

**CITY OF PIKEVILLE  
BOARD OF COMMISSIONERS  
REGULAR MEETING MINUTES  
JANUARY 12, 2004**

The Board of Commissioners for the City of Pikeville met in regular session on Monday, January 12, 2004. The meeting was held 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:

<b>COMMISSIONER:</b>	<b>DALLAS LAYNE EUGENE DAVIS SHAWN AMOS JAMES CARTER</b>
<b>MAYOR:</b>	<b>FRANKLIN D. JUSTICE, II</b>

Mayor Justice welcomed new City Manager, Donovan Blackburn, to the meeting.

**AGENDA ITEM II. MINUTES**

The minutes for the special meeting held on December 29, 2003 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Layne made the motion, seconded by Commissioner Amos to approve the minutes as prepared. The motion carried unanimously.

**AGENDA ITEM III. BUSINESS FROM THE FLOOR**

**A. 2002-03 AUDIT REPORT:** J. Donald Wallen of Wallen & Cornett, CPA's, presented a verbal summary of the City of Pikeville's audit report for year ending June 30, 2003. Mr. Wallen apologized for not having the written reports to submit, however, he advised the auditing format had been revised. Wallen & Cornett requires additional time to complete the written report. Mr. Wallen assured the Commission he would submit the written reports within the week. He offered to meet with the Commission should they have questions after they review the written audit report.

Mr. Wallen reported the General Fund completed the year with a surplus of \$775,264.00, bringing the total fund balance to \$2,236,000.00. Mr. Wallen reported the large surplus was in part due to collection of Occupational Tax revenue amounting to \$327,000.00 more than budgeted. He surmised the additional collections were a result of contracts for the construction of the parking structure, civic center, Kentucky Avenue housing, etc.

The Coal Severance Fund finished the year with a balance of \$757,000. Mr. Wallen explained the funds will be spent on various projects prior to the close of the 2004-05 fiscal year.

The Pikeville Main Street Agency has a fund balance of \$510,000 in Renaissance Kentucky funds. The funds are committed to the Underground Utility Relocation Project.

Enterprise Funds (Water, Sewer, Gas, and Sanitation) finished the year with an overall surplus of \$64,896.00. The Water and Gas Funds came in with deficits of \$43,000.00 and \$116,000.00, respectively. The Sewer and Sanitation Funds reflect surplus balances at \$136,000.00 and \$68,000.00, respectively.

Investment of idle funds netted \$37,000.00 in interest.

The Commission expressed concern for loss of money in the Water Fund. Because the water districts are protected by Public Service Commission guidelines, an increase in water rates to the various water districts can't be enacted without sufficient data to substantiate a rate increase. Commissioner Layne made the motion, seconded by Commissioner Amos to authorize a water rate study. The motion carried unanimously.

U.S. Filter Manager Duane Hamilton pointed out that the audit does not reflect the rate increase recently approved by PSC for Mountain Water District. He explained the revenue from the rate increase is just now beginning to be collected. In addition, the legal fees incurred were paid during this audit period. Mr. Hamilton advised the Commission that a water rate study would cost about \$100,000.00. Mayor Justice made the motion to rescind the prior motion authorizing a water rate study. Commissioner Davis seconded the motion. The motion carried unanimously.

Discussed was the possibility of lowering the garbage collection fees for commercial vendors. Finance Director Sue Varney requested the Commission delay a reduction in fees until the next fiscal year. She advised that U.S. Filter has requested to purchase a garbage truck during the upcoming fiscal year.

2. PIKEVILLE/PIKE COUNTY UNITE COALITION: Chairman of the Pikeville/Pike County UNITE Coalition, Ken Trivette, appeared before the Commission to request assistance in funding the employment of a substance abuse coordinator. Mr. Trivette explained the request is based on the premise the Pike County Fiscal Court will pay a portion of the salary costs for the position. Mayor Justice made the motion to authorize a \$7,500.00 payment toward salary costs during the months of March 2004 through June, 2004, and to authorize a \$20,200.00 expenditure for salary costs for fiscal year 2004-05, contingent upon the Pike County Fiscal Court's participation. Commissioner Davis seconded the motion. The motion carried unanimously.

In his capacity as Athletic Director for the Pikeville Independent School District, Ken Trivette requested the Commission's consideration in naming the baseball field, located at Hambley Athletic Complex, "Davis Field" in honor of City Commissioner Eugene Davis and in memory of Coach Butch Davis. Commissioner Davis explained that he had suggested naming the field in honor and memory of Butch Davis. Commission Members and Mr. Trivette commented that Commissioner Davis is deserving of the recognition due to his many years of time and energy devoted to playing, coaching, and sportscasting the game of baseball. Mayor Justice made the motion, seconded by Commissioner Carter to name the baseball field "Davis Field" in honor of Eugene Davis and Butch Davis. The motion carried unanimously.

Mr. Trivette requested Commission approval for the purchase and installation of fencing for the outfield at Davis Field. The Commission had given prior approval for the purchase of fencing estimated to cost \$6,300.00. Mr. Trivette advised he had obtained quotes for the purchase and installation of fencing that is more appropriate for a baseball field. The Pikeville Independent School District has agreed to pay half of the \$5,400.00 cost. It was the consensus of the Commission to allow Mr. Trivette to proceed with the purchase and installation of fencing at Davis Field as requested.

Mayor Justice expressed his concern for the safety of the youth using the open dugouts. City Attorney Davis advised he had spoken with school officials concerning the installation of safety fencing for the dugouts. According to the school officials, open dugouts are a normal occurrence in baseball fields. The Mayor asked if school officials would be willing to sign an indemnification certificate accepting responsibility for any injuries resulting from not having fencing at the dugouts. The City Attorney reported that school officials have indicated they will not sign any documents to this effect. Mr. Trivette advised the Commission that he would discuss the matter with the coaches.

3. PIKEVILLE YMCA/ANIMAL SHELTER: YMCA Board Chair, Jerry Kanney, presented the Commission with a letter agreeing to the City of Pikeville's request for early termination/notice of non-renewal of lease agreement for the property known as the skate park. Mr.

Kanney called the Commission's attention to Section 4 of the 1996 lease agreement which states....."If the Lessor is able to relocate the Leased Premises, the Lessor shall pay to Lessee an amount sufficient to reimburse the Lessor for their actual expenses related to the Lessor's relocation of the existing facilities to another Leased Premises.....In the event that the Lessor is unable to relocate the Leased Premises and exercises its right to terminate this Lease Agreement, the Lessor shall pay to the Lessee an amount sufficient to reimburse the Lessor for the depreciated value of the existing facilities placed upon the property by the Lessee which cannot be sold or salvaged". Mr. Kanney reported that over \$150,000.00 had been invested by county, city and private contributors. He requested the Commission consider assisting the YMCA in continuing to provide a skate park facility. It was pointed out that the YMCA closed the skate park in August (when school went into session). City Attorney Davis opined the original lease term ended in August, 2001. The YMCA exercised its option to continue with the lease on a year to year basis. The existing term ends in August, 2004. He advised the Commission it is his opinion that the city isn't legally responsible to reimburse the YMCA for any improvements to the property. Mr. Kanney disagreed with the City Attorney's interpretation of the lease provisions and stated that he had spoken with three attorneys regarding the matter. Commissioner Layne made the motion, seconded by Commissioner Davis to revisit the YMCA's request for monetary assistance at a later date, pending the Commission's study of the information provided by Mr. Kanney. The motion carried unanimously. Mayor Justice made the motion to suspend indefinitely the City Commission's request for early termination of the lease agreement between the YMCA and the City of Pikeville for the skate park property, and further, as previously noticed, to terminate the agreement effective with expiration of the current lease term in August, 2004. Commissioner Carter seconded the motion. The motion carried unanimously. The Commission advised that the YMCA can operate the skate park until the lease period expiration in August, 2004.

4. HILLBILLY DAYS, 2004: Chamber of Commerce Executive Director, Kitty White, appeared before the Commission to request use of the city streets and park during the Hillbilly Days Festival - April 15-17, 2004. Ms. White advised the request is the same as the previous year, which includes vending space on Hambley Boulevard, from Huffman Avenue to Division Street. Mayor Justice made the motion to allow the City Manager, Police Chief, Fire Chief and Ms. White to work out the details. Commissioner Carter seconded the motion. The motion carried unanimously.

Ms. White reported that she had received statistics, courtesy of the Economic Development Cabinet, with regard to the economic impact of Hillbilly Days upon Pikeville. The economic impact is stated at just over \$1.1 million for the three day event.

5. MYERS TOWER: A resident of Myers Tower, Ira Bailey, presented a plea for restoration of a Resident Board for Myers Tower as well as increased measures for pest control. Ms. Bailey reported that she had been activities director for the Myers Tower Resident Board in the early 1990's. The board has since disbanded. According to Ms. Bailey, she has discussed the possibility of re-activating the board with the Housing Authority Executive Director, Sean Gilbert, and with Department of Housing and Urban Development (HUD) officials. Ms. Bailey advised that HUD officials directed she appeal the matter before the City Commission. Mayor Justice explained the Housing Authority Board of Pikeville is the appellant agency in these matters. Mr. Gilbert advised the Housing Authority Board will meet on January 22nd at 5:00 p.m. According to Mr. Gilbert, the Board rotates their meeting places between housing complexes. This month's meeting is scheduled to be held at Fairview. Ms. Bailey complained the meetings scheduled for other locations are inconvenient for the elderly residents at Myers Tower. Mayor Justice advised that shuttle service through Sandy Valley Transportation is available. At Mayor Justice's request, Mr. Gilbert agreed to schedule the January 22nd meeting at Myers Tower. Additionally, Mr. Gilbert agreed to post the meeting announcements at least a week prior to the board meetings at all complexes. With regard to pest control, Ms. Bailey advised that several areas within Myers Tower have become infested by insects and rodents due to unclean habits of some of the residents as well as insufficient pest control measures at the facility's designated trash collection areas. Mayor Justice asked Mr. Gilbert to provide more aggressive treatment measures for the trash areas.

**AGENDA ITEM IV.**

**PAYMENT OF BILLS**

**A. NORTH MAYO TRAIL PUMP STATION:** Presented for approval of payment was an invoice on behalf of Patriot Construction Company in the amount of \$10,129.89 for work completed to date on this project. City Engineer, Charles Byers, recommended the invoice be approved for payment as presented. The Commission questioned why the brick work had not been completed. Mr. Byers reported that he assumes the incompleteness of the work is weather related. He added the city continues to hold \$10,000 in retainage for the project. Mr. Byers stated the retainage amount is sufficient to complete the project. Commissioner Layne made the motion, seconded by Commissioner Davis to approve payment to Patriot Construction Company in the amount of \$10,129.89 for the North Mayo Trail Pump Station project as recommended by the City Engineer. The motion carried unanimously.

**B. PARKING STRUCTURE PROJECT:** The Commission considered a payment request from Elliott Contracting, Inc. in the amount of \$970,639.66 for the Parking Garage project. City Engineer Byers reported that a large majority of the invoice is for the pedway structures. Mr. Byers recommended approval of the invoice as submitted. Commissioner Davis made the motion, seconded by Commissioner Amos to approve payment to Elliott Contracting, Inc. in the amount of \$970,639.66 as recommended by the City Engineer. The motion carried unanimously.

**AGENDA ITEM V.**

**OLD BUSINESS**

**A. BIG SANDY AREA DEVELOPMENT DISTRICT:** Executive Director for the Big Sandy Area Development District, Sandy Runyon, recommended the Commission's approval for the Mayor to execute a contract, for the purchase and installation of two generators at the water treatment facility, with Whayne Supply. City Attorney Davis reviewed the contract and recommended approval. Mayor Justice made the motion to approve entering into a contract with Whayne Supply for the purchase and installation of two generators, and to authorize execution of said contract. Commissioner Layne seconded the motion. The motion carried unanimously.

With regard to Phase VI of the Pikeville Redevelopment Project, Ms. Runyon reported the CDBG grant agreement is on Commissioner Brock's desk for signature pending a review by Governor Fletcher. Ms. Runyon assured the Commission the funds are committed for the project. She explained the Governor wants to familiarize himself with the projects that were approved by the previous administration.

**B. PIKEVILLE MAIN STREET PROGRAM:** Serena Stiltner, Office Manager for the Pikeville Main Street Program, advised there were no items of business to present to the Commission.

**C. CITY ENGINEER'S REPORTS:** Charles Byers representing Summit Engineering, city engineers, presented a verbal status report for the following projects:

1. Utility Relocation Project - Phase II: Mountain Enterprises has approximately 1 weeks worth of work to complete for the drainage work on Main Street. Other work required to complete the entire Phase II project includes sidewalk restoration/installation at the Thacker Funeral Home and Pinson Hotel locations. Mr. Byers advised that a walkthrough of the project will be scheduled. Commissioner Carter questioned if the paving was complete for Second Street. He stated the area, where puddles occurred, looks as if asphalt had been laid on top of the existing asphalt so the area would drain. The city engineer explained that the puddles are a result of settlement of the material underneath the asphalt. He stated the contractor had milled the existing asphalt prior to putting down more. Mr. Byers advised the matter will be addressed with Mountain Enterprises during the walkthrough inspection.

2. Utility Relocation Project - Phase III: Mr. Byers gave notice that Pike Street will be

restricted to one lane traffic beginning January 15th. He explained the manhole located in front of T & D Sporting Goods had been installed pursuant to Bell South specifications. Bell South officials now advise the manhole is too small. Their contractor, Starr Construction, will remove the existing manhole and install the larger manhole. Installation is expected to take at least 30 days. The Commission directed the engineer to video tape Pike Street prior to work commencing. The engineer is to direct Starr Construction to leave one lane of traffic open; to provide their own traffic control; provide street cleaning; reimburse for any utility line breakages; and to restore Pike Street to its current condition. U.S. Filter was directed to invoice Starr Construction for any street cleaning needed as a result of the construction. Mr. Byers advised that Pike Street will have to be graveled until the asphalt plant reopens in April.

Mr. Byers reported that Tele-Media is ready to begin pulling their lines through the conduit, subject to Bell South's approval.

3. **Parking Garage Project:** Seventy parking spaces were opened for public use on this date. The contractor is in day 514 of a 489 day contract.

4. **Kentucky Avenue Phase IV - Townhouse Project:** The contractor, Patriot Construction Company, is scheduled to release a building for occupation by the 15th of each month through April.

5. **Sunset Lane Sewer Extension Project -** Mr. Byers advised that condemnation proceedings have been filed to acquire a utility easement from the Pikeville Old Regular Baptist Church.

6. **Hambley Field:** The contractor is in the process of enlarging the pads around the bases at Davis Field.

7. **Island Creek Sewer Extension:** Mr. Byers reported that PRIDE applications are now being accepted for wastewater projects. He requested permission to revise and resubmit the application to extend sewer service to a portion of Island Creek. The Mayor advised that discussed was the possibility of extending sewer service to serve the Ratliff's Creek area. Both areas are unincorporated areas. The Mayor explained that he would like to determine if funds to extend city services to these areas is possible prior to making an offer of annexation to the residents. Estimated costs to extend sewer service for the Island Creek area is \$751,000.00, and to Ratliff's Creek is \$2.4 million. Mayor Justice made the motion to authorize the city engineer to work with the Big Sandy Area Development District in the submission of grant applications for sewer extensions to serve the Island Creek and Ratliff's Creek areas. The motion carried unanimously.

Mr. Byers requested a work session on January 26th at 5:00 to discuss the sewer service extension to the Indian Hills area and to discuss the City Park Walkway project.

**D. CITY ATTORNEY'S REPORTS:** City Attorney, Russell H. Davis, Jr., presented the following items for the Commission's consideration:

1. **Mountain Comprehensive Care:** City Attorney Davis requested approval of release of mortgage to Region II Mental Health-Mental Retardation Board, Inc. (Mortgage Book 128, Page 260) dated February 24, 1972. Mr. Davis explained the City of Pikeville held a \$22,000 lien against property, known as the Wells House located on Third Street, owned by the Board. The Board sold the property to Larry Fields in October 1997. A check was remitted to the City of Pikeville to satisfy the lien, however the lien was not released. Commissioner Layne made the motion, seconded by Commissioner Carter to authorize the Mayor to execute the Mortgage Release as requested. The motion carried unanimously.

2. **Quality Distribution:** The company responsible for the August, 2003 chemical spill, Quality Distribution, has offered to settle the City of Pikeville's claim for damages totaling \$40,069.20, for \$20,000.00. City Attorney Davis explained that \$20,000.00 of the claim is for

equipment costs. The remainder is overtime costs for police, fire and ambulance services. According to City Attorney Davis, Quality Distribution officials object to the cost for leaving equipment on site when it was not in use. The City Attorney was directed to demand the entire invoice amount from Quality Distribution.

3. Animal Shelter Lease: Submitted in the agenda package was a copy of a proposed lease agreement with the Pike County Fiscal Court for the new animal shelter site (skate park property). The City Attorney made proposed additions and corrections to the lease agreement. Mr. Davis advised that he has received no correspondence from David Stratton nor the Fiscal Court's Attorney, concerning the proposed changes.

4. Check Signatures: Finance Director, Sue Varney, requested the Commission's adoption of a resolution authorizing the City Manager, along with the City Clerk and the Finance Director, to sign checks on the City of Pikeville's behalf. Mayor Justice made the motion, seconded by Commissioner Carter to authorize the City Manager to sign checks on behalf of the City of Pikeville. The motion carried unanimously.

E. CITY MANAGER'S REPORTS: Donovan Blackburn, newly appointed City Manager, was present for the meeting. As this date is Mr. Blackburn's first day in the position, staff members presented the following items for consideration:

1. Heritage Center Board Appointments: The City Clerk presented a letter of request from David Deskins, Chair of the Big Sandy Heritage Center Board requesting appointment of two individuals to serve as directors on the board. Pursuant to the terms of the Ordinance which created the Board, two nominations were presented for each vacancy. Nominations were as follows: Connie Maddox and Barbara Deskins for a three year term. Ms. Maddox currently holds the seat on the Board. To replace Paul Kelly on the Board, nominated were Howard Keith Hall and Hugh B. Hall, to serve a three year term. Because each were instrumental in the development of the museum, Mayor Justice made the motion to appoint Connie Maddox and Hugh B. Hall to each serve a three year term as directors on the Big Sandy Heritage Center Board. Commissioner Layne seconded the motion. The motion carried unanimously.

2. Police Vehicles: Police Chief Larry Sanders requested the Commission's permission to advertise for bids for the purchase of 3 cruisers. The Commission had previously authorized the advertisement for bids for the purchase of 2 Crown Victorias and 2 Dodge Intrepids. Police Chief Sanders explained there is approximately \$70,000 remaining in the budget to purchase the vehicles. Discussed was the fact that the City could purchase vehicles by utilizing the State Price Contract. The City Attorney pointed out that advertising for bids will not necessarily guarantee that local vendors will be the successful bidder. Police Chief Sanders reported that the Dodge Intrepid is performing well. Additionally, the Dodge Intrepids are delivered with all equipment and can be purchased within the budget. Mayor Justice made the motion to authorize the Police Chief to purchase 3 Dodge Intrepids. Commissioner Davis seconded the motion. The motion carried unanimously.

3. Employment Applications: Police Chief Sanders advised the Commission of the need to employ additional patrol officers for the City of Pikeville. The Commission directed the Police Chief to meet with City Manager Blackburn to determine the needs.

4. Parking Structure Change Order: City Engineer Byers presented a change order from Elliott Contracting in the amount of \$5,707.49 for the Parking Garage. The change order was explained to the Commission during work session. Mayor Justice made the motion, seconded by Commissioner Carter to approve the change order as presented. The motion carried unanimously.

5. Personnel Hearing: City Attorney Davis advised that Police Officer Sandy Holbrook has requested a personnel hearing before the City Commission. Mayor Justice made the motion,

seconded by Commissioner Carter to schedule the hearing for 5:30 p.m. on February 3, 2004. The motion carried unanimously.

6. Demolition: The City Clerk requested the Commission's approval to extend the notice to proceed to Patriot Construction Company until February 2, 2004 for the demolition of three structures located on High Street and Saad Avenue. Ms. Harris advised that one tenant remains in the dwelling located at 109 Saad Avenue. The tenant should vacate the premises within the next two weeks. The Commission agreed to extend the notice to proceed until February 2, 2004.

There being no further business to come before the Commission, Commissioner Davis made the motion, seconded by Commissioner Carter to adjourn the meeting. The motion carried unanimously. (Adjournment Time: 8:35 p.m.)


The next scheduled meeting of the Pikeville City Commission is January 26, 2004. The meeting will be held in the City Hall Public Meeting Room.

APPROVED: \_\_\_\_\_



FRANKLIN D. JUSTICE, II, MAYOR

ATTEST:



KAREN W. HARRIS, CITY CLERK