

**CITY OF PIKEVILLE
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
January 13, 2014 AT 6:00 P.M.**

The Board of Commissioners for the City of Pikeville met in a regular called session on Monday, January 13, 2014. 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
 BARRY CHANEY
 EUGENE DAVIS**

MAYOR: FRANKLIN D. JUSTICE, II

MINUTES

The minutes for the previous regular meeting held on December 9, 2013 were in each Commission Member's agenda package. There being no additions or corrections, Commissioner Chaney made the motion to approve the minutes as prepared. Commissioner Coleman seconded the motion. Mayor Justice called for discussion, there being none, the motion carried unanimously. 5-0.

BUSINESS FROM THE FLOOR

- 1. Abshire Enterprises was present to address the commission on the matter of the Movie Theatre.**
- 2. The City of Pikeville Commission honored the Lady Panther soccer program.**

PAYMENT OF CITY BILLS

The City Manager Donovan Blackburn requested the approval to pay city bills in the amount of \$2,819,251.78. Commissioner Davis made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments and Commissioner Davis asked the traditional question of do we have the money. City Manager responded that we did have the money. Mayor Justice called for further discussion, there being none, motion passed unanimously. 5-0.

CITY ENGINEER

- 1. Consider a request to authorize and approve payment of Pay Estimate #6 as submitted and recommended by Codell Construction for the Pikeville Theatre project and approved by the Pikeville Theatre Building Committee. The pay request is for \$195,762.46 for vendors and totals as submitted, Modern Construction, Inc. \$12,825.22, Ferro Products Corporation for \$47,100.00, Carpet Decorators, Inc. in the amount of \$817.20, Rising Sun Developing, Inc. for \$53,720.42, Wright Way Ready Mix in the amount of \$1,350.00, KEN/API Supply in the amount of \$5,754.16. Elliott Contracting, Inc. in the amount of \$31,080.60, Elliott Supply & Glass for \$11,539.86, and Graybar Electric Company for \$31,575.00 and to authorize the Theatre Building Committee Chairman Donovan Blackburn to sign and execute any pay request or documents necessary to execute said payments. Commissioner Chaney made the motion to approve. Commissioner Coleman seconded the motion. Mayor Justice called for further discussion, there being none, motion passed unanimously. 5-0.**
- 2. Consider a request to authorize and approve payment for invoice # 00004677 with L.E. Gregg for \$892.86 and to recommend payment to the City of Pikeville as submitted and as recommend 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 Justice called for further discussion, there being none, motion passed unanimously. 5-0.**
- 3. Consider a request to recommend authorization and approval of a change order as submitted by the Pikeville Theatre Building Committee, with Rising Sun Developing, Inc. for \$36,587.25 for additional sub surface drilling and to recommend to the City of Pikeville Commission to authorize Pikeville Theatre Building Committee Chairman Donovan Blackburn to sign and execute the change order. Commissioner Chaney made the motion to approve. Commissioner Davis seconded the motion. Mayor Justice called for further discussion, there being none, motion passed unanimously. 5-0.**
- 4. Consider a request to approve and authorize payment of invoice #69674 to Summit Engineering, Inc. for \$1,080.00 for the Fire Station # 3 project. Commissioner Chaney made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for further discussion, there being none, motion passed unanimously. 5-0.**
- 5. Consider a request to approve and authorize payment of invoice #5 to Vaughn and Melton Engineering Firm for \$70,591.20 for the design of the Pikeville Sewer Plant. Commissioner Chaney made the motion to approve.**

- Commissioner Davis seconded the motion. Mayor Justice called for further discussion, there being none, motion passed unanimously. 5-0.
6. Consider a request to approve the purchase and authorize payment of invoice #8301 with J&L Sales, Inc. in the amount of \$12,000.00 for the purchase of emergency services ATV and accessories and to authorize the City Manager to sign any and all paperwork necessary to make said purchase in the name of the City of Pikeville. Commissioner Chaney made the motion to approve. Commissioner Davis seconded the motion. Mayor Justice called for further discussion, there being none, motion passed unanimously. 5-0.
 7. Consider a request to approve and authorize payment of the pay request #4 with BOCA Enterprises, Inc. in the amount of \$51,614.77 for the Peach Orchard Storm/Sanitary Sewer Separation Project and to authorize Mayor Justice to sign and execute said pay request on behalf of the City of Pikeville. Commissioner Davis made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for further discussion, there being none, motion passed unanimously. 5-0.

CITY ATTORNEY

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

1. Consider the 2nd 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. Commissioner Chaney made the motion to adopt. Commissioner Coleman seconded the motion. Mayor Justice called for roll call. Motion passed. 5-0.
2. Consider a request to authorize the mayor to sign the approved amendment to the Landlord's Waiver agreement between the City of Pikeville, Frank A. Bailey and the Community Trust Bank, Inc. as submitted and to authorize Mayor Justice to sign and execute the agreement on behalf of the City of Pikeville. Commissioner Davis made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for roll call. Motion passed. 5-0.
3. City Attorney Rusty Davis read into record the request to consider a first reading of Ordinance #0-2014-002 amending the City of Pikeville Fiscal Year Budget for the 2013-2014 fiscal year.
4. City Attorney Rusty Davis read into record the request to consider a first reading of Ordinance#0-2014-001 naming an un named street as High Ridge Court.

CITY MANAGER

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

- 1. Consider a request to approve the employment for applicant Rachael Hamilton as a part time new hire as a utility clerk for 20 hours per week at \$9.00 per hour. Rachael Hamilton is currently working 20 hours a week through the Big Sandy Area Community Ready to Work Program. Commissioner Davis made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments there being none motion passed unanimously. 5-0.**
- 2. Consider a request to authorize and approve lease agreement between Betty Tackett dba Dreamz Stables and the City of Pikeville for the operations of the City of Pikeville Equestrian Stables; and to authorize the mayor to sign and execute the said lease. Commissioner Chaney made the motion to approve. Commissioner Coleman seconded the motion. Mayor Justice called for additional comments, there being none, motion passed. 5-0.**
- 3. Consider a request to authorize and approve an advertisement to accept a bid for CCTV camera work for various sections of sewer line within the City of Pikeville. Commissioner Davis made the motion to approve. Commissioner Carter seconded the motion Mayor Justice called for comments, there being none, motion passed unanimously. 5-0.**
- 4. Consider a request to authorize and approve the Appalachian HIDTA Sub Grant Recipient grant agreement between HIDTA and the City of Pikeville, as submitted and to authorize Police Chief, Phillip Reed to sign and execute on behalf of the City of Pikeville. Commissioner Chaney made the motion. Mayor Justice called for a second motion. Commissioner Carter seconded the motion. Mayor Justice called for additional comments, there being none motion passed unanimously. 5-0.**
- 5. Consider a request to authorize and approve a seventh amendment to an agreement for the sale of property between Reality Link Investments, LLC and the City of Pikeville and to authorize Mayor Justice to sign and execute said agreement on behalf of the City of Pikeville. Commissioner Davis made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for additional comments, there being none, motion passed unanimously. 5-0.**

6. Consider a request to adopt a resolution authorizing the use of condemnation proceedings under the Kentucky Eminent Domain Act to acquire the necessary property owned by the John G. Charles Trust located at the corner end of Main Street beside the Combs Bridge in order to provide public parking and to construct a roadway to the Pikeville River fill area and to authorize the mayor to sign and execute said resolution on behalf of the City of Pikeville. Commissioner Carter made the motion to approve. Commissioner Coleman seconded the motion. Mayor Justice called for comments, there being none, motion passed unanimously. 5-0.
7. Consider a request to authorize and approve a Designated Program Annual Letter of Commitment, as submitted, for the City of Pikeville regarding the Pikeville Main Street Program and to authorize the mayor to sign and execute letter on behalf of the City of Pikeville. Commissioner Davis made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments, there being none motion passed unanimously. 4-0.
8. Consider a request to authorize and approve an Agreement for Bond Counsel Services as submitted with Stoll Keenon Ogden and authorize Mayor Justice to sign and execute said agreement on behalf of the City of Pikeville. Commissioner Davis made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments, there being none, motion passed unanimously. 5-0.
9. Consider a request to authorize and approve a resolution authorizing the Defeasance of the City's General Obligation Bonds, Series 2010 through the execution and delivery of an escrow agreement between the City of Pikeville and Bank of New York Mellon Trust Company as Escrow Trustee and to also authorize and approve the execution of any and all documents necessary to complete the transaction to include but not limited to the Certificate of the City of Pikeville regarding the defeasance of its General Obligation Bond Series 2010, Escrow Agreement and to authorize the Mayor to sign and execute said resolution and documents as required. Commissioner Carter made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments, there being none, motion passed unanimously. 5-0.

RESOLUTION NO. 2014-01-1

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF PIKEVILLE, KENTUCKY AUTHORIZING THE DEFEASANCE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2010 THROUGH THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT BETWEEN THE CITY AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS ESCROW TRUSTEE, AND THE DEPOSIT OF MONEYS OF THE CITY IN THE RESULTING ESCROW FUND SUFFICIENT, WHEN COMBINED WITH THE SCHEDULED INVESTMENT EARNINGS THEREOF, TO DEFEASE THE 2010 BONDS AND TO PAY ALL REMAINING DEBT SERVICE FOR THE 2010 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL ADDITIONAL DOCUMENTS OR CERTIFICATES NECESSARY TO ACHIEVE THE DEFEASANCE OF THE 2010 BONDS; AND TAKING RELATED ACTIONS

WHEREAS, the City of Pikeville, Kentucky (the "City"), previously issued its General Obligation Bonds, Series 2010 (the "2010 Bonds") pursuant to an Ordinance adopted by the Board of Commissioners of the City on September 27, 2010 (the "2010 Bond Ordinance"); and
WHEREAS, the 2010 Bonds were issued to finance and refinance certain improvements to the City's combined and consolidated municipal water and sewer system (the "System"); and
WHEREAS, Section 12(b) of the 2010 Bond Ordinance requires the City to transfer revenues of the System to the City's General Fund in the amounts and at the times necessary to pay debt service on the 2010 Bonds; and

WHEREAS, the Board of Commissioners of the City has determined that defeasing the 2010 Bonds would support the City's goal of maintaining affordable water and sewer rates and fees; and
 WHEREAS, Section 25 of the 2010 Bond Ordinance allows the City to defease the 2010 Bonds by placing a sum in escrow with a third-party escrow trustee sufficient in amount, when considered together with the investment earnings thereof, to pay all remaining debt service for the 2010 Bonds when and as due; and
 WHEREAS, the City has sufficient revenues of the System on hand to achieve such defeasance; and
 WHEREAS, the Board of Commissioners desires to approve the execution and delivery of the Escrow Agreement attached hereto as Exhibit A by and between the City and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Trustee") for the purpose of defeasing the 2010 Bonds as described above and to approve all necessary actions related thereto;

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PIKEVILLE, KENTUCKY, AS FOLLOWS:

Section 1. Affirmation and Incorporation of Preamble. The facts and statements contained in the foregoing preamble of this Resolution, including the terms defined therein, are hereby affirmed and incorporated as a part of this Resolution.

Section 2. Approval of Defeasance and Escrow Agreement. For the purposes set forth herein, the Board of Commissioners hereby approves the defeasance of the 2010 Bonds and each of the Mayor, the City Clerk and the Finance Director of the City, and any one of them, is hereby authorized and directed to execute and deliver the Escrow Agreement (the "Escrow Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Trustee"), substantially in the form attached hereto as Exhibit A, with such changes as the officer(s) executing the Escrow Agreement on behalf of the City shall approve, such approval to be conclusively evidenced by its execution and delivery.

Section 3. Funding the Escrow. For the purposes set forth herein, each of the Mayor, the City Clerk and the Finance Director of the City, and any one of them, is hereby directed to fund the Escrow Fund established by the Escrow Trustee pursuant to the Escrow Agreement in an amount sufficient, when considered together with the scheduled investment earnings thereof, to pay all remaining debt service for the 2010 Bonds when and as due. For the foregoing purpose, the designated officials of the City may rely on calculations performed by the City's financial advisor, J.J.B. Hilliard, W.L. Lyons, LLC (the "Financial Advisor"), and verified by Causey Demgen & Moore P.C. for purposes of determining the scheduled investment earnings of the Escrow Fund. Each of the Mayor, the City Clerk and the Finance Director of the City, and any one of them, is hereby directed to transfer all moneys required to the Escrow Fund, provided such moneys do not constitute "proceeds" of any tax-exempt bond issue, but instead constitute other available funds of the System.

Section 4. Investment of Escrow Funds. Each of the Mayor, the City Clerk and the Finance Director of the City, or the City's Financial Advisor upon the direction of any of the foregoing, are hereby authorized to act on behalf of the City in obtaining commitments directly, or through the designee of any of them, for the purchase of direct obligations of or obligations guaranteed by the United States Government, including without limitation book-entry obligations of the United States Treasury-State and Local Government Series, or in bank certificates of deposit fully secured by such United States Government direct or guaranteed obligations, which shall be scheduled to mature and pay interest at such times and in such amounts as will accomplish the described defeasance of the 2010 Bonds.

Section 5. Further Acts and Deeds. The Mayor, the City Clerk, the Finance Director and other appropriate officers and employees of the City, and any one of them, are hereby authorized and directed to execute, acknowledge and deliver on behalf of the City any and all papers, instruments, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for entering into, delivering, and performing this Resolution, the defeasance of the 2010 Bonds and the execution and delivery of the Escrow Agreement, provided that neither the City nor any of its directors, officers, employees or agents incur any general liability thereby.

Section 6. Severability. The provisions of this Resolution are severable and, if any section, phrase or provision hereof shall for any reason be declared invalid or unenforceable, such declaration shall not affect the validity of the remainder of this Resolution.

Section 7. Prior Conflicting Actions Superseded. To the extent that any ordinance, Resolution, order or part thereof is in conflict with the provisions of this Resolution, the provisions of this Resolution shall prevail and be given effect.

Section 8. Effective Date. This Resolution shall be in full force and effect from and after its adoption and publication as provided by law.

Adopted this January 13, 2014.

Mayor

ATTEST:

City Clerk

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Pikeville, Kentucky (the "City"), and as such I further certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by the Board of Commissioners of the City at a meeting properly held on January 13, 2014, and which Resolution is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of January, 2014.

January 13, 2014 Regular Meeting

City Clerk

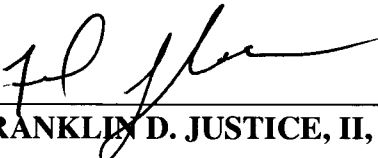
EXHIBIT A
Form of Escrow Agreement
(See attachment)

- 10. Consider a request to authorize and approve a Financial Advisor Engagement Contract with Hilliard Lyons, dated January 8, 2014 as submitted and to authorize Mayor Justice to sign and execute the contract and to approve the authorization of payment to Hilliard Lyons in the amount of \$3,000.00 for services pursuant to the Financial Advisor Engagement Contract. Commissioner Davis made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for additional comments, there being none the motion passed unanimously. 5-0.**
- 11. Consider a request to extend a conditional job offer to hire as the Executive Director of Tourism Mr. Larry McGaughy, a conditional job offer to hire as the Events Director to Mr. Ezalee Pigman and a conditional job offer to hire as the Tourism Director to Mr. Justin Prater and to approve an amendment to the City of Pikeville pay rate chart as submitted and to approve each position at the starting rate pursuant to the pay scale upon the passing of the City of Pikeville pre-employment tests. Commissioner Chaney made the motion to approve. Commissioner Coleman seconded the motion. Mayor Justice called for additional comments, there being none, motion passed unanimously. 5-0.**
- 12. 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. 5-0.**
- 13. Commissioner Carter made the motion to re convene. Commissioner Coleman seconded the motion. Mayor Justice called for comments, there being none, the motion passed unanimously. 4-0. Mayor Justice called session back into order.**
- 14. Consider a request to authorize and approve a lease agreement between the City of Pikeville and James and Michelle Sword for the operation of a new café type business that will be located in the City of Pikeville owned building located at 773 Hambley Boulevard, Pikeville, KY 41501. The request is based upon the recommendation correspondence as submitted by the Main Street selection committee originated by the request for proposals that was advertised for submittals by December 27, 2013. To also authorize Mayor Justice to sign and execute the lease agreement on behalf of the City of Pikeville. Commissioner Carter made the motion to approve. Commissioner Coleman seconded the motion. Mayor Justice called for comments, there being none, motion passed. 5-0.**

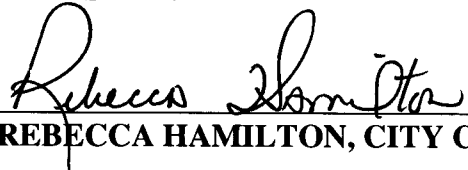
15. Consider a request to authorize and approve the conveyance of the City of Pikeville property located at Cedar Creek across from the entrance to Bob Amos Park for the purpose of developing nice Town Houses to the Potter Holdings #2 Company which in consideration for the conveyance from the City the Potter Holdings #2 Company will agree to grant an easement agreement for the usage of a set of steps, which they will construct on the back of the current Pig-in-a-Poke property, located on South Mayo Trail owned by Potter Holdings, #2 Company for the usage by the City of Pikeville and its patrons for the river trails program, allowing patrons access to the exit of the Big Sandy River; to store their floatation devises and then to access back onto the river from this location. This location will be NOT be used as an access point to originate putting in kayaks, canoes or tubes in the river but only as a stopover point of the trail to rest, take a break or eat. To also consider giving the latitude to the city attorney and city manager to crate and approve an agreement, easement and conveyance documents which will state and following these terms and conditions as described and to authorize the mayor to sign and execute said deed of conveyance, agreement and any other documents necessary to complete this transaction. Commissioner Carter made the motion to approve. Commissioner Coleman seconded the motion. Mayor Justice called for additional comments, there being none, motion passed. 5-0.
16. There being no further business to come before the Commission, Commissioner Davis has made the motion to adjourn the meeting. Commissioner Carter seconded the motion. Mayor Justice called for discussion, there being none, and the meeting was adjourned. 5-0

The next scheduled Regular Meeting of the City of Pikeville Board of Commissioners is January 27, 2014 at 6:00 p.m.

APPROVED:


FRANKLIN D. JUSTICE, II, MAYOR

ATTESTED:


REBECCA HAMILTON, CITY CLERK