

Pursuant to due call and notice thereof, a City Council meeting was duly held at City Hall on the 25th day of January 2010 at 6:00 pm.

THE FOLLOWING MEMBERS WERE PRESENT:

John Grutsch - Mayor, Jim Stang, Kurt Marthaler, Hugh Knox, and Margie Evens – Councilors

Jodi Austing-Traut - Clerk/Administrator

Absent: None

Introductions were made:

The Attorneys from Iverson Ruevers were present (representing the City of Avon on behalf of the League of Minnesota Cities) along with the City's Attorney, Mike Couri, City Engineer Randy Jenniges, and City Staff and Council.

Motion Margie Evens to close the session at 6:10 pm.

Second Hugh Knox

Passed Unanimously

At 6:10 the session was closed according to Attorney/Client Privilege rights to discuss the lawsuit that Nodland Construction Inc has brought to the City of Avon concerning the \$458,777 that Nodland has provided for the City for security for the Avon Estates project.

Motion Margie Evens to reopen the session to the public at 6:45 pm.

Second Hugh Knox

Passed Unanimously

At 6:45 the session was reopened and the City Attorney, Mike Couri presented financial information for the City Council to consider. Mr. Couri indicated that it would be wise to begin to seek special legislation to assist the city in preparing for the future financial situation. Currently Avon Estates is in foreclosure proceedings, Waters Edge III is in litigation between the previous landowner, the developer, and their bank. In the mean time, the city has bond payments due on these projects, in addition to the wastewater treatment plant loan. Mr. Couri suggested a special workshop for February and a subsequent meeting with Larry Hosch and Michelle Fishbach. The city has adequate cash and security in place for bond payments through at least 2012 but will need to look ahead in the event that the housing market does not turn around quickly.

ADJOURNMENT

Motion to adjourn at 8:25 pm.

Respectfully Submitted by, Jodi Austing-Traut, City Clerk/Administrator