

PUBLIC MEETING
USDA RURAL DEVELOPMENT
REGULAR COUNCIL MEETING
FEBRUARY 7, 2006

PRESENT: Mayor Leda Dean
Councilman Sherman Berry
Councilman Duane Suttles
Councilperson Pearl Crum
Councilman Clyde M. Callihan
Councilman Mark Strother
Councilperson Pam Nash
ABSENT: Attorney W. Jeffrey Scott

Mayor Leda Dean called the public meeting to order at 6:30 P.M. Mayor Dean informed the public that we have applied to USDA Rural Development for a matching grant to purchase two police cruisers. The amount of the request is \$25,000.00 for one cruiser. The City will have to match this with \$25,000.00 for the second cruiser. A majority of the paper work has been filled out and sent in to Rural Development. Will need to submit the minutes from this public meeting, the 2004-2005 audit and a budget for the City and the Police Department. Have requested quotes for loan rates for the second cruiser. Have received a quote from the Commercial Bank. That rate is 4.50% for a term of up to five years. Mayor Dean asked for any comments. John Brooks informed the Mayor that this is a good idea. Mayor Dean informed the public that we should know something on this by the middle of March. No other comments, Mayor Dean closed the public meeting.

Mayor Dean called the meeting to order.

Mayor Dean gave the devotion.

Mayor Dean recognized Lori Dearfield from Kelley, Galloway and Company with the audit for Fiscal Year 2004-2005. The assets of the Government exceeded its liabilities at the end of the fiscal year by \$12,002,547 (net assets). Governmental activities' unrestricted net assets were \$155,418 and are used to meet the Government's on going obligations. Business-type activities' unrestricted net assets were \$1,173,776. The Government's total net assets increased by \$545,101. Net assets of governmental activities increased by \$80,209 and net assets of business-type activities increased by \$464,892. At June 30, 2005, the governmental activities had \$805,247 in assets and \$263,064 in liabilities. Business-type activities had \$23,799,047 in assets and \$12,338,683 in liabilities. It is a clean report. Councilperson Nash made motion to approve the audit for fiscal year 2004-2005. Seconded by Councilman Suttles. Motion carried unanimously.

Mayor Dean recognized Tim Messick and Rupert Wilhoit on the sale of ConAgra to Smithfields Foods. Mr. Messick informed Mayor Dean that he thought everything is in order. Mayor Dean said that there is one addition that Attorney Scott wanted to include in the agreement. Mayor Dean read the addition: I, Michael H. Cole, Secretary of Smithfield Foods, Inc., a Virginia corporation (the "Corporation"), do hereby certify that Michael D. Flemming, who as Vice President of the Corporation, is a duly authorized officer of the Corporation and has the full authority to execute this letter on behalf of the Corporation and has the full authority to bind the Corporation accordingly without the requirements of an additional officer's signature, and that the signature of Mr. Flemming appearing above is Mr. Flemming's genuine signature. This has been signed and notarized. That was the only addition that our Attorney wanted added to the agreement. Basically, what it is, we just need to switch the name to Smithfield Foods. Everything else stays the same. Councilman Strother made motion to enter into this agreement with Smithfield Foods. Seconded by Councilperson Crum. Motion carried unanimously.

Mayor Dean recognized Alice Laurie from Promise Land Estate. Mrs. Laurie thanked Mayor Dean and the Council for eliminating the problems at Promise Land

Estate. The horses, fence and the grass. Mayor Dean thanked Mrs. Laurie. This is rare for us to have a positive comment and a thank you, we appreciate that.

Discussion followed on the money that was received last year from KIA. It went to the Utility Commission for water and sewer improvements. It has to go through the City and we have to assign it to the Utility Commission. The City has \$325,000.00 KIA Fund project to replace existing sanitary sewer lines, continuation of the sanitary sewer evaluation study. The smoke testing has already began. An extension of sanitary sewers to new customers. The following items are included in the projects. Additional sewer line study work on remainder of old down town section of Grayson Sanitary sewer system. Replacement of existing sanitary sewer lines located in Foodfair Shopping Center and Huff Street. If sufficient funds are available after construction bids are opened, extend sanitary sewer along Ky Route 7 from the end of existing sewer line at the Grayson Utility office to Lakeway Plaza, intersection of Ky Route 773. That is approximately 2850 feet of eight inch which is required. This is in the City limits. This is taking it to the City limits. Mayor Dean read resolution of the City accepting the grant, approving the grant agreement, authorizing the amendment of local budget, and authorizing a representative to sign all related documents. The Utility Commission will do another resolution. Councilman Suttles made motion to adopt this resolution. Seconded by Councilperson Nash. Motion carried unanimously.

Mayor Dean recognized Chris Allen with the Street Department report. Chris informed Council that we have plenty of salt. The bucket truck is not ready yet. Mayor Dean to call on this. Discussion followed on the property that has been cleaned up at 525 & 527 Rupert Lane. Total cost to clean this area was \$2,144.00. The Building Inspector had notified the property owner of the condition of the property. They did nothing on getting it cleaned up. The Street workers went in and cleaned it up. The Building Inspector will notify the owner of the amount and he will have the opportunity to pay this or we will put a lien on the property. Have cleaned the property at 300 Hickory Street. Have two quotes for removing the trailer. #1 Keith Ramey- \$2,000.00. #2 Luke Prichard - \$2,400.00. Taylor did call Eddie Lucas, Jr., for a quote. Mr. Lucas has not got back with Taylor on this. Mayor Dean to get with Taylor on these quotes. The property at Fourth Street for the Lawsons has been cleaned up. Will put another lien on this property. Don't know what to do about the car that is parked there. Have some more property that we want to get cleaned up. Discussion followed on the street signs. Chris to get list of signs that are missing. Have put one up at Huff Street. That sign is not there now. Discussion followed on the Street Department bills. Councilperson Nash made motion to pay the Street Department bills. Seconded by Councilman Strother. Motion carried unanimously.

Mayor Dean recognized Greg Felty with the Fire Department report for the month of January. There were 32 calls made in the month of January. 15 in the City and 17 out of the City. Discussion followed on the equipment that was inspected. Had two ladders that did not make the inspection. Need to replace them. Also need four nozzles. Need one ladder 35 foot. Cost is \$698.00. Another ladder is 28 foot. Cost is \$630.00. The four nozzles are \$375.00 each plus freight of \$20.00 each. The quote that we have is from Bluegrass Fire Equipment Company. Can get by with two nozzles now and get the other nozzles later. Councilman Strother made motion to get all four nozzles and the ladders. Seconded by Councilperson Nash. Motion carried unanimously. Discussion followed on Fire School at Owensboro the last of this month. Will send three men. Cost is \$400.00. Councilperson Nash made motion to send the three men to Fire School. Cost is \$400.00. Seconded by Councilman Strother. Motion carried. Discussion followed on the bills. Need to add Clay Tires for \$550.00 for tires. The bills for Grayson Utilities is for utilities for two months. They are for the month of December and January. Need to watch this. Councilman Strother made motion to pay the bills for the Fire Department and to include the bill to Clay Tires for \$550.00. Seconded by Councilperson Crum. Motion carried.

Mayor Dean recognized Keith Hill with the Police Department report for the month of January. Mayor Dean read resignations from Jospeh Carver, effective January 28, 2006, and Scott Crawford, effective February 12, 2006. Have hired Donald Beller and Michael Fouch. Fouch will be going to the academy with

Clayton James. Donald Beller is already trained. Councilman Strother made motion to go into executive session to discuss personnel and possible litigation. Seconded by Councilman Berry. Motion carried unanimously. Mayor Dean called the meeting back to order. Met in executive session and discussed personnel and possible litigation and no action was taken. Discussion followed on the bills for the Police Department. Councilperson Nash made motion to pay the Police Department bills. Seconded by Councilman Strother. Motion carried unanimously.

Councilperson Nash made motion to approve the minutes for the December and January meetings. Seconded by Councilman Berry. Motion carried.

Councilman Berry made motion to approve the Clerk's Financial Statement. Seconded by Councilman Strother. Motion carried.

Discussion followed on the bills for Administration and Finance. Need to add ColorTone Printing for \$777.75 for the city stickers, Jeff Scott for \$1,275.00 for legal fees and Newspaper Holdings for \$46.40 for advertising. Councilman Strother made motion to pay the bills under Administration and Finance and to include ColorTone Printing, Jeff Scott and Newspaper Holdings. Seconded by Councilperson Nash. Motion carried.

Discussion followed on the surveying that was done at Paradise Hill by Carlos Wade Everman. He did an outstanding job. It is marked as plain as day. He did a real good job. At the top of the hill as you start to turn back to the right, the first two houses on the right are out and everything else is in. The apartment building and the mobile home that belonged to Fraley & Miller is in and is owned by a Mr. Porter from Sandy Hook. There is more property up there that needs to be cleaned up. Need to get more surveying done. Have discussed Plantation Drive, Walnut Drive, the Hamon Farm and Rolling Hills. Would like to do one area at a time.

Received a letter from an engineering firm on Verizon putting up another wireless tower at Reeds Branch in the West end of the County. It shouldn't affect us.

Discussion followed on the heating system in the meeting room. It is out. Have an estimate to fix it. Grayson Heating and Cooling have already fixed the air conditioning unit in here. Cost is \$1,519.03. Goodman. Warranty is 20 years on the heat exchanger and five years on the parts. Is a 140,000 BTU gas furnace. Will get more quotes. Discussion followed on needing to get this fixed before the next meeting. Councilman Suttles made motion to approve up to \$1,600.00 on the replacement of the furnace in this room so we won't freeze. Seconded by Councilman Strother. Motion carried.

Discussion followed on the old police cruisers. Would like to get rid of them. They are no good. Would like to salvage them out and get rid of them. There is someone that is interested in them. Will take them and get rid of them. Will take anything that is good on them off. Will check the legality, and see if we have to advertise the sale of these vehicles. We need to clean up our lot because we are trying to clean up the City. Will advertise for the sale of the vehicles if we have to.

Mayor Dean informed Council that Frankie Rice had contacted her about the garbage contract being up this year. Am very pleased with the service that we get from them. Don't anticipate any changes. There is a clause in the contract that it can be renewed.

Discussion followed on the exchange of properties with the Utility Department and the City. If anything happens to the Utilities, it will revert back to the City. The City will be getting the area where the Working Mans store was located. The area that is blacktopped will be the Utility Department. The area that the City will be getting will be a better piece of property. You can turn a fire truck in this area where you can't in the other area. Councilman Berry made motion to accept the change of property between the City of Grayson and the Utility Department. Seconded by Councilperson Nash.

Motion carried.

Discussion followed on the business license ordinance. Need to change the City Treasurer to City Clerk and Commission to Council. Mayor Dean read the second reading of the ordinance amending the business license. Councilman Callihan made motion to adopt the second reading of the ordinance amending the business license. Seconded by Councilman Suttles. Motion carried

Discussion followed on the March 7th meeting. Mayor Dean will be out of town that week. Will let Council go ahead and have this meeting. Consensus of Council to wait till Mayor Dean is back in town to have this meeting. The meeting will be March 14th, a special meeting.

Discussion followed on the Park Board account. The money in that account is below \$100.00. Need to close out the account. Consensus of Council to close out the account.

The City stickers are in and would like to put them on sale. Will put them on sale, Monday, February 13th. Mayor Dean informed Council that she read in the paper where a City is keeping their City stickers and they have a payroll tax also. Always controversy on the City stickers.

Councilman Strother made motion to allow the Carter County Art Guild to use the park on May 27th for their art show. Seconded by Councilman Callihan. Motion carried unanimously.

Discussion followed on the bash grant for the park. It is not finalized yet, but did get one in.

Councilman Strother made motion to adjourn at 8:15 P.M.


MAYOR - LEDA DEAN


CITY CLERK - MARTHA LEMASTER