

Pursuant to due call and notice thereof, an Avon City Council Meeting was duly held at City Hall on the 6th day of January, 2014 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 – December 2, 2013
- #2 Claims Register
- #3 Capital Expenditures, Legal Fees, Engineering Fees, Detailed Reports
- #4 Acceptance of Donations (\$400.00)

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

OTHER MINUTES:

Planning Commission Minutes – December 17, 2013

COUNCIL BUSINESS:

Discussion with State Representative Jeff Howe, House District 13A

Representative Howe told the Council about various issues he was following up on including water appropriations and seeking more flexibility in using the Legacy Funds. Council raised ongoing concerns about lake water quality and possible solutions as well as inequities in the Local Government Aid (LGA) formula for growing communities like Avon. Burdensome business regulation was also noted as an issue statewide.

Council/Annual 2014 Appointments

Councilors discussed the annual appointments.

Councilor Stang motioned to approve Annual 2014 Appointments. Second by Councilor Manthe. Motion passed unanimously.

Proposed Spring Semester 2014 Internship

City Clerk/Administrator Thares informed the Council that two students had applied for an internship. Both students were recently interviewed and staff recommends offering a Spring Semester 2014 Internship to Jacob Meyer, SCSU. **Councilor Marthaler motioned to approve offering an internship position to Jacob Meyer, SCSU, with a monthly stipend of \$700.00. Second by Councilor Knox. Motion passed unanimously.**

Avon Estates – Tax Increment Financing (TIF) Application – Harold Jesh, LLC Apartment Development

Harold Jesh's TIF request in the amount of \$350,000 to support a 16-unit market rate apartment project was reviewed by City Clerk/Administrator Thares. A summary letter from Traci Ryan, David Drown Associates, noted key points as: 1) the TIF District already exists and this request if approved, would mean increment payout to the developer over approximately 15 or 16 years; 2) the City would keep all increment in the last 7 years of the life of the TIF District; 3) the TIF request meets the "but-for test" as without the assistance, the apartment development will not occur due to an imbalance in total development costs versus ability to generate rent at a level that allows a satisfactory return on investment. Councilor Stang asked what particular risks the City would carry in the request. City Clerk/Administrator Thares noted that it is a "PayGo" (pay as you go) TIF which means there is

not any upfront money provided by the City. The increment payments to the developer are triggered upon receipt of the property tax payment by the apartment owner each year. He further noted that the “Letter of Agreement” details the proposed terms of the TIF assistance. Specifically, it notes the City is selling the land for \$1.00 and collecting special assessments recorded against the property in the amount of \$80,000. This arrangement does mean there is a write down of approximately \$68,796 in the assessments. The Developer will be required to pay the full amount of the SAC/WAC fees totaling \$83,750. **Councilor Stang motioned to approve TIF in the amount of \$350,000 to support the Harold Jesh, LLC 16-unit apartment project and authorize the Mayor to sign the “Letter of Agreement” with Harold Jesh, LLC. Second by Councilor Marthaler. Motion passed unanimously.**

Engineer Agreement for Professional Services

City Clerk/Administrator Thares noted the Professional Services Agreement with S.E.H. is proposed to cover engineering work for the 16-unit apartment. It is being requested by the Developer and would be accompanied by an escrow account where the developer’s funds will pay the fees. The amount of fees itemized in the Agreement is \$4,000. **Councilor Manthe motioned to approve the Agreement for Professional Services with S.E.H. in the amount of \$4,000. Second by Councilor Marthaler. Motion passed unanimously.**

ISSUES BY STAFF:

Public Works – Ray Schmidt, Public Works Director, noted his report in the packet. He also mentioned that issues with the ice-rink warming houses were being addressed.

Police Department – Police Chief Corey Nellis reported that the Avon Police Department recently received \$450.00 in donations. This was a pleasant surprise. He noted the new portable crosswalk signs that were purchased with some of the donated funds. He also reported the Department used \$1,400 of forfeiture funds to buy a new patrol/rescue snowmobile.

Water/Wastewater Department – Jon Forsell, Water/Wastewater Utility Director, told the Council that the minor water tower improvements will be completed in the spring of 2014 instead of the middle of winter. The contractor will honor the price quote provided to the City in the summer of 2013. Jon also reported that due to the recent extremely cold weather, he has been flushing hydrants in the middle of the night as a preventative measure to avoid water tower ice-up. He explained that flushing hydrants causes the wells to kick in and send water to the tower with just enough flow in the system to help prevent the tower from freezing completely.

OTHER:

City Clerk/Administrator Thares explained the City’s need for updated maps. According to a quote from S.E.H., the cost to proceed with a new base map upon which other maps are built is \$1,900. **Councilor Knox motioned to approve the expenditure of \$1,900 for a new base map. Second by Councilor Manthe. Motion passed unanimously.**

City Clerk/Administrator Thares asked if the Mayor (or one of the Councilors) would be able to attend the Stearns County Municipal League meeting on Tuesday January 21, 2014 since he intends to be at the City Planning Commission meeting. Mayor Grutsch indicated he may be able to attend and Councilor Knox also said he would plan to be at the meeting.

ISSUES BY COUNCIL: None

ADJOURNMENT: Councilor Marthaler motioned to adjourn the meeting at 8:31 p.m. Second by Councilor Manthe. Motion passed unanimously.

Respectfully Submitted
Jim Thares, City Clerk/Administrator