

PIERZ MEETING MINUTES  
September 26, 2011

City Attorney, Tom Jovanovich, appeared at the Council meeting regarding the Pierz Housing Partnership, TIF. Mr. Jovanovich requested that the meeting be closed based on the attorney-client privilege pursuant to M.S. §13D.05, Subd. 3(b). The reasons for the request to close the meeting were as follows.

In August, 2011, the City of Pierz sent out Default Notices on the Pierz Housing Partnership, TIF. The Notices informed the Housing Partnership and its assigns that there was an underpayment pursuant to the Development Agreement for the TIF in the amount of \$173,149, and the Default Notices requested payment within thirty (30) days. The Pierz Housing Partnership and its assigns, through their attorneys, responded and indicated that there were a number of defenses that the Partnership and its assigns were raising with regard to the request for payment. On September 7, 2011, the Mayor, the City Clerk and the City Attorney met with Attorneys Michael Perry and Peter Vogel to discuss settlement and various methods of reaching settlement.

Attorney Jovanovich explained that the closed meeting was necessary to protect the City's litigation strategy and to allow the City to discuss settlement proposals, as well as litigation strategy. It was his opinion that based on the balancing test set forth by the Minnesota Supreme Court regarding confidentiality versus the public's need to know that it was important in this situation to maintain confidentiality in order to discuss the following matters:

1. Settlement proposals that have been made to the City;
2. The defenses raised in the letters of Michael Perry and Peter Vogel, including a defense based on the statute of limitations;
3. To discuss the strengths and weaknesses of the City's claims against the various property owners; and
4. Requesting authorization to initiate a lawsuit to stop the statute of limitations from running so settlement matters could be pursued without impairing the rights of the City.

Based on the representations by Mr. Jovanovich, the City closed the meeting based on the attorney-client privilege under M.S. §13D.05, Subd. 3(b).

*Mary Korb*  
10-10-11