

**Minutes
Avon City Council
June 2, 2025**

THE FOLLOWING MEMBERS WERE PRESENT

Jeff Manthe – Mayor, Mark Schulzetenberge, Sarah Grutsch, Aaron Goebel, Katie Reiling - City Council
Jodi Austing-Traut, City Clerk-Administrator

The Pledge of Allegiance was recited and the meeting was opened at 6:00 pm.

Clifton Larson Allen presentation of 2024 Audit and Financial Statements

Kristen Houle and Liz Mickelson were present to update the council on the year end financial status and audit findings.

There was a MN legal compliance finding where at 12/31/2025 American Heritage Bank had insufficient Collateral Pledged for the city's account. The bank looked at it on 12/30/2025 and collateral was sufficient, however, on 12/31/2025 a large deposit came in pushing the city out of compliance for a short period of time.

The City has a healthy fund balance with 27 months in cash reserves. When factoring out depreciation, cash flow in the sewer and water funds are positive. Historically the sewer fund has operated at a loss.

Public Forum

Dick Studer of 418 Char Ave NE asked what the plan is for Char Ave NE. Mayor Manthe explained that the city council is continuing to move forward on the list of streets that were approved for half cent sales tax use which does include Char Ave NE. Manthe further explained that the city is currently undertaking one of the largest street reconstruction projects it has ever completed. While Char Ave NE will likely be one of the next street projects to be completed, it will not be done in 2025. Studer requested barricades be placed at certain intersections to dissuade drivers from using Char Avenue until the street repairs are completed. The City/Township Joint Planning Board can include a discussion about this on their agenda to look at any cost sharing that might be able to occur in order to get the project done sooner rather than later.

CONSENT AGENDA

1. Council Minutes of May 5th and 13th 2025
2. Receive Planning Commission Minutes of May 20, 2025
3. Receive Fire Department Minutes of April 28, 2025
4. Paid Check Register, Capital Expenditures, Payroll Deposits
5. Legal Fees, Engineering Fees, Auditor/Acct. Fees
6. Interfund Journal Entry to Correct Posting Error
7. Resolution 2025-25 Adopting Comprehensive Performance Measurement Program for the City of Avon
8. Resolution 2025-26 Approving Gambling License for Over the Hills of Avon Club
9. Resolution 2025-27 Approving IUP for Barrel Mill 42.26258.0000 640 Chinook Ave S
10. W Gohman Pay App 15L (labor) \$62,236.60 and 13M (materials) \$3,334 Fire Hall Project

Motion Goebel to approve consent agenda

Second Reiling

Passed Unanimously

COUNCIL BUSINESS

Jeremy Mathiasen, Stantec - Engineering Update

Bid tabulation was provided to city council for consideration for the 2025 trunk storm sewer improvements as they are related to 1st St SE and 2025 Capital Improvement Streets Project. Mathiasen presented Resolution 2025-29 Receiving Bids and Awarding Contract 2025 Storm Sewer Improvements

Motion Goebel to adopt Resolution 2025-29 Receiving Bids and Awarding Contract to JR Ferche for \$736,590.65 plus Alternate No.1 for \$69,000

Second Schulzetenberge

Passed Unanimously

Avon Estates Entrance Work

Mathiasen presented quotes for some work for correcting the Avon Estates Entrance. C&L Excavating has agreed to mill and wear course overlay as part of a development agreement. However, there is some additional work, including curb and gutter, that the city is considering in that section of roadway. This would add \$59,850 that would be city cost. To complete a mill and overlay of the intersection just south of that would be an additional \$20,750 in city cost. This is an add on to an existing project.

Motion Goebel to authorize C&L to move forward with this add on to the development project that C&L is already engaged in at Avon Estates in order to correct the Avon Estates Entrance

Second Grutsch

Passed Unanimously

ISSUES BY STAFF

Administration

Council was presented with Resolution 2025-28 Prohibiting Short Term Rentals in the City of Avon. Public hearing was held on May 20th regarding this issue. Planning Commission minutes were reviewed along with their recommendation to ban short term rentals. Letters from the AALA and the Stratford Association in favor of banning Short Term Rentals as well as a letter from Lisa Pelkey, Owner of the Gathering Grounds in favor of allowing Short Term Rentals were also presented. Manthe expressed an interest in balancing the need for lodging in Avon with the protection of the existing residents and residential tax base. Schulzetenberge described a short term rental property in the area that has been problematic for that neighborhood. Goebel suggested that the city could heavily regulate short term rentals or possibly even disallow them in certain areas. Austing-Traut explained that the process for banning them from the Stratford HOA area would likely require a change to the comprehensive plan and zoning ordinance to establish a "lodging district" or something of that nature to delineate where short-term rentals are allowed. The moratorium expires in August so the council would need to act prior to that.

Motion Manthe to approve Resolution 2025-28 Prohibiting Short Term Rentals in the City of Avon

Second Schulzetenberge

Passed with Goebel and Grutsch against

Public Works and PD Reports were presented. Staff were not in attendance.

ISSUES BY COUNCIL

Adjourned at 7:45 pm.

Respectfully Submitted,

Jodi Austing-Traut - City Clerk/Administrator