

**CITY OF PIKEVILLE
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
MARCH 26, 2007**

The Board of Commissioners for the City of Pikeville met in regular session on Monday, March 26, 2007. The meeting was conducted in the City Hall Public Meeting Room located at 118 College Street, Pikeville, Kentucky.

There being a quorum present, mayor Franklin D. Justice, II, called the meeting to order at 6:00 p.m. Commission Members present at roll call were as follows:

**COMMISSIER: DALLAS LAYNE
 EUGENE W. DAVIS
 BARRY N. CHANEY
MAYOR: FRANKLIN D. JUSTICE, II**

Commissioner James A. Carter was absent.

AGENA ITEM II: MINUTES

The minutes from the previous regular meeting of February 26, 2007 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Layne made the motion, seconded by Commissioner Davis, to approve the minutes as submitted. The motion carried unanimously.

AGENDA ITEM III: BUSINESS FROM THE FLOOR

(A) Stephanie Richards with the Fine Arts program of the University of Kentucky Pike County Extension Office made request to address the commission on a couple of items. Firstly, Ms. Richards announced that their program was honored with the Governors Fine Arts Award for the State of Kentucky. She wanted to ensure that local leadership was aware of their program along with the Artisan Center on Main Street was making great progress for our area. She was congratulated by the City Commission for their accomplishment.

Secondly, Ms. Richards addressed the commission on a new project that would be located in downtown Pikeville. Their board has been in discussion with Attorney Larry Webster regarding the building located behind the Artisan Center shop on Main Street. Mr. Webster owns the building and is willing to grant a long term lease to the Artist Program. Their intent is to turn this property into a small theater to serve the region. This would be a small, 144 seat theater, that would allow local venues such as plays, small bands, and poetry reading to be presented to the general public. Ms. Richards introduced Bill Richardson an architect who has prepared a rough draft of the finished project.. Those drawings were presented to the commission for their review. The purpose for Ms. Richards's presentation was to

ask the City for its support towards the project. Ms. Richards stated she was not looking for the city to fund the whole project, which is estimated to cost \$390,500, but instead to help support by contacting persons and businesses to see if private contributions could be generated for the project. She also asked if the city would be willing to assist in applying for various grants for the project.

The City Commission was very supportive of the project and gave the City Manager the direction to see what grants may be available to support the project. The Mayor was concerned about the validity of the grant with Mr. Webster if government funds were used. The Mayor requested Ms. Richards to contact an attorney or the City Attorney to determine the eligibility of utilizing grant funds with the project's scope. Ms. Richards thanked the Commission for their time and support for the project. She stated she would assist in any way that was needed. She would also find out the answer to the Mayor's question and report back at a later date. The City Manager stated the City would start using resources to research what funds may be available and would report back to the commission at a later meeting.

(B) John Michael Johnson requested to address the commission over the issue with people parking on the sidewalk on the By-pass during events at the East Kentucky Expo Center. Mr. Johnson stated that it was dangerous and a pedestrian may be injured if action is not taken to prohibit parking on the sidewalk. He stated that since people are parking on the sidewalk that there was no room to walk to the event. During an event his daughter was almost stuck by a car because there was not room to walk on the sidewalk.

Police Chief James Adkins explained the methods currently being used to stop this practice. During each event, the Police Department is putting courtesy warnings on each windshield asking people to park in legal areas such as the parking garage. Chief Adkins stated that their efforts are being ignored.

Mr. Johnson stated there is plenty of parking in the parking garage and the city should force people to use that facility. City Manager Blackburn explained to Mr. Johnson that when you have an event where there are only a couple thousand attending, it isn't an issue. When you have an event when there are 6 or 7 thousand in attendance, parking becomes an issue. The parking garage fills up and since the city is still short on parking people look for alternatives that by human nature are within the shortest distance. The area Mr. Johnson is addressing, though it is in the City Limits, is a State Sidewalk and a State road. The City has tried to remain visitor friendly by not writing tickets, but by issuing courtesy warnings on all cars on the sidewalk. In addition to writing courtesy warnings, the Expo Center hands out flyers, announces available parking on their web site and makes public service announcements. The problem, the City Manager explained, is when 1 car starts, everyone else will follow.

The City Commission agreed that the problem has become more of an issue and they need to take more drastic steps. The City Manager suggested the City request

for the Highway Department's assistance on getting cones or barrels and for the next 2 months we would put them up with signs taped to them stating "No Parking on Sidewalk". After the 2 month period if it was still happening then parking tickets would be issued for the next month and then in the 3rd month if it is still happening vehicles would be towed at the owner's expense. The commission agreed with this approach and asked the City Manager to enforce as discussed. Mr. Johnson was pleased with the direction. He offered any assistance that he could through his employer, the District 12 State Highway Department.

(C) The next issue with business from the floor was Mr. Daniels who lives on Thompson Road. He was present to ask the city if any additional plans have been made with regard to Phase 2 of the Thompson Road development. His concern is Phase 2 may affect his residence. Mayor Justice stated he had spoke with Mr. Daniels prior to the start of the meeting and that funding at this time has not been approved for Phase 2. Mayor Justice stated that Mr. Daniels is now aware that we have applied for funding and if it becomes available then he may be affected. He stated however as soon as we know what direction we would be going that we would make contact and explain our position and try to work with any of the residents that may be affected.

AGENDA ITEM IV: PAYMENT OF THE BILLS

A list of City Bills totaling \$442,838.68 was presented to the Commission for approval of payment. Commissioner Davis made the motion to authorize payment of the City Bills as requested. Commissioner Chaney seconded the motion. Mayor Justice called for questions or discussion as to which Commissioner Davis asked City Manager Blackburn if the city had the funds available to make payment of the bills. City Manager stated yes. There were no further questions or discussion. The motion carried unanimously.

AGENDA ITEM V: OLD BUSINESS

- A. BIG SANDY AREA DEVELOPMENT DISTRICT: No-one was present from the ADD**
- B. PIKEVILLE MAIN STREET:**
- C. CITY ENGINEER'S REPORT: Updates given during work session.**
- D. CITY ATTORNEY'S REPORTS:**
- E. POLICE DEPARTMENT REPORT**
- F. INTRODUCTION OF ECONOMIC DEVELOPMENT DIRECTOR:**
- G. CITY MANAGER REPORT: Donovan Blackburn, City Manager, presented the following items for consideration by the commission:**
 - 5. Hydrant Use Permit & Fee Schedule: City Manager requested for the commission to adopt a new Water Withdraw Permit form and to approve the fee schedule attached to the permit.**

Mayor Justice made the motion, seconded by Commissioner Layne to authorize the new Fire Hydrant Water Withdraw Permit and to approve the fees scheduled attached to the permit and applicants would be required to have signed receipt from the fire department before all fees would be settled and final. The Mayor asked if there were any comments or questions, being none, the motion carried unanimously.

6. GRANT AGREEMENT BETWEEN CITY OF PIKEVILLE AND PIKE COUNTY FISCAL COURT: City Manager requested the Commission to authorize an agreement as submitted between the City of Pikeville and the Pike County Fiscal Court for the purpose of allowing the Pike County Fiscal Court to apply for a specific Fire Department Grant on behalf of the City of Pikeville and for the county to distribute any receipt of funds of the grant back to the City of Pikeville and to authorize the Mayor to sign .

Commissioner Davis made the motion, seconded by Commissioner Layne to authorize an agreement between the City of Pikeville and the Pike County Fiscal Court for the purpose of allowing the Pike County Fiscal Court to apply for a Fire Grant on the City of Pikeville's behalf and control funds back to the City of Pikeville and to authorize the Mayor to sign the agreement. The Mayor asked if there were any comments or questions, being none, the motion carried unanimously.

7. AGREEMENT TO ADMINISTER CITY 2006-2007 FISCAL AUDIT: City Manager made request of the City Commission to authorize a contract as submitted to the commission between the audit firm of Wallen and Cornett, PSC and the City of Pikeville for the purpose of conducting the City's 2006-2007 fiscal audit. The contract is the same terms as the previous year and the fees for the audit would not exceed the amount of \$25,900 as outlined in the agreement. City Manager noted that Wallen and Cornett has done the city audit for many years, that this is a professional service, and does not require to be bid. He commented that Wallen and Cornett does a great job. City Manager requested the commission to authorize the Mayor to sign and execute the agreement letter.

Commissioner Layne made the motion, seconded by Commissioner Chaney to authorize the submitted letter of agreement between Wallen and Cornett, PSC and the City of Pikeville for the purpose of conducting the City of Pikeville's 2006-2007 fiscal audit, understanding that the fee for the audit would not exceed the amount of \$25,900, and to authorize the Mayor to sign and execute the letter of agreement. The Mayor asked if there were any comments or questions, being none, the motion carried 3 – 0 with Commissioner Davis abstaining from the vote.

8. CLOSED SESSION: City Manager requested closed session for the purpose of discussing legal, personnel and economic development issues.

Commissioner Chaney made the motion, seconded by Commissioner Layne for the Commission to go into a closed session for the purpose of discussing legal, personnel

and economic development issues. The Mayor asked if there were any comments or questions, being none, the motion carried unanimously.

9. OPEN SESSION:

Mayor Justice made the motion, seconded by Commissioner Chaney for the Commission to come back into open session. The Mayor asked if there were any comments or questions, being none, the motion carried unanimously.

10. LORRAINE STREET PROPERTY: City Manager stated the city had signed an agreement between Citizens National Bank in Paintsville and the Kentucky Transportation Cabinet (KTC) to purchase the property mentioned from the (KTC) for fair market value of \$500,000 and then to immediately turn around and sell the property to Citizens National Bank for the same price. Because the KTC was not able to execute the transfer within the time frame required and because Citizens National Bank recently bought Kentucky National Bank, Citizens has withdrawn their request to purchase the property. The contract gave them the right to do so. Because Kentucky National Bank is located only a short distance from the Lorraine Street property, they withdrew their offer to buy. The city manager requested approval to proceed to purchase the property owned by the Kentucky State Transportation Department on Lorraine Street and then place the property up for bid. The bid would require a minimum for the property of fair market value with a development plan. According to the KTC the price would still remain the same \$500,000 for the city to purchase.

Mayor Justice made the motion, seconded by Commissioner Layne to purchase the Lorraine Street property from the Kentucky State Transportation Department in the amount of \$500,000 for the purpose of bidding out the property after the city makes the purchase and require a minimum bid of \$500,000 with a development plan for consideration of sale by the commission and to authorize the Mayor to sign any required paperwork necessary to make the purchase and sale happen for the property. The motion carried unanimously.

11. UTILITY SERVICE STUDY: City Manager reported that he would be meeting with a company that prepares utility rate studies to determine if the wholesale or retail rate on a water or sewer system was appropriate compared to the amount of debt, capitol improvements, operations and recurring expenses. For this purpose the City Manager requested permission from the commission to have the authority to approve such a study if satisfied with what the company says it will be able to provide after their meeting. The study is necessary and required by PSC before a city utility could justify a rate increase.

Commissioner Chaney made a motion, seconded by Commissioner Layne to allow the City Manager to authorize a Utility Services Study for the purpose of determining if a wholesale or retail rate may be necessary with either the In-City or

Out-of-City rate. The Mayor asked if there were any comments or questions, being none, the motion carried unanimously.

12. PSC LETTER ON MOSSY SEWER SYSTEM: The city manager asked for authorization to send a letter submitted to the commission to the PSC on behalf of the City of Pikeville and to copy the leadership of Mountain Water stating that the City of Pikeville has complied with the terms of the PSC Order for the transfer of the Mossy Bottom Wastewater System and that the City of Pikeville under the PSC order that the date of transfer being the date the debt was assigned to the City of Pikeville and any time limits set under the terms of the order would start on the date the city signed for the debt. Specifically the City of Pikeville by the order of the PSC cannot consider a wholesale rate increase with Mountain Water for a period of 2 years from the date of transfer nor can it increase the retail sewer rates for those serviced by the Mossy Bottom Collection system for a period of one (1) year from the date of transfer. The letter will state the date of transfer is now determined by the signing of the debt service. City Manager also requested to sign the letter on the City of Pikeville behalf.

Commissioner Chaney made the motion, seconded by Commissioner Davis to authorize the City Manager to submit a letter to the PSC under the signature of the City Manager stating that the city of Pikeville has met the terms of the transfer of the Mossy Bottom waste system to the City of Pikeville. The transfer would start the clock for the terms of two (2) year freeze on the wholesale water rate to Mountain Water wholesale rate and (1) year freeze on the sewer retail rate for those serviced by the Mossy Bottom system. The Mayor asked if there were any comments or questions being none the motion carried unanimously.

13. TOMMY HALL SEVERANCE PACKAGE: City Manager requested that the past Fire Chief Tommy Hall be given a severance package instead of being given a retirement party and gift. The severance check would be equivalent to the amount spent by the city on the previous Police Chief Larry Sanders who retired in 2006. The City purchased Chief Sanders a laptop computer. Mr. Blackburn requested that a severance check would be cut under payroll guidelines with required deductions equivalent to the amount of the cost of Chief Sanders' computer.

Mayor Justice made a motion, seconded by Commissioner Chaney to approve a severance check to be made to Tommy Hall following all required payroll guidelines. The check would be equivalent to the amount spent by the City on the laptop for Chief Larry Sanders' retirement gift. The Mayor asked if there were any comments or questions being none the motion carried unanimously.

14. JOHNNY GREEN CHARLES CONDEMNATION: City Manager discussed the need for the city to go through the condemnation proceedings for property owned by Johnny Green Charles located in the Keel Addition for the purpose of installing the Mossy Bottom sewer line extension. The line would run in the back of the property that Mr. Charles owns near the river bank. The property is in the

floodway and is not available for any type of development. Furthermore the property is currently not being used by Mr. Charles. Mr. Charles refusal to deed the property for the purpose of a permanent easement is due to the thought that Mr. Charles at some time in the future may want to plant a garden in the location. The property is necessary and causes the least amount of value taking by any other route. City Manager requested that the Mayor, City Attorney and City Manager be authorized to sign any necessary paperwork for the process and procedure.

Commissioner Davis made the motion, seconded by Commissioner Layne to approve condemnation procedures for the taking of a permanent easement for the purpose of laying the extension line for the sewer coming from Mossy Bottom Sewer and authorized the Mayor, City Attorney and City Manager to sign any necessary documents for the procedures. The Mayor asked if there were any comments or questions, being none, the motion carried unanimously.

There being no further business to come before the Commission, Commissioner Davis made the motion, seconded by Commissioner Chaney, to adjourn the meeting. The motion carried unanimously.

The next regular meeting of the Pikeville City Commission is April 9th 2007 at 6:00 p.m. at the Pikeville City Hall Public Meeting Room located at 118 College Street, Pikeville, Kentucky.

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

ATTEST:

**_____
KAREN W. HARRIS, CITY CLERK**