarks were noted: The City's debt to market value is less than 10 percent. Also, the debt per capita is a bit higher than average at \$7,496 +/- . When cities get in the position of needing to issue equipment certificates for purchases of equipment or small improvements, which is quite often, it could often be avoided with a modest amount of financial planning. It was noted that the City will likely need to raise its levy by \$75,000 to cover bond debt service in 2017. The potential extension of utilities and road infrastructure in Avon Estates was also reviewed. The debt service master plan envisions no need to extend utilities beyond the currently served lots. The number of lots sold each year should be about 8 per year. The sewer fund losses shown in the 2014 Year-End Financial Audit are confusing. He will contact Chris Knopik to review this situation.

**Motion by Councilor Meyer to take a five minute recess at 6:50 p.m. Second by Councilor Manthe.**

**Motion passed unanimously.**

**Mayor Knox called the meeting to order again at 6:56 p.m.**

**PUBLIC ACCESS FORUM:** Dave Huberty, 214 Barracuda Avenue, SE, expressed frustration at the poor water drainage in the area at the south end of Barracuda Avenue. He feels the situation is gradually getting worse. He has lived at this address for 20 years and over the past 4 or 5 years, the water ponds higher and closer to the fire pit. He believes the culverts that move water from one storage pond to another are sometimes partially clogged or they are possibly not level. He realizes the water table in Avon is quite high and that compounds the issue. Currently his sump pump is not running but the pool of water is reaching into his back yard making it unusable. Randy Jenniges, City Engineer, said the swale area that serves as a drainage pond south of Mr. Huberty's home and the one south of McDonald's as well as the one west of County Road 9 and Minnie Lake are all at nearly the same elevation. There is not much elevation fall to allow the water to move away from this entire area.

To further compound the issue is that they are looped via culverts; so when the water gets high in one pond, it backflows into another pond in the loop. Councilor Meyer and Public Works Director Casey Jansky said that they could verify that the water levels are very high in all of the ponds as they were recently looking at them. These problems will persist especially in wet years and as more development occurs in Avon. Councilor Meyer feels the entire system is overloaded and may need to be expanded to accommodate proper drainage for the City. Maintenance of the current ponds would be a possible short-term solution. MN-DOT may need to assist with this effort. Discussion on what the long-term solution will be. Mayor Knox said there are no immediate-term fixes and the City will need to create a plan to move drainage in another direction if possible.

**CONSENT AGENDA:**

1. Council Minutes of July 6, 2015
2. Council Minutes of July 13, 2015
3. Claims Register
4. Capital Expenditures, Legal Fees, Engineering Fees, Detailed Reports
5. Accept Gift of \$3,300 from Duane and Ramona Hanauer for Parks and Beautification
6. Approve Outdoor Event Permit – Lion’s Den, 110 Avon Avenue South
7. Approve Outdoor Event Permit – Jesse Springer, 615 Chinook Avenue SW
8. Resolution #2015-24 Authorizing signing of real estate transaction documents for assisted living facility project
9. Continuing Disclosure Report Proposal from David Drown Associates
10. Workshop Minutes of January 14, March 26, April 23, 2015

**Motion by Councilor Manthe to approve the Consent Agenda. Second by Councilor Jarnot. Motion passed unanimously.**

**OTHER MUNUTES:**

Planning Commission minutes – July 21, 2015

**COUNCIL BUSINESS:**

**Consider Variance Request for Lot 2, Block 4, Avon Estates (City of Avon)**

Katie Reiling clarified that the other parcels in this block will benefit if a proposed ordinance revision is approved wherein all lots in this area will be allowed a five foot side-yard setback.

**Motion by Councilor Manthe to approve a five foot side-yard setback variance request for the City of Avon, Lot 2, Block 4, Avon Estates. Second by Councilor Meyer. Motion passed unanimously.**

**Consider Wobegon Park Expansion Site Due-Diligence Proposal – Survey and Phase 1**

Councilor Meyer suggested authorizing an appraisal of the parcels as well. Casey Jansky said that he did not feel that was necessary as the City can estimate the general value for decision making purposes based on the County information. **Motion by Councilor Meyer to authorize a survey of all the involved parcels and a Phase 1 Environmental Review of the Kelly property. Second by Councilor Manthe. Motion passed unanimously.**

**Consider Street Light Installation Contract with Xcel Energy in Avon Estates**

**Motion by Councilor Manthe to authorize the Pre-Pay Option Street Light Installation Contract with Xcel Energy for the installation of two new street lights in Avon Estates at an amount of \$3,356.00. Second by Councilor Meyer. Motion passed unanimously.**

**Avon Estates**

**Consider Lot 1, Block 4, Avon Estates “To Be Built” Listing Contract with Central MN Realty**

**Consider Lot 1, Block 1, Avon Estates Circle “To Be Built” Listing Contract with Central MN Realty**

City Clerk/Administrator Thares explained the “To Be Built” listing contracts would mean the identified lots would be reserved for these homes. If another buyer came in and wanted one of those lots, Matt would need to release it and make it available. He believes Matt would be willing to do that. The “To Be Built” strategy is

another avenue to spur development in Avon Estates. **Motion by Councilor Manthe to approve the “To Be Built” listing contracts with Central MN Realty for Lot 1, Block 4, Avon Estates and Lot 1, Block 1, Avon Estates Circle. Second by Councilor Meyer. Motion passed unanimously.**

#### **ISSUES BY STAFF**

**Public Works Department** - Casey Jansky, Public Works Director, referred to his report. He also reported on information gathered for the proposed new Public Works building at the Wastewater Treatment Plant. The estimated cost from Lumber One is about \$195,000. A couple of phasing ideas were discussed. They include waiting to sell the City buildings and then starting construction or completing the dirt work and footings and concrete slab, so in the event one of the two buildings sells, a building could go up quickly in almost any season. Casey mentioned the possibility of selling the storage buildings that are in Avon Estates as well. City Clerk/Administrator Thares mentioned that an individual is interested in buying that parcel with the buildings on it for a low impact use. Council suggested that a tour of the various issues and sites be arranged before the September Council meeting. Those include the Ballpark parking lot, the South Barracuda Avenue drainage pond area, the buildings in Avon Estates and any others that the Council would like to have on the list. Casey said there is still buyer interest in the Public Works building. Councilor Manthe stated that the sale of one of the two City buildings (Police Storage Building and Public Works Facility) would be the trigger point in his mind to move ahead with the relocation project so the proper facilities are constructed.

**Water/Wastewater Department** – Jon Forsell, Utilities Supervisor, referred to his report in the Council packet. He recommends Council making an appointment to fill the vacant Utilities subcommittee position. Councilor Jarnot offered to be on the committee.

**Police Department** – Corey Nellis, Police Chief, said the Police Department is currently swamped with calls. He complimented his staff on a great job in getting through all of the work that has been coming at them. He also mentioned that the City of Albany is currently using Avon’s Tahoe vehicle as their squad is in the repair shop. Councilor Manthe mentioned the recent Babe Ruth baseball tournament and numerous youth crossing County Road 9 at unmarked spots during heavy traffic. Chief Nellis said if he had known about the tournament he could have been proactive in responding to this situation. It was suggested that the City Marquee sign be used to warn the driving public about the tournaments in the future. Chief Nellis also reported on resident complaints of excessive speed along County Road 9. He said we are still waiting for the speed study from the County. He provided the history of the study requests and actions to date. The area is currently 45 mph and drops to 30 mph near the Avon Elementary School. He can contact the County again to discuss the issues and timeline for completing the study.

**City Engineer** – Randy Jenniges, S.E.H., provided an updated report on the Midsota Mfg. site storm water drainage plans. The new plans, completed by S.E.H. engineering staff, indicate that the 4-inch orifice placed into a drainage culvert that takes water off the property into a regional pond behind the Midsota building, brings the entire plan into compliance with the City storm water drainage ordinance. During heavy rains, water is ponded into their parking and trailer storage area. He said there is evidence of this occurring with the recent rains. He recommends a letter be sent to Midsota indicating the findings and also detailing the site’s surface water management requirements to maintain the compliant status. He will also be working with Tischler Wood Products over the next month to bring their site into full compliance with the ordinance.

#### **OTHER:**

**Job Classification and Compensation Study** – City Clerk/Administrator Thares explained that Council had tabled this for future discussion during the June meeting. He is proposing that a comprehensive study be performed in-house with assistance from a former intern, Jake Meyer. With the current workload that staff has, there is simply not enough time left to complete other projects or studies in house. This is a major study and could take six to seven months for a quality, referenced and unbiased study to be completed. The intent would be to start it this fall and have it ready by spring 2016 with the goal to implement a new compensation schedule in 2017 with the 2017 budget. **Motion by Mayor Knox to authorize the completion of an in-house Job Classification and**

**Compensation Study with assistance from former intern Jake Meyer and periodic progress review by the personnel committee. Second by Councilor Manthe. Motion passed unanimously.**

**ISSUES BY COUNCIL:** Councilor Meyer discussed the importance of working with the Lake Association so we understand the Milfoil treatment schedules. Mayor Knox said that the property waivers and warning notices are the sole responsibility of the Lake Association. He would prefer City staff not be involved in that process in any way.

**ADJOURNMENT: Motion by Councilor Manthe to adjourn the meeting at 9:16 p.m. Second by Councilor Jarnot. Motion passed unanimously.**

Respectfully Submitted  
Jim Thares, City Clerk/Administrator