

Pursuant to due call and notice thereof, an Avon City Council Meeting was duly held at City Hall on the 4th day of August 2014 at 6:00 p.m.

**THE FOLLOWING MEMBERS WERE PRESENT:**

John Grutsch – Mayor; Hugh Knox, Kurt Marthaler, Jim Stang and Jeff Manthe – Councilors  
Jim Thares, City Clerk/Administrator

**CALL MEETING TO ORDER:**

Pledge of Allegiance

**2015 BUDGET WORKSHOP – David Drown, David Drown Associates**

David reviewed the bond debt service and the required mix of water and sewer revenues and property taxes to service the debt. The refunding, which was completed in May 2014, will lower the bond payments by about \$45,000 in 2015. Avon Estates lot sales proceeds are starting to make a difference in the cash available to service debt. Bonding for future community improvements such as streets may be viable in two to three years. Sewer and Water Enterprise Funds both have adequate cash reserves, although the Water Fund should be monitored closely going forward. Continuing new development and the utility surcharge fees instituted in 2014 should improve the fund balances. Avon Estates and Waters Edge lot packages were compared. The City has a nice situation with plenty of available lots. The absorption of seven to eight lots per year will help with assessment payments being made and sewer and water revenues increasing. The City is paying down its bonded debt by over \$650,000 each year and that will continue for several more years. Delaying future public improvement projects for two or three years would be a great strategy to keep the debt on a downward trend. The City does have the ability to do a small equipment certificate in 2015 if it so desires.

**PUBLIC ACCESS FORUM:** No one came forward.

**CONSENT AGENDA:**

- #1 Council Minutes – July 7th, 2014
- #2 Claims Register
- #3 Capital Expenditures, Legal Fees, Engineering Fees and Detailed Reports
- #4 Accept Donated Funds for Parks and Beautification
- #5 Vacate Drainage and Utility Easement; Lot 26 and 27, Block 5 Blattner’s Stratford Addn.

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

**OTHER MINUTES:**

Planning Commission Minutes – July 15, 2014

**COUNCIL BUSINESS:**

**CONSIDER APPROVAL OF CLAIM – Grutsch Plumbing & Heating; \$390.00**

**Motion by Councilor Marthaler to authorize payment of Official Interest Claim in the amount of \$390.00  
Second by Councilor Stang. Motion passed 4-0. Mayor Grutsch abstained.**

**Discuss Milfoil Treatment in Middle Spunk Lake, Dennis McGuiness, Lakes Assn.**

Mr. McGuiness reported the DNR discovered a five-acre area of milfoil in Middle Spunk Lake. Some of it is near the swimming beach in depths of 12 to 15 feet or less. It is also possible that it could spread to the other two lakes in the Spunk Lake Chain. The Lakes Association desires to be proactive and treat the milfoil and would like the City’s support. The goal is to manage it and the preference is to use a chemical treatment. Chemical treatments have to be done during the growing season, so the timeline is getting shorter for 2014. It is possible to get a \$2,000 grant from the MN DNR to help pay for the treatment. The total cost may exceed \$4,000, so other funds will be needed. Councilor Stang volunteered to be the City Council representative in creating a plan to

move forward with fundraising and a timely remedy. Police Chief Corey Nellis also offered to be on the committee. The City also offered the use of the Council meeting room for the committee to hold a meeting. A suggestion was made to involve Township officials as well.

### **Avon Estates Lot Sales and Development Projects**

#### **Consider Sale of 3.35 acre site in Avon Estates to Partners Senior Living Options, LLC,**

Brent Kapsner, Partners Senior Living Options was present to provide background information about the proposed assisted living facility development. They have 12 facilities in smaller Minnesota communities; one of them being St. Joseph. They are currently studying the elderly waiver market in Avon. They offer a flexible approach to allow private pay conversion to elderly waiver. They may consider including a small community room in their building which would be useable by the general community. The proposed building would be about 20 +/- units in size and match the architecture of the patio home development. They would like to work with the City to implement a landscaping plan that enhances the site. The continuity between the patio homes and their facility is positive because the in-house services that they offer are now allowed outside of the facility due to a recent state law change. They also envision patio home residents possibly moving into their facility as they age. They want to keep the delivery truck traffic to the east side of the site. The building expansion is expected to be to the west. There will be a Licensed Practical Nurse (LPN) on duty. A total staff level of 20 +/- is typical for this size of facility. Mayor Grutsch noted the price of \$87,000 as a fair offer. **Motion by Councilor Stang to authorize a sale of 3.35 +/- acres in the Serenity At Avon development to Partners Senior Living Options, LLC at a price of \$87,000. Second by Councilor Knox. Motion passed unanimously.**

#### **Consider Amending TIF Development Agreement with Harold Jesh, LLC - Valley View Estates Apt. Project**

Mayor Grutsch explained the requested change that the developer is seeking by lowering the special assessment of \$80,000 down to \$46,000. The \$34,000 reduction is needed because the lot requires a large amount of site work done in phase one which will also serve the needs of phase two. The \$34,000 will be added onto the phase two lot sale when that occurs, hopefully in several years. It was clarified that the developer has the First Right of Refusal (Option) on the lot for three years from the date of the initial project's completion date. **Motion by Councilor Knox to amend the TIF Development Agreement by reducing the assessment payment from \$80,000 to \$46,000. Second by Councilor Marthaler. Motion passed unanimously.**

#### **Avon Estates – Single Family Development and Marketing Update**

##### **Sale of Lot 1, Block 10, Avon Estates (Steven and Dana Weber; \$29,700)**

It was clarified that the lot sale is at the market ask price. **Motion by Councilor Knox to approve the sale of Lot 1, Block 10 to Steven and Dana Weber for \$29,700 and authorize the Mayor and City Clerk/Administrator to sign documents - via Resolution #2014-28. Second by Councilor Stang. Motion passed unanimously.**

#### **ISSUES BY STAFF:**

**Public Works Department** – Ray Schmidt, Public Works Director, reported on the drainage challenges along Chinook. He said the dryer weather has solved the problem for the immediate time being. He is still waiting for Gleiden Company to come and complete the pothole repair work.

**Police Department** – Corey Nellis reported that the Police Department will be purchasing new 9mm Glock guns. They are much easier to handle and the ammunition is cheaper. The vendor has offered a great price with the current .40 caliber Glocks being traded in as part of this purchase. Councilor Stang thanked the Police Department staff for their great work in solving the recent Avon Elementary School burglary.

**Water/Wastewater Department** – Jon Forsell, Utilities Supervisor, reported on the changes that they are working on with the forms in the building permit packet. He noted that in the future, a generator located in Avon Estates

might be a good idea. It would make responding to power outages more efficient and safer. The wastewater treatment plant flow is finally coming back down to more normal levels after the heavy spring rains.

**OTHER:** The Avon Fire Department is proposing to purchase a new Brush Truck and trade in the old Unit 9 Brush Truck that is currently in service for a cost of \$41,000. **Motion by Councilor Knox to authorize the purchase of a new Brush truck and trade in of the old Unit #9 truck. Second by Councilor Marthaler. Motion passed unanimously.**

**ISSUES BY COUNCIL:** None noted

**ADJOURNMENT:** Motion by Councilor Marthaler to adjourn the meeting at 8:36 p.m. Second by Councilor Manthe. Motion passed unanimously.

Respectfully Submitted  
Jim Thares, City Clerk/Administrator