

**CITY OF PIKEVILLE
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
December 9, 2013 AT 6:00 P.M.**

The Board of Commissioners for the City of Pikeville met in a regular called session on Monday, December 9, 2013. The meeting was held in the City Hall Conference Meeting Room located at 243 Main Street, Pikeville, Kentucky.

There being a quorum present, Mayor Frank Justice called the meeting to order at 6:00 p.m. Commission Members present at roll call were as follows:

COMMISSIONER:	JIMMY CARTER	
	JERRY KEITH COLEMAN	Absent
	BARRY CHANEY	
	EUGENE DAVIS	

MAYOR: FRANKLIN D. JUSTICE, II

MINUTES

The minutes for the previous regular meeting held on November 22, 2013 were in each Commission Member's agenda package. There being no additions or corrections, Commissioner Carter made the motion to approve the minutes as prepared. Commissioner Chaney seconded the motion. Mayor Justice called for discussion, there being none, the motion carried unanimously. 4-0.

PAYMENT OF CITY BILLS

The City Manager Donovan Blackburn requested the approval to pay city bills in the amount of \$1,230,244.28. Commissioner Davis made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for comments and Commissioner Davis asked the traditional question of do we have the money. And City Manager responded that we did have the money. Mayor Justice called for further discussion, there being none, motion passed unanimously. 4-0.

1. Consider a request to authorize payment for up to \$30,000.00 for salaries for the East KY Expo Employees for the last pay period in December due to the City Commission meeting being cancelled. Commissioner Chaney made the motion to approve. Commissioner Davis seconded the motion. Mayor

Justice called for further discussion, there being none, motion passed unanimously. 4-0.

2. Consider a request to authorize and approve payment for invoice number 5390 as submitted, to Wallen, Puckett & Anderson, PSC for \$31,950.00 for the preparation of the June 30, 2013 fiscal year end City Audited Financial Statement. Commissioner Chaney made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for further discussion, there being none, motion passed unanimously. 4-0.

CITY ENGINEER

1. Jody Hunt was present with Summit Engineering, Inc. and presented a request to authorize and approve payment of Pay Estimate #5, as submitted and recommended by Codell Construction for the Pikeville Theatre project and approved by the Pikeville Theatre Building Committee. Pay estimate #5 as submitted in the amount of \$630,368.30 for the following vendors and totals as submitted. Vendors include: Modern Construction, Inc. for \$48,690.00, Ferro Products Corporation in the amount of \$172,603.00, Nucor-Vulcraft in the amount of \$17,797.00, Rising Sun Developing, Inc. in the amount of \$111,273.52, Wright Way Ready Mix Plumbers Supply Co. in the amount of \$2,835.00, Ken/ API Supply in the amount of \$5,014.10, Wright Contracting, Inc. in the amount of \$52,972.20, Elliott Supply & Glass in the amount of \$213,837.73, Graybar Electric Company for \$3,619.00 and Plumbers Supply Co. in the amount of \$1,726.75. Commissioner Chaney made the motion to approve. Commissioner Davis seconded the motion. Mayor called for further comments, there being none, the motion passed unanimously. 4-0.
2. Consider a request to approve and authorize payment of invoice number 51514854 with AEP for \$1,978.50 as submitted and as recommended by Codell Construction and Pikeville Theatre Building Committee for the Pikeville Theatre project. Commissioner Chaney made the motion to approve. Commissioner Davis seconded the motion. Mayor called for additional comments, there being none, the motion passed unanimously. 4-0.
3. Consider a request to approve and authorize payment of invoice number 00004581 with L. E. Gregg for \$3,530.41 and to recommend payment to the Pikeville City Commission, as submitted and as recommended by Codell Construction and Pikeville Theatre Building Committee for the Pikeville Theatre project. Commissioner Chaney made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for further comments. Commissioner Davis asked if this was a

pass thru to the Pikeville Commission. City Manager Donovan Blackburn commented yes the account is set up to pass thru City of Pikeville. Mayor Justice called for additional comments, there being none, motion passed. 4-0.

4. Consider a request to approve invoice #0000015 with Holzman Moss Bottino in the amount of \$6,740.03 and to recommend payment as submitted and as recommended by Codell Construction & Pikeville Theatre Building Committee for the Pikeville Theatre project. Commissioner Chaney made the motion to approve. Commissioner Davis seconded the motion. Mayor Justice called for comments, there being none, motion passed. 4-0.

CITY ATTORNEY

Russell Davis was present and had several items to read into record.

1. Consideration for adoption of a resolution approving the issuance by the City of Pikeville of its Hospital Improvement Project for the Refunding Revenue Bond Anticipation Notes for Pikeville Medical Center, Inc. Expansion Project, Series 2014 to refund the City's Hospital Improvement Refunding Revenue Bond Anticipation Notes (Pikeville Medical Center, Inc. Expansion Project), Series 2013 and the taking of actions in connection thereto. Commissioner Carter made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments. Rusty Davis, City Attorney explained that this was to approve them to refinance, that the City was not liable, just approving the refinance of the bonds. City Manager Donovan Blackburn stated the same. Mayor Justice called for further comments, there being none motion passed. 4-0.
2. Consider a 1st reading of Ordinance # 0-2013-036 amending the city code of ordinance chapter 32, section 32.01 Departments, Boards, and Commissions. City Attorney Rusty Davis read into record.
3. Consider a 2nd reading and adoption of Ordinance 0-2013-035 amending the 2013-2014 Operating Budget and to authorize the Mayor to sign and execute on behalf of the City of Pikeville. Commissioner Carter made the motion to adopt. Commissioner Chaney seconded the motion. Mayor Justice called for roll call. Motion passed. 4-0.

ORDINANCE NO. 0-2013-035

December 9, 2013 Regular Meeting

WHEREAS, certain additional information has come to the attention of the Finance Department which necessitates the amendment of the 2013-2014 fiscal year budget to reflect certain increases and decreases to revenues and expenditures.

NOW, THEREFORE be it ordained by the City of Pikeville that the fiscal budget for the 2013-2014 fiscal year is hereby amended to reflect an increase and or decrease of revenues and /or expenditures as reflected in the attached exhibit entitled "Budget Amendments".

The above ordinance was give first reading on November 22, 2013.

The ordinance was given second reading on December 9, 2013. The ordinance shall be in full force and effect immediately after it is passed and published as required by law.

Passed, this 9th day of December, 2013.

Commissioner Carter moved the adoption of the foregoing ordinance. Commissioner Chaney seconded the motion.

Upon roll call, the votes were as follows:

	<u>YES</u>	<u>NO</u>
FRANKLIN D. JUSTICE, II MAYOR	_x_	___
JAMES A. CARTER, COMMISSIONER	_x_	___
EUGENE W. DAVIS, COMMISSIONER	_x_	___
JERRY KEITH COLEMAN, COMMISSIONER	___	___ Absent
BARRY N. CHANEY, COMMISSIONER	_x_	___

The Mayor declared the within Ordinance adopted.

/s/Frank Justice
FRANKLIN D. JUSTICE, II, MAYOR

ATTEST:

/s/ Rebecca Hamilton
REBECCA HAMILTON, CITY CLERK

CITY MANAGER

December 9, 2013 Regular Meeting

City Manager Donovan Blackburn presented the commission with the following items for approval:

1. Consider a request to authorize and approve a settlement statement and payment as submitted, with Frank Nall for \$60,618.50 for the purchase of the property located off of Peach Orchard on Habitat Street, being purchased with FEMA funds and to authorize the mayor to sign the deed of conveyance for said property along with any and all paperwork necessary to complete said transaction. Commissioner Carter made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments there being none motion passed unanimously. 4-0.
2. Consider a request to authorize the purchase and payment for property located on Julius Avenue owned by Homer Gene and Marietta Snodgrass, as submitted and described in the attached deed of conveyance, for the sum of \$8,000.00 and to authorize the mayor to sign and execute said on behalf of the City of Pikeville. Commissioner Chaney made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for additional comments, there being none, motion passed. 4-0.
3. Consider a request to authorize and approve a lease agreement between the City of Pikeville and East Kentucky Broadcasting TV, as submitted and to authorize the mayor to sign and execute said lease on behalf of the City of Pikeville. Commissioner Chaney made the motion to approve. Commissioner Davis seconded the motion Mayor Justice called for comments, there being none, motion passed unanimously. 4-0.
4. Consider a request for Don Wallen with Wallen, Puckett & Anderson to present the City Audit findings and consider a request to adopt the said audit for the 2012-2013 fiscal year. Commissioner Carter made the motion. Don Wallen was present and stated he issued an unqualified report which is a clean opinion, found no reportable conditions or violations in any compliance laws of the federal programs. To give an idea of how the City is standing based on the current measurement of focus on a good health of a young legal entity is now called statement of net position. It used to be called net assets. Even though they changed the name it is still net assets minus total liability. The City's net asset for the fiscal year ending June 30, 2013 for the governmental funds is \$59,299,924.00 that compares to the previous year of \$56,519,000.00 so we increased our debt position 2,779,000.00. The business type entities which are the water, sewer, gas and trash funds increased their net positions by \$1,292,956.00 so their total assets minus liabilities were \$24,284,516.00. The older method used to be general fund balance. If we look at the City's general fund balance was increased by \$1,322,000.00. All the governmental funds put together was 1,298,000.00. If you look at any of this measurement the City is in good health, excellent health. We always talk about cash reserves, the cash reserves are \$14,555,000.00 the reason we are interested in that number is if our revenue was to be cut off completely that

would be enough money to float the city for about 7 months. It used to be if a city had enough funds to stay afloat was a month or two, then it was four months, now the idea is for six months so the city is in good financial health. Commissioner Carter asked Mr. Wallen if there was an average throughout the country of how much a city should have on hand. Mr. Wallen replied you'll have some cities completely broke; it varies throughout four or five months of operating capital. He did not know of an average but if there was one this city would be well above the average. Most cities these days have 4 or 5 months. A lot of cities are hurting these days especially the larger ones. Some areas of interest are the occupational tax increased by \$368,000.00 this year from the year before so our local economy is still doing well, but I keep saying be careful at some point the occupational tax may slow down due to the economy. If we keep adding jobs that won't happen. Commissioner Chaney asked if this had been an increase for the last five or six years. Mr. Wallen stated yes. City Manager stated for the last ten years at least we have seen an increase. The total revenue increased by \$337,000.00 and our expenses increased by \$114,000.00 so we are staying ahead of the curve. We did recognize \$854,000.00 from the sale of assets, our bases in, assets was \$636,000.00, so we had an increase of about \$217,000.00 profit. The proprietary funds: water, sewer, gas and sanitation all increased their net position and now of the proprietary funds lost any money this year, all showed profit. Water profit of \$338, sewer profit \$581, gas \$253 and sanitation \$212 thousands. All of the proprietary funds are doing well and adding to the reserves so we can have ability to replace some of the infrastructure if needed. City Manager added that the City paid off a lot of the notes knowing that the upcoming sewer plant project would need to be funding and was allowing for the City getting ready to incur some debt for the sewer plant. Mr. Wallen stated that the city raised the rates ahead of time which was a good thing. Mr. Wallen said only area that had a decrease was the Exposition Center, with a net loss of \$883,000.00. The City did reduce long term debt by \$714,000.00 also during the year city purchased property; plant equipment \$4 million dollars was capitalized, the proprietary funds capitalized \$6 million. All the departments stayed within their budgets except the street department due to repair of streets not budgeted for. The recreational department was \$259,000.00 under budget. Mr. Wallen asked if Grace Ratliff was present, she was not. This year she collected \$104,000.00 last year she collected \$118,000.00. Mr. Wallen wanted to poke at Grace about the penalty and interest collections, joking with her says she does an outstanding job. City Manager Donovan Blackburn stated yes, that he has an A-1 staff and they all do a great job and he commends to the commission to make the motion to adopt the audit. Mayor Justice called for a second motion. Commissioner Chaney seconded the motion. Mayor Justice called for additional comments, there being none motion adopted unanimously. 4-0.

5. Consider a request to cancel the regular commission meeting scheduled for December 23, 2013 due to Christmas week and to call a special commission

- meeting on an alternate date if needed. Commissioner Davis mad the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments, there being none, motion passed unanimously. 4-0.
6. Consider a request to adopt a resolution regarding omitting Christy Spears as an authorized person to sign checks on the behalf of the City of Pikeville. Commissioner Chaney made the motion to adopt. Commissioner Carter seconded the motion. Mayor Justice called for comments, there being none motion passed unanimously. 4-0.
 7. Consider a request to authorize and approve a sixth amendment to an agreement for sale of property, as submitted, between Reality Link Investments, LLC and the City of Pikeville and authorize the Mayor to sign and execute said agreement on behalf of the City of Pikeville. Commissioner Carter made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments, there being none, motion passed unanimously. 4-0.
 8. Request to pay invoice number: 69480 to Summit Engineering, Inc. in the amount of: \$3,046.70 for the Peach Orchard Storm/Sewer Separation Project. Commissioner Davis made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for comments, there being none, motion passed unanimously. 4-0.
 9. Pursuant to KRS 61.810, consider a request for closed session for the purpose of discussion economic development, legal and personnel issues. Commissioner Carter made to motion. Commissioner Davis seconded the motion. Mayor Justice called for comments, there being none, motion passed. 4-0.
 10. Commissioner Carter made the motion to re convene. Commissioner Chaney seconded the motion. Mayor Justice called for comments, there being none, the motion passed unanimously. 4-0. Mayor Justice called session back into order.
 11. There being no further business to come before the Commission, Commissioner Davis has made the motion to adjourn the meeting. Commissioner Chaney seconded the motion. Mayor Justice called for discussion, there being none, and the meeting was adjourned. 4-0

CONSENT ITEMS:

SOAR, shaping our Appalachian Region Summit scheduled for December 9, 2013 at the East KY Expo Center from 9 a.m. until 5:00 p.m.

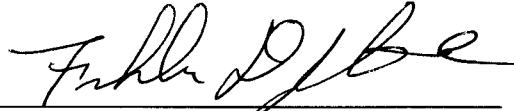
Kentucky Arts Council Conference on December 10, 2013 for putting arts & cultural development to work at the East KY Expo from 9:00 a.m. until 4:00 p.m.

The City of Pikeville's Annual Christmas Parade is schedule on Monday, December 16, 2013 at 6:00 p.m. until 8:00 p.m.

Eugene Murphy Jr. will be performing on December 21, 2013 at the East KY EXPO Center.

The next scheduled Regular Meeting of the City of Pikeville Board of Commissioners is January 13, 2014 at 6:00 p.m.

APPROVED:



FRANKLIN D. JUSTICE, II, MAYOR

ATTESTED:


REBECCA HAMILTON, CITY CLERK