

**CITY OF PIKEVILLE
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
May 10, 2010 AT 6:00 P.M.**

The Board of Commissioners for the City of Pikeville met in a regular called session on Monday, May 10, 2010. The meeting was held in the City Hall Conference Meeting Room located at 118 College 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 a follows:

COMMISSIONER: **GENE DAVIS
BARRY CHANEY
DALLAS LAYNE
JIMMY CARTER**

MAYOR: **FRANKLIN D. JUSTICE, II**

MINUTES

The minutes for the previous regular meeting held on April 26, 2010 were in each Commission Member's agenda package. There being no additions or corrections, Commissioner Layne made the motion to approve the minutes as prepared. Commissioner Chaney seconded the motion. Mayor Frank Justice called for discussion, there being none the motion carried unanimously. 5-0.

PAYMENT OF CITY BILLS

The City Manager Donovan Blackburn requested the approval to pay city bills in the amount of \$623,962.36. Commissioner Davis made the motion to approve. Commissioner Chaney seconded the motion. Mayor Justice called for further discussion, there being none, motion passed unanimously. 5-0.

BUSINESS FROM FLOOR

Bill Baird was in attendance representing Westcare Kentucky. He provided the commission with the history behind the shelter and the funding that has been provided for the shelter as well. Mr. Baird had two questions to present to the commission. First, Mr. Baird asked, "for this year's budget, there is no funding for Westcare?" Commissioner Carter responded that was the agreement that there would be no support for the program after three years. City Manager Donovan

Blackburn stated that we are at the end of our fiscal year. The agreement the commissioners signed that the city would fund for three years. Mr. Blackburn stated they city not only funded the 3 years but 2 additional years with a total access of \$130,000 however due to a projected decrease in revenue for this coming fiscal year the commission elected not to fund. Then Mr. Baird states that those funds were pulled for some reason. "Is there any complaints about Westcare?" He continues with what Westcare does. "First, we feed people." Then he goes on to say that the shelter is associated with homeless people and also provides a safe environment for people recovering from substance abuse. He stated that there are three people that work there that funds will hurt. Mayor Frank Justice asked, "How big of an area does the shelter cover?" Mr. Baird responded that the shelter cannot turn anyone away, so anyone from anywhere was welcome. It is the only shelter east of Lexington. Mr. Baird said that if someone from Florida was here and needed a place to stay that they could not turn them away. He also stated this was the only shelter east of Lexington. He stated that he had gone to other local branches of government and they have not funded in the past and would not agree to do so now either. Mayor Justice said that was a big area for the City of Pikeville. Mr. Baird thanked the city for their past support and for the opportunity to speak. Mr. Baird then passed out literature on the services the shelter offered. Mayor Justice thanked Mr. Baird for all he has done for the community and for coming to speak before the commission.

BIG SANDY AREA DEVELOPMENT DISTRICT

Jeff Sizemore was present for the Big Sandy Area Development. Mr. Sizemore addressed the commission in reference to the Marion's Branch Sewer Project anticipating construction on May 21, 2010. There are 285 customers that have signed for services to date. On June 29, 11:00 a.m. will be the first progress meeting.

OLD BUSINESS

Commissioner Barry Chaney spoke on the matter of Mountain Water District and rates. Commissioner Chaney wanted to clarify his incorrect statement from the previous meeting in reference to the amount of the water rate for the cost of 5000 gallons of water. He pointed out that there was a \$0.35 difference in the out of city rate and the Mountain Water District rate for 5000 gallons of water. However for 5500 gallons of water they were the same rate. He also pointed out that the city owns the water utility. Commissioner Chaney asked the question, If Magistrate Anderson is serious about getting the rates lower, why hasn't he come before the only body that can change or lower the rates? Commissioner Chaney says to Chris Anderson, "I want to be quoted, Magistrate Anderson where are you?" "For all the times that these rates have been in effect; for all the times that he's complained in the newspaper; for all the times that he has criticized the people of Pikeville; he has never come before the only body that can lower those rates,; Commissioner Chaney stated. Mayor Justice agrees with Commissioner Chaney and says it couldn't be

said better, very good question. Commissioner Jimmy Carter asked if there was ever a response from a letter that was written to Magistrate Anderson. City Manager Blackburn says he did respond to one of the letters but there hasn't been anything after that nor did he really answer the questions put before him but Mr. Blackburn stated would keep everyone informed of the situation if anything new came forth.

CITY ENGINEER

Jodi Hunt was present with Summit Engineering and updated the commission on the projects and their standings. He stated that the parking lot for the soccer complex at Bob Amos would be completed next week. Next, he said the final note has been approved in rural development. The Sandy Valley Water Project is underway having layed 4438 Lf of the 11742 Lf of the job. Their next progress meeting will be at city hall, May 25 at 11:00am. The Mullins Sewer extention is working on the RD checklist. And US 23 Phase II submitted encroachment permits to the Core of Engineers.

1. City Manager request that as reccomended by Summit Engineers the commission award the bid for the construction of the Pikeville Soccer Complex bathroom/concession building to the low bidder Elliott Contracting Inc in the amount of \$180,500. Mr. Blackburn also requestd the commission authorize the city engineer to issue the notice to proceed for the project authorize the mayor to sign and execute the contract between the city and Elliott Contracting Inc. for the project. Commissioner Chaney made the motion to approve. Commissioner Layne seconded the motion. Mayor Justice called for further comments, there being none the motion passed unanimously. 5-0.

FIRE DEPARTMENT UPDATE

Fire Chief Ronald Conn addressed the commission. The department had to take a large aerating fountain out of the pond, which had a five year limited warranty on it. The fountain was located on the very end, "Fairview" location.

CITY MANAGER

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

1. Consider a request to authorize the mayor to sign for the Water and Sewer Revenue Bonds, Series 2010S2 for US 23 Water line EXT and Mullins Addition Sewer along with any other necessary paperwork to execute. Commissioner Chaney made the motion to approve. Commissioner Davis seconded the motion. Mayor Justice called for comments, there being none the motion passed unanimously. 5-0.

2. Consider a request to adopt the attached resolution supporting interim funds for Water & Sewer project and authorize the mayor to sign said resolution. Commissioner Carter made the motion to approve. Commissioner Layne seconded the motion. Mayor Justice called for comments, there being none the motion passed unanimously. 5-0.

RESOLUTION NO. R-2010-____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF PIKEVILLE, KENTUCKY, AUTHORIZING THE BORROWING OF MONEY FOR INTERIM FINANCING TO BE REPAID FROM TAX RECEIPTS AND, ON A SUBORDINATE BASIS, MUNICIPAL WATER AND SEWER SYSTEM REVENUES; PROVIDING FOR THE CREATION OF A CONSTRUCTION FUND FOR THE PROJECT TO BE FINANCED ON AN INTERIM BASIS BY SUCH BORROWING; AUTHORIZING THE EXECUTION AND DELIVERY OF A SHORT-TERM NOTE TO COMMUNITY TRUST BANK, INC. IN EVIDENCE OF SUCH BORROWING; AND PLEDGING CURRENT TAX RECEIPTS AND, ON A SUBORDINATE BASIS, MUNICIPAL WATER AND SEWER REVENUES TO SECURE PAYMENT OF THE SHORT-TERM NOTE.

WHEREAS, the City of Pikeville, Kentucky (the "City"), desires to borrow funds on an interim basis in order to pay costs of acquisition, construction and installation of major improvements and additions (the "Project") to the City's combined water and sanitary sewer system (the "System"); and

WHEREAS, pursuant to KRS 65.7701 through 65.7721 (the "Act"), the City may issue a short-term note maturing no later than the end of the current fiscal year payable from the receipt of current taxes or revenues, or both, subject to certain conditions provided in the Act; and

WHEREAS, in order to initiate the acquisition, construction and installation of the Project, the City by Resolution adopted on December 14, 2009 (the "2009 Resolution"), authorized and made provision for the borrowing of interim construction funds and for the repayment thereof in the above-described manner, pursuant to an arrangement with Community Trust Bank, Inc. (the "Lender") to borrow as needed from time to time up to \$1,500,000 for Project construction purposes upon condition that such loan with interest thereon be repaid to the Lender by the end of the City's fiscal year ending June 30, 2010; and

WHEREAS, pursuant to the 2009 Resolution the City plans to execute a short-term note maturing no later than June 30, 2010 (the "Prior Note"), the principal balance of which will be paid from the proceeds of the Note, as hereinafter defined and authorized, all with the approval of the Lender;

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

Section 1. There is hereby authorized the borrowing of up to the aggregate sum of \$1,500,000 from the Lender for the fiscal year ending June 30, 2011. The Mayor is hereby authorized to execute in the name and on behalf of the City a note substantially in the form attached hereto as Appendix A and made a part hereof (the "Note"), together with any necessary vouchers or requisitions requesting advances of cash funds by the Lender to the City. The rate of interest applicable to the Note shall be a variable rate as set out in Appendix A.

3. Consider the request to approve the submitted legal service agreement for Bond Counsel with Stoll Keenon Ogden PLLC and authorize the mayor to sign said agreement. Commissioner Chaney made the motion to approve. Commissioner Davis seconded the motion. Mayor Justice called for further comments, there being none the motion passed. 5-0.
4. Consider the request to approve the submitted legal service agreement with City Attorney Russell Davis and to authorize the mayor to sign said agreement. Commissioner Chaney made the motion to approve. Commissioner Layne seconded the motion. Mayor Justice called for further comments, there being none the motion passed unanimously. 5-0.
5. Consider the request to approve Purchase Order on the Grant Number: #9126 from Home Land Security (KOHS) for the purchase of the repeater, to authorize payment in the amount of \$15,492.00 and to authorize the mayor to sign and execute. Commissioner Chaney made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for comments, there being none the motion passed unanimously. 5-0.
6. Consider a request to hire Mitch Case for firefighter/EMT at the starting city rate contingent upon passing all required pre-employment test for said position. Commissioner Chaney made the motion to approve. Commissioner Carter seconded the motion. Mayor Justice called for comments. Mayor Justice asked if Mr. Case was present. Fire Chief Conn stated he was not present but would bring him before the commission as soon as he passed all his required test. Mayor Justed requested that any new fire or police personnel be brought before the commission and introduced prior to their motion to approve their hiring. Chief Conn stated he would do so. There being none the motion passed unanimously. 5-0.
7. Consider a request to reclassify Leslie Branham to the position of Accounts Payable Clerk and adjust her salary as set by the city pay rate chart. Commissioner Carter made the motion to approve. Commissioner Layne seconded the motion. Mayor Justice called for comments, there being none the motion passed unanimously. 5-0.
8. Pursuant to KRS.810 consider request for closed session for the purpose of discussion economic development, legal and personnel issues. Commissioner Layne made the motion to approve. Commissioner Carter seconded the motion. Mayor called for further comments, there being none the motion passed unanimously. 5-0.
9. Commissioner Carter made the motion to re convene. Commissioner Layne seconded the motion. Mayor Justice called for discussion, there being none the motion passed unanimously. 5-0. Mayor called the session back into order.
10. City Manager Donovan Blackburn made a motion to place the cities Saad Ave. property up for bid and request the authority of the city commission to reject any and all bids to and to set reserve on the property to the amount as discussed in the closed session. Commissioner Carter made the motion to

approve. Commissioner Layne seconded the motion. Mayor called for further comments, there being none the motion passed unanimously. 5-0.

11. There being no further business to come before the Commission, Commissioner Carter has made the motion to adjourn the meeting. Commissioner Davis seconded the motion. Mayor Justice called for discussion, there being none the meeting was adjourned. 5-0

The next scheduled Regular Meeting of the City of Pikeville Board of Commissioners is May 24, 2010 at 6:00 p.m.

APPROVED:

FRANKLIN D. JUSTICE, II, MAYOR

ATTESTED:

REBECCA HAMILTON, CITY CLERK