

**Minutes  
Avon City Council  
November 1, 2016**

**CALL MEETING TO ORDER**

Mayor Knox called the meeting to order at 7:00 PM.

**THE FOLLOWING MEMBERS WERE PRESENT:**

Hugh Knox – Mayor; Julie Jarnot, Jeff Manthe, Jeff Meyer, Jesse Springer – Councilors;  
Clerk/Administrator Jodi Austing-Traut

The Pledge of Allegiance was recited.

**Budget Updates**

Arlen Westergren was out of the office the week that preliminary information needed to run the tax capacity calculations was collected. Jeff Johnson from the Stearns County Assessor's Office had estimated net tax capacity at \$1,281,180. Based on that figure, in order to net the council's desired tax rate of 86.4% the levy submitted to Stearns County was \$1,106,000. When we received the attached computation of tax rate using that levy amount, because the tax capacity amount had changed from Jeff Johnson's estimate of \$1,281,180 to a firm figure of \$1,277,630 the levy submitted had effectively increased the proposed tax rate to 89.036%. Council can still lower that levy (and tax rate) in December, but cannot raise it from the preliminary figures. New levy amount of \$1,072,000 will be certified to the county in December, which will yield the 86.4% tax rate as council directed.

Council also reviewed budget information and discussed deficits in water and sewer funds. Water and sewer funds have been running at a deficit for many years and the deficit is growing annually. Staff has presented several scenarios to council, including scenarios to cover the full deficit. Council had previously discussed and shown some interest in a potential 15% increase in rates in order to cover approximately \$62,000 of the \$135,000 deficit. Discussion then focused on a potential 7.5% increase to cover approximately \$31,000 of the \$135,000 deficit.

***Motion Julie Jarnot to increase water and sewer fees 7.5% beginning 1/1/2017 second Jeff Manthe and carried unanimously.***

**Discuss First Street Reconstruction**

Public Works Supervisor presented information about storm water management measures that are included in the reconstruction project. Council discussed the budgetary impact of the First Street Reconstruction Project. The project would require an increase in the levy or a greater increase to water and sewer rates in order to balance those funds to make general funds available for the street project. Residents affected by the proposed street reconstruction were present to voice their concern for the condition and the safety of the street.

Public Works Supervisor suggested council consider only the most critical of the items: A, B, D, and F (approx. \$1.13 Million) with items D and F being contingent on bids received. Councilor Meyer was concerned about the potential 10% increase in property taxes that would likely be required to make the bond payment if this project were to proceed.

***Motion Jeff Manthe to move forward with bid letting for items A, B, D, and F second Jesse Springer and carried with Jeff Meyer against.***

**Other Business**

**Set Meeting date to canvass election results.**

*Motion Jesse Springer to set special meeting for Thursday November 17<sup>th</sup> at 8:00 am to canvass the election results second Jeff Meyer and carried unanimously.*

**Lift Station Upgrade**

Lift Station in Stratford Addition near the private beach is in need of a new pump. Jon Forsell, Water Wastewater Supervisor, has locked us into 2016 prices with Electric Pump for a new Flygt pump. Total cost of \$9146.

*Motion Julie Jarnot to purchase a new lift station pump for \$9,146 second Jeff Manthe and carried unanimously.*

**ADJOURNMENT:**

*Motion Jeff Manthe to adjourn the meeting at 9:00 PM; Second by Jeff Meyer.*

Respectfully Submitted Jodi Austing-Traut City Clerk/Administrator