

MINUTES } CITY OF PIKEVILLE

REGULAR MEETING MINUTES - MAY 14, 1990

The City of Pikeville Board of Commissioners met in regular session on Monday, May 14, 1990. The meeting was conducted in the City Hall Public Meeting Room, 260 Hambley Boulevard in Pikeville, Kentucky.

There being a quorum present, Mayor Walter E. May called the meeting to order at 7:15 p.m. Commission Members present upon call of the roll were as follows:

MAYOR:	WALTER E. MAY
COMMISSIONER:	WALTER BLANKENSHIP
	EUGENE DAVIS
	FRANK MORRIS
	JOHNNY MOUNTS

CALL OF THE AGENDA - AGENDA ITEM II

There were no additions or deletions from the prepared Agenda.

MINUTES - AGENDA ITEM III

The minutes for the previous regular meeting of April 23, 1990, and special meetings of May 2, 1990 and May 7, 1990 were included in each Commission Member's agenda package. There being no additions or corrections to the minutes, Commissioner Morris made the motion, seconded by Commissioner Blankenship to approve the minutes as circulated. Upon call of the roll, the motion carried unanimously.

BUSINESS FROM THE FLOOR - AGENDA ITEM IV

No requests were heard by the Commission under this Agenda Item.

NEW BUSINESS - AGENDA ITEM V

a. Zoning: The Pikeville/Pike County/Elkhorn City Joint Planning Commission submitted a Resolution to the City Commission recommending approval of the zoning regulation text and map for unincorporated territory desired to be annexed by the City of Pikeville. City Manager, John Johnson, publicly read the resolution. Commissioner Mounts made the motion to approve the Joint Planning Commission's recommendations as specified by resolution. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried by a 5 - 0 vote.

b. Annexation: City Attorney, Russell Davis, Jr., presented and gave first reading to an Ordinance entitled:

ORDINANCE DECLARING INTENTION OF THE CITY OF PIKEVILLE TO ANNEX CERTAIN TERRITORY LYING ADJACENT TO THE PRESENT CITY CORPORATE LIMITS AND COMPRISING APPROXIMATELY 2,380 ACRES WHICH WOULD EXTEND THE CITY LIMITS NORTHWEST TO INCLUDE THE WATERSHEDS OF LACKENS BRANCH, BIG SHOAL, KEYSER HOLLOW AND MOSSY BOTTOM AND ALONG U.S. HIGHWAY 23 FROM COWPEN TO THE CORPORATE LIMITS OF COAL RUN VILLAGE

Mayor May announced that copies of the Ordinances, along with the maps and descriptions would be published in the local newspaper upon second reading and approval by the City Commission. It was explained that there was a meeting held by the Pike County/Pikeville/Elkhorn City Joint Planning Commission on Friday, May 11, 1990, for the purpose of having citizen input on the proposed zoning for the eight sections should those sections be annexed to the City of Pikeville. Mayor May explained the annexation process as follows: After the Ordinances are published in the newspaper, a sixty day period will begin. If people who live in these sections do nothing, (those wishing to be annexed need do nothing) in sixty days the Commission can give first and second reading to an Ordinance finally annexing the areas. Those opposing, in order to have the annexation put on the ballot, a petition signed by the residents of the specific area must be presented to the Mayor within the sixty day period. The petition can be one of two types - 50% of the registered voters who live in the specific area, or 50% of the property owners of the specific area. The petition can not be a mixture of property owners and registered voters. A petition which meets this criteria will provide for the matter to be placed on the ballot for the November election. If 55% of the people in the affected areas vote against the proposed annexation, the areas will not be annexed to the City of Pikeville. As was announced in the Public Hearing, the Mayor reiterated that City officials will be available to discuss this matter with the citizens of each affected area. The Mayor reported that he had gone to the largest Insurance Company in Pikeville and asked them about fire insurance rates for the City of Pikeville and proposed areas to be annexed. Paul D. Hinkle of Walter P. Walters Insurance Company presented a rate comparison

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for Class 10, Class 9, and Class 6 (Pikeville's current fire rating).			
Examples listed:	Class 10	Class 9	Class 6
\$75,000 brick home	\$ 924.00	\$ 595.00	\$317.00 frame home
1,290.00	741.00	346.00	
\$100,000 brick home	\$1,282.00	\$ 814.00	\$437.00
frame home	1,791.00	1,028.00	477.00

The figures cited are examples of annual premiums.

The property tax rate for the City of Pikeville is \$1.81 per \$1,000.00 of assessed valuation. The Mayor announced that this fee would be in addition to the taxes now being paid. The Mayor contended that those property owners with expensive property holdings would also have the property insured. Using the rates quoted by the Walters Insurance Agency, the additional taxes would cost less than the amount saved through the fire insurance rates.

With regard to the City School District, Mayor May reported that a miscommunication had been circulated which stated that residents would have to pay City School Taxes regardless if located in the City School District or not. The Mayor refuted this statement. It was explained that residing in the City does not automatically make the residents part of the City School District. The Mayor explained the process for petitioning to be part of the City School District. First, the residents of the area must take a vote. If the vote is positive to be a part of the City School District, this action is presented to the Pikeville Independent Board of Education and to the Pike County Board of Education. A letter was read by the Mayor from John Waddell on behalf of the Pikeville Independent School which stated that if the City is successful in annexing the proposed areas to the City of Pikeville and a successful vote is taken to be annexed to the City School District, that the Pikeville Independent School System would accept those students. The Pike County Board of Education must also agree to allow the area to become part of the City School District. If the County votes no, the dispute will be settled by the State Board of Education. The Mayor told those present that the residents will pay no City School Taxes until such time that the area is made part of the Pikeville Independent School District.

As far as additional costs, the Mayor reported that there is a Payroll and Occupational Tax in Pikeville which has been in existence for 30 years. The fee is 1 1/2% of Net Profits or 1 1/2% of the payroll. Mayor May indicated that the City has no plans to increase the fee.

With regard to benefits to be derived by residents for the additional taxes paid, the Mayor reported that the residents could stand to gain a balance on the fire insurance; addition of water and sewer services to the areas which do not have those existing services. In explaining the extension of the utility services, the Mayor commented that the City will not be assuming control of the Mountain Water District and if residents have acceptable septic tank systems and there is no need for the sewage lines to be extended to the area, then lines will not be installed. To extend the sewage to the 8 proposed areas to be annexed is estimated to cost \$8,439,000. The Mayor indicated that public hearings will be held with the residents to determine the needs. If the residents want and need sewage service, then the City will find the funds to extend the service. Neither will the City duplicate water lines which are currently in service. It was reported that the City would work with the water systems for the installation of the fire hydrants where needed so the fire insurance ratings can be lowered. The Fire Department has been assigned the task of preparing a map depicting potential locations for new fire stations in addition to preparing lists for additional equipment and fire trucks. The Police Department has prepared plans to show an increase in manpower. Another service anticipated is a City owned ambulance service which will be a part of the Fire Department, with trained EMTs. The Mayor indicated that City residents would not be given an individual charge for the use of the ambulance service.

The Mayor explained the City Commission's decision to annex the proposed areas. One reason is that since Pike County is the largest county in Kentucky, it should have the largest city in Eastern Kentucky. One of Eastern Kentucky's problems is that it does not have a predominant city to serve the people. Pikeville is trying to attract industry. Mayor May reasoned that management of industry look for populous areas in which to locate. It was stressed that it is the Commission's intention to grow, but not at the expense of its citizenry.

The following is a synopsis of questions from the floor and responses by the City Commission:

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Bob Justice a resident of Chloe asked if the maps would show the voting precincts. The Mayor advised that the maps do not show this information at this time, but will be put in at a later date.

Mr. Justice also questioned where the money would come from to extend all city services as the property tax rate does not appear to be sufficient. The Mayor reported that a more populous city would enable Pikeville to qualify for more federal grants and loans. The other sources are the additional property taxes and payroll/occupational taxes. The Mayor reported that the City brings in approximately \$1.3 million in occupational taxes now. With the addition of the commercial properties in the proposed annexation in the northern section, it is projected the occupational taxes will double. It is hoped that all areas can be extended the services they request in a 5 year span.

A resident of Upper Chloe commented that this section has a comprehensive Clean-Up campaign whereby they keep their highways cleaner than the City of Pikeville. The Mayor concurred and commended the residents for their efforts. The resident also commented that if annexed, mobile homes (trailers) would not be allowed. The Mayor reported that the trailer ban is prohibitive only in the area known as the "Horseshoe Area".

A question was raised as to whether livestock would be allowed within the City Limits of Pikeville. The Mayor reported that Ordinances would not be adopted which would prohibit the keeping of livestock in areas where appropriate.

It was questioned if the City Garbage Rates were comparable to those of the County. The Mayor reported that the rates would be made available. The City Manager reported that the City's residential garbage rate is \$8.50 per month which provides for twice weekly service. The Commission was advised that the County provides garbage service at a discounted rate to the elderly who are on fixed incomes. It was asked if the City has such a policy. The Mayor reported that the City does not have that policy but that the idea appears to be something worth looking into.

Randy Clark reported to the Commission that members of the County School Board are present. Mr. Clark, on behalf of those members, asked the Commission's reasons for incorporating the area in the vicinity of the new Pike County Central High School on Buckley's Creek. The Mayor responded by saying that he did not see a conflict and cited the example of the Johnson County High School being located within the City Limits of Paintsville. Mayor May explained that he thought it would be an advantage for the school being located within the City Limits because of the increased Police and Fire Protection and for the extension of city utility services. The Mayor added that the City does not want to take over the County School System. Mr. Clark advised that the County Board is trying to avoid any type of conflicts. Mr. Clark mentioned that many people have questioned the necessity of incorporating Buckley's Creek because it is basically unpopulated. Mayor May announced that the reason that the Commission wants to annex Buckley's Creek is because of the fact that it is unpopulated, which would allow for planned growth.

A question was posed to the Commission stating that if the annexation fails in the northern section (Mossy Bottom, Lackens Branch, Weddington Square, etc) and the other sections annexation succeeds, will this have an impact on whether the City will accept the other seven sections. The Mayor announced this would be a matter that would have to be considered at that point in time.

A resident of Chloe explained to the Commission that in the Wet/Dry Election that the County was voted Dry while the City voted Wet. It was questioned if the Alcoholic Beverage laws will extend to the proposed annexed areas. The Mayor reported that the City has some control as to where liquor stores and bars can locate. Zoning will not permit these types of establishments in residential sections. An invitation was extended to any resident that does not want this type of establishment in their neighborhood to let the Commission know. There was some discussion as to whether businesses which are located in residential areas would be allowed to rebuild if their existing building was destroyed. It was reported that technically they would not, however the zoning board can and does give waivers. The Mayor reported that the zoning classifications in each area are not carved in stone and that if residents do not like the zoning assigned that the Commission would assist in the process of changing the zoning. Denver Andrews advised the Commission that the Pikeville National Bank proposed to build their facility on the lot where the old Pikeville High School was located. The lot conformed to the use, however it was his understanding that the

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Zoning Board would not allow the bank to be built on that lot. The Mayor advised that it was the residents of that neighborhood that said that they did not want the bank located on that lot. Mr. Andrews went on to comment that he had seldom seen the Zoning Board cooperate with individuals requesting a non-conforming use.

Orville Sword of Ratliff's Creek advised that the zoning for this area is R-2. He asked if package liquor stores would be permitted in this area. The Mayor reported that liquor stores would not be permitted with this type zoning without a zoning variance.

In answer to a question, it was reported that definitions of each zoning classification would be made available upon request.

Appalachian News-Express Editor, Barbara Justice, told the Mayor that she would allow people to come in to the newspaper office to view the maps and zoning descriptions if those copies were made available to her.

Teresa Bentley advised that the proposed annexation will take in the majority of the Mullins School District. She questioned if this would cause an overload in the City School System if the residents are successful in being annexed to the City School District. Mayor May reported that he had talked with Mr. Waddell and asked if the City School District is prepared to build additional facilities should the residents want to be in the City School District. Mr. Waddell's answer was yes.

A resident from Chloe questioned road maintenance and if the City would be responsible for snow removal to facilitate school bus access. The Mayor announced that there would be problems, but challenged that the City's road maintenance be compared to that of the County.

Tommy DeMurray asked if he would have to change insurance companies to get a lower fire insurance rating. The Mayor answered No, that the rate will automatically be reduced no matter which company provides the insurance providing that the area meets all the criteria to be classified as a Class 6.

Herb Winstead explained that he furnishes his parents a place to live and asked what additional expense he would incur. The Mayor reported that if he owns the property, he would be responsible to pay property taxes. The Mayor added that he is not aware of any other fees that would apply.

The Commission heard additional comments from a Chloe resident with regard to a aluminum recycling/herb house that relocated to this area to avoid paying the City's property taxes. The Mayor reiterated that the City's property tax rate is \$1.81 per \$1,000.00 of assessed valuation. The resident argued that the city of Coal Run incorporated to keep the City of Pikeville from incorporating the area. Mayor May contends that an area incorporates because they want the services a city can offer.

City Attorney Russell Davis presented and gave first reading to the following seven Ordinances declaring the City's intent to annex. The Ordinances were captioned as follows:

ORDINANCE DECLARING THE INTENTION OF THE CITY OF PIKEVILLE TO ANNEX CERTAIN UNINCORPORATED TERRITORY LYING ADJACENT TO THE PRESENT CITY CORPORATE LIMITS AND COMPRISING OF APPROXIMATELY 100 ACRES WHICH WOULD EXTEND THE CITY CORPORATE LIMITS NORTHWEST ALONG EITHER SIDE OF US HIGHWAY 23 TO THE CORPORATE LIMITS OF COAL RUN VILLAGE

ORDINANCE DECLARING THE INTENTION OF THE CITY OF PIKEVILLE TO ANNEX CERTAIN INCORPORATED TERRITORY LYING ADJACENT TO THE PRESENT CITY CORPORATE LIMITS AND COMPRISING OF APPROXIMATELY 2,500 ACRES WHICH WOULD EXTEND THE CITY LIMITS NORTH TO INCLUDE THE WATERSHED OF BUCKLEYS CREEK AND RATLIFFS CREEK

ORDINANCE DECLARING THE INTENTION OF THE CITY OF PIKEVILLE TO ANNEX CERTAIN UNINCORPORATED TERRITORY LYING ADJACENT TO THE PRESENT CITY CORPORATE LIMITS AND COMPRISING OF APPROXIMATELY 3,750 ACRES WHICH WOULD EXTEND THE CITY CORPORATE LIMITS NORTHWEST TO INCLUDE ALL OF THE WATERSHED OF CHLOE CREEK

ORDINANCE DECLARING THE INTENTION OF THE CITY OF PIKEVILLE TO ANNEX CERTAIN UNINCORPORATED TERRITORY LYING ADJACENT TO THE PRESENT CITY CORPORATE LIMITS AND COMPRISING OF APPROXIMATELY 950 ACRES WHICH WOULD EXTEND THE CITY CORPORATE LIMITS SOUTHWARDS ON THE NORTH SIDE OF THE LEVISA FORK OF THE BIG SANDY RIVER TO A POINT APPROXIMATELY OPPOSITE THE RIVER FROM FORDS BRANCH

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Denver Andrews a resident of Mossy Bottom posed questions as follows:

a. Will the success or failure of annexation of the area in which Mossy Bottom is located, be based on the success or failure of any of the other seven areas proposed to be annexed? No. The areas stand alone. The area which encompasses Mossy Bottom could be annexed without any other area voting to be annexed.

b. There are areas in proposed annexation tract 1990-1 which do not fall within the same voting precinct. Is it presumed that part of 1990-1 could be annexed and the other part not be annexed? No, the area will not be split.

c. Are property owners who own property within the proposed area but do not reside in the area precluded from voting? Yes. The only people who can vote are registered voters who reside in the area. The property owners can sign the petition giving the residents the chance to vote.

d. Mossy Bottom is classified as a Class 9 Fire District. Will the area, if annexed, automatically become a Class 6 Fire District? No. It is the Commission's plan to bring all new territories to a Class 6 Rating. The Mayor reported that if the area has a sufficient amount of fire hydrants that it could be reclassified as a Class 6. Mr. Andrews reported that Mossy Bottom does have fire hydrants, however some of the hydrants are not functioning. Mossy Bottom is served by the Sandy Valley Water District. Mr. Andrews expressed his opinion that the hydrants may not work due to an insufficient volume of water. The Mayor expressed his regret and explained that when Pikeville experiences water problems, the water goes off in the Sandy Valley Water District. The Mayor indicated that the problem is due to limited water storage - ie- the Sandy Valley Water District does not have adequate water storage capabilities. In order to offer adequate fire protection, there will have to be water tanks installed. Proposed is the installation of a large water tank in the Mossy Bottom area. The merits of a paid fire department versus a volunteer fire department were discussed.

e. Is there a time frame for the installation of Fire Departments to serve the proposed annexed areas? The Mayor made the promise that the City will have designated fire stations and trucks stationed in the area with the effective date of annexation. The Commission reviewed a chart prepared by the City Engineer. For the Mossy Bottom area, there are 1.3 miles of state maintained roads and 4.2 miles of County roads. The City will assume maintenance of the County roads, upon annexation, and the state responsibility would remain the same. To install city water lines and fire hydrants in the Mossy Bottom area would cost an approximate \$234,850 and sewage line extension is projected to cost \$2,292,500. It is proposed to service the 1990-1 territory first due to the amount of revenues the City anticipates from this area.

f. With regard to the taxes on shopping centers, are there taxes that are levied other than the 1 1/2% payroll tax or net profit tax? The Mayor reported that if there are other taxes, he is not aware of them. Is there a property tax on commercial property? Mayor May stated that the City has a property tax rate of \$1.81 per \$1,000 of assessed valuation. The Mayor indicated that to attract industry there is a type of waiver, whereby property taxes or a portion of the property taxes are waived for a certain period of time. The Mayor further commented that he would get an answer to this question.

g. Is there a schedule as to the installation of sidewalks, street lights, and sewer lines. Mayor May reported that the extension of these services will depend on what the residents name as priorities.

h. Mr. Andrews reported that the Attorney General of Kentucky, some years ago, issued a ruling with regard to corridor zoning and corridor annexation. The Mayor reported that the Commission's intent in annexing to the ridgeline is because of the flats that have been created by the strip mining in the Big Shoal area because that is a prospective industrial site and prospective residential areas and subdivisions. The City Attorney was directed to research the corridor zoning and corridor annexation. The Mayor indicated that if the proposed annexation is in violation, that the City will not proceed.

Orville Sword, a resident of Ratliff's Creek, posed the following questions:

a. With regard to petitions which will cause the annexation question to be placed on the ballot, can the petition consist of the

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names of both, property owners and registered voters who reside in the area? No. The petition can consist of one or the other. There could also be two petitions, but one would be sufficient. It was explained that if the petition consisted of registered voters who reside in the area, that 50% signing the petition would cause the question to be placed on the ballot. The same conditions would apply for a petition consisting of the names of property owners.

b. Ratliff's Creek has fire hydrants. If annexation is successful, will Ratliff's Creek fire rating be reduced to a Class 6? City Engineer, Jack Sykes, commented that it would depend on the spacing of the fire hydrants.

c. Mr. Sword commented that he understood the Mayor to report that occupational tax was based on the net receipts. The City Manager clarified that the occupational tax is based on the net of business profits and the gross on payroll.

A resident of Lackens Branch addressed the Commission with the following questions:

a. Is it true that those who reside in the City would be paying City Taxes in addition to County Taxes? Mayor May reported that this would be the case in only one instance - that is on property tax. Once annexed to the City, property taxes in the amount of \$1.81 per \$1000.00 of assessed valuation would be paid to the City of Pikeville. The only other one would be if it is voted later to be annexed to the City School District.

b. It was explained that the residents of this area have a unique problem. In order to access the main thoroughfare, the residents must cross railroad tracks, which are blocked for hours at a time by trains. The concern was fire protection and how the City could provide adequate fire protection services under these conditions. The Mayor responded by saying that the City of Pikeville will not tolerate having railroad crossings blocked within the City of Pikeville. It was reported that the City could stop this practice by either requesting that the cars be broken away if it is planned that the train will be in the vicinity for a long period of time or tickets can be written to the railroad with fines assessed.

An unidentified individual asked if it was Kentucky Law that provided the right for property owners or registered voters to present a petition for the annexation question to appear on the ballot. The Mayor confirmed that it is Kentucky Law which affords this right. The Mayor indicated that the process for filing a petition would be explained step by step in the newspaper.

The same individual asked if the property tax rate should be increased, who would approve such an increase? It was reported that the City Commission would approve the increase. The Mayor further commented that according to Commissioner Morris, the property tax rate has not been raised in the City of Pikeville for over 30 years. The Mayor stressed this was the rate. The City has no control over the assessment, as the assessment is set by the Property Valuation Office.

The question was asked if Police and Fire Protection would be available immediately from the effective date of annexation. Mayor May reported that the Police and Fire Chiefs have been instructed to begin recruiting so the City would be able to hire officers immediately. The Mayor indicated that the City would accept responsibility from the effective date of annexation.

Herb Winstead questioned if there were additional automobile taxes in the City or any type of licensing stickers. The Mayor reported there were none that he was aware of.

b. How does the City propose to maintain the roads? The Mayor conceded that maintenance would be a problem, however he asked that the residents compare the type of maintenance offered now and what they are likely to get if annexed. He challenged that they look at Pikeville's streets to see how they are maintained and paved and compare them with the streets in their area.

c. The Commission was asked to explain the building permit fees. The Mayor commented that those building within the City Limits of Pikeville would need to secure a building permit. The Commission did not have the rates available, but assured Mr. Winstead that he would receive a listing of those rates.

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ORDINANCE DECLARING THE INTENTION OF THE CITY OF PIKEVILLE TO ANNEX CERTAIN UNINCORPORATED TERRITORY LYING ADJACENT TO THE PRESENT CITY CORPORATE LIMITS AND COMPRISING OF APPROXIMATELY 270 ACRES WHICH WOULD EXTEND THE CITY CORPORATE LIMITS TO INCLUDE THE WATERSHED OF THE MARIONS BRANCH OF ISLAND CREEK

ORDINANCE DECLARING THE INTENTION OF THE CITY OF PIKEVILLE TO ANNEX CERTAIN UNINCORPORATED TERRITORY LYING ADJACENT TO THE PRESENT CITY CORPORATE LIMITS AND COMPRISING OF APPROXIMATELY 800 ACRES WHICH WOULD EXTEND THE CITY CORPORATE LIMITS SOUTHWARDS TO INCLUDE MAIN FORK OF ISLAND CREEK

ORDINANCE DECLARING THE INTENTION OF THE CITY OF PIKEVILLE TO ANNEX CERTAIN UNINCORPORATED TERRITORY LYING ADJACENT TO THE PRESENT CITY CORPORATE LIMITS AND COMPRISING OF APPROXIMATELY 550 ACRES WHICH WOULD EXTEND THE CITY CORPORATE LIMITS WESTWARD TO INCLUDE THE WATERSHED OF CEDAR CREEK

Mayor May called for further questions.

Herb Winstead of Lackens Branch asked how long it would be before the utility services would be extended to this area. Mayor May reported that he is going to recommend to the Commission that the northern section be given priority over the other areas. The Mayor estimated that it would be 1 to 1 1/2 years before all services would be extended. The Mayor reiterated that it is the desire of the Commission to have Public Hearings in each area for the residents to voice what services they want. Prompted by a question with regard to zoning, Mayor May further commented that zoning will not affect current construction.

Grady Bevins of Upper Chloe asked if the 8 proposed territories would require 8 separate petitions. The Mayor confirmed that each section would require a separate petition thus allowing each neighborhood to decide what they want. Mr. Bevins also questioned if there is a set dollar amount on housing. The Mayor reported that the City does not have specific regulations other than those enacted to provide safety, however there are certain areas that have subdivision regulations which may set dollar limits.

The Commission heard questions from WYMT and WPRG. The questions pertained to a revised census count should the annexation be successful; the availability of state and federal funds with regard to population; and the City's plan to provide services.

PAYMENT OF CITY BILLS AGENDA ITEM VI

a. City Bills: A list of City Bills totaling \$263,954.81 were presented to the Commission for approval of payment. Commissioners were asked if they had sufficient opportunity to review the requests for payment. Commissioner Blankenship questioned if the new purchasing system had been enacted. City Manager, John Johnson, reported that the policy had been implemented. There being no further discussion, Commissioner Blankenship made the motion, seconded by Commissioner Mounts to approve payment of the city bills totaling \$263,954.81. Upon call of the roll, the motion carried unanimously.

Powell Construction Company presented a request for payment for the remainder of the funds due on the construction of the Water Treatment Plant Facilities in the amount of \$55,519.30. City Engineer Jack Sykes reported that there was an agreement between Powell Construction and the previous City Commission that half of the funds due at that time would be paid, Powell would complete the items as listed on the punch list, and the remainder of the funds would be paid upon satisfactory completion of those items. Mr. Sykes gave his opinion that Powell Construction has corrected all the deficiencies that were named on the punch list. Mr. Sykes informed the Commission that he had tried to verify that the water leak at the plant had been repaired. The secretary indicated that they had kept a log relative to such issues and the log did not indicate any problems with the roof. Mr. Sykes gave his opinion that if the Commission voted to pay the remaining funds that it should be done contingent upon verification from Professional Services Group that there has been no leaks. Mr. Sykes reminded the Commission that a couple of issues had been brought up in an executive session that could reflect on the contractor. Due to the legal nature of the matter, further discussion was postponed to an executive session scheduled for the end of the regular meeting.

c. Urban Renewal Fund Bills: The Mayor explained that the listing totaling \$13,251.87 were bills that were associated with the Urban

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Renewal Agency. The bills will be paid from the funds out of the bank account that was transferred to the City of Pikeville. The City Manager reviewed the bills and recommended the Commission approve the bills to be paid. Commissioner Morris made the motion to approve payment of the Urban Renewal Fund bills. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 5 - 0.

City Manager, John Johnson, presented an invoice from Summit Engineering in the amount of \$2,507.49 which relates to the Urban Renewal Fund bills. Mr. Johnson reported that Summit Engineering had been requested by the Mayor to do some legal work on descriptions and mapping for the attorneys in Louisville. The Mayor further explained that the attorneys had requested the information and Summit Engineering were the only parties that had access to those records. Commissioner Morris made the motion, seconded by Commissioner Blankenship to approve payment from the Urban Renewal Fund to Summit Engineering in the amount of \$2,507.49. Upon call of the roll, the motion carried unanimously.

OLD BUSINESS

AGENDA ITEM VII

a. City Engineer's Reports: City Engineer Jack Sykes presented each Commission Member with a status report relative to ongoing projects.

1. 16" Water Line: The design is complete on this project. The project was reviewed by the Commission in a work session. Since that time PSG has asked that several valves and tees be added to the line to allow for future maintenance. Mr. Sykes reported that he has added these items. Estimated cost of the additional materials is \$17,200.00. Commissioner Mounts questioned the purpose. Mr. Sykes reported that PSG wanted better control on the system. Mr. Sykes advised that he is ready to submit this project to the Division of Water for their approval, but before doing that, it is necessary that he secure City Commission approval of the plans. Commissioner Davis made the motion to approve the plans as presented and authorized that they be sent to the Division of Water for approval. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried unanimously. Mr. Sykes informed the Commission that he had spoke with Will Linder, Grantsman, on this project earlier this day, who indicated that he expected the project to be funded in approximately 2 weeks.

Mr. Sykes pointed out to the Commission that the firm of Summit Engineering had completed the design, including the geotechnical on the Water Plant for about \$20,000.00 relative to standard Farmers Home Administration percentages. Mr. Sykes explained that this results in the City being billed for approximately \$20,000.00 less than what the design contract fee was originally.

A brief status report was given on ongoing projects with no action taken.

In discussing the Wastewater Treatment Plant Project, Commissioner Blankenship questioned if the Thompson Road could be blacktopped. Mr. Sykes reported that a portion of the road would be used to truck materials for the mall and advised the Commission to correspond with the mall developer to determine the haul route. The Mayor also mentioned that concrete trucks would also be using the road with regard to the Wastewater Plant Project. Commissioner Blankenship reported that he has had several negative comments about the condition of the road. Mr. Sykes concurred that the road had many potholes. Mr. Sykes advised placing gravel on the road. City Manager, John Johnson, reported that he has contacted Commonwealth Equipment. The company has agreed to give the City a grader to use about three to four hours. PSG personnel have been instructed to fill the holes and grade the road as smoothly as possible. The Mayor authorized Commissioner Blankenship to contact the people who have construction planned in this area and see if there is any area that would make sense to blacktop. The City Engineer was directed to prepare a cost estimate on blacktopping for this area.

The City Engineer was directed to report on the road problems which occurred in the Cedar Gap Subdivision. Mayor May reported that there is a possibility of legal action and directed this matter be discussed in closed, executive session.

b. City Attorney's Reports: City Attorney Russell Davis, Jr., gave second reading to an Ordinance as captioned:

ORDINANCE PROVIDING THAT IT SHALL BE UNLAWFUL FOR THE OPERATOR OF ANY VEHICLE TO STOP OR PARK A VEHICLE AGAINST THE FLOW OF TRAFFIC

Commissioner Blankenship made the motion to adopt the Ordinance. Commissioner Mounts seconded the motion. Upon call of the roll, the

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motion carried by the following votes:

MAYOR:	WALTER E. MAY	YES
COMMISSIONER:	WALTER BLANKENSHIP	YES
	EUGENE DAVIS	YES
	FRANK MORRIS	YES
	JOHNNY MOUNTS	YES

Mr. Davis reported that the City Manager received a letter from Richard Morgan who is the real estate specialist for the United Postal Service. The letter was concerning the Postal site that both Urban Renewal and the City of Pikeville entered into separate options with the Postal Service, whereby it was agreed to give to the Postal Service the tract of property that is behind the existing Post Office and extends to the jail property. The Mayor expressed his concerns with regard to the agreement. He explained that as he understood the agreement, the Urban Renewal Agency and the City of Pikeville would deed the entire tract to the Postal Service and the ramp would be removed. City Engineer, Jack Sykes reported that the Postal Service wanted to use the ramp for private access. The Mayor did not concur with this intention. He commented that there should be further negotiations that would allow access across the back with the Postal Service still being allowed to use the ramp. The Mayor was concerned that it would hinder the traffic flow. The City Attorney reported that negotiations have been attempted. Other factors were that the Postal Authority had been asked to allow the right of reversion - ie - if the property is not used for the purpose of constructing a new postal facility, then the properties would revert to the previous owners. Mr. Davis reported that the Urban Renewal Agency attached a cover letter to the Postal Service when their agreement was mailed, which stated that while they understand that the postal authority's legal department would not approve such an offer with conditions of reversion, that the board members wanted to clarify that the option to sale or any sale which results from that offer is upon the board's assumption that the property will be used for the development of a postal service facility in the city of Pikeville. Any failure to build the facility after a reasonable time would result with the board's request for reconveyance of the property. Mr. Davis discussed the postal service's problems with the title as was discussed in the previous regular City Commission Meeting. The City Attorney was instructed to prepare a letter to the postal authority saying that the Commission is in basic agreement with the concept, but there are points that need to be discussed. Mr. Davis was directed to circulate the letter to each Commissioner for their approval prior to mailing. Commissioner Davis requested that the City Attorney emphasize the fact that the City wants the Regional Post Office in Pikeville. The City Manager informed the Commission that in his conversations with Richard Morgan that he had learned the Postal Service was only now beginning their feasibility study to determine if the building will fit on the site.

c. City Manager's Reports: City Manager, John Johnson, reported that he had several personnel items to discuss with the Commission in a closed executive session.

d. Parking in Loading Zones: Commissioner Mounts reported that he had discussed a loading zone permit with a vendor. The vendor complained that he had paid the fee for a vendor parking permit, however he was continuing to receive tickets. The matter was discussed with points being raised relative to inadequate means to determine if a loading permit had been secured since no sticker was issued to identify the vehicle and the concept of a loading zone. The City Attorney was directed to research the Ordinances relative to loading zones and report back at the Commission's next meeting.

ANNOUNCEMENTS

AGENDA ITEM IX.

The City Commission agreed to reschedule the next regular meeting of May 28, 1990, to May 29, 1990, at 7:00 P.M. due to the Memorial Day Holiday. It was announced this meeting would be rescheduled under Special Meeting Procedures.

At 10:10 p.m., Commissioner Davis made the motion to adjourn to a closed, executive session for the purpose of discussing personnel matters and possible legal action. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried unanimously.

At 11:25 p.m., Commissioner Davis made the motion, seconded by Commissioner Blankenship to reconvene to regular session. Upon call of the roll, the motion carried 5 - 0.

Mayor May announced that the City Commission had considered a number

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of items in closed, executive session. The City Attorney gave a report of those items as follows:

1. Cedar Gap Subdivision: A request was presented to the Commission from John Rasnick and Joe Justice on behalf of the Cedar Gap Subdivision for the City to contribute money to repair a road slippage. The Commission, after reading their proposal, decided to take no action on this request.

2. Water Treatment Plant Facility: The Commission considered Powell Construction Company's request for final payment. It was agreed to pay Powell Construction Company, however a letter is to be sent with the check stating that the funds are being released under protest, and that the City Commission would like Powell Construction Company to come back in to the plant to do what is necessary to correct a paint problem on the retainer clips and to correct the seepage in the precast concrete walls. The Mayor called for a motion to approve payment with the cited conditions. Commissioner Morris made the motion, seconded by Commissioner Blankenship to approve final payment to Powell Construction Company, and authorized the City Attorney to prepare a cover letter stating that the Commission is approving payment under protest, and stating the Commission's desire that Powell Construction Company return to the Water Plant to correct the paint problem on the retainer clips and to correct the seepage in the precast concrete walls. Upon call of the roll, the motion carried unanimously.

City Manager, John Johnson, recommended to the City Commission, based on the recommendation of the Chief of Police that Woody Pruitt be employed as a full time Policeman for the City of Pikeville pending Mr. Pruitt passing a physical examination. Commissioner Morris made the motion, seconded by Commissioner Blankenship to employ Woody Pruitt in the position of police officer upon his successful completion of a physical examination. Upon call of the roll, the motion carried unanimously. The Commission discussed the legality of requiring a drug screen for those individuals serving in a public safety capacity. The Chief of Police, City Manager, and City Attorney were directed to review the City's policy on this matter.

Mr. Johnson recommended that the Commission approve placing Sue Smallwood on full-time status in the position of Project Coordinator, Supervisor over Urban Renewal Projects, and Supervisor over Building Codes and Inspection at an annual salary of \$24,000.00. Commissioner Blankenship made the motion to approve Mr. Johnson's recommendation. Commissioner Davis seconded the motion. Upon call of the roll, the motion carried unanimously.

The City Manager announced that it has been brought to his attention that since 1984, when the City of Pikeville became a Third Class City, by KRS 95.497, members of Police Departments of a Third Class City are to be paid 15 annual days vacation. The City of Pikeville did not adhere to that policy at that time. Mr. Johnson recommended to bring those officers current at a total cost of \$14,352.00. Commissioner Blankenship asked if the money was available to make payment. Mr. Johnson confirmed that the money was available. Commissioner Blankenship made the motion to approve payment as requested. Commissioner Morris seconded the motion. Upon call of the roll, the motion carried unanimously.

Mayor May announced that the Director of the Model City Day Care Center has informed him that they have been cited for a violation of not having a fenced in play area for the children. The Mayor was also advised that the funds are not available to build the fence. Commissioner Mounts made the motion that the City pay for having the fence built and dedicate it to the Day Care Center. Commissioner Davis seconded the motion. Upon call of the roll, the motion carried 5 - 0.

There being no further business to come before the Commission, Commissioner Blankenship made the motion, seconded by Commissioner Davis to adjourn the meeting. The motion carried unanimously. The meeting was adjourned at 11:35 p.m.

The City Commission's next scheduled meeting is May 29, 1990 at 7:00 P.M. and will be held in the City Hall Public Meeting Room at 260 Hambley Boulevard.

APPROVED _____
WALTER E. MAY, MAYOR

ATTEST:

