

Pursuant to due call and notice thereof, an Avon City Council Meeting was duly held at City Hall on the 7th day of April, 2014 at 7:00 p.m.

THE FOLLOWING MEMBERS WERE PRESENT:

John Grutsch – Mayor; Hugh Knox, Kurt Marthaler, Jim Stang, – Councilors
Jim Thares - City Clerk/Administrator
Absent: Jeff Manthe, Councilor

CALL MEETING TO ORDER:

Pledge of Allegiance

PUBLIC ACCESS FORUM: Dick Glatzmaier, 958 Waters Edge Circle, thanked the City for getting the new streetlights installed along County Road 9 near the Waters Edge development.

CONSENT AGENDA:

- #1 Council Minutes – March 3rd, 2014
- #2 Claims Register
- #3 Capital Expenditures, Legal Fees, Engineering Fees Detailed Reports – Bond Refunding
- #4 Appoint Primary and General Elect. Judges for Aug. and Nov. 2014 via Resolution #2014-07
- #5 Approve Property Transfer in TIF Dist. #1-1 - Schmidty's C-Store to Casey's Gen. Store

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

OTHER MINUTES:

Planning Commission Minutes – March 18th, 2014.

COUNCIL BUSINESS:

Consider Approval of County Road 9 Improvements/Resurfacing via Resolution #2014-08

Councilors discussed the proposed County road improvement project. **Motion by Councilor Stang to approve the County Road 9 Resurfacing project in the municipal limits. Second by Councilor Marthaler. Motion passed unanimously.**

Consider Interim Use Permit (IUP) – Midsota/PSI

Planning Commission members provided an update on the status of the IUP application. Midsota withdrew its IUP application and the public hearing was recessed for consideration of a CUP Tuesday April 15, 2014.

Consider Pay Equity Report – David Lindberg, Lindberg Consulting, gave a report to the City Council about the City's Pay Equity status. Mr. Lindberg informed Council that the City narrowly passed the Pay Equity Tests. He also said that his discovery process suggests further review of three positions' duties and salary due to workload adjustments in the past 18 months. The three positions are: City Clerk/Administrator, Administrative Assistant and Planning & Zoning Administrator/Administrative Assistant. **Councilor Stang motioned to accept the Pay Equity Report and authorize the Mayor to sign off - to review a compensation study at a future meeting. Second by Councilor Marthaler. Motion passed unanimously.**

Councilor Marthaler motioned to Recess the Council meeting at 7:41 p.m. Second by Councilor Stang. Motion passed unanimously.

EDA MEETING – EDA President Hugh Knox called the meeting to order at 7:41 p.m. Members present included: John Grutsch, Kurt Marthaler, Jim Stang, Joann Dirkes. Members absent: Jeff Manthe and Bill Skay.

EDA MINUTES – February 3, 2014

Member Marthaler motioned to approve the February 3, 2014 EDA minutes. Second by Member Stang. Motion passed unanimously.

PUBLIC HEARING – Joseph’s Fine Dining Loans; Release of Mortgage and Consider Quit Claim Deed in favor of Avon State Bank - President Knox said he would prefer to allow the Bank to start marketing the property with the goal that the nearly \$40,000 in delinquent property taxes could be paid soon. Members discussed the impacts of the proposed documents and possible remedies to maintain some security interests in the property. President Knox opened the Public Hearing at 7:46 p.m. Dan Zimmerman, Willenbring, Dahl, Wocken and Zimmerman, PLLC, said he was not representing the Bank or Eastmans but wanted to suggest a slightly different option; a “partial” release of mortgage. Public records show that Eastmans still have interest in two lots used in Joseph’s operations that were purchased under a contract for deed from Kathy Schmidt. The taxes on these two lots are current. A partial release of mortgage would allow the EDA to preserve its recorded lien and extend the potential to recover loan funds from Eastmans in the future. The two lots not needed by the Bank are Lots 3 and 4, Block 2, DH Blattner & Sons Addition. **Motion by Member Grutsch to close the Public Hearing at 8:07 p.m. Second by Member Stang. Motion passed unanimously.** A clarification was made that past due property taxes are the most senior lien against a property. Consensus of EDA members was that it would be best if a new operator went into the Joseph’s property as soon as possible. **Member Stang motioned to authorize a Partial Release of Mortgage for Lot 5, Block 2, DH Blattner & Sons Addition and a Quit Claim Deed for the same property in favor of Avon State Bank. Second by Member Marthaler. Motion passed unanimously.**

Business Retention & Expansion (BR&E) Report – Jake Meyer, Intern

Jake Meyer noted the BR&E process has been completed. He acknowledged the \$3,000 grant from the Initiative Foundation to complete the work which had 51 out of 63 firms participating. The BR&E findings and strategies were pointed out: 1) Establish a Business/Industrial Park, 2) Revise the Sign Ordinance allowing flexibility for offsite signage, 3) Support local organizations in promoting cultural and recreational activities/events, 4) Work with communications service providers to expand service and capacity. **Motion by Member Grutsch to approve the BR&E Report and Action Plan. Second by Member Marthaler. Motion passed unanimously.**

EDA ADJOURNMENT – Member Marthaler motioned to adjourn the meeting at 8:15 p.m. Second by Member Stang. Motion passed unanimously.

COUNCIL MEETING REOPENED BY MAYOR GRUTSCH - 8:15 p.m.

Consider Appointing Council Member as Liaison to Fire Department

Motion by Councilor Marthaler to appoint Councilor Manthe as the Fire Department Liaison. Second by Councilor Knox. Motion passed unanimously.

Avon Estates – Electrical Service Extension

City Clerk/Administrator Thares explained the proposed revisions to the new power service. The new service extension would total 11 more single family lots....instead of the 9 lots that were approved for power service extension in October 2013. Xcel Energy’s cost to extend electrical service with a new street light included is \$18,656. The City will also be required to enter in a 5 year Refundable Agreement which will refund \$3,452.00 back to the City for each new home built on the 11 lots. **Motion by Councilor Stang to authorize entering into Electrical Service Agreement, at a cost of \$18,656, with Xcel Energy for Lots 27-32, Block 3 and Lots 1-5, Block 4, Avon Estates. Second by Councilor Marthaler. Motion passed unanimously.**

An update on the proposed 16-unit apartment development was provided by City Clerk/Administrator Thares. The project is currently being bid out. The power extension will not cost the City any upfront funds. There are two more Council approval steps for the requested Tax Increment Financing (TIF) that are yet to be completed. These steps will be presented to the Council in the future.

Consider Lot Price Adjustment - A proposed increase in the single family lot pricing was reviewed by City Clerk/Administrator Thares. He explained that holding costs in the form of annual bond interest make it necessary to periodically raise the lot prices. **Motion by Councilor Knox to increase single family lot prices to \$29,700. Second by Councilor Stang. Motion passed unanimously.**

Ray Schmidt, Public Works Director, gave an update on the entrance sign upgrades and the proposed Community Garden and central Park improvements. Council members were supportive of the Community Garden and felt that water could be provided as it may reduce the need to flush hydrants.

ISSUES BY STAFF:

Public Works Report – Ray Schmidt told the Council that the City plow truck needed some recent expensive repairs. Parts are hard to get since the truck is 30 years old. It is working now and will last through the end of the year. He plans to price compare newer model used plow trucks and bring a proposal to Council for consideration later in 2014. He will also bring a summer youth position for Council action in May.

Police Department – Corey Nellis, Police Chief, said that Officer Jason Luethmers has really done some outstanding work in the past few weeks on very difficult cases.

Water/Wastewater Department – Jon Forsell, Water-Wastewater Department Supervisor, informed the Council that the water freeze-up issues are diminishing. The wastewater treatment plant is operating well right now. The old well house roof will need to be repaired this summer. He also mentioned that the City received an award for efficient operation of its wastewater treatment plant.

OTHER:

Crossover Bond Refunding Resolution #2014-09

City Clerk/Administrator Thares said the Crossover Bond Refunding had gone through. The exact net present value (npv) savings from refunding the 2007 Bonds, Series B, C and D is \$250,017. **Motion by Councilor Knox to approve Crossover Bond Refunding Series 2014A in the amount of \$4,585,000 via Resolution 2014-09. Second by Councilor Marthaler. Motion passed unanimously.**

ISSUES BY COUNCIL: None

ADJOURNMENT: **Motion by Councilor Marthaler to adjourn the meeting at 8:50 p.m. Second by Councilor Stang. Motion passed unanimously.**

Respectfully Submitted
Jim Thares, City Clerk/Administrator