

Pursuant to due call and notice thereof, an Avon City Council Meeting was duly held at City Hall on the 7th day of July, 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

PRESENTATION OF 2013 FINANCIAL AUDIT – Chris Knopik and Tom Koop, CliftonLarsonAllen

Close of the year showed steady fund balances and a small increase in the general fund account balance. The City's overall debt levels are decreasing. Enterprise Funds show slight revenue declines. Two findings included "Unclaimed Funds" (uncashed payroll checks) and a requirement for a Comprehensive Plan Parks and Open Space improvements component. Discussion regarding the Avon Estates assessment cancellation/forgiveness program which is a component of the Tax Increment Financing (TIF) lot purchase incentive program. It was noted that the TIF program is a key part of selling lots. Over the next few years, the TIF revenues should grow annually as more homes are built in the development. The tax increment is intended to support debt service payments for Avon Estates bonds.

Mayor Grutsch declared a five minute recess at 6:54 p.m. Mayor Grutsch reopened the meeting at 6:59 p.m.

PUBLIC ACCESS FORUM: No one came forward.

CONSENT AGENDA:

- #1 Council Minutes – June 2, 2014
- #2 Claims Register
- #3 Capital Expenditures, Legal Fees, Engineering Fees and Detailed Reports
- #4 Accept Donated Funds for Parks and Beautification
- #5 Appoint Jason Falconer as Part-Time Police Officer
- #6 Sunday Liquor License Request from Lion's Den

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

OTHER MINUTES:

Planning Commission Minutes – June 17, 2014

COUNCIL BUSINESS:

PUBLIC HEARING – Adoption of Wellhead Protection Plan

Mayor Grutsch opened the Public Hearing at 7:11 p.m. Jon Forsell, Water/Wastewater Department Supervisor, spoke about the amount of work that went into completing the plan. Karen Voz, Minnesota Department of Health (MDH), said she was pleased with the collaborative team effort involving MDH, the Stearns County Soil and Water Conservation District as well as local residents and City employees. The implementation work involves activities by the City over the next few years. After eight years, the plan needs to be updated. The disclosure process for new, non-municipal wells was reviewed. The City should receive notices about newly installed wells in the Drinking Water Supply Management Area. Jon acknowledged the volunteer work of Carrie Raber and Cheryl Knox. **Motion by Councilor Marthaler to close the Public Hearing at 7:27 p.m. Second by Councilor Manthe. Motion passed unanimously.**

Motion by Councilor Stang to approve Resolution #2014-20 Adopting A Wellhead Protection Plan. Second by Councilor Knox. Motion passed unanimously.

Consider TIF Development Agreement with Harold Jesh, LLC for Valley View Estates Apt. Project City Clerk/Administrator Thares reported that Mr. Jesh was seeking to have the TIF Development Agreement approved with two modifications 1) a five percent City TIF Administration fee (versus 10 percent), and 2) a completion date of March 31, 2015 (instead of December 31, 2014). **Motion by Councilor Marthaler to authorize entering into a Development Agreement with Harold Jesh, LLC for Valley View Estates Apartment development with the two identified modifications via Resolution #2014-21. Second by Councilor Stang. Motion passed unanimously.**

Avon Estates – Single Family Development and Marketing Update

Sale of Lots 28 and 29, Block 3, Avon Estates (Jeff and Christine Manthe); \$49,700

Discussion by Mayor Grutsch about the benefit of having larger homes built on double lots. The two lots sold together in this offer constitutes the full price on one lot and a reduced price on the second lot. The total sales price is \$49,700. **Motion by Councilor Stang to approve the sale of Lots 28 and 29, Block 3 for \$49,700 and authorize the Mayor and City Clerk/Administrator to sign documents - via Resolution #2014-22. Second by Councilor Marthaler. Motion passed 4-0 with Councilor Manthe abstaining.**

Sale of Lot 20, Block 3 Avon Estates (John and Pamela Schmeising); \$25,000

Discussion by Myor Grutsch about the reduced sales price of \$25,000. The buyer agreed to construct a new home valued over \$150,000 on the lot by the end of 2014. **Motion by Councilor Marthlaer to approve the sale of Lot 20, Block 3 for \$25,000 conditioned on construction of a new home valued in excess of \$150,000 by the end of 2014 and to authorize the Mayor and City Clerk/Administrator to sign documents – via Resolution #2014-23. Second by Councilor Stang. Motion passed 4-0 with Councilor Manthe abstaining.**

Sale of Lot 27, Block 3, Avon Estates (Nathan Garrett); \$27,700

Discussion by Mayor Grutsch about the competing offer on two lots (Lots 28 and 29, Block 3) and counter offer and negotiations to sell Lot 27 at a discount of \$2,000 equating to a sales price of \$27,700. **Motion by Councilor Knox to approve the sale of Lot 27, Block 3 for \$27,700 with the condition that a home in excess of \$150,000 of value be constructed on the home by the end of 2014 – via Resolution #2014-24. Second by Councilor Marthaler. Motion passed 4-0 with Councilor Manthe abstaining.**

Consider Marketing Contract with Brendan Mooney, Hirschfeld Real Estate, for Police Storage Building (112 Avon Avenue South) at a list price of \$75,000 - Mayor Grutsch reviewed the proposed marketing agreement with Brendan Mooney, Hirschfeld Real Estate, for a discounted broker fee of \$500.00. The buyer representation would be 2.5 percent of the sale amount. **Motion by Councilor Stang to approve a one year marketing agreement for the Police Storage Building at a price of \$75,000 with Brendan Mooney, Hirschfeld Real Estate. Second by Councilor Marthaler. Motion passed unanimously.**

Consider Amending Golf Cart Ordinance

Mayor Grutsch reviewed the proposed ordinance revisions. The revisions would allow carts on County roads, except for a large stretch of Avon Avenue (main street), and drivers must be 14 years of age or older. **Motion by Councilor Marthlaer to approve revisions to the Golf Cart Ordinance as proposed. Second by Councilor Stang. Motion passed unanimously.**

ISSUES BY STAFF:

Public Works Department – Ray updated the timeline for replacing the damaged decorative street light; about 4 more weeks. He also said he would like to obtain authorization to spend up to \$3,000 for pothole repairs on various streets. Sealcoating bid information was reviewed. Two bids were received for various street packages. The bids came in as follows: Astech Corporation in the amount of \$61,246.25 and Caldwell Asphalt Company for a total of \$61,010. Council discussed the merits of sealcoating more streets now versus waiting two years. Ray said some of the streets are in a reconstruction category. Low traffic streets can wait for two or three more years. Discussion ensued about the street repair budget, possible use of reserves as well as potential savings in doing all

the work now versus a piecemeal approach. **Motion by Councilor Marthaler to accept the bid of \$61,246.25 from Astech Corporation for 2014 street sealcoating package as presented. Second by Councilor Knox. Motion passed unanimously.**

Councilor Stang responded to a Fire Call and left the meeting.

Motion by Councilor Marthaler to authorize spending up to \$3,000 as quoted by the Glyden Company for pothole repair work on various City streets. Second by Councilor Manthe. Motion passed 4-0.

Ray provided a brief update on the drainage problems along Chinook Avenue. The various solutions are being reviewed for effectiveness and cost. It was noted the amount of rainfall this past spring was at historic levels. The water table in Avon is a compounding issue.

Police Department – City Clerk/Administrator Thares provided the Police Department update. The Avon Elementary School was burglarized recently. It is being investigated. Also, Officer Angie Milo resigned.

Water/Wastewater Department – Jon Forsell, Utilities Supervisor, reported on issues with new water and sewer hook-ups. Materials and install-hookup procedures are evolving. More research will be done on monitoring work that occurs in the public right of way. High sewer flows are dropping. Additional resident education may need to be done regarding sump pump discharge rules.

OTHER: None

ISSUES BY COUNCIL: Mayor Grutsch said that the Lion's Club funds provided to the City from a past donation were to be used for Avon Estates park improvements. **Motion by Councilor Manthe to authorize spending \$5,000 from the General Fund for park improvements in Avon Estates. Second by Councilor Knox. Motion passed 4-0.**

The City's annual contribution to the Initiative Foundation was reviewed. **Motion by Councilor Knox to authorize a \$500 community development donation to the Initiative Foundation from the 2015 budget. Second by Councilor Marthaler. Motion passed 4-0.**

ADJOURNMENT: **Motion by Councilor Marthaler to adjourn the meeting at 8:51 p.m. Second by Councilor Manthe. Motion passed 4-0.**

Respectfully Submitted
Jim Thares, City Clerk/Administrator