

MINUTES } CITY OF PIKEVILLE

REGULAR MEETING - APRIL 24, 1989

The City of Pikeville Board of Commissioners met in a regular session on Monday, April 24, 1989. The session was conducted in the City Commission's designated meeting place in the City Hall Meeting Room at 260 Hambley Boulevard.

There being a quorum present, Mayor Pro Tem Steven D. Combs called the meeting to order at 7:30 p.m. Commission Members present at roll call were:

COMMISSIONER:	STEVEN D. COMBS
	GREG B. JUSTICE
	THOMAS W. HUFFMAN
	JOHNNY D. MOUNTS

MAYOR W. C. HAMBLEY, M.D. WAS ABSENT.

The minutes for the April 10, 1989 Public Hearing and Regular Meeting, along with the minutes of the continue meeting of April 13, 1989 were included in each Commission Member's agenda package. Greg Justice made the motion, seconded by Thomas Huffman to approve the minutes as submitted. The motion carried unanimously.

City Bills totaling \$72,971.12 were presented to the Commission for approval of payment. Greg Justice made the motion to approve payment of the City Bills totaling \$72,971.12. Thomas Huffman seconded the motion. The motion carried 4 - 0.

One Project Bill was submitted for approval of payment from M & S General Contractors in the amount of \$9,216.12 for the Jefferson Street slippage correction and the remaining portion of the Main Street Utility replacement. Thomas Huffman made the motion to approve payment of the Project Bills totaling \$9,216.12. Greg Justice seconded the motion. The motion carried unanimously.

Other City Bills totaling \$49,400.01 were submitted to the Commission for approval of payment. Thomas Huffman made the motion, seconded by Johnny Mounts to approve the list of Other City Bills as presented. The motion carried 4 - 0.

Jack Sykes of Summit Engineering presented the City Engineer's Report.

1. Flood Plain Map: Mr. Sykes presented a draft letter to the Commission that he prepared in response to the Flood Insurance Study proposed revisions. Mr. Sykes invited the Commission to review the letter and submit any corrections by May 2nd.

2. Peach Orchard Guardrail: The contractor, George B. Stone Company, lacks six posts and some end treatments for the completion of this project.

3. Williams Hollow W/S Project: The contractor, Fleetwood Johnson Construction company, has begun work on this project.

4. Water Tank Repair/Painting: Four water tanks were bid last fall. Maintenance Tank Company was the low bidder on two tanks (Smith Hill & Quail Ridge). They have agreed to paint those two tanks - inside and outside - along with all necessary repairs for the low bid of \$40,466.00. If awarded the contract, Maintenance Tank Company indicates they could start in mid June. The Commission deferred action until the next meeting.

5. Water Treatment Plant: Mr. Sykes reported that he made an inspection of the Water Treatment Plant with Hall Williams of PSG and City Manager, John Johnson. A list was prepared showing items which Mr. Sykes deems as incomplete. Mr. Sykes requested an Executive Session since action could possibly involve a lawsuit. A letter was presented from Powell Construction Company, Contractor for the Water Treatment Plant, claiming the project is complete.

City Attorney, Russell H. Davis, Jr., brought a contract before the Commission for professional services with PSG. Rob Nicholas of PSG and the City Attorney have worked through an agreement which would provide for PSG's design of the Wastewater Treatment Plant facilities. Changes made to the contract were: 1. If PSG can't design, secure necessary approval, and build the solution named in the 201 Plan for the dollar amount quoted (\$2.7 million), the City of Pikeville does not have to pay them the \$100,000 which is the contract price for the design of the plant. Mr. Davis pointed out that the contract was for the design of the new wastewater treatment plant and not for construction. After the design is completed, PSG will then ask the City to enter into an agreement to construct what has been designed. 2. Factors which may cause the contract price to exceed are the addition of a generator or encountering rock. PSG's price guarantee is based upon the 201 Plan. If it is found through the process of value engineering that there are needed changes which would require a change in the 201 Plan, they would then be entitled to an increase for construction. Contract time for design

MINUTES } CITY OF PIKEVILLE

is 120 days. Commissioner Combs questioned the \$20,000 fee if the City does not enter into a contract. Mr. Nicholas explained that PSG took care of bidding and supplied the performance and bid bonds for the actual bid price. PSG wants to be compensated for the actual bidding of the plant and holding them for the City of Pikeville. Mr. Davis explained that the initial agreement provided that the City pay PSG for the plants in addition to the \$20,000 fee. The termination clause was questioned. The clause allows for a 15 day notice of termination by either party and provides that the City will pay PSG the portion of the \$100,000 design fee that has been expended by PSG. After discussion, it was decided that the \$20,000 penalty would be struck from the termination clause if the agreement is terminated by PSG. Commissioner Combs asked that the proposed construction contract and a draft of guarantees be submitted for review and comment. The Commission directed the City Attorney and PSG work out the revisions to the design contract document and present it to them in a work session scheduled for Monday, May 1, 1989 at 5:00 p.m. It was agreed to continue the meeting until 7:00 P.M. on May 1, 1989 to approve the revised design contract.

Commissioner Mounts stated he had received several calls with regard to Tele-Media's intended t.v. cable rate increase. A representative of Tele-Media was present and gave the Commission a breakdown of monthly charges for various channels. The rate increase is \$1.50 per month. The reason cited for the intended increase was inflation.

Terry Deskins appeared before the Commission on behalf of the Pikeville Little League Association. Mr. Deskins advised the Commission the Little League has a shortage of playing fields and asked the Commission to consider designating an area and a small amount of funds for the Little League. The Commission scheduled a work session between the Park Board, Little League and the City Commission for Wednesday, May 3, 1989 at 5:00 p.m.

Johnny Mounts made the motion to direct Will Linder, grantsman, to prepare an application for funding to the Department of Libraries and Archives on behalf of the Pikeville Public Library for the construction of a new facility.

Nancye Blackburn questioned the Commission's use of Will Linder when Jim Cauley, a local resident, is qualified to prepare funding applications.

Joe Justice, Library Board Chairman, explained that two locations for a new library site are being considered. Named was the site of the Big Sandy Wholesale and a parcel on the riverfill behind the City Park. Commissioner Justice commented that he would like to sell all unused City Commercial property to pay for the sewage treatment plant expansion in an effort to reduce any financial burden upon the citizens.

Thomas Huffman seconded the motion made by Commissioner Mounts. The motion carried unanimously.

The City Commission received a copy of a letter from the Department of Local Government giving preliminary approval for the Community Development Block Grant for the Pikeville Mall Project. The CDBG amount is \$740,000.

The Commission directed the City Clerk to invite the developer, B D & E Development, to the May 1, 1989, continued meeting to give a report of the mall project status.

It was noted that a letter from the Kentucky Infrastructure Authority was received giving preliminary approval of a loan in the amount of \$2,750,625 for the Sewage Treatment Plant expansion project.

Commissioner Huffman questioned the cost of extending the sewage line from the airport site to service the residents in the Lake Joann Area. City Engineer Jack Sykes reported that the plans for the service to the mall include an extension through the mall site up the property line between the mall and the City owned tract. Commissioner Combs suggested doing a survey on the Lake Joann residents to determine how many would be willing to hook onto the sewage line before working on a cost estimate. The Commission directed the City Manager to conduct this survey.

Jack Sykes gave notice of a Public Hearing scheduled for April 25, 1989 at 7:00 p.m. to be held in the Kentucky Power Company Auditorium relative to a proposed zoning change on the City owned tracts in the Coal Run area. Zoning is proposed to change from Commercial to Industrial.

The Industrial Development Economic Authority has requested a work session to determine the value of the 2 City owned tracts in the Coal Run Area that the City has given them an option so they can have a value when talking with potential developers. The work session was scheduled for Wednesday, May 3, 1989 at 5:00.

Thomas Huffman made the motion, seconded by Greg Justice to adjourn to Executive Session for the purpose of discussing a legal matter concerning the Water Treatment Plant. The motion carried unanimously.

MINUTES } CITY OF PIKEVILLE

The motion was made by Thomas Huffman and seconded by Greg Justice to reconvene to regular session. The motion carried unanimously.

Thomas Huffman made the motion to direct Jack Sykes, City Engineer, to get an expert witness in engineering to go over the Water Plant to determine if the plant was properly designed and for Mr. Sykes to work with Powell Construction and R. D. Zande to correct the remaining items on the punch list. Greg Justice seconded the motion. The motion carried unanimously.

Thomas Huffman made the motion, seconded by Greg Justice to continue the meeting on Monday, May 1, 1989 at 7:00 p.m. The motion carried 4 - 0.

APPROVED: /s/ W. C. Hambley, M.D. W. C.
HAMBLEY, M.D., MAYOR

ATTEST:

/s/ Karen Harris
KAREN HARRIS, CITY CLERK

