

REGULAR MEETING MINUTES - SEPTEMBER 23, 1991

The Board of Commissioners of the City of Pikeville met in regular session on Monday, September 23, 1991. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard.

There being a quorum present, Mayor Walter E. May called the meeting to order at 7:04 p.m. The following Commission Members were present upon call of the roll:

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

AGENDA ITEM II. CALL OF THE AGENDA

There were no additions or deletions to the prepared agenda.

AGENDA ITEM III. MINUTES

The minutes of the regular meeting of August 26, 1991, and two special meetings held on August 21, 1991 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Blankenship made the motion, seconded by Commissioner Davis to approve the minutes as presented. Upon call of the roll, the motion carried unanimously.

AGENDA ITEM IV. BUSINESS FROM THE FLOOR

A. YMCA: Mayor May apologized to the representatives present on behalf of the YMCA for not being able to finalize the site location for the construction of a YMCA facility. The Mayor indicated the Commission would try to have the details worked out prior to the next City Commission Meeting.

B. Steve Harrison addressed the Commission on behalf of the Lake Joann residents. Mr. Harrison asked the progress of plans to extend the sanitary and storm sewer to serve the Lakeview Heights area. Mayor May explained to Mr. Harrison that a special meeting was held on September 18th whereby the City Engineer gave a report with options and costs for extending the sanitary and storm sewage service in the area. The Commission directed that Will Linder, grantsman, be contacted to search for funding for this proposed project. The Mayor volunteered to schedule a meeting with Mr. Harrison and the City Engineer to discuss the proposed alternatives. Mr. Harrison advised the streets in the area were in need of paving. The City Manager was directed to look at the street and recommend to the Commission a remedy. Morris Adkins, also a resident of Lakeview Heights, complained about what he perceived as a lack of interest on the Commission's part with regard to the extension of the sewage services. The Commission assured Mr. Adkins they were concerned and were doing everything they could to assist, however funding must be sought and obtained before action can be taken.

AGENDA ITEM V. PAYMENT OF CITY BILLS

A list of City Bills totaling \$335,050.15 were submitted to the Commission for approval of payment. Commissioner Mounts questioned the \$2,843.02 request for payment from H.J. Umbaugh for the meeting requested by the Mountain Water District. Commissioner Mounts asked why the City should pay the entire bill since Mountain Water District requested the meeting. The City Manager was directed to contact Mountain Water and request they pay the bill or at least share in half the cost. Commissioner Morris made the motion, seconded by Commissioner Blankenship to approve payment of the city bills as presented. Upon call of the roll, the motion carried 5 -0.

B. WASTEWATER TREATMENT PLANT BILLS: Presented to the Commission for approval were bills submitted by Summit Engineering, Inc. and Professional Services Group, Inc. with regard to the construction at the wastewater treatment plant. City Manager, John Johnson, advised that in order for staff to request reimbursement from the loan proceeds through the Kentucky Infrastructure Authority, the bills must be approved by the Commission before submission to KIA. Professional Services Group, Inc. request for payment totaled \$2,201,527.54 and Summit Engineering, Inc. invoice for inspection totaled \$107,941.73. Commissioner Morris made the motion to approve payment of the requests from Professional Services



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Group, Inc. and Summit Engineering, Inc. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried unanimously.

## AGENDA ITEM VI.

## OLD BUSINESS

A. CITY ENGINEER'S REPORTS: Dan Hall representing Summit Engineering, Inc., City Engineers, presented a partial payment request from Paul Thacker Construction Company for construction of the mall access road in the amount of \$30,630.60. The project is currently 52% complete. Commissioner Blankenship made the motion to approve payment of the partial pay request from Paul Thacker Construction Company as requested. Commissioner Davis seconded the motion. Upon call of the roll, the motion carried unanimously.

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

1. Kentucky Infrastructure Authority Loan: Mr. Davis reported the Kentucky Infrastructure Authority has approved the City of Pikeville's loan request in the amount of \$3,047,285 and method of repayment. As an additional requirement, KIA has mandated the City of Pikeville submit an irrevocable letter of credit to cover the difference in the operation and maintenance costs which would not be covered from the user fees. KIA has estimated a yearly cost of approximately \$190,000. KIA requires the irrevocable letter of credit to contain two years of the amount or \$381,888. A conditional loan commitment letter was presented to the Commission for consideration. The City Attorney advised he had reviewed the commitment agreement and found it to be in order. Commissioner Blankenship made the motion to authorize the Mayor to execute the conditional loan commitment letter. Commissioner Morris seconded the motion. Upon call of the roll, the motion carried 5 - 0.

2. OCCUPATIONAL LICENSE FEES: Mr. Davis advised that in order to repay the KIA loan, an increase in the Occupational License Fee by 1/2% is necessary. Mr. Davis presented and gave first reading to a summary of an Ordinance captioned as follows:

AN ORDINANCE TO AMEND THE OCCUPATION LICENSE FEES ORDINANCE OF THE CITY OF PIKEVILLE PASSED MAY 14, 1962, JUNE 1, 1962, JUNE 30, 1962 AND DECEMBER 27, 1971 BY INCREASING THE LICENSE RATE FROM ONE AND ONE HALF PERCENT (1 1/2%) TO TWO PERCENT (2%) IN EVERY INSTANCE AND PROVIDING THE PURPOSE OF THE INCREASE AND THE EFFECTIVE DATE THEREOF

The Commission directed the Ordinance to become effective on October 1, 1991. The City Attorney advised the Commission that it would be necessary to call a special meeting to hear second reading and adopt the Ordinance.

3. ORDINANCE - SEWER SERVICE USER FEES: In connection with the financing, the state has asked the City to modify the sewer service charges as currently exists. The rate currently charged will not increase or decrease, but the method in which the fee is broken down - i.e. the portion of the charge attributed to the user rate and the portion designated for debt service must be defined. The City Attorney gave first reading to a summary of an Ordinance entitled as follows:

ORDINANCE OF THE CITY OF PIKEVILLE PROVIDING FOR THE COLLECTION OF SEWER SERVICE CHARGES FROM MUNICIPAL SANITARY SEWER SYSTEM

Mr. Davis recommended this Ordinance also be read during the City Commission's proposed special meeting.

4. The City Attorney presented and gave reading to a Resolution as follows:

RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF PIKEVILLE TO NEGOTIATE AND ACQUIRE AN IRREVOCABLE DIRECT LETTER OF CREDIT FROM THE PIKEVILLE NATIONAL BANK AND TRUST COMPANY TO KENTUCKY INFRASTRUCTURE AUTHORITY IN THE YEARLY SUM OF \$381,888.00 RESOLUTION #R-91-016

WHEREAS, the Kentucky Infrastructure Authority (KIA) approved on September 16, 1991 an amendment of the previously approved federally assisted wastewater revolving loan to the City of Pikeville in the sum of \$3,047,285.00 subject to a condition that the City of Pikeville acquired an irrevocable letter of credit issued to the KIA in the sum of \$381,888.00 so to secure payment of a portion of the loan debt service.



THEREFORE, BE IT RESOLVED BY THE CITY OF PIKEVILLE that the Mayor of the City of Pikeville is hereby authorized and directed to negotiate for and to acquire an irrevocable direct letter of credit from the Pikeville National Bank and Trust Company to the KIA in the sum of \$381,888.00. In addition, the letter of credit shall provide that if payment has been made by the Pikeville National Bank and Trust Company pursuant to the terms of the letter of credit, the Bank's right of reimbursement from the City of Pikeville shall be subordinate to the KIA's outstanding debt from the City of Pikeville.

Passed this 23rd day of September, 1991.

Commissioner Johnny Mounts moved the adoption of the foregoing resolution. Commissioner Walter Blankenship seconded the motion.

Upon roll call, the votes were as follows:

	<u>YES</u>	<u>NO</u>
WALTER E. MAY, MAYOR	X	
GENE DAVIS, COMMISSIONER	X	
FRANK MORRIS, COMMISSIONER	X	
JOHNNY MOUNTS, COMMISSIONER	X	
WALTER BLANKENSHIP, COMMISSIONER	X	

The Mayor declared the within resolution adopted.

/s/ Walter E. May  
WALTER E. MAY, MAYOR

ATTEST:

/s/ Karen Harris  
KAREN HARRIS, CITY CLERK

C. CITY MANAGER'S REPORTS: City Manager, John Johnson, brought the following items before the Commission for consideration:

1. Water Supply Plan: Mr. Johnson advised the Commission that he had been in contact with Dave Gardener of the Big Sandy Area Development District, who is trying to develop a long range water supply plan for the cities in their district as required by House Bill 419. Mr. Johnson recommended the Commission approve for Pikeville to join with the Big Sandy Area Development District in this effort. According to the City Manager, there is no cost involved should the City join with the Big Sandy Area Development District, however if the Commission should choose to develop the plan only for Pikeville, the City would be responsible for hiring consultants and engineers. PSG Manager, Bill Harless, spoke in support of joining with the Big Sandy Area Development District in the preparation of a long range water supply plan. Commissioner Mounts made the motion to participate with the Big Sandy Area Development District in the preparation of the water supply plan. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried unanimously.

2. Halloween: The City Manager recommended the Commission schedule Halloween Trick-or-Treat in the City on October 31, 1991 between the hours of 6 p.m. to 8 p.m. Mr. Johnson reported he had spoken with Sam Chaney in Judge Patton's office who indicated that it was the intention of the Fiscal Court to schedule Trick-or-Treat in the county on this date. Commissioner Mounts made the motion to schedule Halloween Trick-or-Treat in the City on October 31, 1991, between the hours of 6 p.m. to 8 p.m., and authorized the City Manager to change the date in the event the county scheduled a conflicting date. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried by a unanimous vote.

3. Mr. Johnson notified the Commission of low interest monies available through the Kentucky Infrastructure Authority Solid Waste Revolving Loan Fund and grant funds up to \$50,000 through the State of Kentucky. The Commission were advised of repairs needed at the transfer station. Mr. Johnson asked for authorization to submit an application for a grant and combination loan for repairs to the transfer station



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and/or relocation of the transfer station to behind the Public Works headquarters. Commissioner Blankenship made the motion to authorize the City Manager to submit applications to the appropriate agencies. Commissioner Morris seconded the motion. Upon call of the roll, the motion carried unanimously.

4. Mr. Johnson requested an executive session for the purpose of discussing personnel matters.

5. Marions Branch Water Line: Commissioner Morris questioned if the funds had been received for the installation of the Marions Branch water line. Mr. Johnson advised the funds have been released by FmHA and that PSG has the materials on order at this time. As soon as the materials are received, PSG will begin work.

At 7:50 p.m., Commissioner Morris made the motion to adjourn to an executive session for the purpose of discussing personnel matters. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 5 - 0.

At 8:55 p.m., Commissioner Blankenship made the motion, seconded by Commissioner Morris to reconvene to regular session. Upon call of the roll, the motion carried unanimously.

Bob Raddatz of PSG addressed the Commission relative to the meeting at Jenny Wiley Lodge with reference to the Water Supply Plan to be prepared by the Big Sandy Area Development District. Mr. Raddatz advised the Commission that preliminary statistics are being gathered with regard to the amount of water available in the five county area and the usages. After this data is prepared, it will be used to prepare a 20 year plan. Phase II of the plan will involve the preparation of a plan should it be determined there will not be a sufficient supply of water. Mr. Raddatz advised the Commission of the need to appoint an individual to serve on this board as the City of Pikeville's representative.

Police Chief Eugene Edmonds recommended the Commission employ Eddie Sword as a police officer. Commissioner Blankenship made the motion to accept Chief Edmond's recommendation. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried unanimously.

The City Manager requested permission to advertise to fill the position of Finance Director. Commissioner Morris made the motion to authorize the City Manager to advertise the position. Commissioner Davis seconded the motion. Upon call of the roll, the motion carried 5 - 0.

Mayor May called attention to PSG's report relative to the operation of the roll-off truck. The Mayor commented on the savings realized by the City.....about \$3,000.00. Bill Harless of PSG advised the Commission that more commercial business could be had if the City could purchase compactors and rent this equipment to businesses. Mr. Harless advised the containers have an approximate seven year life and expects to break even on the investment in five years. The city will be responsible for the maintenance of the containers. Cost per container is \$10,000 each and Mr. Harless is proposing to purchase 10 compactors. The Commission asked to see further information before rendering a decision.

There being no further business to come before the Commission, Commissioner Blankenship made the motion, seconded by Commissioner Davis to adjourn. Upon call of the roll, the motion carried unanimously. (Adjournment Time: 9:02 p.m.)

The City Commission's next scheduled meeting is October 28, 1991 at 7:00 P.M. The meeting will be held in the City Hall Public Meeting Room at 260 Hambley Boulevard.

APPROVED

*Walter E. May*  
WALTER E. MAY, MAYOR

ATTEST:

*Karen Harris*  
KAREN HARRIS, CITY CLERK