

Pursuant to due call and notice thereof, an Avon City Council Meeting was duly held at City Hall on the 14th day of September, 2015 at 7:00 p.m.

**THE FOLLOWING MEMBERS WERE PRESENT:**

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

**ABSENT:** Chuck Pelkey, Councilor

**CALL MEETING TO ORDER:**

Pledge of Allegiance

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

**CONSENT AGENDA:**

1. Council Minutes of August 3, 2015
2. Claims Register
3. Capital Expenditures, Legal Fees, Engineering Fees, Detailed Reports
4. Extension of Criminal Prosecution Contract with Stearns County Attorney at \$10,000 per year for 2016-2017
5. Assisted Living Facility Document Revision and Approvals; Pur. Agmt., Dev. Agmt., Decl. Amendment
6. Approve GASB 67& 68 Actuarial Valuation Proposal for Avon Fire Relife Assoc. Pension Plan – Hildi, Inc.

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

**OTHER MUNUTES:**

Planning Commission minutes – August 18, 2015  
Planning Commission minutes – September 3, 2015

**COUNCIL BUSINESS:**

**Consider Variance Request Tischler Wood Products, Inc.**

It was noted that the Planning Commission recommends approval of the increased impervious surface; up to 81 percent versus the allowed 60 percent. **Motion by Councilor Manthe to approve an impervious surface variance of 81 percent for the Tischler Wood Products, Inc. property located at 401 Blattner Drive. Second by Councilor Jarnot. Motion passed with three votes for (Knox, Manthe and Jarnot) and one abstention (Meyer).**

**Consider Variance Request for Lange Trenching Wash Facility Expansion**

**Motion by Councilor Meyer to approve a front yard setback of 20.5 feet for Lange Trenching’s Wash Facility Expansion. Second by Councilor Manthe. Motion passed unanimously.**

**Consider Ordinance Amendment Rezoning a Tract of Land at the intersection of County Road 9 and County Road 54 from C-1 to C-2.** Discussion ensued regarding the goal to keep the trail area as clean and attractive as possible. Development should be compatible with the trail amenity. Katie Reiling, Planning Commission Chair, indicated that the Planning Commission is going to revisit the zoning ordinance and try to come up with a “trail district zoning ordinance” which will protect this section from incompatible development. Randy Jenniges, City Engineer, offered an update on the boundary survey process saying it will be done soon. City Clerk-Administrator Thares reviewed the additional process steps for the Park expansion and land swap proposal. The next step will be to have the Council review the “land swap agreement” and consider approval. The due-diligence step of a Phase 1 environmental review will be completed as a further process and will be a contingency in the Land Swap Agreement. Once that is satisfactorily finalized, a closing and title transfer can

take place. **Motion by Councilor Manthe to authorize an amendment to the Zoning Ordinance rezoning City owned property (PID #42.27199.0000) from C-1 to C-2. Second by Councilor Jarnot. Motion passed on a 3-1 vote with Councilor Meyer voting against.**

**Consider Proposed Preliminary 2016 General/Governmental Funds Budget and Property Tax Levy**  
Information presented by City Clerk-Administrator Thares indicates a Preliminary Budget of \$1,132,035 in expenditures with revenues budgeted at \$1,137,636. The Property Tax Levy is proposed at \$745,000 for the sixth consecutive year. Councilors discussed the amount of capital dollars noted in the 2016 budget. Casey Jansky, Public Works Director, said \$52,000 is for purchase of a new lawn mower to replace an 11-year old mower (\$12,000) and the balance is budgeted for additional maintenance equipment and reserves for an additional snowplow in the future. Councilor Meyer asked about budget impacts from the City TIF Districts. City Clerk-Administrator Thares indicated that they are part of the Special Revenue Funds Budgets. He also explained that the JOBZ program which was expected to end on 12-31-2015 will not be ending until 12-31-2016, so the anticipated additional tax revenues that David Drown had presented with his bond master payment plan at the August meeting would not materialize as expected. They will now be available in 2017. **Motion by Councilor Manthe to approve the Preliminary 2016 General Fund Property Tax Levy of \$745,000 and to further set the Truth In Taxation (TNT) Hearing date for December 7<sup>th</sup> at 6:00 p.m. with the continuation hearing date set for December 14<sup>th</sup>. Second by Councilor Meyer. Motion passed unanimously.**

#### **Consider Revised Starting Pay Rate for Police Officers**

Councilor Jarnot asked if we should be waiting until after the Job Classification and Compensation Study is completed. City Clerk-Administrator Thares said the Study will take about six or seven months to complete whether it's done in house or contracted to an outside consultant. The end result is the implementation would begin in 2017. Mayor Knox clarified that the City wage rates have stayed flat for many years and even with the proposed increase, the Police Officer starting wage rate will be substantially below the average for the 25<sup>th</sup> percentile of officers statewide. The difference is even greater when looking at just the St. Cloud region. Chief Nellis further explained that he is anticipating the resignation of an officer who has been with the Department for many years. His goal is to get the beginning wage rate up to a level where qualified candidates will consider the position if an opening does occur. The issue with Avon's pay system is that the only guarantee for new hires is that with acceptable performance reviews, the employee will then receive a cost of living adjustment (COLA) annually for the rest of their tenure with the City. Most other cities have a pay grade and step plan that allows for professional advancement and development. A new compensation plan is definitely needed as it will help make the City more competitive in hiring employees. **Motion by Councilor Manthe to approve a revised starting Police Officer pay rate of \$19.00 per hour and to adjust the wage of recently hired Officer Chad Klocker to \$19.00. Second by Councilor Meyer. Motion passed unanimously.**

#### **Consider Purchase of a Snowplow, Casey Jansky, Public Works**

Discussion by Council on the budgeted amount set aside for a new snowplow. City Clerk-Administrator Thares clarified that the amount in the 2015 budget for a new snowplow is approximately \$54,000. Casey reviewed Options 1 and 2. He explained that with Option 2, the purchase price is \$40,000 and there will also be an additional \$5,000 worth of work needed to remove rust from the box and repaint it along with other minor repairs and some safety features added to the vehicle. **Motion by Councilor Meyer to approve the purchase of the snow plow from the City of Annandale in the amount of \$40,000 along with other repairs and upgrades needed in the amount of \$5,000. Second by Councilor Jarnot. Motion passed unanimously.**

#### **Consider Authorization to Finish Cold Storage Building at Wastewater Treatment Plant**

Council and staff discussed the proposed uses of the building as being for the Police Department and for Public Works. Corey Nellis, Police Chief, explained that the bid came in at \$25,000 for finishing just 1/3 of the back end of the building and at \$45,000 for the entire structure. He said a second bid came in via e-mail on Monday afternoon at prices of \$26,500 and \$48,000 respectively. The work consists of adding a concrete floor, garage door apron(s), wall and ceiling sheeting panels, door insulation and heating devices. A floor drain and a run to daylight will also be required. Staff noted that it is preferential to store the new snowplow in a building that has

heat. There is no room at the current Public Works facility unless other equipment is moved outside. Water-Wastewater Supervisor, Jon Forsell, said that in the future, when the City constructs other facilities, his Department will be able to use this facility for its generators and other equipment that should be kept in heated space. Corey also mentioned that a new style cage and storage locker evidence area would be placed in the rear portion of the facility. **Motion by Councilor Manthe to authorize finishing of the entire Cold Storage Building at the Wastewater Treatment Plant at a cost not to exceed \$45,000. Second by Councilor Jarnot. Motion passed unanimously.**

**Consider Waters Edge Phase 3 Tax Forfeited Lot Price Reduction to \$10,000 per lot**

Council discussed the potential impact that Stearns County's proposal would have on the sales in Avon Estates. Mayor Knox believes the lots are not direct competitors as they are smaller than the Avon Estates lots. Discussion about the typical sales proceeds that are presented to the City with the sale of tax forfeited Waters Edge lots. City Clerk-Administrator Thares explained that the County typically keeps about 25 percent of the proceeds to cover its marketing and administrative costs. This would result in about \$7,500 being sent to the City. The City also previously informed the County that it would recertify its special assessments on these lots when they sell. The assessment amounts vary but are generally \$7,000 to \$8,000 per lot. The assessment can be paid just prior to the certification step or over a number of years. The goal has been to keep these lots similar in price to Avon Estates. Councilors agree that this is still a good goal. A point was brought up about the City possibly purchasing all 23 lots from the County by just paying the marketing-administrative fee of \$2,500 per lot. This would be a sum of \$57,500. The City would then control the pricing and marketing of the lots. Currently, the County has an annual auction but does not aggressively market these lots. City Clerk Administrator Thares said he could talk to the County about a joint marketing effort with the City and see where it leads. **Motion by Councilor Meyer to Not Approve the County's proposed Waters Edge Phase 3 Tax Forfeited Lot Price Reduction to \$10,000. Second by Councilor Manthe. Motion Passed Unanimously.**

**Consider Development Agmt. with Serenity Homes/Andy/Heidi Christman; Lot 6, Block 7, Avon Estates**  
City Clerk-Administrator Thares indicated that this process has been used two previous times for new homes in Avon Estates where the end party obtains a takeout mortgage loan upon completion of the new home. Councilor Meyer indicated he would prefer to see the lots simply purchased and transferred prior to construction being started. Council discussed the process and directed City-Clerk Administrator Thares to research the best process going forward. **Motion by Councilor Manthe to approve the Development Agreement with Serenity Homes and Andy/Heidi Christman contingent upon proof of insurance that covers the City. Second by Councilor Jarnot. Motion passed unanimously.**

**Councilor Pelkey arrived at 8:17 p.m.**

**ISSUES BY STAFF**

**Public Works Department** - Casey Jansky, Public Works Director, referred to his report. He noted the street repair on 1<sup>st</sup> Street Southeast. The cost for the asphalt patch was \$1,600, a discounted rate because the contractor was in already in Avon working on the Lumber One parking lot. He also referenced the equipment list with estimates of the working life span for item that was in his report. **Motion by Councilor Manthe to authorize the street repairs on 1<sup>st</sup> Street Southeast in the amount of \$1,600. Second by Councilor Meyer. Motion passed unanimously.**

**Police Department** – Corey Nellis, Police Chief, referred to his report in the Council packet. He said the current workload and the challenges with in-house on call time as well as a cooperative “on-call” proposal that he has worked up with the City of Albany is presenting the need for an additional part-time officer . He is proposing to hire Dan Nelson as a part-time officer. **Motion by Councilor Jarnot to hire Dan Nelson as a part-time Police Officer. Second by Councilor Meyer. Motion passed unanimously.**

**Water/Wastewater Department** – Jon Forsell, Utilities Supervisor, requested Council approval of a water service repair for 207 Chinook Avenue. This is a brand new home and the water service valve was damaged many years

ago making it impossible to turn the water on. This service valve was never functional. Lange Trenching installed a new one and it works now. The cost is \$250. **Motion by Councilor Manthe to authorize payment to Lange Trenching in the amount of \$250 for the installation of a new water service for 207 Chinook Avenue. Second by Councilor Pelkey. Motion passed unanimously.**

**City Engineer – Tischler Wood Products, Inc. Randy Jenniges, S.E.H.**, The Tischler Wood Products storm-water drainage plan was reviewed. The plan illustrates the management of storm water drainage for the site as it is currently developed as well as for a future phase of planned facilities' construction. It meets the intent of the ordinance. The Planning Commission reviewed the plan at a special meeting on September 3, 2015 and recommends approval. **Motion by Councilor Manthe to approve the Tischler Wood Products, Inc. storm-water drainage plan. Second by Councilor Pelkey. Motion passed on a vote of 4 for, 0 against and 1 abstention (Meyer).**

**Storm-Water Drainage Proposal for Southeast area of City, Randy Jenniges, S.E.H.**

Randy reported that the proposal is a response to the recent and historical annual complaints about water not draining properly from the holding pond at the south end of Barracuda Avenue. As noted in the workshop just prior to the Council meeting, the area has developed a bit differently than the original development concepts that were presented years ago when the drainage structures were established. Possible solutions can be derived from a good base study for this area of the City which has never been done yet. Councilor Meyer stated that he feels maintenance of the overall system will solve the problems. Randy responded that the maintenance may be a part of the solution. He continued saying some of that work may be located outside of the City boundaries and other agencies like MN-DNR and MN-DOT may not agree to a cooperative work plan with the City unless there is enough data indicating the extent of the drainage problems. **Motion by Councilor Manthe to authorize the Storm-water Drainage Study for the Southeast area of the City of Avon to be completed by S.E.H. at a cost not to exceed \$9,500. Second by Councilor Jarnot. Motion passed unanimously.**

**OTHER:**

**Motion by Councilor Pelkey to hold a closed session to discuss the offer on the Police Storage building at 112 Avon Avenue Southeast. Second by Councilor Jarnot. Motion passed unanimously.**

**Motion By Councilor Jarnot to reopen the regular session of the Council meeting. Second by Councilor Manthe. Motion passed unanimously.**

**Motion by Councilor Pelkey to authorize the Mayor and staff to enter into negotiations and provide a counter offer to the purchase offer that was received from the prospective buyer for the Police Storage building located at 112 Avon Avenue South. Second by Councilor Manthe. Motion passed unanimously.**

**ISSUES BY COUNCIL:** Councilor Meyer raised the issue of the opening on the Parks Committee. He would like to post this as an opening on the City marquee sign.

Councilor Jarnot said she would like to create a mission statement for the City and is willing to get the process started. Mayor Knox welcomed her offer and said she should proceed and work with staff to create a positive mission statement.

**ADJOURNMENT: Motion by Councilor Pelkey to adjourn the meeting at 9:47 p.m. Second by Councilor Meyer. Motion passed unanimously.**

Respectfully Submitted  
Jim Thares, City Clerk/Administrator