

Pursuant to due call and notice thereof, an Avon City Council Meeting was duly held at City Hall on the 7th day of October, 2013 at 7:00 p.m.

**THE FOLLOWING MEMBERS WERE PRESENT:**

John Grutsch – Mayor; Hugh Knox, Kurt Marthaler, Jim Stang, Jeff Manthe – Councilors  
Jim Thares - City Clerk/Administrator  
Absent: None

**CALL MEETING TO ORDER:**

Pledge of Allegiance

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

**CONSENT AGENDA:**

- #1 Council Minutes – September 9, 2013
- #2 Claims Register
- #3 Capital Expenditures, Legal Fees, Engineering Fees, Detailed Reports
- #4 Accept Donation from Women of Today for Parks Improvement via Resolution #13-23

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

**OTHER MINUTES:**

Planning Commission Minutes – September 17, 2013

**COUNCIL BUSINESS:**

**Consider Potential Speed Limit Adjustment Request on Co. Road 9, Jodi Teich, Stearns County Engineer**  
Corey Nellis, Police Chief, explained that speed is a concern for residents and pedestrians in this section of Co. Road 9. He believes it should be a 30 mph zone. Jodi Teich explained the factors that are taken into account in conducting a speed study. The speed for this area is now 45 mph which was set after the 2006 study. She can request a new speed study but suggested completing it in the spring when factors such as pedestrians may have a greater impact. The State ultimately sets the speed and it is possible that they could increase it in this area. She understands that safety is a concern with the elementary school located in this area. New housing in the area also is a factor that affects the study. **Councilor Knox motioned to request a traffic study be conducted on County Road 9 within the area of concern detailed by Police Chief Nellis. Second by Councilor Manthe. Motion passed unanimously.**

**Consider Approval of Sewer and Water Utility User Access Fee Surcharges**

Mayor Grutsch said he supports the surcharge as a way to set aside funds to upgrade the lift stations in the wastewater treatment system. Councilor Manthe stated that it was a small and reasonable start to bolster the Sewer and Water Funds. **Councilor Manthe motioned to establish a Sewer and Water Utility User Access Fee Surcharge as detailed in Resolution #13-24 (surcharge amounts of \$3.00 per month for sewer and \$1.00 per month for water). Second by Councilor Marthaler. Motion passed unanimously.**

**Consider Adopting 2014 Enterprise (Sewer and Water) Funds**

Council discussed the Enterprise Funds budget and current revenue flow for 2013. City Clerk/Administrator Thares said that the proposed 2014 budget does include the new surcharge which is estimated at \$28,000 toward the revenue side of the budget. Discussion on the 2013 revenues. Mr. Thares stated that revenues are slightly below projections but should be okay for the year based on the most recent billing of \$73,000 and the two other periods that are still left for 2013. **Councilor Knox motioned to adopt the 2014 Enterprise (Sewer and Water) Funds Budget. Second by Councilor Marthaler. Motion passed unanimously.**

## **Avon Estates Update**

### **Consider Sale of Lot 1, Block 11 to Multi-Family Developer (Harold Jesh, Sauk Rapids)**

Harold Jesh, Sauk Rapids, introduced himself and a concept 16-unit multi-family apartment development proposal. Council discussed the proposal and the original intended use of the area as multi-family housing. Mr. Jesh said his goal is keep a new apartment building full right from the start and have a waiting list. He stated that he will also be asking for TIF to help with the development as it won't be feasible without it. Council discussed the purchase agreement language and asked City Clerk/Administrator Thares to have legal counsel to review it. **Councilor Stang motioned to authorize entering into a vacant land purchase agreement for the sale of Lot 1, Block 11, Avon Estates to Harold Jesh contingent upon review by the City Attorney. Second by Councilor Marthaler. Motion passed unanimously.**

### **Consider extending electrical service to additional lots in Avon Estates**

Council reviewed the area proposed for the new electrical service. Mayor Grutsch noted that a purchase agreement was just signed for two lots in the newly proposed area. City Clerk/Administrator Thares said that the buyer was okay waiting to have electrical service until spring 2014 as they would not be building until then. Councilors discussed the Xcel rebate program. City Clerk/Administrator explained that the reimbursements are based on new meters placed into service. **Councilor Manthe motioned to authorize expenditures of \$16,687 to extend the electrical service to Lots 27-32, Block 3 and Lots 2-5, Block 4 effective in the spring of 2014. Second by Councilor Marthaler. Motion passed unanimously.**

## **ISSUES BY STAFF:**

**Public Works** – Ray Schmidt, Public Works Director, informed Council about a street light proposal for County Road 9 in the northern part of the City. To improve safety, this area needs six new lights. Xcel pays for the installation of the lights. The City is required to pay the monthly bill of \$9.86 per light or \$59.16 per month. These lights will be on existing poles on the west side of the road. They can be installed within two to three weeks. He also reported that three existing lights in Waters Edge Two were never added to the City's billing group. No one has been paying for these lights since the developer installed them many years ago. Xcel is asking the City to start paying or they will take them out of service. The expected cost is \$17.85 per month. Ray informed the Council on the 100-yard salt-sand quotes received from Lange Trenching and Herdering. He recommends Lange as it is cheaper and has a higher mixture of salt which is more effective. The bid from Lange also includes an additional 7.5 yards of straight salt to repay the City of Albany from last year.

**Councilor Knox motioned to authorize spending \$6,836 for 100 yards of Salt-Sand mixture from Lange Trenching and to also approve paying \$17.85 per month for 3 street lights in Waters Edge and to have 6 street lights installed along County Road 9 and begin paying for the monthly bill quoted at a cost of \$59.16 per month. Second by Councilor Marthaler. Motion passed unanimously.**

**Police Department** – Police Chief Corey Nellis reported on the proposed Parking Ordinance revisions. This will reduce confusion and simplify it by taking five existing Ordinances and reformatting it as one new Ordinance. Mayor Grutsch asked about the impact on business/delivery trucks? Corey said the language uses vehicle weight versus descriptive terms to regulate overnight street parking. He suggested that Council review this language and provide feedback so it can be considered at the November Council meeting. He also updated the Council on the annual Police Department audit and the new part-time police officer, Angie Milo. She will be invited to attend the November meeting. He pointed out the slight increases in State Categorical aid that was recently received by the City for Police and Fire Protection.

**Water/Wastewater Department** – Jon Forsell, Water/Wastewater Utility Director, said his written report was a good summary for the month. Flushing of fire hydrants has been completed. A critical PLC analog control card at the wastewater treatment plant went bad, so a new one was purchased at a cost of \$1,480. He doesn't know if the recent power outages caused the card to fail. He also noted that a softener malfunctioned at the State wayside rest stop dumping approximately 9,000 gallons of salty water into the sanitary sewer system. That has been causing a few issues. He expects the system to recover completely over the next two weeks. Mayor Grutsch asked about the large jump in the pumped water? Councilor Knox asked if more people were

using lawn sprinkling systems? The consensus feeling is that possibly a few more property owners were using them.

**OTHER:**

Council discussed Joseph's property tax payments. This item was requested to be back on the November Council meeting agenda. City Clerk/Administrator Thares said that he would e-mail the liquor license suspension and revocation procedures to the Council members for review prior to the next meeting. He noted that non-payment of property taxes or other City charges is clearly best dealt with at the time of license renewal. He said that Joseph's water and sewer bills and their small monthly loan payment were current.

City Clerk/Administrator Thares reported the progress of the Business Retention and Expansion (BRE) visits. Annie's Quilt Shop was specifically noted. Her store closure process will play out over the next couple months. The media article has made people aware of the opportunity for a buyer to step in and continue the business.

Recent electrical outages in the entire City were discussed. Xcel Energy has stated that they've found some issues with breaker readouts at their local substation. Discussion continued about allocating bills/expenses to Xcel for damaged equipment at City Hall as it is less than the current insurance policy deductible.

City Clerk/Administrator Thares noted the proposed 2014 preliminary General Fund line item budget which was adopted at the September meeting. He continued saying it can be tweaked and lowered until final Council review and approval in December.

Mayor Grutsch noted an increase in the most recent Xcel Energy bill. A permanent rate increase granted to Xcel is now being implemented. This will affect homeowners, business as well as the City in future budgets.

Councilor Stang asked about the non-payment of fees by Klein-Goerger Builders (KGB)? City Clerk/Administrator Thares explained that only the Trunk Utility Fees of \$1,782 per lot were not paid. This occurred one other time several years ago and KGB paid them in full over time. The City will bill them again for the two lots and offer them a payment plan.

**ISSUES BY COUNCIL**

Councilor Stang discussed the required financial outlays and overall debt burden that the City is dealing with from past infrastructure projects and how it may delay or impact any discussions about a future Fire Hall and its related planning steps. He inquired if possibly the Mayor and City Clerk/Administrator would be able to be provide a summary overview of the City's financial position to the Fire Department members at a future meeting? Consensus is that this is possible and may be helpful.

Councilor Manthe noted the Chamber sponsored Boo Bash coming up on October 31st. City Clerk/Administrator Thares said he attended the 5<sup>th</sup> Monday meeting sponsored by the Albany School District. He reported that K-12 enrollment is at its highest point ever with 1,700 students. The District is benefiting from the new State school funding formula and plans to let the current operating levy expire. It may consider future levy options when its building debt expires in a couple more years.

**ADJOURNMENT: Councilor Marthaler motioned to adjourn the meeting. Second by Councilor Manthe. Motion passed unanimously.**

Meeting adjourned at 9:11 p.m.

Respectfully Submitted  
Jim Thares  
City Clerk/Administrator