CITY OF JOPLIN
CITY COUNCIL SPECIAL MEETING
MINUTES

August 24, 2015

CALL TO ORDER

The Special Meeting for the Joplin City Council was called to order at 6:00 p.m. by Mayor Michael L. Seibert.

Invocation was given by City Clerk Barbara Hogelin. Flag salute was led by Mrs. Lewis.

READING OF SPECIAL CALL

Notice is hereby given that the City Council of the City of Joplin, Missouri will hold a special meeting beginning at 6:00 pm on Monday, August 24, 2015, in the 5th Floor Council Chambers, 602 S. Main Street, for the purpose of holding a public hearing for the property tax rate.

ROLL CALL: PRESENT: Melodee Colbert–Kean, Morris Glaze, Miranda Lewis, Benjamin Rosenberg, Bill Scearce, Michael Seibert, Gary Shaw, Ryan Stanley and Mike Woolston, 9. Also in attendance were City Attorney Peter Edwards and City Manager Sam Anselm.

Request to Address Council

Request from Mr. Gil Stevens, 23 Pheasant Run, Joplin, MO, to address Council to express positive thoughts and ideas in regard to the audit dated August 2015. Mr. Gil Stevens addressed Council expressing his desire as to how the city can address statements made from the auditor. City Manager Sam Anselm stated one way the city had started addressing the issue from his office was through a website he created with responses.

Public Hearing on the Property Tax Levy.

City Clerk Barbara Hogelin read the Public Hearing Procedures

Finance Director Leslie Haase discussed the proposed fiscal year 2015-2016 property tax levy for the City of Joplin and for the affirmation of the tax levy of the Joplin Public Library District. The maximum authorized property tax levy is 54.0 cents and the CPI is .80% based on calculations by the State Auditor's office. The property tax of the City of Joplin represents a very small portion of the overall property tax liability for the citizens of Joplin. Property tax provides approximately .80% of the general government revenue and is used to fund a portion of Health, Parks, and Solid Waste activities.

Staff is recommending the acceptance of the amount calculated utilizing the State Auditor's worksheet, which represents an increase in the City property tax rate from $.1728 to $.1734. The library rate will remain the same at $.2545 as set forth by Missouri Statute. The total rate will be $.4279 per $100 of assessed valuation, which is up from $.4273 for last year. Property tax is expected to generate $970,483 for the City and $1,253.029 for the library. The property tax for a home with an assessed valuation of $100,000 will be $81.30 for both the city and the library portion of the property tax. This represents an increase of $.11 on a home with an assessed valuation of $100,000.

Ordinances – Emergency

Mr. Stanley introduced COUNCIL BILL NO. 2015-525 - AN ORDINANCE levying taxes in the City of Joplin, Missouri for the year 2015 in the amount of Seventeen and Thirty-Four Hundredths Cents ($0.1734) on One Hundred Dollars of valuation of all real property in said City, and levying taxes in the Joplin Public Library District for the year 2015 in the amount of Twenty-Five and Forty-Five Hundredths Cents ($0.2545) on One Hundred Dollars of valuation of all real property in said District, and containing an emergency clause. Motion by Mr. Stanley, Second by Mr. Scearce that Council Bill No. 2015-525 be approved on an

emergency basis. Voting in favor were Council members: Colbert-Kean, Glaze, Lewis, Rosenberg, Scearce, Seibert, Shaw, Stanley and Woolston, 9. Nays: 0. The Council Bill was declared Adopted and entitled **Ordinance No. 2015-125**

Discussion of the Chamber Contract

City Attorney Peter Edwards stated to the council the chamber contract was old and outdated and said there are issues to look for on the chamber contract. He noted the council to goals audit the chamber of the commerce received and what we want their funds to be used for.

Rob O'Brian, Joplin Area Chamber of Commerce President stated he doesn't have any prepared remarks but said he it was open for discussion. City Attorney gave him a draft copy of the proposed chamber contract the city had prepared.

Mrs. Lewis clarified the confidentiality and asked is it held. Rob stated that businesses release their own announcements of openings.

Mayor Seibert thanked Rob for coming and asked council to provide ideas as to what they would like to see come forth and how the chamber can provide costs associated. It was noted a wage limit is set at 48 %. The timeline for this is November 1, 2015. It was also noted the Chamber is paid $200,000 for city economic development work. $100,000 for the Joplin Regional Partnership and $35,000 has gone to pay for Joplin's share of a federal lobbyist to represent the area.

Other New Business
Dr. Rosenberg read the following prepared statement:

After closely studying the Lorraine Report, the recent audit of the City of Joplin, as well as personal communications with council members and others, I am presenting information below to outline an established pattern of repeated Code of Ethics violations by Councilman Woolston.

For example, the Citizen's Advisory Recovery Team ('CART") held numerous meetings from June 30, 2011 until November 7, 2011 to discuss potential redevelopment areas. Mr. Woolston was a member of CART and Mayor at that time. Pursuant to the Master Developer Agreement with Wallace-Bajjali, the City of Joplin created a plan to develop the area of 20th and Connecticut.
The JRC spent approximately $11 million for the purchase of 36 properties and for lease payments on another property. The 36 properties were recommended and selected as opportunity sites for redevelopment by Wallace Bajjali. Many of these properties were at the general location of 20th and Connecticut.

Additionally, Councilman Woolston's actions are a conflict of interest as determined by the State Auditor.

The following allegations show that there have been numerous Code of Ethics violations.

The code provides that:

1. Conflict of Interest " A city councilman shall not have a financial interest, direct or indirect, in any contract with the city, or be financially interested, directly or indirectly, in the sale to the city of any land, materials, supplies or services, except on behalf of the city as an officer or employee. Any violation of this provision renders the contract or sale void, and any councilman violating this section thereby forfeits his office or employment. Provided, however, that nothing contained herein shall be construed to apply to any contract, sale or lease not initiated, proposed, instituted, introduced or commenced by an officer or employee of the city who may be involved or interested in such undertaking" .

a. Mr. Woolston, as a real estate broker, purchased property for Four States Homes and Charlie Kuehn. Charlie Kuehn then sells the property to JRC, an agency of the city, for exorbitant profits. Mr. Woolston and/or his employer received over $11,000.00 for these transactions.

b. Councilman Woolston, as a council member and member of the CART, was aware of the properties the JRC was considering buying for redevelopment at a time when that information was not public knowledge.

c. Councilman Woolston used that insider knowledge to solicit landowners to sell their property to his client in the area of 20th and Connecticut before the plan became public knowledge.

d. Councilman Woolston used this confidential information, or alternatively information that was not made available to the general public, for personal, professional and financial gain.

e. Councilman Woolston, acting as the agent of Four State Homes, signed the real estate sales contracts as the broker on the 16 properties sold to the JRC. Councilman Woolston acted as the agent for these transactions knowing that the properties would immediately be sold to the JRC, a wholly owned subsidiary of the City of Joplin.

f. That Four State Homes, in turn, sold the sixteen (16) properties to the JRC for a total of $675,424 more than the appraised values, making a profit of $377,444. In contrast, the remaining twenty (20) properties purchased by the JRC directly from the original landowners were obtained below the appraised value for a total of $601,540 less than the appraised values. As Four State Homes and Charlie Kuehn's agent, Councilman Woolston was involved and implicit in this scheme and inflated prices for this land that was sold to the JRC, to the detriment of the City.

g. Councilman Woolston was directly or indirectly financially interested in said transactions. Councilman Woolston and his firm, Pro-100,were paid through closing, commissions totaling $11,436.00.Councilman Woolston has admitted to receiving at least one commission, and has admitted that his firm at the time, Pro-100, received multiple commissions. Councilman Woolston also became the exclusive listing agent for Charlie Kuehn and Four State Homes which has provided him with financial benefits.

h. Councilman Woolston, as the agent for Charlie Kuehn and Four State Homes was directly or indirectly involved in the formation of the business relationship and partnering between Charlie Kuehn and Wallace Bajjali and their company Newco, LLC, which sought to have a public/private partnership with JRC and City of Joplin, to develop the area of 20th and Connecticut, or alternatively, was intimately aware of the formation of their company.

2. Representing personal interest before city agencies or courts. "No city councilman shall appear in behalf of personal interest before any agency of the city. Provided, however, that nothing herein contained shall be construed to prohibit a city council man from being present for the purpose of consulting with his representative when such representative appears in behalf of such councilman's personal interest before any agency of the city. A city councilman shall not represent personal interest in any action or proceeding against the interest of the city in any litigation in which the city is a party.

a: **Councilman Woolston did not abstain from voting or disclose his business relationship**

with the developer on an ordinance approving a TIF redevelopment Plan and Agreement involving Kevin Steele, a developer with whom he co-owns a local realty company. During the July 7, 2014 Council meeting, the Council approved the Hope Valley Tax Increment Financing Redevelopment Plan, which established a redevelopment area, and designated Hope Valley Development Group, Inc. a group that included Kevin Steele, as the developer of Redevelopment Project I. Councilman Woolston and Kevin Steele are business partners in their real estate company, New Horizons Realty. Councilman Woolston did not disclose this conflict of interest or the nature of his business relationship with Kevin Steele at the July 7, 2014 meeting. Councilman Woolston voted in favor of the Hope Valley Redevelopment Plan and Agreement with the developer, Kevin Steele. Prior to this, Councilman Woolston accompanied Kevin Steele to a private meeting with city staff that addressed the Hope Valley TIF Agreement and related issues at a time when negotiations relative the TIF Agreement had reached an impasse.

B: Councilman Woolston nominated Troy Hill, an accountant at BKD to the Joplin Redevelopment Corporation at the January 5, 2015 City Council meeting. Prior to the meeting, Councilman Woolston called on and lobbied other City Council members for Mr. Hill's appointment. BKD is the accounting firm that is used by Charlie Kuehn and Four State Homes and Troy Hill is their former accountant, as recently as a few years ago. Another BKD accountant has taken over their account.

C: Councilman Woolston has been and continues to be active in the South Main TIF. He has solicited property sales and purchases for the TIF Developer and has stated that he will continue his relationship with the TIF Developer. Charlie Kuehn has also been participated in various aspects of the South Main TIF.

D: Councilman Woolston has used his position of Councilman to gain advantages in the Planning and Zoning Department for his clients Charlie Kuehn and Four State Homes. He has admitted to frequently the zoning department to discuss Charlie Kuehn's projects with Planning and Zoning staff, and has admitted that he probably gets favorable treatment because he is a councilman

Mr. Woolston met with zoning and planning members and various personnel at the city regarding issues for Charlie Kuehn and Four State Homes. Charlie Kuehn is an experienced developer and builder and should have taken care of his issues. Mr. Woolston was using his position to influence these people.

3. Gifts and Favors. "No councilman shall accept any valuable gift, whether in the form of service, loan, think or promise, from any person, firm or corporation which to his knowledge is interested directly or indirectly in any manner whatsoever in business dealing with the city; nor shall any such official (1) accept any gift, favor, or things of value that may tend to influence him in the discharge of his duties, or (2) grant in the discharge of his duties any improper favor, service, or thing of value. Purchase of a meal for a city councilman shall not be a valuable gift. The prohibition against gifts or favors shall not apply to the occasional nonpecuniary gift, insignificant in value, or an award publicly presented in recognition of public service, or any gift which would have be offered or given if he were not a city councilman".

Mr. Woolston has become Four State Homes and Charlie Kuehn's exclusive real estate agent for purchasing real estate and leasing of properties. This represents a significant financial incentive.

4. Confidential Information. "'No city councilman shall, without prior formal authorization of the public body having jurisdiction, disclose any confidential information concerning any other official or employee, or any other person, or any property or governmental affairs of the municipality. No city councilman shall use or permit the use of any confidential information to advance the financial or personal interest of himself or any other person".

Mr. Woolston's inside information of the development of 20th and Connecticut was shared with Charlie Kuehn and Four States Homes, information that was not available to the public.

Mr. Woolston's actions are an ongoing distraction to the council that will not go away. He simply can no longer have the support of fellow council members, and should be removed or forfeit his position on the Council. Mr. Woolston deserves a hearing and be allowed to present his position. I make a motion that an evidentiary hearing be held on Monday, August 31, 2015 to hear evidence to determine whether or not the above ethical violations have occurred.

Before voting Mr. Woolston read the prepared statement.

MOTION TO ESTABLISH PROCESS AND PROCEDURE FOR HEARING

Michael Woolston moves the Council to establish the following process and procedure for the hearing on the motion seeking to remove Mr. Woolston from the Council:

Mr. Woolston read the following prepared statement.

Motion to Establish Process and Procedure for Hearing

Michael Woolston moves the Council to establish the following process and procedure for the hearing on the motion seeking to remove Mr. Woolston from the Council:

1) August 31, 2015. Appoint presiding officer. Prosecuting counsel and defense counsel enter appearance with the presiding officer.
2) September 11, 2015. Specification of charges. Identification of witnesses and documents for each charge.
3) October 2, 2015. Response to charges. Motions challenging legal sufficiency of particular charges. Motions challenging qualifications of presiding officer and Council members.

.Request for additional production of documents and evidence.

4) October 16, 2015. Prosecution response to motions and document requests.
5) October 23, 2015. Reply brief on motions and objections to discovery.
6) October 26, 2015. Hearing on motions and discovery
7) November 2, 2015. File any request for judicial review of motion and discovery rulings. File judicial motions for issuance of subpoenas and third party discovery.
8) November 24, 2015. Complete depositions.
9) December 7, 2015. File any motions for summary disposition for lack of evidence to support some or all of 1he charges.
1O) December 14, 2015. Responses to motions for summary disposition.
11) December 21, 2015. Reply brief on motions for summary disposition.
12) January 11, 2016. Oral argument on motions for summary disposition.
13) February 1, 2016. Hearing. The hearing date can be any time after the pre-hearing procedures have been completed, and the post-hearing deadlines should key off of the completion of the hearing. The following procedures will apply at the hearing:

· a) The City Attorney will call witnesses and offer documentary evidence.
b) All testimony shall be given under oath with the oath administered by the City Clerk.
c) The City Attorney will conduct direct examination to establish the record.
d) Counsel for Council Member Woolston will then have the opportunity to conduct a cross examination of the witness.
e) At the conclusion of Council Member Woolston's questions, the Council as trier of fact will be given the opportunity to ask questions of the witness.

f) Both re-direct and re-cross examination will be available.
g) The witness may then be released from the proceedings upon consent of the City and Council Member Woolston.
h) At the conclusion of the moving party's witnesses, Council Member Woolston shall have the right to testify under oath and offer witnesses and documentary evidence. The City Attorney may direct questions to the witnesses, the council shall have then have the right to direct questions to the witnesses.
i) Both re-direct and re-cross examination will be available.
j) A vote or other appropriate action may be taken by the council.

14) February 29, 2016. Post hearing briefs.
15) March 14, 2016. Post hearing response briefs.
16) March 28, 2016 (or two weeks after evidentiary and briefing record is closed). Deadline for decision from Council.
17) April 25, 2016. File any petition for judicial review and stay of Council decision.

Mayor Seibert asked Dr. Rosenberg to state his motion again for the record.
Motion by Dr. Rosenberg, Second by Mr. Scearce that an evidentiary hearing be held on Monday, August 31, 2015 to hear evidence to determine whether or not the above ethical violation have occurred. Voting in favor were Council Members: Colbert-Kean, Glaze, Lewis, Rosenberg, Scearce, Seibert, Shaw and Stanley 8, Nays: Woolston, 1.

Meeting was adjourned at 7:40 pm.

Submitted,

Barbara L. Hogelin, MMC /MPCC City Clerk