

MINUTES
CITY OF DIAMOND BOARD OF ALDERMEN MEETING
July 28, 2014 - 7:00 P.M.

MAYOR SHANE HUNTER CALLED THE MEETING TO ORDER AT 7:00 P.M.

OPENING PRAYER: Ken Bell

PLEDGE OF ALLIANCE: Mayor Hunter led the group in the pledge of allegiance.

ROLL CALL: City Clerk called roll. Mayor Shane Hunter, present. Aldermen present were Billie Jo Hardy, Brenda Schmitt, Ken Bell and Jerry Shipman.

Bill McCaffree addressed council with regard to the pending litigation and the financing for the lagoon project. Mr. McCaffree explained the City's exposure to a verdict and the need to create a Litigation Reserve Account in the amount of \$150,000.00. It was discussed that the City does not have \$150,000.00 to put in this account. Mr. McCaffree advised that the funds would belong to the City and only be used if needed to meet a verdict. If litigation ends with the City being required to pay anything then the City would be free to use the money any way it chooses. He advised Council that we would be receiving a letter from our attorney Karl Blanchard advising us to set aside \$150,000.00 to help with a worse case scenario verdict. It was discussed that the City is not in a position to place \$150,000.00 in a reserve account at this time. Mr. McCaffree stated that the funds could come from any fund that was not restricted. Charles Zitnik addressed Council with an alternative. He proposed that we commit to setting aside \$266.00 per month until for the life of the loan or until the litigation has ended. He stated that he would have this approved and added to the documents. Carson Ellif, Bond Council for the project, addressed Council to say this lease purchase agreement was a very standard process that is used widely by City's that are in the position we are in. He advised that the interest rate was very good, and he stated that he and Charles Zitnik had reviewed the litigation and expressed complete confidence in Karl Blanchard to defend this law suit. Mr. Ellif agreed to provide an Ordinance for Council with regard to the Litigation Reserve Account to be approved at the August 11, Council meeting.

Next Billie Jo Hardy made a Motion to approve Resolution 07282014 stating intent to seek funding through the Community Development Block Grant Program and Authorizing the Mayor to pursue activities in an attempt to secure funding. Jerry Shipman seconded the Motion. All in Favor, Brenda Schmitt yes, Billie Jo Hardy yes, Ken Bell yes, Jerry Shipman yes. All opposed, none.

Next Mayor Hunter introduced Bill Number 07232014 to create Ordinance 408 An Ordinance providing "Fair Housing" for the City of Diamond, Missouri. Defines discriminatory housing practices and creates a fair housing committee. Jerry Shipman made a Motion to accept Bill Number 07232014 to create Ordinance 408. Billie Jo Hardy seconded the Motion. All in Favor, Brenda Schmitt yes, Billie Jo Hardy yes, Ken Bell yes, Jerry Shipman yes. All opposed, none.

Bill Number 07242014 was reviewed to create Ordinance 409 An Ordinance approving the delivery of \$450,000.00 principle amount of City of Diamond, Missouri Certificates of Participation, series 2014 to provide funds to finance costs of improvements to a sewer lagoon. Billie Jo Hardy made a Motion to accept Bill Number 07242014 to create Ordinance 409. Jerry Shipman seconded the Motion. All in Favor, Brenda Schmitt yes, Billie Jo Hardy yes, Ken Bell yes, Jerry Shipman yes. All opposed, none.

Billie Jo Hardy thanked everyone for coming and helping us on this matter. Council asked that a work session be scheduled prior to the next meeting.

Adjourn: All business having been presented and addressed, Jerry Shipman made a Motion to Adjourn. Billie Jo Hardy seconded the Motion. All in Favor, Brenda Schmitt yes, Billie Jo Hardy yes, Ken Bell yes, Jerry Shipman yes. All opposed, none

Meeting adjourned at 8:15 p.m.

Note: This document is a draft. It will not become an official record of proceedings until approved by the Board of Aldermen and signed by the Mayor and City Clerk.

Minutes approved _____, 2014

Shane Hunter, Mayor

JoAnn Ohlhausen, City Clerk