



MINUTES
FORMAL MEETING OF CITY COUNCIL
Diamondhead, Mississippi
Council Chambers, City Hall
April 1, 2014
6:00 pm CST

I. Call to Order – Mayor Schafer called the meeting to order at 6:05 p.m. CST

1. Invocation – Councilmember Sislow

2. Pledge of Allegiance – Councilmember Rech

3. Roll Call –

Present: Mayor Schafer, Councilmen LaFontaine, Knobloch, Sislow and Rech Absent: Councilman Lopez.

4. Confirmation or Adjustment of the Agenda Order – Councilmember LaFontaine moved, seconded by Councilmember Sislow, to accept the Agenda Order with the following addition to the order of business:

III. Policy Agenda

5. Other Actions

j. Accept and approve engagement letter with Butler Snow, LLP for special counsel services relating to the purchase of City Hall.

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

II. Presentation Agenda

1. Council Comments

a. Mayor Schafer announced the next regularly scheduled Council Meeting will be held at 6:00 p.m. CST on Tuesday, April 15, 2014 in Council Chambers located at 5000 Diamondhead Circle.

b. Coffee with the Mayor will be Wednesday, April 2, 2014 at 8:00 a.m. CST at the Harbor House Steamer, 3401 Yacht Club Circle.

c. Community Development Block Grant – Public hearing will be held at 6:00 p.m. CST on Thursday, April 10, 2014 in Council Chambers located at 5000 Diamondhead Circle.

2. Mayor Schafer and Councilmembers proclaimed April 2014 “Safe Digging Month” in the City of Diamondhead. By order of a Proclamation the City joined in the efforts of Mississippi 811 Inc. in promoting Call-Before-You-Dig. By contacting the 811 one-call center to locate utility lines in advance of any digging project, residents and excavators share in the responsibility of keeping the City of Diamondhead safe and connected.

3. Mayor Schafer and Councilmembers proclaimed April 2014 “National Child Abuse Prevention Month” in the City of Diamondhead as set forth by the 1983 Presidential Proclamation. By order of a Proclamation, the City of Diamondhead supports all agencies, national, state and local, working for the prevention of abuse and providing advocacy services for victims.

4. City Manager's Report

- a. **CDBG Grant Application.** A grant application for a Community Development Block Grant has been submitted to Mississippi Development Authority. Proceeds from the grant will fund proposed renovations and improvements necessary to bring City Hall facilities in compliance with the American's with Disability Act. City Manager Rose asked everyone present with knowledge of a disabled or special needs resident to assist by having such individual submit letters to MDA in support of the City's effort.
- b. **March 2013 Police Report -** Captain Al Hermann reported the department responded to a total of 260 calls from March 1 – 31.
- c. **Presentation of FY2013 Comprehensive Annual Financial Report.** Mike Guel and Charlene Kerkow of Wright, Ward, Hatten & Guel, a certified public account firm, presented the FY2013 Comprehensive Annual Financial Report (CAFR.) An overview of the CAFR was presented to the Mayor and Council by Ms. Kerkow. The CAFR contains in-depth financial, demographic and statistical details unlike the standard audit. At the conclusion of the presentation, Kerkow noted there were no significant findings or material weaknesses resulting from the audit. Ms. Kerkow opined that the City was in compliance with government audit standards as well as state laws and regulations. Minor weaknesses noted were the result of the City's revenue increase prompting recommendations for corrective action to increase surety bonds for its officials pursuant to State Law. With no questions from the Council and Mayor, the FY2013 Comprehensive Annual Financial Report will be considered for approval at the next council meeting.

5. Public Comments

- a. Pete Kolf addressed the Mayor and Council regarding Agenda Item 2014-3099- Resolution 2014-091 Intent to purchase City Hall and employing firms for professional services. Kolf questioned the Council's upcoming intent to secure a note through Southern Mississippi Investment Company, Inc. Kolf stated that he had used Google to search the internet and also had checked the Mississippi Secretary of State website and could not find a reference to the Southern Mississippi Investment Company which led him to believe that the company may not actually exist.
- b. Hank Holcomb addressed the Mayor and Council regarding Agenda Items 2014-3121 and 2014-3122, the proposed repealing of Ordinance 2012-3121-Dangerous Animals and Ordinance 2012-025-Domestic Animals. Mr. Holcomb stated his opinion that it would be a bad idea to repeal the Ordinances that were put in place to protect people from animals and animals from animals. He further stated the absence of the City Ordinances would place the City under the jurisdiction of the County's Ordinance that which does not address loose animals; a situation that could become problematic if not prohibited as is the case in the City's current Ordinances. He further commented on the County's lack of restriction regarding farm animals.

III. Policy Agenda

1. **Approval of Minutes** – Councilmember Rech moved, seconded by Councilmember LaFontaine, to approve the March 18, 2014 Formal Meeting Minutes as presented.

Ayes: LaFontaine, Knobloch, Rech and Mayor Schafer. Nays: None. Absent: Lopez. Abstain: Sislow

MOTION CARRIED

2. Resolutions

- a. **2014-3099**: Resolution 2014-091 Intent of the Mayor and City Council to acquire, renovate, finance and equip City Hall and related facilities under authority of §31-8-1 et. seq., MS Code 1972 as amended, under a lease between the City and Southern Mississippi Investment Company, Inc. and employing local and special counsel and financial advisor for professional services in connection with the lease and issuance of Certificate of Participation

Heather Ladner of Butler Snow, LLP was present for questions of the Council. During her presentation, Ms. Ladner stated that a quick search on her smart phone attested to the validity of Southern Mississippi Investment Company, Inc., and provided reassurance to the Council that SMIC, Inc. was registered and in good standing with the Office of the Secretary of State. In addition, she stated that she would show this information to Mr. Kolf. Mr. Grubbs of Government Consultants stated that the Southern Mississippi Investment Company, Inc. has been previously used by various public agencies and municipalities to accomplish similar transactions and that he has personally worked with the company in the past.

Councilmember Rech moved, seconded by Councilmember Sislow, to resolve the intent of the Mayor and City Council to acquire, renovate, finance and equip City Hall and related facilities under authority of §31-8-1 et. seq., MS Code 1972 as amended, under a lease between the City and Southern Mississippi Investment Company Inc. , a non-profit corporation organized under the Laws of the State of Mississippi and to further resolve to employ Tindell Law Firm, P.L.L.C. as Local Counsel, Butler Snow, LLP as Special Counsel and Government Consultants, Inc. as Financial Advisor for the project. (RESOLUTION IS REPRODUCED IN ITS ENTIRETY AT THE END OF THE MINUTES AND MADE A PART THEREOF.)

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

- b. **2014-3131**: Resolution 2014-090- Authorizing Lease Purchase Agreement with Hancock Bank for the purchase of Public Works vehicles and associated equipment

Councilmember LaFontaine moved, seconded by Councilmember Knobloch, to resolve authorizing a lease purchase agreement at the rate of 1.85% per annum with Hancock Bank for the purchase of Public Works vehicles and associated equipment and further resolving to authorize City officers to execute a lease purchase agreement, supporting schedules and attachments, including but not limited to, assignments of title to the equipment to Hancock Bank to the end the equipment shall be acquired by such bank and leased to the City on the terms and conditions expressed in such lease, and for other related purposes. (RESOLUTION IS REPRODUCED IN ITS ENTIRETY AT THE END OF THE MINUTES AND MADE A PART THEREOF.)

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

3. Ordinances

- a. **2014-3121**: Repeal Ordinance 2012-024 "Dangerous Animals" - **NO ACTION TAKEN**
- b. **2014-3122**: Repeal Ordinance 2012-025 "Domestic Animals" – **NO ACTION TAKEN**

4. Issue Bids

- a. **2014-3092:** Approve City Manager's recommendation to accept and award the proposal from Hancock Bank for Depository Banking Services for the City of Diamondhead for a 2-year period

Councilmember Rech moved, seconded by Councilmember Sislow, to accept the single RFP for Depository Banking Services for the City of Diamondhead received from Hancock Bank thereby awarding to Hancock Bank the Depository Banking Services for the City of Diamondhead for a 2-year period.

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

- b. **2014-3100:** Reject quotes tabled on March 5, 2014 for RFP#2014-1030 - purchase of a 4-ton asphalt recycler/ dump trailer

Councilmember Rech moved, seconded by Councilmember Sislow, to reject quotes received for RFP#2014-1030- Purchase of a 4-ton asphalt recycler/dump trailer

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

- c. **2014-3126:** Accept and award the low quote received from Truck Equipment Sales, Inc. in the amount of \$38,918.00 for the purchase of a 4-Ton Recycler/Hot Box Trailer

Councilmember Knobloch moved, seconded by Councilmember LaFontaine, to accept and award the low quote received from Truck Equipment Sales, Inc. in the amount of \$38,918.00 for the purchase of a 4-ton asphalt recycler/hot box trailer. Quotes received were as follows:

Truck Equipment Sales, Inc.	\$38,918.00
Falcon Road Maintenance Equipment	\$39,641.00

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

5. Other actions

- a. **2014-3091:** Approval of Video Services Agreement with BellSouth Telecommunications, LLC d/b/a AT&T Mississippi and the City of Diamondhead

Councilmember LaFontaine moved, seconded by Councilmember Knobloch, to approve and enter into a Video Services Agreement with BellSouth Telecommunications, LLC d/b/a AT&T Mississippi. (CONTRACT IS REPRODUCED AT THE END OF THESE MINUTES AND A PART THEREOF.)

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

- b. **2014-3133**: Budget Amendment FY2014-140-2 – Add \$6,400 for Architectural Services for Preparation of a Benefit Cost Analysis and Related Drawings for Hazard Mitigation Grant Program for City Hall

Councilmember Knobloch moved, seconded by Councilmember Sislow, to approve Budget Amendment FY2011-140-2 adding \$6,400 for Architectural Services for Preparation of a Benefit Cost Analysis and related drawings for the Hazard Mitigation Grant Program for City Hall

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

- c. **2014-3137**: Budget Amendment FY2014-301-3 – Increase Engineering Storm Water Budget to \$47,500

Councilmember Rech moved, seconded by Councilmember Knobloch, to approve Budget Amendment FY2014-301-3 to increase the Engineering Storm Water Budget to \$47,500.

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

- d. **2014-3123**: Authorize the payment of \$1,000 per month by the City to Hancock County for the City's participation in the Hancock County Animal Shelter's operation and maintenance

Councilmember Knobloch moved, seconded by Councilmember LaFontaine, to authorize and approve to pay unto the Hancock Count Board of Supervisors \$1,000 per month for the City's participation of in the operation and maintenance of the Hancock County Animal Shelter.

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

- e. **2014-3129**: Approve correspondence from the Mayor to Mississippi Department of Transportation regarding Exit 16 lighting

Councilmember Lafontaine moved, seconded by Councilmember Knobloch, to approve Mayor Schafer's correspondence to Mississippi Department of Transportation to officially initiate the process necessary for the installation of lighting along Interstate 10 and Exit 16 as well as acknowledge the City's willingness to accept responsibility for all maintenance and other cost associated with proper operation of the lighting upon completion of installation.

Ayes: LaFontaine, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: Lopez.

MOTION CARRIED

- f. **2014-3130:** Discussion and/or possible action regarding the donation of the “Dairy Queen Road” and the City’s acceptance thereof

Councilmember Sislow moved, seconded by Councilmember LaFontaine, that the City Manager be given the authority to move forward to acceptance of the road in front of the Dairy Queen and also at the same time check with the State Auditor to make sure we are doing everything legitimately and also to check with our insurance agency to make sure that there are liabilities in any way, shape, or form are covered and for them to go over everything that is being done.

Ayes: LaFontaine, Knobloch, Sislow and Rech. Nays: Mayor Schafer. Absent: Lopez.

MOTION CARRIED

- g. **2014-3132:** Discussion and/or possible action to appropriate funds for paving projects during Spring 2014

Discussion with regard to the City’s paving needs to be completed during Spring 2014 were held. The Council requested the City Manager complete the following assessment prior to the next Council meeting in order to have adequate information to develop a plan to proceed:

1. Identify the source(s) from which to allocate \$300,000 to \$400,000;
2. Identify roads in need of resurfacing; and
3. Current cost for asphalt (also cost to mill and marking).

- h. **2014-3134:** Discussion to appointment a City Liaison to Diamondhead Water & Sewer District

Discussion was held regarding the City’s possible appointment of a liaison to the Diamondhead Water & Sewer District. General consensus of the Council was to proceed with an appointment and to place the matter on the May 6, 2014 Council Meeting Agenda for further action.

- i. **2014-3139:** Approve Proposed Functional Adjustments to Consulting, Legal and Engineering Fees

No action was taken with regard to the proposed functional adjustments. Proposed adjustments will be incorporated and reflected in the March 2014 Financial Report.

- j. **2014-3142:** Accept and approve the engagement letter with Butler Snow, LLP for special counsel services relating to the purchase of City Hall

Councilmember Knobloch moved, seconded by Councilmember Rech, to accept and approve engagement letter submitted by Butler Snow, LLP for Special Counsel services relative to the purchase of City Hall. Mr. Grubbs from Government Consultants and Ms. Ladner from Butler Snow, LLP stated that the approval of this letter is needed so that work on the transaction can continue.

Ayes: LaFontaine, Knobloch, Sislow and Rech. Nays: Mayor Schafer. Absent: Lopez.

MOTION CARRIED

IV. Routine Agenda**1. Docket of Claims**

Councilmember Rech moved, seconded by Councilmember Sislow, to approve the Docket of Claims as presented.

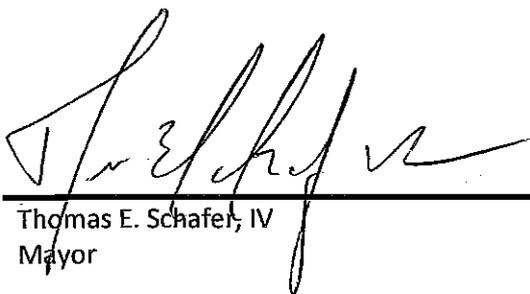
Ayes: LaFontaine, Knobloch, Sislow and Rech. Nays: Mayor Schafer. Absent: Lopez.

MOTION CARRIED**2. Revenue and Expense Report – February 2014 – NO ACTION TAKEN****V. Public Comments on Non Agenda Items**

- a. Alison Butsch addressed the Mayor and Council regarding the Diamondhead Water & Sewer District. Ms Butsch stated that sewer issues have been and continue to be a problem in her neighborhood since 2007. Numerous complaints and calls to DWSD have yielded no positive results. Ms. Butsch explained in detail, recent and past sewer experiences and pleaded with the Mayor and Council to provide any assistance possible. Mayor Schafer relayed his apologies and explained that MDEQ has been on-site to assess the issues.
- b. Robert Butsch was then called to address the Council. Butsch waived his right to do so indicating his concerns were address by Alison Butsch.
- c. Bea Hoffman was then called to address the Council. Hoffman waived her right to do so indicating her concern were also addressed by Alison Butsch.
- d. Don Hopes was called to address the Council. Hopes expressed concerns with vehicles parking in a lot near his residence on Ahiahi Place.

VI. Adjourn

Councilmember Knobloch moved, seconded by Councilmember Sislow, to adjourn the meeting at 7:56 p.m. CST. The motion carried unanimously.



Thomas E. Schafer, IV
Mayor



Kristin Ventura
City Clerk