

MINUTES } CITY OF PIKEVILLE

At a regular meeting of the Board of Commissioners of the city of Pikeville Kentucky held in City Hall On October 11, 1965 at 7:30p.m. the following were present.

Commissioners: F.W. Baker
Kermit Sexton
Unlan Taylor

Also present were city manager, W.B. Butcher and City Attorney, O.T. Hinton.

The city clerk read the minutes of the August and September meetings.

The City attorney presented the following letter that he intended to have published in the Pike County News.

October 12, 1965

Letter To The Editor

Mr. Zach C. Justice
Editor of The Pike County News
Pikeville, Kentucky

Dear

Dear Mr. Justice:

Re: City of Pikeville Auditor's Report

I have just received a copy of audit by Mr. John S. Petot, Jr., C.P.A. covering the fiscal period ending June 30, 1965, of the City of Pikeville, which is to be sent you for publication.

A good many of our citizens are not disposed to take the time and trouble to study and analyze these audits, necessary to a complete understanding of what they disclose.

One difficulty is that under our law it is necessary for the City to operate under three separate and distinct departments and maintain separate and distinct groups of funds and accounting therefor. These are: (1) "General Operator (including Garbage)" (2) "Water and Sewer" and (3) "Gas". Within these groups there are several funds.

The main reason for this is that there are outstanding revenue bonds which provided the required participating capital for the water and sewer improvements and the purchase of the addition to the gas system. These bond commitments require this separation of funds and accounting.

Another reason is that it is good business and municipal management to keep them separate.

Still another reason is that the laws governing municipalities require it. However, to get a complete picture of the City's affairs and financial status it is well to look at a consolidation of those reports. I believe it would be helpful and of interest to the citizen and taxpayers of the City to do so, and to that I submit these consolidated totals for consideration.

Total Revenue From all Sources	\$752,237.44
Total Operating Expense of All Departments	547,224.00
Not Operating Profit	\$205,013.44
This Operating Profit is Distributed as follows:	
Total Bond Retirement and Interest	\$117,524.16
Total Capital Expenditures for Improvements, New Equipment, Etc.	47,953.64
Total Additions to Unappropriated Surplus	39,535.64
TOTAL	\$205,013.44

We also see the following consolidated totals:

Total Cash on Hand and in Bank	\$395,736.54
Less Current Liabilities and Reserves	180,664.85
Total Unappropriated Surplus	\$215,071.69

We see combined assets of \$5,888,211.88 -

Thus we observe that in our Municipal Government we have a business with total assets of nearly six million dollars; gross operating revenue of over three quarters of a million dollars; an operating profit of over Two Hundred Thousand Dollars (\$200,000.00), or over 27% of gross revenue and over 3% of total assets.

When we consider that the ultimate aim of every governmental operation is a

MINUTES } CITY OF PIKEVILLE

balanced budget, where revenue and expenses are equal, we see an enviable fiscal performance.

When we consider the plight the fiscal affairs of the City were in on January 1st., 1962 when it had no credit, locally or abroad; when the only way chlorine could be purchased for water purification was to send to Huntington, W. Va. with the price in cold hard cash, and compare these figures and the present credit and the present credit standing, with those of that day, we see a remarkable difference.

I have acted as City Attorney under Dr. Hambley as Mayor and Mr. Butcher as City Manager since January 1st., 1962, and have been in close touch with the conduct of the City's affairs. I have contributed little if anything to the remarkable progress made by the City since that time, and am not an applicant for any office or job, but I believe ^{in giving} credit where credit is due. ~~in I believe the credit in this case is due~~ large measures to the able administrator of the City's affairs by Mr. W. E. Butcher, as City Manager, under unselfish, farsighted, and dedicated supervision of Dr. Hambley as Mayor, and the City Commissioners, who have served so ably since January 1st., 1962.

Perhaps some one would suggest that with such a profitable operation, taxes or or utility rates or both should be reduced.

With that I readily agree and doubtless that will be the ultimate accomplishments. However, now is not the time.

Gas and Water rates are inalterably fixed by contract with the bond holders until the revenue bonds on these facilities are fully liquidated.

Surplus funds are required to provide the capital expenditures necessary for extensions of utilities to added territory, for street improvements, and other betterments that have been planned without having to resort to further bonded indebtedness.

Anyone who would change this fiscal policy at this time is shortsighted and impractical.

Yours respectfully,

(O.T. Hinton
City Attorney)

OTH/blm

cc: Hon. W.C. Hambley, Mayor
Pikeville, Kentucky

Mr. F.W. Baker, Commissioner
Pikeville, Kentucky

Mr. Harry Hobson, Commissioner
Pikeville, Kentucky

Mr. W. E. Butcher, City Manager
Pikeville, Kentucky

Mr. Kermit Sexton, Commissioner
Pikeville, Kentucky

Mr. Uhlan Taylor, Commissioner
Pikeville, Kentucky

There being no further business a motion was made, seconded and unanimously carried that the meeting adjourned.

Approved

W.C. Hambley, Jr.
Mayor

Attest

Charles L. Huffman
City Clerk