

**SMITHS GROVE CITY COMMISSION SPECIAL MEETING  
SMITHS GROVE MUNICIPAL BUILDING  
TUESDAY AUGUST 6, 2013**

Members Present: Mayor Higginbotham, Commissioner Varner, Commissioner Lawrence Stiffey, and Commissioner David Stiffey.

Members Absent: Commissioner Pierce

Also Absent: Attorney Milliken

Mayor Higginbotham called the meeting to order at 6:03 pm.

Mayor Higginbotham explained that this meeting was to discuss the Sale of the property located at 510 Cave Street and the consideration of a contract between the City and the Smiths Grove Lions Club.

**Sale of 510 Cave St.**

Mayor Higginbotham made a motion that the City Commission give him the authority to close the deal on the sale of 510 Cave Street and that the city not set a minimum bid on what they will accept on the sale of the property. The motion was second by Commissioner David Stiffey. Ayes all members present so the motion passed

Mayor Higginbotham stated that he had been in contact with Johnny Tarter of Tarter Realty and they are going to give the City the same deal they did on the sale of the old Library building. All we will have to pay are the advertising costs. Also Mr. Tarter had suggested that the city get a Title Opinion prior to the sale. City Attorney Wes Milliken agreed that that would be best. The Mayor asked the Commissioners agreed to do this and all agreed. Mayor Higginbotham agreed to advise City Title Attorney Milliken to get a Title Opinion on the property.

Mayor Higginbotham also advised that he had contacted the Kentucky League of Cities for a legal opinion on whether an officer of the City could bid on the property. Based on advice from the League of Cities Mayor Higginbotham made available to all present a copy of a letter dated August 6, 2013 advising all that an officer of the City could and may bid for the property at its Auction. The letter is shown at the bottom of these minutes.

**Consideration of a contract between The City and the Smiths Grove Lions Club**

Mr. Albert Rich of the Lions Club started the discussion off by stating that last year the Lions Club had brought in eight hundred and seventy-five dollars (\$875.00) revenue from the rental of the Lions Club Building. They do not do any advertising that the building is for rent, just word of mouth.

Mayor Higginbotham reported that we had received a quote today from Neace Lukens of six hundred and eighty-five dollars and ten cents (\$685.10) per year for casualty insurance on the Lions Club building should we agree to the contract. This quote does not include liability insurance which we would get from KLC along with our other liability insurance. Mayor Higginbotham stated that since we would not have to pay any property tax on the property the insurance would basically be a wash.

Mayor Higginbotham stated that the reason the meeting was called was to discuss what direction the City would like to go in regards to the Lions Club building and Property.

Commissioner Lawrence Stiffey stated that his understanding was that the Lions Club wanted the City to take over the property and any and all cost that were/would be associated with the property.

Commissioner David Stiffey stated that all of the people he had spoken to in the community have been concerned about what the cost would be to the City.

Commissioner Varner stated he would like to clarify some things. If the Lions Club were to disband, the property would still revert back to the City and would be the City's responsibility regardless. Right now all funds the Lions Club has are going to paying the bills and they are not able to achieve their mission statement which is to help the community. Should the City agree to this contract we would not be supporting any one organization, subsidizing or supporting the Lions Club. He is in favor of the contract because he feels the City is in need of a Community Center. He stated that the Community Center could be used for items by the City such as our yearly flu shots that are given by the Health Department, and he could get the Aging Counsel to come and give some lectures on ways to help the elderly and their families in our community.

Mayor Higginbotham stated that his reason for considering the contract was that the Lions Club gave more back to the residents of the city than the city gives to them even if we took over the building. The Lions Club would be giving the city an asset worth approximately one hundred thousand dollars (\$100,000.00).

John Wayne Smith with the Lions Club stated that he understood from the last meeting, that if the City were to agree to the contract the city could not sell the property and the same applies to the Lions Club. However, once the property is deeded over to the city the city could indeed sell the property but whomever purchases the property would have to honor the Contract in the original deed giving the Lions Club the right to use of the building similar to an easement contract on property that otherwise would be landlocked without such an easement.

Mayor Higginbotham also reported that the property is zoned residential, single family and that the change to single family housing could hinder the sale of the property which started out as 5 lots but is now shown by planning and zoning as one large lot.

Commissioner Lawrence Stiffey asked why the members of the Lions Club wanted the City to take over the property at this time.

John Wayne Smiths stated that their mission is to help people and to help supply eye glasses. The way things are right now they are having to spend approximately six thousand dollars (\$6,000.00) a year on insurance, utilities, taxes and maintenance of the building. By having to spend the funds they are raising on these items there is little if anything left over for their mission. Should the city take over the property that would allow the Lions Club to use their funds to be able to accomplish their mission.

At this time Mayor asked if there was any interest on the Commissions part in agreeing to the contract or did they want to decline. Commissioner Lawrence Stiffey stated that he does not think the city would be able to get their money back out of the property so therefore he is against to city taking the property under a contract.

Commissioner Lawrence Stiffey stated his opposition to the city offering the contract and made a motion to vote on the contract. The motion was second by Commissioner David Stiffey and the roll was called. Commissioner Varner - Yes, Commissioner Lawrence Stiffey – No, Commissioner David Stiffey - No, Mayor Higginbotham - No. With the vote being 1 in favor of the contract and 3 against, a contract offer to the Lions Club was not approved.

At this time Sheriff Jerry “Peanut” Gaines asked if he could speak. He stated that the Lions Club members are aging and need people from Smiths Grove to come help them with their functions and membership. They are greatly in need of members and they only have about four (4) functions a year that the need assistance with. Anyone interested in becoming a member can contact any member of the Lions Club and the membership fee is only fifty dollars (\$50.00) per year.

With there being no other business to discuss, Mayor Higginbotham adjourned the meeting at 6:25 pm.

**APPROVED** \_\_\_\_\_  
**BERT E. HIGGINBOTHAM, MAYOR**

**ATTEST** \_\_\_\_\_  
**DEBORAH K. BREWER, CITY CLERK**

**DATE** \_\_\_\_\_

August 6, 2013

To all interested parties:

The Mayor or a Commissioner may bid on the property know as 510 Cave Street when it is auctioned by the City of Smiths Grove in the near future.

The property in question was abandoned. It had three buildings on it. Two of the buildings were considered attractive nuisances and effectively were dangerous.

The city of Smiths Grove sued what was on the record as the beneficial property owner; however, he claimed the property had been foreclosed by the mortgage owner. The City of Smiths Grove sued and went through all possible legal channels to find out who had claims or liens against the property. The suit forced sale of the property through the Master Commission; where the City of Smiths Grove purchased it for \$10,001. When the city got the deed we proceeded to remove the attractive nuisances and now the property's only improvement is the metal garage/storage building.

The city has \$25,000 invested in the property and its worth maybe as little as \$10,000. The City Commission has spent years correcting this dangerous property and some members of the City Commission have expressed an interest in buying it simply to control its use to keep it from being again returned into an attractive nuisance.

Below are the provisions of the City of Smiths Grove Code of Ordinances regarding possible conflicts of interest in contracts.

**§ 37.11 CONFLICTS OF INTEREST IN CONTRACTS.**

(A) No officer or employee of the city or any city agency shall directly or through others undertake, execute, hold, or enjoy, in whole or in part, any contract made, entered into, awarded, or granted by the city or a city agency, except as follows:

(1) The prohibition in division (A) of this section shall not apply to contracts entered into before an elected officer filed as a candidate for city office, before an appointed officer was appointed to a city or city agency office, or before an employee was hired by the city or a city agency. However, if any contract entered into by a city or city agency officer or employee before he or she became a candidate, was appointed to office, or was hired as an employee, is renewable after he or she becomes a candidate, assumes the appointed office, or is hired as an employee, then the prohibition in division (A) of this section shall apply to the renewal of the contract.

(2) The prohibition in division (A) of this section shall not apply if the contract is awarded after public notice and competitive bidding, unless the officer or employee is authorized to participate in establishing the contract specifications,

awarding the contract, or managing contract performance after the contract is awarded. If the officer or employee has any of the authorities set forth in the preceding sentence, then the officer or employee shall have no interest in the contract, unless the requirements set forth in division (3) below are satisfied.

(3) The prohibition in division (A) of this section shall not apply in any case where the following requirements are satisfied:

(a) The specific nature of the contract transaction and the nature of the officer's or employee's interest in the contract are publicly disclosed at a meeting of the governing body of the city or city agency;

(b) The disclosure is made a part of the official record of the governing body of the city or city agency before the contract is executed;

(c) A finding is made by the governing body of the city or city agency that the contract with the officer or employee is in the best interests of the public and the city or city agency because of price, limited supply, or other specific reasons; and

(d) The finding is made a part of the official record of the governing body of the city or city agency before the contract is executed.

(B) Any violation of this section shall constitute a Class A misdemeanor, and upon conviction, the court may void any contract entered into in violation of this section. Additionally, a violation of this section shall be grounds for removal from office or employment with the city in accordance with any applicable provisions of state law and ordinances, rules or regulations of the city. (KRS 61.252) (Ord. 94-1 210.1, passed 11-29-94) Penalty, see § 37.99.

It is in the best interest of the city to have as large a bidding population as possible to get the maximum price for the property. By this letter I feel that the provisions of Section A, paragraph 3, a through d; have been met and will allow an Official of the Commission to personally bid at the sale of 510 Cave Street as no one on the Commission has done anything to improve their ability to control or win the auction for the 510 Cave Street property.

Bert Higginbotham  
Mayor, Smiths Grove