

DATE: (021696)

UTILITY BILLING HEARING
(Steve Clark Apartments)
02-16-96
7:30 a.m.

Present: Mayor, Nile Boyle
Councilmembers: Bruce Sutherland
Nyle Fullmer
Farrell Young
Marsha Bjornn
City Attorney: Steven Zollinger
Finance Officer: Richard Horner
Minutes: Janet Williamson
Others: Steve Clark
Paul Clark

Steve Clark stated that at this time he is functioning under the failed sales of his apartments. He has insurance money coming from the recent fire of some of the apartments. American General Finance Co. holds the note and must hold back some of the insurance money to cover the reconstruction of these apartments. He said there is \$70,000 in insurance money and it will only cost \$30,000 to rebuild the apartments. The supervisor at American General is out of the office until Monday or Tuesday of next week and she is the only one that can authorize the release of any of that money. Working with the adjustor it would be Thursday or Friday before he could get the money.

Paul Clark said the worst case scenario would be that they would not release the money until the completion of the apartments which would be in about a month.

Steve stated that he is on the verge of bankruptcy. If the City insists on the money for the utility bill now he will have to declare bankruptcy and the bill would be erased as an unsecured debt. Richard felt that this was not true - that bankruptcy rights would help us.

There are 200 students in the apartments.

Mayor Boyle suggest that they get a letter from American General that they would give the City \$6,000 of the insurance money.

The Council decided that they would make every effort to get \$6,000 from the insurance claim. Richard will contact American General.

Meeting Adjourned.