

MINUTES } CITY OF PIKEVILLE

REGULAR MEETING - JUNE 27, 1988

The Board of Commissioners of the City of Pikeville held their regular semimonthly meeting on Monday, June 27, 1988 in their regular meeting place at the City Hall Public Meeting Room at 260 Hambley Boulevard.

ROLL CALL

Mayor W. C. Hambley, M.D. called the meeting to order at 7:30 p.m. It was noted that a quorum was present. The following Commission Members were present upon call of the roll:

COMMISSIONER:	STEVE COMBS	8:50
	GREG JUSTICE	
	THOMAS HUFFMAN	
	JOHNNY MOUNTS	
MAYOR:	W. C. HAMBLEY, M.D.	

MINUTES

The minutes for the Special Meetings of May 11, and May 19, 1988 and Regular Meeting minutes of June 13, 1988 were included in each Commission Member's agenda package. Thomas Huffman made the motion, seconded by Johnny Mounts to approve the minutes as submitted. The motion carried 4 - 0.

BUSINESS FROM
THE FLOOR(HAMBLEY COMPLEX
IMPROVEMENTS)

Ken Trivette, Pikeville High School's Athletic Director, told the Commission that the Pikeville Independent School District has agreed to pay half the cost for needed improvements to Hambley Complex. The improvements stated were portable seating for the visitor's side of the football field which could also be used for the Little League field and redoing the baseball infield. Mr. Trivette asked the Commission to approve funding the other half of the cost. The estimated cost of improvements is \$10,000. The City Manager reported that \$12,000 has been proposed in the 1988-89 Budget for Park equipment. Thomas Huffman made the motion that the City of Pikeville participate in this project by funding half of the project cost. Johnny Mounts seconded the motion. The motion carried 4 - 0.

(CERTIFIED
CITIES)

Geri Kinder, Executive Director of the Pike County Chamber of Commerce, explained to the Commission that a Certified Cities on site Evaluation will be conducted on July 26, 1988. Mrs. Kinder asked for the Commission's approval of an estimated \$500.00 to provide breakfast, lunch and snacks for the evaluation team. Johnny Mounts made the motion, seconded by Greg Justice to approve an expense account for this function of up to \$500.00. The motion carried 4 - 0.

CITY PARK

In connection with the Certified Cities Program, Mrs. Kinder presented a landscaping and improvement plan for the City Park. The project, which could be achieved over a several year period, is estimated to cost \$10,000. Mrs. Kinder explained that the plan does not have to be implemented at the time of the evaluation but that an adopted improvement plan would be helpful in achieving the certified cities status. Mrs. Kinder was advised to present this plan to the Parks & Recreation Advisory Committee.

(PARK & REC.
ADVISORY COM-
MITTEE)

Greg Justice made the motion to accept Commissioner Huffman's resignation as member of the Park & Recreation Advisory Committee and appoint Commissioner Mounts to fill the vacancy. Thomas Huffman seconded the motion. The motion carried 3 - 0 - 1 with Commissioner Mounts abstaining.

(ECONOMIC
DEVELOPMENT
AUTHORITY)

Leon Huffman, on behalf of the Economic and Industrial Development Authority, reported to the Commission that the Authority is currently in negotiation with a company that would like to locate in Pikeville. The company requires a building 80 X 1200 ft. Initial employment will be about 100 - 125 people with a gradual employment growth to 500 - 550 over a 5 year period. The City owns two parcels in the Coal Run area - 20± acres just north of the airport site and 5± acre parcel at the Coal Run Bridge. These parcels were purchased for the purpose of industrial development. Mr. Huffman asked the Commission to consider optioning

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these two tracts to the Economic and Industrial Development Authority for a certain sum or to sell them the property for a certain sum for development over a 5 year period. According to Courthouse records, the 20± acre parcel was purchased for \$75,000 and the 5± acre parcel was purchased for \$65,000. A zoning change would be required for the 20± acre site. Thomas Huffman made the motion to extend an option to lease the two parcels to the Economic and Industrial Development Authority for the purpose of future industrial development and if the property is not utilized within a 5 year period, the property will revert to the City of Pikeville but if it is used, the City of Pikeville will be reimbursed the cost of the parcels. Discussion continued when Mr. Huffman stated the Authority would rather purchase the parcels. It was questioned if the property would have to be advertised for competitive bid if sold. The City Attorney voiced his opinion that the property would not have to be advertised for bid. The motion died from lack of a second. Thomas Huffman made the motion to sell the property to the Economic and Industrial Development Authority for the purpose of Economic Development only for the purchase price of what the City has invested and if the property is not utilized within a 5 year period, the property will be reverted to the City of Pikeville. Johnny Mounts seconded the motion. The motion carried 2 - 1 - 1 with Mayor Hambley voting "no" and Greg Justice "abstaining".

CITY BILLS

City Bills totaling \$64,750.75 were presented to the Commission for approval of payment. Greg Justice made the motion, seconded by Thomas Huffman to approve payment of the City Bills totaling \$64,750.75. The motion carried 4 - 0.

PROJECT BILLS

Thomas Huffman made the motion to approve a \$10,000 final payment to Kentucky-Virginia Stone, Inc. as submitted. Johnny Mounts seconded the motion. The motion carried 3 - 0 (Greg Justice not present at the time of vote).

OTHER BILLS

Presented for approval was a request to reimburse the City of Pikeville for invoices paid in connection with the Harolds Branch Water Line Extension, Smith Hill Water line relocation, Ratliff's Creek and Harolds Branch water tank repair and painting Projects in the amount of \$173,826.95 and Summit Engineering for their design of a force main in the amount of \$567.12 for a total of \$174,395.07. Reimbursement funds will come from the ARC grant. Thomas Huffman made the motion, seconded by Johnny Mounts to approve the reimbursement request. The motion carried 4 - 0.

GARBAGE ORDINANCE

Ordinance O-88-006 was presented to the Commission and given second reading. The Ordinance was read entitled:

ORDINANCE AMENDING GARBAGE AND TRASH ORDINANCE PROVIDING FOR APPROVED GARBAGE CONTAINERS AND SETTING TIME IN WHICH TO SET OUT CONTAINERS

Thomas Huffman made the motion, seconded by Greg Justice to adopt the Ordinance. The motion carried 4 - 0.

THIRD STREET

Second Reading was given to Ordinance O-88-007. The Ordinance was read entitled:

ORDINANCE RESCINDING PREVIOUS ORDINANCE PROVIDING FOR NO PARKING ON THE NORTH SIDE OF THIRD STREET BETWEEN AUXIER AVENUE AND PIKE STREET.

Thomas Huffman made the motion to adopt the Ordinance as read. Greg Justice seconded the motion. The motion carried unanimously.

LOADING ZONE

Ordinance O-88-008 was given second reading. The Ordinance was read entitled:

ORDINANCE DESIGNATING LOADING ZONE ON THE NORTH SIDE OF SECOND STREET AT THE CORNER OF DIVISION STREET

Thomas Huffman made the motion to accept the Ordinance as read. Greg Justice seconded the motion. The motion carried 4 - 0.

(PUBLIC HEARING)

A Public Hearing for the 1988-89 Budget was called to order at 8:15 p.m. The City Manager reported that he had distributed the Budget and Budget Summary on June 1st. Each Commission Member was given a revised copy of the budget which reflects actual expenses and revenues through May 31, 1988. It was explained that the proposed budget is

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not in balance. It is the Commission's decision which expense items will be cut. The City Manager reported that the General Fund is presently out of balance by about \$178,000. He has added an additional \$80,000 to the revenue figures. Mr. Carlton reported that the allocation for the Economic Development Authority and the requested Christmas Decorations is not included in the expense budget. The retirement benefit was also discussed. There is a 5% salary increase added to the budget. There have been requests for \$15,000 in park equipment for which \$12,000 has been budgeted. The Parking Violation Departmental budget was discussed. The City Manager reported that there is a potential to reduce this budget due to the elimination of one position. The Natural Gas Fund shows a surplus as of May 31st. The salary budget overspending and higher natural gas consumption are the contributing factors for this year's anticipated deficit. The Water & Sewer Fund has been estimated to be in the black through this current fiscal year. The budget does show that the budget will be in the red for the next fiscal year by about \$29,000 - \$30,000 due to the addition of the interest and principal on the South Mayo Trail Sewer line and sewage treatment plant repairs loan. The South Mayo Trail Sewer line generates about \$25,000 per year in revenue. Discussed was the possibility of purchasing the Chaney waterline so fire protection could be extended to the South Mayo Trail residents. The Garbage Fund will be in the black for this fiscal year. The proposed budget projects a \$10,000 deficit in the preliminary figures. The Revenue Sharing Fund is no longer included in the budgets. The Coal Severance Fund, used for water and sewer lines and the like, is expected to receive about \$350,000 which is proposed to be spent. The Community Development Capital Fund is funded through 1/3rd of the employee wage tax and is spent for capital improvement projects. The public was invited to make comments with regard to the preliminary budget. There being no comments, the public hearing was closed at 8:45 p.m. The Commission scheduled a 5:00 p.m. worksession to discuss the budget on Thursday, June 30, 1988.

CITY ENGINEER REPORTS

Jack Sykes of Summit Engineering gave a verbal report of ongoing city projects.

1. Mall Project: Mr. Sykes reported that Summit Engineering were paid by Melvin & Simon Associates for work done on the Mall Project. The City of Pikeville had paid for this work and Summit Engineering has refunded that payment (about \$24,000).

2. Fire Station: Mr. Sykes asked to be included in the work session on June 30 to present the final plans for the fire station.

3. Welcome to Pikeville sign: The sign has been ordered and should be installed within two weeks. The Booster Club has verbally agreed to pay the difference in the sizes of the signs. The larger sign has been ordered.

4. Sewage Treatment Plant: At the previous meeting, the City Commission authorized Summit Engineering to proceed with the design of the modification of the sewage treatment plant for a total cost of just under \$500,000. Since that time, Will Linder, grantsman has been contacted and he indicated there is a good possibility that the City of Pikeville can get matching CDBG funds. With this new development, Mr. Sykes presented two alternatives in how to proceed with the sewer plant to take advantage of the CDBG monies. The agreed order signed with the Division of Water indicates that the City will advertise for bid no later than December 1, 1989. The interim parameters must be met immediately. The bid for the expansion must be done by December 1, 1989. If this date is not met, there are penalties of \$100 per day for 45 days and \$200 day thereafter. For a 2 MGD plant expansion on the existing site the cost is estimated at \$3.3 million. On a new site the cost is estimated at \$4.9 million. The expansion is expected to be accomplished without a rate increase, but with the anticipated CDBG monies and the \$500,000 the City has set aside and a "wrap-around" loan that would have the larger payments coming due when the other bonds mature in 1993. Mr. Sykes presented the Commission with copies of cost breakdowns for expansion to 1½ MGD and 2 MGD. The 2 MGD expansion is proposed. Alternatives 1, 2 or 2A are proposed. Phase I is what was approved at the last meeting. Phase II is spending \$500,000 that was committed plus a CDBG grant match of \$500,000. CDBG has a matching grant available of \$750,000 which is as easily attained as the \$500,000 grant. Phase III includes Phase 2 or 2A. What is recommended is one of two alternatives - one would be approving 2A with a \$750,000 loan with a \$750,000 CDBG matching grant or add additional funding that could be financed by the deferment of bonds that mature in 1993 (about \$1

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million). It is proposed that the engineers will discuss both of the alternatives with the Division of Water and get their input relative to the agreed order. Mr. Sykes asked for a decision of whether the City wants to expand the existing plant or if they want to approve a new location and to consider allowing Mr. Linder to proceed in filing an application to acquire a CDBG grant and to give permission to the engineer to discuss the alternative with the Division of Water to see how they can work these proposals with the agreed order. Discussed was the Huffman Supply Lift Station. According to the engineer, this lift station is several years old, was not maintained at all until about 3 - 4 years ago and does not function all the time. There is a lot of corrosion and this station needs major renovation which is estimated to cost \$40,000. Thomas Huffman made the motion to authorize Will Linder to apply for the \$750,000 CDBG grant and approve proposal 2A. If the grant is not awarded they will go back to the proposal approved at the last meeting. Johnny Mounts seconded the motion. The motion carried unanimously.

CITY ATTORNEY

Mr. Davis reported that he has filed suit against Urban Renewal. Urban Renewal has not filed an answer at this time. Mr. Davis requested an executive session to discuss fair compensation for the Raymond England easement with regard to the Flood Control project. With regard to the Water Treatment Plant deficiencies, Mr. Davis reported that he had written letters to the contractor and engineer, R. D. Zande. He has received correspondence from Zande disputing any responsibility for these deficiencies. Mr. Davis reported that he has responded to this correspondence by letter advising that there may also be design problems for which they may be held responsible. Mr. Davis reported on the animal control problem on Chloe Creek and the condemnation of the Sammy Lee tract on Chloe Creek.

FIRE TRAINING TOWER

Fire Chief Smith has requested permission to use the second level above the Public Works Headquarters for a fire training tower. Thomas Huffman made the motion to permit this property to be used by the Fire Department for a fire training tower. Steve Combs seconded the motion. The motion carried 4 - 1 with Mayor Hambley voting "no".

OVERLOOK

The City Manager reported on a letter enclosed with the agenda from Big Sandy Area Development District with regard to grant funds for the Overlook Project. The letter states that there is no problem with the City of Pikeville delegating the administration of the construction of the Overlook to the Tourism Commission, but since the \$17,000 grant was awarded to the City of Pikeville, they feel the City should award the contract. Dan Hall of Summit Engineering presented a summary of bids submitted for the project. The bids are as follows:

PAUL THACKER CONSTRUCTION.....\$59,300
DAMRON WELDING.....\$79,000
APPALACHIAN STEEL.....\$60,500

The project will be funded by the grant and Tourism Commission funds. The Tourism Commission has requested that the City of Pikeville enter into a joint contract as owner with the Tourism Commission for the project, given the proviso that the Tourism Commission will send a letter of indemnification to the City for any claims during construction. The Tourism Commission will fund the project on the presumption that the City of Pikeville will turn over the grant monies and turn over any Hotel/Motel Tax. Johnny Mounts made the motion to award the bid to Paul Thacker Construction for the amount of \$59,300 for the Cut-Thru Overlook Project. Thomas Huffman seconded the motion. The motion carried unanimously.

WTP PROBLEMS

Commissioner Huffman reported that a proposal has been received from Wayne Craig to inspect the Water Treatment Plant and Sewage Treatment Plant and give an evaluation of the deficiencies and an opinion of who is responsible for the deficiencies. The cost is \$50.00/hr. and should take less than a week to get a detailed report. Commissioner Huffman stated that Mr. Craig will be in town tomorrow and at that time will give a statement of his qualifications. The Commission asked the City Attorney to be present at this meeting.

CITY HALL PLANTER

Discussed was the planter between the City Hall Complex Buildings. Marvin Hensley with the U.K. Extension Service provided a proposed planting list and layout. Proposed is a sign and flagpole along with flower

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bulbs, annuals and trees. No action was taken.

CHLOE CREEK

Jack Sykes discussed the booster station at Chloe Creek. Mountain Water District has requested that Teddy Branham take the responsibility for this station. Mountain Water District has money set aside for the telemetry for this station if the City is willing to take on the monthly telephone bills that would be associated with this. Thomas Huffman made the motion to accept the station and approve payment of the monthly telephone charges. Steve Combs seconded the motion. The motion carried 4 - 0 (Greg Justice not present at the time of vote)

DOWNTOWN REVITALIZATION

Mr. Carlton reported that he has received notice that there are Downtown Revitalization grant monies available. The Commission directed Mr. Carlton to find out more about this grant. There is a July 22nd deadline to file this application and the Downtown Revitalization Authority has indicated that the City will have to apply for this grant.

ENERGY DEPT.

Mr. Carlton reported that he received a call from the Energy Department asking if Pikeville would provide a tour for 20 - 30 Japanese Coal Industry Representatives. Thomas Huffman made the motion, seconded by Greg Justice to provide the tour. The motion carried unanimously.

EXECUTIVE SESSION

Steve Combs made the motion, seconded by Thomas Huffman to adjourn to an executive session for the purpose of discussing personnel and legal matters. The motion carried unanimously.

RECONVENE

Steve Combs made the motion, seconded by Greg Justice to reconvene to regular session. The motion carried unanimously.

GARBAGE PICKUPS

Johnny Mounts made the motion to change the way garbage is picked up at Pike Villa - ie the City only charges for one stop for 48 units - Pike Villa will be charged for 48 units instead of one lump sum. Greg Justice seconded the motion. The motion carried unanimously.

The Commission directed the City Manager to put Ridge Cliff Apartments, Hames Court Apartments and Northgate and other unit type developments on notice that garbage pickups will be changed to include payments for each unit instead of lump sum. This directive was put into the form of a motion by Steve Combs, seconded by Johnny Mounts. The motion carried unanimously.

Steve Combs made the motion to send a letter to the Fiscal Court asking that they pick up no garbage within the City Limits of Pikeville. Greg Justice seconded the motion. The motion carried unanimously.

Mr. Carlton reported that this action would necessitate an amendment to the Garbage Ordinance.

NIGHT SERVICE

With regard to the night service calls, Steve Combs made the motion to direct Glen Snodgrass and William Parsons to alternate weeks. Thomas Huffman seconded the motion. The motion carried unanimously.

ADJOURNMENT

There being no further business to discuss, Thomas Huffman made the motion, seconded by Steve Combs to adjourn the meeting. The motion carried unanimously.

The City Commission's next regular scheduled meeting will be held on July 11, 1988 at the City Hall Public Meeting Room.

APPROVED

W.C. Hambley

ATTEST:

Belen Harris
CITY CLERK