

# MINUTES } CITY OF PIKEVILLE

## CONTINUED MEETING - JUNE 14, 1989

THE CITY OF PIKEVILLE BOARD OF COMMISSIONERS MET IN A CONTINUED SESSION ON WEDNESDAY, JUNE 14, 1989. THE MEETING WAS HELD IN THE REGULAR MEETING PLACE IN THE CITY HALL PUBLIC MEETING ROOM AT 260 HAMBLEY BOULEVARD.

THERE BEING A QUORUM PRESENT, MAYOR W. C. HAMBLEY CALLED THE MEETING TO ORDER AT 6:00 P.M. COMMISSION MEMBERS PRESENT AT ROLL CALL WERE:

COMMISSIONER: STEVE COMBS  
GREG JUSTICE  
THOMAS HUFFMAN  
JOHNNY MOUNTS  
MAYOR: W. C. HAMBLEY

RESOLUTION R-89-010 WAS PRESENTED AND READ ENTITLED:

A RESOLUTION OF THE CITY COMMISSION OF PIKEVILLE, KENTUCKY, RELATING TO THE APPROVAL OF CONTRACT BETWEEN THE CITY AND THE COMMONWEALTH OF KENTUCKY, DEPARTMENT OF LOCAL GOVERNMENT. CDBG NO. B-88-DC-21-0001(033)

WHEREAS, THE CITY OF PIKEVILLE, KENTUCKY, HAS BEEN AWARDED A COMMUNITY DEVELOPMENT BLOCK GRANT FROM THE COMMONWEALTH OF KENTUCKY, DEPARTMENT OF LOCAL GOVERNMENT, FOR THE PURPOSE OF PROVIDING FUNDING ASSISTANCE FOR THE PIKEVILLE MALL PROJECT; AND

WHEREAS, IT IS NECESSARY UNDER THE REGULATIONS AS PROMULGATED BY THE COMMONWEALTH OF KENTUCKY THAT THE CITY COMMISSION OF PIKEVILLE APPROVE THE CONTRACT BETWEEN THE COMMONWEALTH OF KENTUCKY AND THE CITY OF PIKEVILLE FOR UNDERTAKING THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM IN THE CITY OF PIKEVILLE;

THEREFORE, BE IT RESOLVED, BY THE CITY COMMISSION OF PIKEVILLE THAT:

SECTION 1. THE CITY COMMISSION OF PIKEVILLE APPROVE THE CONTRACT BETWEEN THE COMMONWEALTH OF KENTUCKY AND THE CITY OF PIKEVILLE FOR THE PIKEVILLE MALL PROJECT IN THE AMOUNT OF \$740,000.

SECTION 2. THAT THE MAYOR AND CITY ATTORNEY OF PIKEVILLE ARE AUTHORIZED TO SIGN SAID CONTRACT BETWEEN THE COMMONWEALTH OF KENTUCKY AND THE CITY OF PIKEVILLE AND TO PROVIDE ANY AND ALL ADDITIONAL DATA OR INFORMATION NECESSARY TO ASSURE FUNDING FOR THE CITY OF PIKEVILLE.

AT PIKEVILLE, KENTUCKY, THIS 14TH DAY OF JUNE, 1989.

/S/ W. C. HAMBLEY, M.D. W. C. HAMBLEY,  
M.D., MAYOR

ATTEST:

/S/ KAREN HARRIS  
KAREN HARRIS, CITY CLERK

STEVE COMBS MADE THE MOTION TO ADOPT THE RESOLUTION. JOHNNY MOUNTS SECONDED THE MOTION. THE MOTION CARRIED 4 - 1 (COMMISSIONER JUSTICE VOTED YES WITH THE STIPULATION THAT ALL CDBG FUNDS (\$740,000) BE DEDICATED TO THE SEWAGE TREATMENT PLANT PROJECT).

RESOLUTION R-89-011 WAS PRESENTED AND READ ENTITLED:

A RESOLUTION OF THE CITY COMMISSION OF PIKEVILLE, KENTUCKY, AUTHORIZING AUTHENTICATION OF SIGNATURES IN ESTABLISHING A BANK DEPOSITORY FOR PURPOSES OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM CDBG NO. B-88-DC-21-0001(033)

WHEREAS, THE CITY OF PIKEVILLE, KENTUCKY IS UNDERTAKING A COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM UNDER THE RULES AND REGULATIONS OF THE COMMONWEALTH OF KENTUCKY; AND

WHEREAS, THE COMMONWEALTH OF KENTUCKY AND THE FEDERAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT REQUIRE THAT A DEPOSITORY AND AUTHORIZATION OF SIGNATURES BE OBTAINED BY THE CITY PRIOR TO RELEASE OF COMMUNITY DEVELOPMENT BLOCK GRANT MONEY;

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COMMISSION OF PIKEVILLE, KENTUCKY, THAT W. C. HAMBLEY, M.D., MAYOR, IS HEREBY AUTHORIZED TO AUTHENTICATE THE SIGNATURES OF SUE SMALLWOOD, COMMUNITY DEVELOPMENT DIRECTOR, AND JOHN B. JOHNSON, CITY MANAGER, AND THE DULY QUALIFIED SUCCESSORS ON FUTURE DOCUMENTATION RELATING TO REQUESTS FOR PAYMENT ON LETTER OF CREDIT AND ON REPORTS CONCERNING STATUS OF FUNDS UNDER THE CITY'S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM PURSUANT TO TITLE I OF THE HOUSING



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AND COMMUNITY DEVELOPMENT ACT OF 1974 AS AMENDED, AND IS FURTHER RESOLVED THAT A DULY CERTIFIED COPY OF THIS RESOLUTION WITH SPECIMEN SIGNATURES OF MS. SMALLWOOD AND MR. JOHNSON SHALL BE FORWARDED TO THE COMMONWEALTH OF KENTUCKY, DEPARTMENT OF LOCAL GOVERNMENT, FRANKFORT, KENTUCKY.

BE IT RESOLVED, THAT THE FIRST NATIONAL BANK OF PIKEVILLE WILL BE THE DESIGNATED BANK DEPOSITORY FOR ALL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO BE UTILIZED UNDER THIS PROGRAM.

AT PIKEVILLE, KENTUCKY, THIS 14TH DAY OF JUNE, 1989.

/S/ W. C. HAMBLEY, M.D.  
W. C. HAMBLEY, M.D., MAYOR

ATTEST:

/S/ KAREN HARRIS  
KAREN HARRIS, CITY CLERK

DISCUSSED WAS THE SELECTION OF THE FIRST NATIONAL BANK OF PIKEVILLE AS BANK DEPOSITORY. SUE SMALLWOOD, PROJECT COORDINATOR, EXPLAINED THAT A BANK ACCOUNT WAS OPENED FOR A PREVIOUS CDBG AT FIRST NATIONAL BANK AND PREPRINTED CHECKS ARE AVAILABLE WHICH WOULD RESULT IN A SAVINGS TO THE CITY. MRS. SMALLWOOD ADVISED THE COMMISSION THAT WHEN THE CITY REQUESTS A DRAW DOWN ON THE CDBG, THE MONIES MUST BE SPENT WITHIN A FIVE DAY PERIOD. IT WAS ALSO EXPLAINED THAT CDBG FUNDS ARE NOT ELIGIBLE TO EARN INTEREST. THOMAS HUFFMAN MADE THE MOTION, SECONDED BY JOHNNY MOUNTS TO ADOPT THE RESOLUTION AS PRESENTED. THE MOTION CARRIED UNANIMOUSLY.

JOHNNY MOUNTS MADE THE MOTION FOR THE CITY OF PIKEVILLE TO FUND 100% OF AN INDIVIDUAL HEALTH INSURANCE POLICY FOR ALL CITY EMPLOYEES; IF THE CITY EMPLOYEE WANTS TO INSURE HIS FAMILY, THE EMPLOYEE WILL BE RESPONSIBLE FOR THAT ADDED COST; THE CITY WILL PROVIDE A \$10,000 LIFE INSURANCE POLICY FOR EACH EMPLOYEE. GREG JUSTICE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

A LETTER WAS PREPARED BY JACK SYKES OF SUMMIT ENGINEERING TO TONY BLEVINS OF POWELL CONSTRUCTION COMPANY RELATIVE TO THE PROBLEMS AT THE WATER TREATMENT PLANT. GREG JUSTICE MADE THE MOTION TO AUTHORIZE THE CITY ENGINEER TO SUBMIT THE LETTER TO POWELL CONSTRUCTION ON BEHALF OF THE CITY OF PIKEVILLE. THOMAS HUFFMAN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

STEVE COMBS MADE THE MOTION TO APPROVE ENTERING INTO A FIVE YEAR CONTRACT WITH PROFESSIONAL SERVICES GROUP FOR WATER TREATMENT AND SEWAGE TREATMENT PLANT OPERATIONS, SUBJECT TO PSG FOLLOWING THROUGH WITH THE EXPANSION OF THE SEWAGE TREATMENT PLANT (EXTENDED AIR PLANTS). JOHNNY MOUNTS SECONDED THE MOTION. THE MOTION CARRIED 3 - 2 WITH COMMISSIONER JUSTICE AND MAYOR HAMBLEY VOTING "NO".

THOMAS HUFFMAN MADE THE MOTION, SECONDED BY STEVE COMBS TO ADJOURN TO AN EXECUTIVE SESSION TO DISCUSS A PERSONNEL MATTER. THE MOTION CARRIED UNANIMOUSLY.

THOMAS HUFFMAN MADE THE MOTION, SECONDED BY GREG JUSTICE TO RECONVENE TO REGULAR SESSION. THE MOTION CARRIED 5 - 0.

THOMAS HUFFMAN MADE THE MOTION TO DIRECT THE CITY ATTORNEY, RUSTY DAVIS, TO WORK WITH THE TAX COLLECTOR IN AN EFFORT TO COLLECT TAXES ON THE RIVERFILL PROPERTY CURRENTLY UNDER LEASE BY JAMES A. HUGHES & ASSOCIATES, PER AN AMENDED LEASE BETWEEN THE URBAN RENEWAL & COMMUNITY DEVELOPMENT AGENCY AND HUGHES & ASSOCIATES & JAMES A. HUGHES COLLECTIVELY. GREG JUSTICE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

THE CITY ATTORNEY ADVISED THE COMMISSION THAT IT APPEARS A STALEMATE HAS BEEN REACHED IN NEGOTIATIONS BETWEEN LINDSEY & ELLIOTT AND THE CITY OF PIKEVILLE FOR NATURAL GAS PURCHASES. LINDSEY & ELLIOTT'S LAST OFFER FOR GAS PURCHASES WAS FOR 10% LESS THAN THE RATE CHARGED BY COLUMBIA. IT IS THE CITY OF PIKEVILLE'S POSITION THAT THE FAIR MARKET VALUE IS 20% LESS THAN THE RATE CHARGED BY COLUMBIA. THE CITY ATTORNEY ADVISED THAT THE MAJORITY OF THE OTHER NATURAL GAS SUPPLIERS ARE PAID AT 20% LESS THE RATE CHARGED BY COLUMBIA. THE CITY COMMISSION, ACKNOWLEDGING THAT LINDSEY & ELLIOTT AND THE CITY OF PIKEVILLE CANNOT AGREE TO A NEW PURCHASE PRICE AND THAT FURTHER NEGOTIATIONS ARE USELESS, THOMAS HUFFMAN MADE THE MOTION, SECONDED BY GREG JUSTICE TO TERMINATE THE GAS PURCHASE AGREEMENT WITH LINDSEY & ELLIOTT EFFECTIVE JUNE 16, 1989 AT 12 NOON BECAUSE OF THE PARTIES' INABILITY TO AGREE UPON A NEW PURCHASE PRICE. IT WAS FURTHER DIRECTED THAT UPON TERMINATION OF THE CONTRACT, NO FURTHER GAS PURCHASES WILL BE MADE FROM LINDSEY & ELLIOTT. THE MOTION CARRIED 4 - 1 WITH MAYOR HAMBLEY VOTING "NO".



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THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THOMAS HUFFMAN MADE THE MOTION, SECONDED BY GREG JUSTICE TO ADJOURN THE MEETING. THE MOTION CARRIED UNANIMOUSLY.

APPROVED: /S/ W. C. HAMBLEY, M.D. W.C.  
HAMBLEY, M.D., MAYOR

ATTEST:

/S/ KAREN HARRIS  
KAREN HARRIS, CITY CLERK

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