

Pursuant to due call and notice thereof, an Avon City Council Meeting was duly held at City Hall on the 3rd day of March, 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:** Bruce Braun, 13244 – 355<sup>th</sup> Street, Avon, MN 56310, asked the City Council to consider offering fire protection service to a group of 9 residential properties in St. Wendel Township. They are currently served by St. Stephen Fire Department and the distance from their Fire Hall is a total of 13.5 miles. Avon’s Fire Hall is 4.5 miles away from the area. The primary issue is response time and public safety. Their group has also talked to Avon Fire Chief, Joel Richter and the St. Wendel Town Board officials about the goal to make a switch in service providers. The Town Board has indicated that it is not a problem if the City of Avon is okay with the arrangement. Councilors indicated that the City would be okay providing service and work with appropriate local jurisdictions to address the request.

Brian Ritter and Tom Schmid, Avon Lions, requested the Council authorize closing off the street in front of Black Financial for a band during the 2015 Spunk Days celebration. They have already talked to Bill Kelly and he is willing to participate allowing his car sales lot to be part of the concert area. Mayor Grutsch noted that the City has in the past allowed some large events to take place in this area and closed off streets for a day to facilitate the event. Event security was also discussed. Mr. Ritter then clarified that the streets that would be closed off would be Barracuda and First Street NE near Wobegon Park. The band that is being brought in for the event is the Fabulous Armadillos. Discussion about an enhanced liquor license was also reviewed. City Clerk/Administrator Thares said he would have to research the liquor license request. He said Council could act on the Lion’s street closure request under “Other” in the Agenda.

**CONSENT AGENDA:**

#1 Council Minutes – February 3rd, 2013

#2 Claims Register

#3 Approval of out of State Travel for Police Officer Training

#4 Charitable Gambling Permit for Avon FD Relief Assn. (Spunk Days – June 21, 2014)

#5 Charitable Gambling Permit for Church of St. Benedict

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

**OTHER MINUTES:**

Planning Commission Minutes – February 18<sup>th</sup>, 2014.

**COUNCIL BUSINESS:**

**Consider Variance Request – Casey’s Gas Station and Convenience Store (Res. #2014-05)**

Councilors discussed the proposed expansion and the intended space usage for Casey’s expansion.

**Motion by Councilor Marthaler to approve the variance for Casey’s expansion. Second by Councilor Manthe. Motion passed unanimously.**

**Consider Various Ordinance Amendments -**

**Council discussed the Motion by Councilor Marthaler to amend the Ordinances as recommended by the Planning Commission. Second by Councilor Knox. Motion passed unanimously.**

**Consider Fire Department Relief Association By-Laws Amendment regarding Annual Pension**

Councilor Stang asked for clarification of the Relief Association's requested amendment. Mayor Grutsch explained the need to update the pension contribution every few years and that the request had been approved by the Fire Board at the February 19, 2014 meeting. **Motion by Councilor Manthe to increase the Annual Pension contribution from \$1,700 to \$1,800. Second by Councilor Marthaler. Motion passed unanimously.**

**Consider Proposed Contract with Lindberg Consulting, LLC to complete Pay Equity Report**

City Clerk/Administrator Thares provided background on the Pay Equity Report complications. He noted that the City is currently non-compliant as of February 1, 2014 due to not submitting the report by the January 31<sup>st</sup> 2014 deadline. He further explained that due to workload and the general complexity of the report that he is seeking Council approval to contract this work out to Lindberg Consulting at a fee not to exceed \$1,000. The goal is to move ahead and submit an initial report and then respond to feedback from Minnesota Management and Budget (MMB) to bring the City into compliance with the Pay Equity requirements. Councilors discussed the issues and frequency of the report. **Motion by Councilor Knox to authorize entering into a contract to complete the Pay Equity Report for a fee not to exceed \$1,000 with Lindberg Consulting, LLC. Second by Councilor Marthaler. Motion passed unanimously.**

**Avon Estates** – Mayor Grutsch told Councilors that the Avon Estates Development Review Committee recently met and discussed power extensions, lot sales and the center park area. He further explained the situation of needing to extend power to two more additional lots for a total of 11 new single-family lots versus the 9 lots that Council had approved back in November 2013. He pointed out the proposed lot sales in this area.

**Motion by Councilor Marthaler to authorize the Mayor and City Clerk/Administrator to negotiate and price and enter into a contract with Xcel Energy for power extension to two more additional lots. Second by Councilor Manthe. Motion passed unanimously.**

Councilors discussed the prospective lot sales. The buyer for Lot 32, Block 3 is eager to lock up the lot and start the project this spring. **Motion by Councilor Stang to authorize the sale of Lot 32, Block 3 to authorize the sale to Progressive Builders and Josh Smoley. Second by Councilor Marthaler. Motion passed unanimously.**

City Clerk/Administrator Thares said a sale of Lot 20, Block 3, which is between two homes, would be better facilitated by negotiating with a builder to move this summer rather than waiting for a longer period of years for it to sell to an individual. The lot is a challenging site and is not as desirable as other lots in the development.

**Motion by Councilor Marthaler to authorize staff to negotiate with a builder for the sale of Lot 20, Block 3. Second by Councilor Manthe. Motion passed unanimously.**

Mayor Grutsch reviewed the Committee's discussion about the Central Park area in Avon Estates. The area is platted for very small lots suitable for inexpensive homes. The park is attractive to families but the layout is problematic with substandard infrastructure. Providing public services in this area will be a challenge as well. It is noted that it is still a goal to have the park development be completed this summer.

City Clerk/Administrator Thares reported that Mr. Jesh is still making progress on the proposed 16-unit apartment project and hopes to have all in order by late March.

**Consider Advance Refunding Bonds for 2007 Series B, C and D**

David Drown explained that in 2013 the City had reviewed the potential to refund the large 2007 General Obligation Bond issues. He further noted that it did not work out last year as the market turned against the proposal quickly after the Council's discussion on the refunding. The current situation is similar although the timeline is more favorable because the City is closer to the actual call dates of the 2007 Bonds. The potential

savings is about \$250,000. The risk by waiting for the actual call date to pursue a refunding is interest rates may increase just enough to make any future refunding moot as there would be no interest savings. He said this proposal is reasonably justified to pursue advance refunding now. Councilors discussed the situation and challenges of future interest rate trends. Mr. Drown explained that the opportunity to do the refunding will cost about \$10,000 for a bond rating by Standard & Poors. City Clerk/Administrator Thares asked if the potential is in place to refund bonds in later years and save money by extending maturities in the event of a rate disadvantage at that time. Mr. Drown responded that it is possible but it would not result in a true savings; just help to preserve cash flow. He said the City could set a target amount of savings via a trigger resolution. Councilors discussed the target goal. The consensus was that \$250,000 is an appropriate target. Mr. Drown explained that the rates tend to drop slowly and move up quickly. He will do his best to move quickly and get the refunding accomplished with a good rating. He believes the City's rating will not drop. **Motion by Councilor Knox to approve Resolution # 2014-06 authorizing David Drown Associates to pursue a refunding of the 2007 Bonds via a negotiated sale to Northland Securities with a target savings goal of \$250,000 and further authorizing the Mayor and City Clerk/Administrator to sign a contract to complete the bond refunding sale. Second by Councilor Manthe. Motion passed unanimously.**

#### **ISSUES BY STAFF:**

**Public Works** – Ray Schmidt, Public Works Director, talked about the plow mishap where he bumped a vehicle and scratched it. The estimated repairs are \$1,389. This is the first time this has occurred in 30 years of service to the City. He said he would move funds from another line in his budget to pay for the repairs. The City's deductible is \$2,500 so it will not be submitted to insurance. The salt and sand supply is dwindling and may not hold out for the entire balance of the winter season.

**Police Department** – Police Chief Corey Nellis gave an update on his report.

**Water/Wastewater Department** – Jon Forsell, Water/Wastewater Utility Director, updated the Council on the water service freeze-up issues which are rampant this winter. He said most people who call with concerns ask about a price break for running a constant water stream. Jon said the sewer calculation is also a factor in any price adjustments which complicates the issue somewhat. Councilors discussed the various areas in the City that may be the most susceptible to having freeze-up problems. Mayor Grutsch suggested that the process should involve the residents/property owners telling City staff that they are actually running water in order to be able to get a reduction. **Councilor Knox motioned to authorize utility bill reductions to property owners who are running water consisting of a flat rate per month provided they sign up at City Hall for the price adjustment. Second by Councilor Marthaler. Motion passed unanimously.**

Jon also explained the situation with the older pump in Lift Station #6. The pump was inoperable beyond repair, so he decided to use a replacement pump that was already in storage instead of fixing it.

#### **OTHER:**

**Overtime Pay** – City Clerk/Administrator Thares told the Council that Ray and Jon had both put in a lot of extra hours due to the water main break in mid-February. **Motion by Councilor Stang to authorize overtime pay for Ray Schmidt at 16.0 hours of straight time and Jon Forsell at 15.5 hours of straight time. Second by Councilor Marthaler. Motion passed unanimously.**

**Avon Lions' request for a one-day closure of Barricuda Avenue and 1<sup>st</sup> Street NE next to Wobegon Park for the 2015 Spunk Days Celebration** - Mayor Grutsch sought Council input regarding closing the two streets to accommodate a concert in Wobegon Park in 2015. **Motion by Councilor Stang to authorize the closure of Barracuda and 1<sup>st</sup> Street NE next to the Wobegon Park during the Fabulous Armadillos Concert scheduled for the 2015 Spunk Days Celebration. Second by Councilor Marthaler. Motion passed unanimously.**

**Proposed Temporary Short-Term Furlough for Kathy Schulzetenberg, Administrative Assistant** – City Clerk/Administrator Thares explained that Kathy Schulzetenberg has been struggling with health issues over the past three weeks. She has used up all of her sick time and does not want to use vacation time for absent days. She is asking for furlough/unpaid time off for a portion of this time period. Councilor Manthe asked if the tasks at City Hall would get done if she continues to miss work. City Clerk/Administrator Thares said if she continues to miss work, it may be necessary to bring in a temporary person to help at City Hall. **Motion by Mayor Grutsch to authorize a short-term furlough for Kathy Schulzetenberg for absence due to illness in February and March 2014. Second by Councilor Marthaler. Motion passed unanimously.**

City Clerk/Thares Administrator told the Mayor and Councilors that paperwork had been received from Avon State Bank regarding the City liens and mortgage against the Joseph's commercial property. It was noted that it is complicated enough that it might be beneficial to have the City Attorney review the documents.

**Waters Edge Phase 4** – Mayor Grutsch discussed the issues regarding Waters Edge Phase 4 grading work and the disconnect between that expense and the County's valuation of the 16.6 acre parcel. City Clerk/Administrator Thares responded that City Engineer Randy Jenniges, S.E.H., has been asked to review this and provide a report that can be shared with the City Council.

**Community Gardens Update** – City Clerk/Administrator Thares gave an update on the proposed community Garden. Ray said he will help site the Gardens in Avon Estates once the snow is gone. He noted that the group sponsoring the Gardens is hoping to involve at least 10 families. Mayor and Councilors discussed the use of City water for the Gardens.

Mayor Grutsch noted the 2014 Fire Board meeting minutes in the packet. He also said that the Joint Power Board (JPB) meeting minutes were included as well. City Clerk/Administrator Thares said that the JPB meeting addressed two small boundary adjustments in the joint planning area. He also delivered the Compost site financial contribution request to Avon Township. He said that Colledgeville Township will be sending a check for \$500.00 to the City to defray Compost site operational costs. Councilor Knox said that the Farmers' Market Committee will be meeting later in the week to discuss a possible new site for the 2014 Farmers' Market. He reviewed challenges and issues with the former site at by St. Benedicts Church.

**ISSUES BY COUNCIL:** None

**ADJOURNMENT:** Councilor Manthe motioned to adjourn the meeting at 9:15 p.m. Second by Councilor Stang. Motion passed unanimously.

Respectfully Submitted  
Jim Thares, City Clerk/Administrator