



**CITY OF PIKEVILLE BOARD OF COMMISSIONERS  
REGULAR MEETING AGENDA**

January 12th 2015 – 6:00 P.M.  
CITY HALL PUBLIC MEETING ROOM  
243 Main Street, Pikeville, KY 41501

**WORK-SESSION NOTICE**  
**January 12<sup>th</sup> 2015 at 4:30 pm**  
**@ Pikeville City Hall, 243 Main Street Pikeville, KY 41501**  
**2<sup>nd</sup> Floor City Commission Conference Room**  
**For the discussion of the following items**

- A. Year-end review**
- B. Update from Summit Engineering on various city projects.**
- C. Zip Line update**
- D. Attorney General Requirement for Open Meeting**
- E. Discussion regarding ordinance related to zoning guidelines for Suboxone use. #0**

I	<b>Call to Order</b>
II	<b>Minutes:</b> Consider a request to adopt the minutes from the Regular Commission Meeting held December 22 <sup>nd</sup> , 2014 as submitted, and to authorize the mayor to sign and execute said minutes on behalf of the City of Pikeville.
III	<b>Business from the Floor</b>
	Consider a request to consider the nomination and election of the Mayor Pro-Tem.
IV	Consider a request to approve and authorize payment of the City Bill lists, as submitted, for \$546,991.33.
V.	<b>Old Business</b>
A	<b>Big Sandy Area Development District</b>
B	<b>Engineer's Reports:</b>
1	Consider a request to authorize and approve a Standard of Agreement, between Summit Engineering and the City of Pikeville for engineering and professional services for Phase 1 of the Thompson Road Lift Station Relocation Project and to authorize the Mayor the authority to sign and execute said contract on behalf of the City of Pikeville.
2	Consider a request to authorize and approve a Standard of Agreement, between Summit Engineering and the City of Pikeville for engineering and professional services for Phase 2 of the Thompson Road Lift Station Relocation Project and to authorize the Mayor the authority to sign and execute said contract on behalf of the City of Pikeville.
3	Consider a request to authorize and approve payment of invoice #15, as submitted, to Vaughn and Melton for \$7,358.00 for engineering services for the city wastewater treatment facility.
4	Consider a request to authorize and approve payment for pay request #3, as submitted, to Bizzack Construction for \$123,501.46 for phase 1 of the Marion Branch Road Construction project and to authorize the Mayor the authority to sign and execute said pay request on behalf of the City of Pikeville.

5	Consider a request to authorize and approve the Final Acceptance Report as submitted, with Bizzack Construction for the phase 1 of the Marion Branch Road Construction project and to authorize the City Manager Donovan Blackburn the authority to sign and execute said Report on behalf of the City of Pikeville.
6	Consider a request to authorize and approve Change Order #1, as submitted, with Bizzack Construction for a deduct of \$50,516.28 for the phase 1 of the Marion Branch Road Construction project and to authorize the Mayor the authority to sign and execute said change order on behalf of the City of Pikeville.
<b>C</b>	<b>City Attorney</b>
1	Consider a second reading and adoption of ordinance #0-2014-021, as submitted, for Chapter 35 amending Restaurant Tax section and to authorize the mayor the authority to sign and execute said ordinance on behalf of the City of Pikeville.
2	Consider a second reading and adoption of ordinance #0-2014-020, as submitted, amending the City of Pikeville 2014-2015 fiscal year's budget and to authorize the mayor the authority to sign and execute said ordinance on behalf of the City of Pikeville.
3	Consider a request to adopt a resolution, as submitted, accepting a road as a city road and into the city street system and to authorize the mayor the authority to sign and execute said resolution on behalf of the City of Pikeville.
<b>D</b>	<b>City Manager's Report</b>
1	Consider a request to affirm and appoint Kevin Gilliam to the Historic Preservation Board who will replace Robert Smith, who resigned due to policy issue and whose term will expire on 11-26-17.
2	Consider a request to authorize the city to an advertisement of bid for a 2015 Ford Police Interceptor AWD as a replacement for the 2013 patrol car that was totaled.
3	Consider a request to grant a gift to past City Commissioner Gene Davis, for his city used IPAD and Laptop with a fair market projected value of under \$250.00 for his 29 years of service.
4	<del>Consider a request to consider new board appointments to fill the current vacancies of the Vacant Property Review Board. The new appointments will replace Bill Blackburn who resigned and whose term expires on 4-25-16 and Layne Tackett who is deceased and whose term was set to expire 4-25-17. The new appointments will fill the remaining terms as described.</del>
5	Consider a request for the city to advertise for bid for construction work repair to various roads in the city that are breaking off due to flooding. This will be paid for by the FEMA Mitigation Funds. This will be 13% match city, 12% state & 75% federal.
6	Consider a request to adopt a resolution, as submitted, in support of the University of Pikeville's request for a \$500,000 Community Development Block Grant for the Kentucky Regional Telecommunications Training Facility Project and to authorize the Mayor the authority to sign and execute said resolution on behalf of the City of Pikeville.
7	Consider a request to advertise for bid for the construction of the steps and bridge for the river fill stadium seating project with the option of rejecting any and all bids.
8	Consider a request to authorize and approve a Safekeeping and Portfolio Pledge Request form for Community Trust Bank, as submitted, and to authorize the Mayor the authority to sign and execute said document on behalf of the City of Pikeville.

9	<p>Consider a request to select and affirm the SouthEast Chamber of Commerce appointment to the City Tourism and Convention Commission, pursuant to the guidelines as set forth by the KRS. The Chamber has submitted a slate of the three names as listed below. Consider a request to select and affirm one of the three individuals whose term shall serve effective immediately and whose term shall expire May 24<sup>th</sup>, 2019.</p> <ul style="list-style-type: none"> <li>• Paula Thompson (BSCTC)</li> <li>• Tracy Syck (Shred-All)</li> <li>• Cindy Collins (East KY Expo)</li> </ul>
10	<p>Consider a request to adopt resolution #2015-001 relating to the authorization and issuance of the City of Pikeville, KY and Pikeville Medical Center hospital improvement refunding revenue bond anticipation notes series 2015, in a principal amount not to exceed \$45,000,000, on behalf of the Pikeville Medical Center, as submitted, and to authorize the Mayor to sign and execute said resolution on behalf of the City of Pikeville.</p>
11	<p>Consider a request to reappoint Larry McGaughy and Sean Cochran to the Hillbilly Days Board.</p>
12	<p>Consider a request to affirm and reappoint Elmon Walters, Dallas Layne and John Elliott to the Pikeville/Pike County/Elkhorn City Joint Planning Commission whose new term will expire on January 1<sup>st</sup> 2019.</p>
13	<p>Consider a request to authorize and approve the Annual Letter of Commitment for the Pikeville Main Street Program, Inc., as submitted, and authorize the mayor to sign and execute said letter on behalf of the City of Pikeville.</p>
14	<p>Consider a request to authorize and approve an amended to the existing contract and or Change Order with Consulting Services Incorporated (CSI) in the amount of \$10,100.00 for the purpose of additional work for the boring of an additional 50 feet into durable rock which will assist in the construction of the new bridge and to authorize the Mayor the authority to sign and execute said amendment or change order.</p>
15	<p>Consider a request to authorize and approve the Deed of Conveyance, as submitted, between First Quarter Holdings, LLC and the City of Pikeville, conveying property to the city from First Quarter Holdings located on South Mayor Trial in Pikeville Kentucky for the purchase price of \$800,000 and to authorize payment to First Quarter Holdings, LLC for this amount. To also authorize the city to make payment as deed necessary by the city manager for the city portion of any tax and or transfer fees and to authorize the Mayor the authority to sign and execute said Deed of Conveyance, as submitted, on behalf of the City of Pikeville.</p>
16	<p>Pursuant to KRS 61.810, consider request for closed session for the purpose of discussion economic development, legal and personnel issues.</p>
VI	<p><b>Adjournment</b></p>
VII	<p><b>Consent Items:</b></p>
1	<p>City Hall will be closed, Monday, January 19<sup>th</sup>, for Martin Luther King Day.</p>

**CITY OF PIKEVILLE  
BOARD OF COMMISSIONERS  
REGULAR MEETING MINUTES  
January 12, 2015 AT 6:00 P.M.**

The Board of Commissioners for the City of Pikeville met in a regular called session on Monday, January 12, 2015. The meeting was held in the City Hall Conference Meeting Room located at 243 Main Street, Pikeville, Kentucky.

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

**COMMISSIONER:**           **JOSH HUFFMAN  
JERRY KEITH COLEMAN  
BARRY CHANEY  
FRANKLIN D. JUSTICE, II**

**MAYOR:**                   **JAMES A. CARTER**

**MINUTES**

The minutes for the previous regular meeting held on December 22, 2014 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 Justice seconded the motion. Mayor Jimmy Carter called for discussion, there being none, the motion carried unanimously. 5-0.

**BUSINESS FROM THE FLOOR**

Consider a request to consider the nomination and election of the Mayor Pro-Tem. Commissioner Justice nominated Commissioner Chaney. Commissioner Coleman seconded the nomination. Commissioner Chaney says I can look around and see three guys that are better qualified than me to be Mayor Pro-Tem and it is a tradition and I broke it the last time and I was criticized a little bit for that. So I will accept and I appreciate it and I will do my best. Commissioner Justice says that with Barry recent job description and being retired that, Mayor, he will make you a fine Mayor Pro-Tem and I know that of all the Commissioners, I know what it is like to be Mayor and I have relied on each and every one of you. Barry has the vote count and he has the time and he is more than adequate and I appreciate him and Jerry Keith for taking up slack and Donovan. You all did a fine job and I appreciate it. Mayor Carter says that he agrees one hundred percent. Mayor Pro-Tem is held by the top vote getter and Jerry Keith has been trying to buy more votes and he just

can't get enough to get there yet and they have always been neck and neck in the last two elections. I think that Commissioner Chaney is a great nomination Mayor. Commissioner Coleman says that I always had to follow you guys and if Frankie hadn't made the motion then I would have. Barry has been a very good role model for me and you will make a fine Mayor Pro-Tem or whatever or wherever you want to go from there. I feel real comfortable with him in that position and I have a lot of respect for him and I will leave that at that and maybe I might get more votes than him one day. But I am glad for that position, Barry and I am glad to serve with you. Mayor called for additional comments, being none, the motion passed. 5-0.

### PAYMENT OF CITY BILLS

The City Manager Donovan Blackburn requested the approval to pay city bills in the amount of \$546,991.33. Commissioner Chaney made the motion to approve and asked if we have the money. City Manager says yes sir we do. Commissioner Coleman seconded the motion. Mayor Carter called for comments or questions on any of the bills. There being none, motion passed unanimously. 5-0.

### CITY ENGINEER

Phillip Elswick was present with Summit Engineering, Inc. and submitted several request to the commission for approval.

1. Consider request to approve and authorize a Standard of Agreement, between Summit Engineering and the City of Pikeville for engineering and professional services for Phase I of the Thompson Road Lift Station Relocation Project and to authorize the Mayor the authority to sign and execute said contract on behalf of the City of Pikeville. Commissioner Chaney made the motion to approve. Commissioner Justice seconded the motion. Mayor Carter called for questions or comments. City Manager says that as we discussed that motion one is phase I and motion two is phase II for the Lift Station. Mayor Carter asked if we are doing them together and City Manager clarified that they are number one and two under the City Engineer section with separate signatures on both. Mayor called for additional questions or comments, there being none, the motion passed unanimously. 5-0.
2. Consider a request to authorize and approve a Standard of Agreement, between Summit Engineering and the City of Pikeville for engineering and professional services for Phase 2 of the Thompson Road Lift Station Relocation Project and to authorize the Mayor the authority to sign and execute said contract on behalf of the City of Pikeville. Commissioner Justice made the motion to approve. Commissioner Coleman seconded the motion.

Mayor Carter called for comments, and states has not been discussed. There being none, the motion passed unanimously. 5-0.

3. Consider a request to authorize and approve payment of invoice #15, as submitted, to Vaughn and Melton for \$7,358.00 for engineering services for the city wastewater treatment facility. Commissioner Coleman made the motion to approve. Commissioner Chaney seconded the motion. Mayor Carter called for comments, there being none, the motion passed unanimously. 5-0.
4. Consider a request to authorize and approve payment for pay request #3, as submitted, to Bizzack Construction for \$123,501.46 for phase I of the Marion Branch Road Construction project and to authorize the Mayor the authority to sign and execute said pay request on behalf of the City of Pikeville. Commissioner Chaney made the motion to approve. Commissioner Justice seconded the motion. Mayor Carter called for comments, there being none, the motion passed unanimously. 5-0.
5. Consider a request to authorize and approve the Final Acceptance Report as submitted, with Bizzack Construction for the phase I of the Marion Branch Road Construction project and to authorize the City Manager Donovan Blackburn the authority to sign and execute said Report on behalf of the City of Pikeville. Commissioner Chaney made the motion to approve. Commissioner Justice seconded the motion. Mayor Carter called for comments, there being none, the motion passed unanimously. 5-0.
6. Consider a request to authorize and approve Change Order #1, as submitted, with Bizzack Construction for a deduct of \$50,516.28 for the phase I of the Marion Branch Road Construction project and to authorize the Mayor the authority to sign and execute said change order on behalf of the City of Pikeville. Commissioner Chaney made the motion to approve. Commissioner Coleman seconded the motion. Mayor Carter called for comments and Commissioner Justice ask what is this. Mr. Elswick says that there wasn't as many materials needed for the project. Commissioner Justice asked about the black top coming down the hill. Mr. Elswick said that the sub-base was down but the final coat is not. City Manager said that there was a delay because we thought the construction would start sooner than it did. Commissioner Justice says okay. Mayor calls for additional questions, there being none, the motion passed unanimously. 5-0.

#### **CITY ATTORNEY**

**Russell Davis was present and had the following items to read into record.**

1. **Consider a second reading and adoption of ordinance #0-2014-021, as submitted, for Chapter 35 amending Restaurant Tax section and to authorize the Mayor the authority to sign and execute said ordinance on behalf of the City of Pikeville. City Attorney explained the ordinance to**

**clarify the meaning of the ordinance. Commissioner Chaney made the motion to approve. Commissioner Coleman seconded the motion. Mayor Carter called for comments, there being none. Mayor called roll call.**

**Commissioner Huffman: Yes  
Commissioner Coleman: Yes  
Commissioner Chaney: Yes  
Commissioner Justice: Yes  
Mayor Carter: Yes**

**Ordinance passed.**

- 2. Consider a second reading and adoption of ordinance #0-2014-020, as submitted, amending the City of Pikeville 2014-2015 fiscal year's budget and to authorize the Mayor the authority to sign and execute said ordinance on behalf of the City of Pikeville. Commissioner Justice made the motion to approve. Commissioner Chaney seconded the motion. Mayor Carter called for comments, there being none. Mayor called roll call.**

**Commissioner Huffman: Yes  
Commissioner Coleman: Yes  
Commissioner Chaney: Yes  
Commissioner Justice: Yes  
Mayor Carter: Yes**

**Ordinance passed.**

- 3. Consider a request to adopt a resolution, as submitted, accepting a road as a city road and into the city street system and to authorize the Mayor the authority to sign and execute said resolution on behalf of the City of Pikeville. Commissioner Chaney made the motion to approve. Commissioner Huffman seconded the motion. Mayor Carter called for comments. Commissioner Justice states that he didn't do his homework and ask if it was the whole road going up the hill, right? Mayor Carter said yes including the access road, that is everything. Commissioner Justice asked if we are black topping that are we hauling over our black top area? Mr. Elswick says that we started from the top down so that would not happen. Mayor Carter called for additional questions or comments, there being none, motion passed unanimously.**
- 4. City Attorney says that the next item on his list, is that we discovered in our agreement with CSI that the bridge project and for some reason one of the paragraphs of their contract, paragraph five, list allocation and liability limitation. We wanted to have that taken out but apparently it**

did not get taken out so we signed an agreement with discovering that and talked to CSI and they said no problem we understand that and said that we can do an amendment and sign off on it. So, to take care of that provision that I didn't like, what I am asking is that we approve the amended proposal agreement between the City of Pikeville and CSI for geotechnical services which we will delete paragraph five of the original proposed acceptance agreement, dated December 18, 2014. I would like to have a resolution authorizing the Mayor to execute the amended proposal agreement. Commissioner Chaney made the motion. Commissioner Justice seconded the motion. Mayor called for questions or additional comments. Commissioner Justice asked to be sure we are just taking out paragraph five of the agreement. City Attorney said yes. Mayor Carter called for additional comments, there being none, the motion passed. 5-0.

5. Consider a first reading of an ordinance of Chapter 156 relating to drug/alcohol treatment facilities. After the reading by City Attorney Davis, City Manager explained that typically we do not have any comments, it is generally during business from the floor but I am going to request that the Mayor allow you to be recognized. The gentleman said that he appreciated the opportunity to speak to this matter. We have a group of people who are well established with an operation from another county who is interested in extending the operation into the Pikeville community. Prescription treatment is only one of the services that they offer in their portfolio to help people struggle with addiction. The majority of the things that they would supply would be counseling services, not only for drug addiction but marriage, family, child, etc. It would be a great opportunity to bring them into our community. They are already looking into our community and our churches location on third street is a wonderful place for them to expand. I am not just looking at this for a business transaction point. But from a person who has been very involved with addiction, it is a condition that we have in our community. My understanding from everything that I have seen is that learning more from this organization, is that they provide places that our community doesn't have yet. Understanding that prescription is only about one fourth of the treatment that they provide and it would be great benefit and great value. I understand the concerns and issues that some of you have about being here in the community. Although I think that the benefit from the counseling and the whole life approach and what the whole organization brings, would supercede any of the negative comments made. It is not a subzone clinic, if that the case it would be like saying that restaurants that serve alcohol is just a bar and that is not the case by any means. I encourage you to have a big picture view point and I am not a part of the organization and I am learning more and more about it but if you have any questions I would be happy to answer them. Commissioner Justice asked it this is a first reading and City Manager

says yes and typically we do not take public comment except business from the floor. So the intent of this, is to take the comment and for you to return next meeting for the second reading and for this to be debated. If the commission has any comments that's when it would take place. Also, for the record if you don't mind to say who you are. He introduces his self as Richard Holmes, pastor of the Trinity Harvest Church. City Manager says secondly, there is a lot of past that led into the Commission's position. Mr. Holmes says that he understands that this is not the time to make a decision, but I just want to clarify that this is a possibility that is already stated in the ordinance. I am not asking to change anything in the ordinance. I feel the possibility is in this town already. City Manager says that we welcome you back for the second reading that will take place at the next regular meeting, which is two weeks from tonight.

#### CITY MANAGER

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

1. Consider request to affirm and appoint Kevin Gilliam to the Historic Preservation Board who will replace Robert Smith, who resigned due to policy issue and whose term will expire on 11-26-17. Commissioner Justice made the motion to adopt. Commissioner Chaney seconded the motion. Mayor called for questions or comments and asked Minta if there was another person needed for that board. City Manager says that we had one to expire that is why we are making the appointment. Mayor was asking about Cody Johnson being on the board. City Manager states that the issue is that nobody is up for appointments so we can't just add another member. Mayor thought you could add and said never mind. Mayor called for additional questions or comments, there being none, motion passed unanimously. 5-0.
2. Consider a request to authorize the city to an advertisement of bid for a 2015 Ford Police Interceptor AWD as a replacement for the 2013 patrol car that was totaled. Commissioner Justice made the motion to approve. Commissioner Coleman seconded the motion. Mayor called for comments. City Manager says that this is to replace a city vehicle that was wrecked. That is why we are bidding it out. But we are using funds that come from insurance. Mayor asked what type of vehicle is this. City Manager explains that this is to replace the Caprice that was totaled. We are adding a new vehicle this time, we haven't had one of these. Captain Edmonds says that this is replacing the Crown Vics and it is similar to an Explorer. He adds that parts for the older vehicles come from places such as Australia and this would be local. Mayor Carter called for further comments, there being none, the motion passed. 5-0.

3. Consider a request to grant a gift to past City Commissioner Gene Davis, for his city used IPAD and Laptop with a fair market projected value of under \$250.00 for his 29 years of service. Commissioner Chaney made the motion. Commissioner Coleman seconded the motion. Mayor Carter called for comments, there being none, the motion passed unanimously. 5-0.
4. **\*\*TABLED\*\*** Consider a request to consider new board appointments to fill the current vacancies of the Vacant Property Review Board. The new appointments will replace Bill Blackburn who resigned and whose term expires on 4-25-16 and Layne Tackett who is deceased and whose term was set to expire 4-25-17. The new appointments will fill the remaining terms as described. **\*\*TABLED\*\***.
5. Consider a request for the city to advertise for bid for construction work repair to various roads in the city that are breaking off due to flooding. This will be paid for by the FEMA Mitigation Funds. This will be 13% match city, 12% state, and 75% federal. Commissioner Coleman made the motion to approve. Commissioner Huffman seconded the motion. Mayor Carter called for comments and asked where are these roads. City Manager referred to Donnie Slone from UMG who says that they are the Transfer Station on Chloe Ridge, Peach Orchard and Saraha Lane on Marion's Branch. Mayor asked Sean Cochran if that was what they went up and looked at and Mr. Cochran said yes, it is. City Manager adds that we have been waiting for the federal funding to go through. And in the audience I should have recognized Lisa Daniels Estep who is with us today. She is waiting on the grant motion for the University and we appreciate you attending today. Mayor Carter called for additional questions, there being none, the motion passed unanimously. 5-0.
6. Consider a request to adopt a resolution, as submitted, in support of the University of Pikeville's request for a \$500,000 Community Development Block Grant for the Kentucky Regional Telecommunications Training Facility Project and to authorize the Mayor the authority to sign and execute said resolution on behalf of the City of Pikeville. Commissioner Justice made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for comments. City Manager clarifies that as the motion says that this is a CDBG grant that has different parameters than most. Mayor asking if this is pertaining to the oldest building that is up there and City Manager says that it is. Mayor ask for additional questions or comments, there being none, the motion passed unanimously. 5-0.
7. Consider a request to advertise for bid for the construction of the steps and bridge for the riverfill stadium seating project with the option of rejecting any and all bids. Commissioner Chaney made the motion to approve. Commissioner Justice seconded the motion. Mayor Carter called for comments. Commissioner Huffman asked the purpose of the rejecting any and all bids. City Manager says that we typically have an estimate and any bid that we have the City has the option of rejecting any and all bids. City Attorney says that we do this usually because it is more that what we have

budgeted and that's where the rejection comes in. Mayor ask if there was any further questions or comments, there being none, the motion passed unanimously. 5-0.

8. Consider a request to authorize and approve a Safekeeping and Portfolio Pledge Request form for Community Trust Bank, as submitted, and to authorize the Mayor the authority to sign and execute said document on behalf of the City of Pikeville. Commissioner Justice made the motion to approve. Commissioner Coleman seconded the motion. Mayor Carter called for comments. City Manager explains that this is because of the various projects that we have had in the past, we have the borrowing capability and what has happened is that the bank has set our limit to secure the obligations to the City. All we are doing is releasing funds that the City is not going to use. Mayor called for additional comments, there being none, the motion passed unanimously. 5-0.
9. Consider a request to select and affirm the SouthEast Chamber of Commerce appointment to the City Tourism and Convention Commission, pursuant to the guidelines as set forth by the KRS. The Chamber has submitted a slate of the three names as listed below. Consider a request to select and affirm one of the three individuals whose term shall serve effective immediately and whose term shall expire May 24<sup>th</sup>, 2019.

\*Paula Thompson (BSCTC)

\*Tracy Syck (Shred-All)

\*Cindy Collins (East KY Expo)

Commissioner Chaney asked Cindy if she was anxious to do this and she said yes, of course, so he nominated Cindy Collins. Mayor said that Cindy was a good candidate to work with the Chamber on, especially with the events and the conventions in which the Chamber might be able to go after and the Expo could go after to get some events flowing through here. Commissioner Coleman made the motion to choose Cindy Collins. Commissioner Chaney seconded the motion. Mayor Carter called for comments. Commissioner Chaney says that all three of these ladies were fine candidates and very well qualified. Commissioner Coleman said he would like to echo Barry and say dido. Mayor called for additional questions or comments, there being none, the motion passed unanimously. 5-0.

10. Consider a request to adopt resolution #2015-001 relating to the authorization and issuance of the City of Pikeville, KY and Pikeville Medical Center hospital improvement refunding revenue bond anticipation notes series 2015, in a principal amount not to exceed \$45,000,000, on behalf of the Pikeville Medical Center, as submitted, and to authorize the Mayor to sign and execute said resolution on behalf of the City of Pikeville. City Attorney says that basically what this is, is that the hospital is going to refinance. It is necessary for them to do that in order for them to get some cost savings. It helps the whole community if they can save money, as read in the resolution, there is no obligation to the City of Pikeville or City Officials. The whole agreement says that it is paid strictly out of the hospital funds. We commonly

do this and have done it before. Really shouldn't be any problem to do it again. And the hospital people are here should you have any questions for them about how it works or how it has to be paid. It is primarily for the construction project that you have been seeing. This thing has been going on for the last couple of years, this is just extending the finances of it until they do permanent financing. City Manager says Rusty I just want to clarify, one more time, what financial obligation does the city have to this bond. City Attorney says that we have no financial obligations at all. It is very common procedure that allows non-profit organizations like the hospital to sell tax free bonds and if they can sell these. Essentially, we can lend our name to the financing and they get a cheaper interest cost that is saving them money and for a community non-profit hospital that gets passed on for the cost of care. If they have to pay more money, then the cost of services has to go up. In essence, we are saying that we allow them to use our name to get the funding but we have zero obligation. City Attorney says yes. And this type of financing is not new, it is some of the same that is known as an industrial revenue bond that has been done for years. So it is not really a new form of financing, it is just one of the financing vehicles that is available that they can take on our tax free status for income tax purposes. Mayor says that we have done the same thing for the University as well. City Attorney says that we have done this for the University as well. And this is really just a redo for the hospital. We have already done this once for the same amount, but what they are going to do is refinance. So it is really just extending what we have done for them. City Manager Blackburn says for fact, I want to ask again because there was some erroneous information in the public that if the hospital or University were to not make their payments, that the City would be held responsible. And I just wanted to state that that is not the case. City Attorney says correct. Commissioner Huffman asked if the total amount was \$44,000,000 and City Attorney said that it was actually forty-five. Commissioner Huffman asked if it was a disclosed amount of money that you all are re-bonding. A hospital representative says that no, what this is is that the hospital borrowed the \$45,000,000 a couple of years ago in this program. And when they did that, USDA had us on long-term financing around three percent or so, however, we have to use that commitment for another year or so until we meet that commitment. The bond market sells these notes at slightly less than one percent so if you think about \$45,000,000, it will save us \$450,000. By the way, my name is Fred Williamson from Steptoe and Jones. City Attorney says that they probably haven't paid much down because typically when you are doing your construction loan, you really don't start paying them off until you get your permanent financing in place and you actually get a payment schedule. And also, it is not unusual that they have not yet made a payment on it. People also only have extra money when they are doing construction projects. It would not be unusual that they haven't paid anything down on it yet. Commissioner Justice made the motion to

- approve. Commissioner Chaney seconded the motion. Mayor Carter called for comments, there being none, the motion passed unanimously. 5-0.
11. Consider a request to reappoint Larry McGaughy and Sean Cochran to the Hillbilly Days Board. Commissioner Huffman made the motion to approve. Commissioner Chaney seconded the motion. Mayor Carter called for comments. Commissioner Huffman asked them if they wanted it and they replied absolutely. Mayor called for additional questions or comments, there being none, the motion passed unanimously. 5-0.
  12. Consider a request to affirm and reappoint Elmon Walters, Dallas Layne and John Elliott to the Pikeville/Pike County/Elkhorn City Joint Planning Commission whose new term will expire on January 1<sup>st</sup> 2019. Commissioner Justice made the motion to approve. Commissioner Coleman seconded the motion. Mayor Carter called for comments, there being none, the motion passed unanimously. 5-0.
  13. Consider a request to authorize and approve the Annual Letter of Commitment for the Pikeville Main Street Program, Inc., as submitted, and authorize the Mayor to sign and execute said letter on behalf of the City of Pikeville. Commissioner Coleman made the motion to approve. Commissioner Justice seconded the motion. Mayor Carter called for comments then asked Minta if she would like to give a synopsis of her past years of service. Minta Trimble said that it was a great year. When she goes to state meetings and realize this is a great City. She adds that is good to be on the Main Street Board. Mayor called for additional questions, there being none, the motion passed unanimously. 5-0.
  14. Consider a request to authorize and approve an Change Order with Consulting Services Incorporated (CSI) in the amount of \$10,100.00 for the purpose of additional work for the boring of an additional 50 feet into durable rock which will assist in the construction of the new bridge and to authorize the Mayor the authority to sign and execute said change order. Commissioner Justice made the motion to approve. Commissioner Coleman seconded the motion. Mayor Carter called for comments. City Manager says that again about the funding available, this is a change order to show that. Mayor called for additional comments, there being none, the motion passed unanimously. 5-0.
  15. Consider a request to authorize and approve the Deed of Conveyance, as submitted, between First Quarter Holdings, LLC and the City of Pikeville, conveying property to the city from First Quarter Holdings located on South Mayo Trail in Pikeville, Kentucky for the purchase price of \$800,000 and to authorize payment to First Quarter Holdings, LLC for this amount. To also authorize the city to make payment as deed necessary by the city manager for the city portion of any tax and or transfer fees and to authorize the Mayor the authority to sign and execute said Deed of Conveyance, as submitted, on behalf of the City of Pikeville. Commissioner Justice made the motion to approve. Commissioner Chaney seconded the motion. Mayor Carter called for comments. Commissioner Huffman asked where this tract

of property is and City Manager says that it is located on the roadway that leads to a bridge. Commissioner Huffman says that he knows where that is now. Mayor called for additional comments or questions, there being none, the motion passed unanimously. 5-0.

16. Pursuant to KRS 61.810, consider request for closed session for discussion of economic development, legal and personnel issues. Commissioner Justice made the motion. Commissioner Coleman seconded the motion. Mayor Carter called for discussion, there being none, the motion passed unanimously. 5-0.
17. Commissioner Justice made the motion to re convene. Commissioner Coleman seconded the motion. Mayor Carter called for discussion, there being none, the motion passed unanimously. 5-0. Mayor called the session back into order.
18. There being no further business to come before the Commission, Commissioner Coleman has made the motion to adjourn the meeting. Commissioner Justice seconded the motion. Mayor Carter called for discussion, there being none, the meeting was adjourned. 5-0

**CONSENT ITEMS:**

City Hall will be closed, Monday, January 19<sup>th</sup>, for Martin Luther King Day.

The next scheduled Regular Meeting of the City of Pikeville Board of Commissioners is January 26, 2015 at 6:00 p.m.

**APPROVED:**

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**JAMES A. CARTER, MAYOR**

**ATTESTED:**

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**REBECCA HAMILTON, CITY CLERK**