

Pursuant to due call and notice thereof, an Avon City Council Meeting was duly held at City Hall on the 5th day of August, 2013 at 5:30 p.m.

THE FOLLOWING MEMBERS WERE PRESENT:

John Grutsch – Mayor; Hugh Knox, Kurt Marthaler, Jim Stang, Jeff Manthe – Councilors
Jim Thares - City Clerk/Administrator, David Drown, Financial Advisor; Chris Knopik and Tom Koop,
Accountant/Auditors
Absent: None

CALL MEETING TO ORDER:

Pledge of Allegiance

FINANCIAL/BUDGET WORKSHOP: David Drown reviewed the debt service bond payment master plan handouts with the Council. Specific bond issues were discussed especially in regards to revenue sources. It was noted that the water enterprise fund is slated to support several bond issues in 2014 and beyond. It has sufficient annual operating cash flow – typically significantly more than the sewer enterprise fund. Debt service schedules for the Avon Estates trunk bonds (G.O. 2007B) as well as the phase 1 internal public improvements (G.O. 2007C) were also reviewed. It was a consensus to transfer the excess TIF #1-1 dollars, as allowed by state statute pooling rules, into the appropriate funds to cover upcoming bond payments. City Clerk/Administrator Thares said this could be done at the next Council meeting. Water and sewer rates were reviewed by David Drown. He reported that sewer revenues are not keeping pace with expenses. He suggested a rate increase of approximately 30 percent would be needed in the near future to generate the amount of revenue necessary to cover debt service payments; an additional \$80,000 per year according to his calculations. Council discussed potential rate adjustment concepts and the timing of them. It was noted that sewer and water access payments (SAC/WAC) are added revenues that should be accounted for in the rate discussion. The expected lot sales and corresponding SAC/WAC hookups in Avon Estates in 2013 and 2014 is 5 and 6 respectively. City Clerk/Administrator Thares noted that the City's is ahead of its lot sales goal and SAC/WAC hookup projections in 2013 as 6 lots have been sold so far. Any additional development in Waters Edge or elsewhere in the City also adds SAC/WAC revenue also. It was noted that in 2013, overall the City is doing well; a total of 9 single-family building permits have been issued with SAC/WAC charges for each one. The idea of a surcharge on the sewer and water bills that could be lowered or eliminated in the future if development goals are met or exceeded in Avon Estates or Waters Edge was suggested. Staff will look into this concept and prepare information for future Council discussion.

PUBLIC ASSESS FORUM:

No one came forward.

CONSENT AGENDA:

- #1 Council Minutes – July 1, 2013
- #2 Claims Register
- #3 Acceptance of Gift from Duane and Ramona Hanauer via Resolution # 2013-19
- #4 Consider Tobacco License Approval for Casey's (Casey's Gen. Store, Ankeny, IA) formerly Schmidty's
- #5 Consider Criminal Prosecution Contract with Stearns County Attorney for years 2014 and 2015

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

OTHER MINUTES:

Planning Commission Minutes – July 16, 2013

COUNCIL BUSINESS:

Little Free Library Proposal – Shelly Pierson and Angie Cooper

Ms. Pierson and Ms. Cooper explained their goal of setting up Little Free Libraries, which are small attractive containers for books to be traded or dropped off, and accessed by the public. They would like to place three of them in the City. One would be at Wobegon Park and two more at each of the City baseball parks. They have already raised \$800.00 to support the placement and ongoing maintenance of the Libraries. The City will not have to maintain them. A concern about possible vandalism was noted by City staff. Ms. Pierson said that they have factored that into the costs. They described the ground fixture as a 4x4 wood post. Ray Schmidt, Public Works Director, indicated that he is okay with the placement of the Little Free Libraries. **Councilor Stang motioned to allow the Little Free Libraries to be placed at Wobegon Park and the other City owned sites with input from staff. Second by Councilor Manthe. Motion passed unanimously.**

Consider Amending Outdoor Event Permit for P.J.s Supper Club

Bill Blonigen, P.J.s, is requesting more outdoor music event dates for his recently approved Outdoor Event Permit. The proposed additional dates for the small band/musician groups to perform are September 28, October 12 and 26 and November 9. Weather conditions may be a factor in the last two dates. The event will only be held if the weather is nice. **Councilor Stang motioned to approve an amendment to P.Js. Outdoor Event Permit for additional dates on September 28, October 12 and 26 and November 9. Second by Councilor Marthaler. Motion passed unanimously.**

Consider Tim Sachs' Proposal regarding Outlot E, Waters Edge

Mr. Sachs reviewed his plans with the Council. He would like to subdivide Outlot E, which he purchased in the County Tax Forfeiture Auction, and sell one of the lots to the City for \$1.00. City Clerk/Administrator Thares informed the Council that the research he had gathered from the City Attorney indicates that a metes and bounds split is acceptable and that the cost for the City Attorney to create a Deed would be \$150.00 to \$200.00. Mr. Sachs further explained his goal to subdivide the parcel into lots for many of the neighbors who have approached him regarding the land. Apologetically, he told the Council that he has gotten into a bit more work and expense than he ever wanted and he is eager to be done with the discussion and tasks involved in this. It was noted that there is a drainage easement covering the outlot and that the City does have a 20 foot wide access across a residential property if there is a need to enter the outlot to clean out the retention and filtration pond. Mayor Grutsch said there are use restrictions on the outlot which include: development/construction or placement of structures on the site, mowing and filling or changing the grade/elevation. A concern was noted about possible staff time needed to monitor the activities/uses of 5 or 6 individual property owners that conceivably could own portions of the outlot under Mr. Sach's plans. It would be costly and time consuming to do enforcement work. Mayor Grutsch said he would like to review the entire issue with County officials. He stated that the outlot being owned by one or a handful of individuals changes the entire dynamics of the neighborhood from the way it was envisioned and portrayed to many of the current residents. **Councilor Knox motioned that the item be tabled to the September 9, 2013 meeting so that additional discussions with the City Attorney can occur. Second by Councilor Stang. Motion passed unanimously.**

Consider Solar Panel Energy Generation Development Proposal on City Owned Site

Council discussed a proposal from Geronimo Energy to develop a solar panel energy generation site at the City owned compost site. The consensus is that the rent income for Geronimo to use the entire 15 +/- acre site is not sufficient enough to warrant either a discontinuation or relocation of the compost operations. The compost site provides various benefits to the community and is a small contribution toward environmental sustainability. Perhaps in the future a proposal like Geronimo's might make more sense. **Motion by Councilor Stang to not enter into a lease agreement for the compost site with Geronimo Energy. Second by Councilor Marthaler. Motion passed unanimously.**

Consider Apportionment Agreement for Fire Services Area – Collegeville Township

Larry Lahr, Chain Of Lakes Fire Service District, was present to explain the Apportionment Agreement. He said it updates property valuation and populations of the various fire service districts in each township that is served by Chain Of Lakes Fire Department and also adjusts the amount of State Fire Aid. The last time this was done was 42 years ago. The population and valuation adjustments benefit Avon because it has experienced

relatively more growth and population increase over that time. The County helped provide much of the property valuation and population data. **Councilor Knox motioned approval of the Apportionment Agreement of Fire Service Area of Collegeville Township. Second by Councilor Marthaler. Motion passed unanimously.** Councilor Knox noted that the future, it may be beneficial to review this and make adjustments every 4 or 5 years. This should be discussed with the County.

Consider Request for Proposals (RFP) for General Engineering Services

Mayor Grutsch noted that the City had received additional information from S.E.H. and he believes consideration of this item should be delayed to review the information. **Councilor Knox motioned that consideration of RFPs for General Engineering Services be tabled until the November 2013 Council meeting. Second by Councilor Stang. Motion passed unanimously.**

Business Retention and Expansion (BRE) Program Update

City Clerk/Administrator Thares reviewed the status and tenor of the visits. A total of 16 BRE visits have been completed. They generally take about 35 to 45 minutes. The owners/managers seem to be very willing to give the time to share their thoughts on business conditions, growth challenges and potential plans.

Avon Estates Update

Ray Schmidt said that the park development project scheduled for Avon Estates was going to be postponed until 2014 because his Department is busy with other required projects. Council members agreed that if staff is not ready to proceed, then the project should be delayed until 2014. Ray also mentioned that he was doing a lot of code enforcement for building sites. He prefers to have the building inspector do this as it is a natural fit. Discussion ensued about comprehensive inspection and code enforcement services. **Councilor Knox motioned that the City explore other building inspection firm's service offerings. Second by Councilor Stang. Motion passed unanimously.**

ISSUES BY STAFF:

Public Works – Ray Schmidt noted his written report in the packet. He highlighted the hand out on the street seal coating quote that had been received. He would like to get more quotes and bring them all back to the Council in the future. Mayor Grutsch said it would be a good idea to monitor the condition of County Road 9 in the spring of 2014 before we jump into the same type of seal coating process. Councilors and staff agreed the type of work done on County Road 9 should be evaluated in early 2014 before the City proceeds with the seal coating projects. Ray also mentioned that for the September meeting he will bring information on the roof repair costs for City Hall and the Fire Department.

Police Department – Police Chief Corey Nellis said his written report was a good summation of the month. He noted that the security cameras for the two squads were going to be purchased with donated funds from the Avon Lions Club and Mothers Against Drunk Driving (MADD) in the amounts of \$5,000 and \$3,500 respectively. Mayor Grutsch asked if the Police Department expected any issues with the upcoming outdoor concert at Joseph's? Chief Nellis responded that he expected the crowd to be a more mature crowd than the Hairball concert. He further said that the Department will have its full-time officers working on Friday night plus the reserves. Follow up discussion by Council on the status of Joseph's property tax payments. Councilors suggested a follow-up letter may need to be sent to Joseph's reiterating the City's understandings it had with Joseph's regarding its property tax payments.

Water/Wastewater – Jon Forsell Water/Wastewater Superintendent, summarized his report. He noted that sewers were being flushed this week and that an issue with the newly functioning clarifier had been solved.

ISSUES BY COUNCIL: Mayor Grutsch asked City Clerk/Administrator Thares what the status of the potential multi-family development was? City Clerk/Administrator Thares responded that he believes a proposal may be forthcoming to the Council at the September meeting. Councilors agreed that it was a priority to keep pushing forward on this effort.

OTHER: Louie Fisher questioned why the Fire Department had to respond to a permitted controlled wood brush pile fire at his property recently? He said that he did not want to get billed because it was not out of control. Chief Nellis responded saying that the size of the fire, the surrounding conditions and proximity of structures warranted a close look and the response by his Police Department staff. He believes that all of the issues have already been addressed with Mr. Fisher.

It was noted that the Albany City Engineer is proposing to use County Road 9 through downtown Avon as one of the access routes to the Pioneer Days event in Albany in September 2013. It duly was noted that this is a County Road. The public should be aware of the higher levels of traffic through the City that weekend.

ADJOURNMENT: Motion by Councilor Marthaler to adjourn the meeting. Second by Councilor Stang. Motion passed unanimously.

Meeting adjourned at 9:12 p.m.

Respectfully Submitted
Jim Thares
City Clerk/Administrator