

MINUTES } CITY OF PIKEVILLE

The Mayor declared the resolution carried and it is so ordered.

O. T. Hinton reported that there were approximately twelve easements over property along the By-Pass at the South End of the By-Pass and below the lower bridge between the lower bridge and Harolds Branch that would have to be acquired for the addition to the sewer, made necessary by the new contract with the C.F.W. Construction Company and that he had been unable to contact all of these parties, but it was his general information that they were unwilling to agree to grant easements to the City for nominal cost and that condemnation proceedings would be necessary.

O. T. Hinton also reported it would be necessary to obtain additional easements in lower part of City limits over property owned by Johnson Motor Sales, Freeland Vanhoose, Elliott Glass & Electric, Pikeville Oil & Tire and others, which are necessary to install additional sewers in that locality.

O. T. Hinton recommended that Joseph W. Justice assist him in contacting these property owners, in obtaining easements were possible and instituting condemnation proceedings in those it could not obtain by agreement and that Joe Justice had agreed to render this assistance for a flat fee of Two Hundred Dollars (\$200.00).

On motion of W. E. Venters and seconded by B. P. Bogardus, the following resolution was offered.

RESOLVED that the City employ Joe Justice to assist O. T. Hinton, City Attorney, in negotiations with property owners for the additional easements required on sewer contract and proceed with condemnation in cases where agreement could not be reached, for a flat fee of Two Hundred Dollars (\$200.00).

Upon roll call the vote was as follows:

B. P. Bogardus	Yes
W. E. Venters	Yes
E. Bruce Walters	No
Richard G. Wells, Jr.	Yes

The Mayor declared the motion carried and it is so ordered.

No further business coming before the Commissioners the meeting is declared adjourned.

APPROVED:

W.C. Hambley M.D.
MAYOR

ATTEST:

Charles L. Huffman J.
CITY CLERK

Minutes of a Special Meeting of the Board of Commissioners held on Nov. 26, 1963, at which all Commissioners and the Mayor were present and participating, with W. E. Butcher, City Manager, and O. T. Hinton, City Attorney, in attendance, and also R. W. Murphy of Merrill Lynch, Pierce, Fenner & Smith in attendance.

The Mayor announced that Mr. R. W. Murphy of the firm of Merrill Lynch, Pierce, Fenner & Smith had presented a proposal for his firm to act as fiscal agent for the City and obtaining the sufficient funds to purchase the gas systems known as Consumer's and Kentucky Shales pursuant to the Agreement of Nov. 19, as well as funds necessary for additions and improvements to these systems and existing systems owned by the City.

O. T. Hinton, City Attorney, stated that he had examined the proposal and recommended that it be accepted.

After full discussion, motion was made by W. E. Venters that the proposal dated Nov. 14th be accepted and that the Mayor be authorized to formerly accept it in writing on behalf of the City.

B. P. Bogardus seconded the motion. After full discussion, upon roll call the vote on the motion was as follows:

B. P. Bogardus	Yes
W. E. Venters	Yes
E. Bruce Walters	Yes
R. G. Wells, Jr.	Yes
Mayor W. C. Hambley, M.D.	Yes

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The proposal and acceptance are hereto attached and ordered copied in the Minute Book.

Merrill Lynch, Pierce, Fenner & Smith

Cincinnati 2, Ohio

November 14, 1963

Honorable Mayor and Members of the Board of Commissioners
City of Pikeville
Pikeville, Kentucky

In Re: Pikeville, Kentucky Natural Gas Revenue Bonds

Gentlemen:

We understand that the City of Pikeville, Kentucky desires to issue approximately \$300,000.00 City of Pikeville, Kentucky Natural Gas Revenue Bonds to pay the cost of constructing various improvements to the municipally owned natural gas system, and in order to assist you in the financing of this project, we hereby submit the following financing proposal:

- (1) Due to our many years of experience in financing situations of this type, we believe we are in a position to assist the City in the development of the program and any financing which may be required and accordingly, if we are retained the services of our organization will be at your disposal in solving the many problems which may confront you in working out the details incident to the final concluding of this program.
- (2) We shall make a thorough study of the data compiled by your engineer, relative to the cost of these improvements and expected operation by your municipality. Your engineer's report shall be examined and we shall make investigations of our own that will determine to your satisfaction, as well as our own, the soundness of this project and the amount of Revenue Bonds that will be required to defray the cost of the project.
- (3) Thereafter, there shall be issued as authorized by Kentucky Laws and statutes, Natural Gas Revenue Bonds which shall in no way directly or indirectly constitute a tax indebtedness, but shall be a lien on the earnings and revenues of the system.
- (4) We will employ recognized bond counsel of national reputation and will cause them to prepare for adoption and execution by you all the resolutions, ordinances and other instruments necessary to issue and sell City of Pikeville, Kentucky Natural Gas Revenue Bonds in an amount sufficient to pay all costs in connection with the improvement program. Thereafter, we shall obtain the legal opinion of such attorneys, which opinion shall be available to be furnished to the successful purchaser of the bonds after the advertised sale and award has been made and at the time the purchaser pays for the bonds in accordance with the terms of the award.
- (5) The bonds shall be set up to mature serially in conformity with the available anticipated revenue, the final maturity date not to exceed (40) years. The exact schedule of maturities is to be approved by the engineers for the project and is to be agreeable to your City Commissioners. We shall provide that the bonds shall be redeemable prior to maturity on terms mutually agreeable to both yourselves and ourselves.
- (6) In order to attract the greatest degree of competition to the end that your bonds may be sold at the best possible interest rate, we will prepare a prospectus and so advertise it that it will be available to all interested bidders. We will provide sufficient copies for distribution to all interested bidders and provide you with as many additional copies as you may require. This prospectus will be designed to so explain your project and your bonds as to give all available information and details to all interested bidders.
- (7) We shall cooperate with the City and your engineers in working out the complete details in connection with the financing in order that the financing can be accomplished on the most favorable terms to the City. We will cause the bonds to be advertised for sale at a competitive sale in full compliance with the law. The bonds shall be awarded and sold to the bidder offering to take the bonds on the most advantageous terms to the City consistent with the published notice of sale. We will also have the bond forms printed and made ready for signature after the sale has taken place and the interest rate has been determined.
- (8) We agree that we will pay all the expense incident to the carrying out of this program, including the fees of our counsel, cost of

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printing the bonds, and cost of advertising and holding the sale, except that you are to furnish us title examinations or abstracts executed by your attorneys as may be required by our counsel.

- (9) Your city shall consider the undersigned by reason of their many years of experience as underwriters and having specialized in Revenue Bonds of this type for the assistance they shall render in effecting this financing as their sole Fiscal Agents in all matters outlined in this agreement and to be compensated for such services and expense incurred by them as hereinafter provided.
- (10) For and in consideration of all the services that the undersigned shall render and the expense they will incur in the payment of their attorney's charges, preparation of the bond forms and other expenses, they shall be paid simultaneously with the actual delivery of said bonds to the successful purchaser, whether said purchaser be the undersigned or others, a sum equal to 3% of the bonds so issued and delivered.
- (11) IT IS UNDERSTOOD THAT THE FOREGOING IS SUBMITTED TO YOU WITH THE IDEA OF ASSISTING YOU IN WORKING OUT YOUR PROBLEMS AND IF AT ANY TIME YOUR PROGRAM IS ABANDONED OR FOR ANY REASON BONDS ARE NOT ISSUED, YOU ARE TO OWE US NOTHING, however, it is also understood that if you accept this proposal, the services of our organization as well as our attorneys will be continuously available to you for whatever consultation you may require. It is also understood that your City Commissioners have the final decision on all matters and details of the bond issue.
- (12) Nothing in this proposal shall be construed to mean that we are precluded to bid for the bonds at their public sale.
- (13) Said bonds are to be issued subject to the unqualified approving legal opinion of our bond approving attorneys.

Respectfully submitted,

MERRILL LYNCH, PIERCE, FENNER & SMITH,
INC.

By /s/ Rufus W. Murphy
Rufus W. Murphy

Accepted this 26 day of Nov., 1963.

/s/ W. C. Hambley, M.D.
Mayor, Pikeville, Kentucky

ATTEST:

(Acting) /s/ O. T. Hinton
Clerk - Pikeville, Kentucky

It is therefore ordered that the Mayor be authorized and directed to accept such proposal of this date and that O. T. Hinton, City Attorney, be authorized and directed to cooperate with Merrill Lynch, Pierce, Fenner & Smith and their attorneys, to wit: Grafton, Ferguson & Fletcher, in the issuance and sale of the required Revenue Bonds as speedily as possible.

No further business coming before the Commissioners the meeting is declared adjourned.

APPROVED:

W. C. Hambley M.D.
MAYOR

ATTEST:

Charles L. Huffman
CITY CLERK
