

Pursuant to due call and notice thereof, a special meeting of the Avon City Council was duly held at City Hall on the 3<sup>rd</sup> day of March 2010 at 7:00 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

Representative Larry Hosch and Senator Michelle Fischbach attended the meeting at the city's request.

**Mike Couri**, City Attorney, was here to discuss financial situation related to failing developments and bond payments that must be made over the next several years. The city has healthy cash reserves at around a year and a half worth of cash in the bank. Some of this will be transferred into bond funds to make bond payments. Letters of Credit and securities that the city has in place from the developer of Avon Estates will be used to make bond payments through about 2013. Old debt will need to be restructured.

Mr. Couri explained that the most problematic piece in the city's financial picture is the wastewater treatment plant bonds because they were structured to be paid by SAC & WAC connection fees. Since the housing market has plummeted, the city has not received anywhere near the number of hook ups that were required. In the past several years, the city has had around 14 hook ups. The bond repayment requires around 50 hook ups per year to make the payments.

In 1992/1993 the Public Facilities Authority restructured the City of Cambridge's wastewater debt as they were in a similar situation as Avon at that time. Around 8/9 years ago the PFA restructured for Cambridge again. The City will set up a meeting with the PFA and Senator Fischbach and Representative Hosch will attend with the city representatives. The Senator and Representative will also have their staff draft special legislation regarding this issue.

Meeting adjourned at 8:35 by motion of Jim Stang, second Kurt Marthaler

Respectfully Submitted,  
Jodi Austing-Traut  
City Clerk/Administrator