

MINUTES } CITY OF PIKEVILLE

REGULAR MEETING MINUTES - DECEMBER 23, 1991

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

Mayor Walter E. May presided. There being a quorum present, the meeting was called to order at 7:00 p.m. Commission Members present upon call of the roll were as follows:

MAYOR:	WALTER E. MAY
COMMISSIONER:	WALTER BLANKENSHIP
	JOHNNY MOUNTS

Commissioners Frank Morris and Eugene Davis were absent.

AGENDA ITEM II.

CALL OF THE AGENDA

Added to Agenda Item VI C (City Manager's Reports) was the presentation of the City of Pikeville's audit for fiscal year 1990-91 by Don Wallen of Wallen & Cornett and the presentation of the Methodist Hospital of Kentucky 1991-92 budget by Jim Norris, Acting Hospital Administrator.

AGENDA ITEM III.

MINUTES

The minutes for the previous regular meeting of November 25, 1991 and Special Meeting of December 17, 1991 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Blankenship made the motion, seconded by Commissioner Mounts to approve the minutes as presented. Upon call of the roll, the motion carried 3 - 0.

AGENDA ITEM IV.

BUSINESS FROM THE FLOOR

Residents from the Pauley Addition returned to the Commission with the hope of hearing a report which may allow the Pauley Bridge to be reopened to vehicular traffic. Betty Prater Justice, spokesperson for the group, voiced her concerns at the closing of the bridge. Ms. Justice advised the Commission that usage of the bridge would be vital as a passage should evacuation be necessary due to flooding. Mayor May pointed out the bridge holds historical significance in that it is one of the last swinging bridges. Jack Sykes, City Engineer, advised the Commission that during a Pikeville Historical Preservation Board Meeting, the Pauley Bridge was nominated for the National Register. Myra Chico, Main Street Manager, advised the Commission that monies may become available in the near future through the Kentucky Heritage Council which will aid in the upkeep of bridges of the same type as the Pauley Bridge. Mr. Sykes reported that he had been directed at the last meeting to contact the Highway Department to find out under what scenario the Pauley Bridge would be allowed to be reopened. Mr. Sykes told the Commission he had not received an answer from the Highway Department in response to his letter. According to Denton Biliter of the Highway Department, an answer is not expected until after the first of the year due to the change in administration. Senator Kelsey E. Friend offered any assistance he could give in an effort to reopen the Pauley Bridge. Discussion continued at some length with Doug Hinkle asking why the newly constructed road was configured in the way it now exists. Commissioner Blankenship responded the City had right-of-way only in that location. Poor visibility was also cited as a problem on the new road. City Manager, John Johnson, reported street lights had been ordered to be placed at certain points along the roadway. It was added that reflectors should be placed in the road. Charles Prater questioned if the City had any maintenance costs for the bridge. It was reported the city and state shared in the maintenance - i.e. the state provided the materials and the city provided the labor. The Commission reassured the group they are in favor of the bridge reopening subject to an arrangement whereby the City would not be required to reimburse monies contributed by the Federal Bridge Replacement Fund and if a source is found to maintain the bridge.

Myra Chico, Executive Director of the Main Street Program, approached the Commission relative to obtaining permission to construct gazebos along the Boulevard. According to Ms. Chico, the location sites would be selected on the basis of where school children congregate, as the structures would be used as school bus stops. The first structure is proposed to be constructed near the Flat Iron Building at the end of Kentucky Avenue and the Boulevard. The Commission discussed the roofing material. Proposed are shingles, but due to aesthetic purposes, it was asked if cedar shakes or plastic tile could be substituted. Ms. Chico advised the Commission she had not compared the costs for the suggested roofing materials and cautioned that it may be infeasible to change the roofing as there are corporate sponsors for the building materials. The Commission agreed to allow Commissioner Blankenship to work with Ms. Chico and make the decision as to the material best suited for the structures within the bounds of the funds allotted. Commissioner Blankenship made the motion to allow the construction of the gazebos along the boulevard, subject to the City Engineer's approval of the site location. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried 3 - 0.

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AGENDA ITEM V.

PAYMENT OF BILLS

A list of City Bills totaling \$360,659.38 were presented to the Commission for approval of payment. City Manager, John Johnson, advised the Commission that funds would be available after the first of the year for the payment of these bills. Commissioner Mounts made the motion, seconded by Commissioner Blankenship to approve payment of the bills as submitted. Upon call of the roll, the motion carried 3 - 0.

Presented to the Commission for approval of payment was an invoice totaling \$4,297.45 from Summit Engineering, Inc. for inspection services of the Wastewater Treatment Plant Project. Commissioner Blankenship made the motion, seconded by Commissioner Mounts to approve payment of the invoice from Summit Engineering as presented. Upon call of the roll, the motion carried 3 - 0.

AGENDA ITEM VI.

OLD BUSINESS

A. CITY ENGINEER'S REPORTS: Jack Sykes, representing Summit Engineering, City Engineers, gave a verbal report on the following projects:

1. River Chase Subdivision: It was reported a letter of request to assume maintenance of the utilities and streets in the River Chase Subdivision was made by Don Batten at the last regular meeting. Mr. Sykes advised the Commission that PSG and Summit Engineering have inspected the utilities and streets and have the following comments:

a. Water Line: Mr. Batten advised the inspection team that approval for the water line was given by the Division of Water, however there is no way to flush the line since the line dead-ends. PSG has recommended the line be connected to the line feeding the Wastewater Treatment Plant. Commissioner Mounts made the motion to accept the water line into the City's system subject to Mr. Batten either tying the line into the water line feeding the Wastewater Plant or installing a valve to flush the line and dedication of sufficient right-of-way for maintenance. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 3 - 0.

b. Gas/Sewage Line: It was recommended the gas and sewage lines be accepted as is, with the stipulation that sufficient right-of-way be dedicated to the City to allow for maintenance of the lines. Commissioner Blankenship made the motion, seconded by Commissioner Mounts to accept the recommendation. Upon call of the roll, the motion carried 3 - 0.

c. Roadway: Mr. Sykes indicated there is approximately 3 inches of asphalt and an undetermined amount of DGA on the roadway. Mr. Sykes reported the roadway should hold up to residential traffic, however it is usually required that roadways have 4 inches of asphalt. Mayor May questioned if a policy was in place detailing the specifications for the construction of roadways within the City Limits. Mr. Sykes advised a policy has been prepared, but has not been adopted. It was the mood of the Commission to schedule a work session to review the subdivision policy. It was reported the roadway is adequate, has been constructed for approximately one year, and Mr. Sykes recommended the roadway be accepted into the City's street system. Commissioner Blankenship made the motion to accept the street into the City's street maintenance system. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried 3 - 0.

d. Street Lights: The City Manager reported there are three street lights in the subdivision. It was requested the City accept the lights and assume the monthly electric bill for those lights. Commissioner Blankenship made the motion, seconded by Commissioner Mounts to accept the street lights and assume the monthly electric bill. Upon call of the roll, the motion carried 3 - 0.

2. Wastewater Treatment Plant: Mr. Sykes presented two change orders to the Commission from Professional Services Group, Inc for the Wastewater Treatment Plant Project. The first change order deals with encountered problems under the foundation of Plant #2. Mr. Sykes reminded the Commission of the contract with PSG which has to do with a provision commonly referred to as a "rock clause". The provision allows for additional compensation to the contractor should problems with the foundation be encountered which were not discoverable prior to the signing of the contract. Soft material had to be excavated during the construction of Plant #2 and had to be replaced with rock and gravel to create a stable foundation. The change order, presented to the Commission in the amount of \$12,258.01, was recommended for approval by the City Engineer. Commissioner Mounts questioned the 13% (\$1,410.21) added to the cost as profit and overhead. The City Attorney and PSG Plant Manager, Bill Harless were unsure if the contract provides for the charged profit and overhead margin. Commissioner Mounts

continued that he did not agree with PSG charging additional fees as subcontractors performed the work. The City Engineer explained that the change order must be sent to the Kentucky Infrastructure Authority for approval. He suggested approving payment of the bill, subject to the City Attorney making a determination if the fees charged were in line with the contract. Commissioner Mounts made the motion to approve the payment as requested contingent upon the contract providing for the 13% overhead and profit margin. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 3 - 0. The City Attorney was directed to review the contract and report the findings.

The other change order deals only with time. It was requested by PSG to add an additional 121 days to the contract. The additional request was justified due to delays when unsuitable material was detected during the construction of the foundation of plant #2, inability to pave the road due to the closing of the asphalt plants, and inclement weather. The original contract completion date was January 1, 1992. The contractor has requested a time extension of 121 days or until April 30, 1992. Mr. Sykes brought to the attention of the Commission the fact that the original contract has been extended approximately 233 days. Summit Engineering's original inspection contract was approved in the amount of \$150,000.00, but due to the time extensions, expects to submit a change order for approval in the amount of \$5,000.00. Commissioner Mounts pointed out that the additional inspection fees were due to the time extensions needed by the contractor and did not feel the City should be responsible for the added fees. Mr. Sykes explained the construction contract provides for a \$200/day penalty for liquidated damages should the City choose to invoke the clause. City Attorney, Russell Davis, suggested approving the time extension with the stipulation that PSG pay the additional costs the city may incur. The City Engineer was instructed to allow the City Attorney to review any change orders in the future so he may have sufficient time to review the contract and advise the Commission on their options. The Commission opted to not grant the time extension until the City Attorney advises on the legal aspects of the contract.

Mr. Sykes presented each Commission Member with a memorandum from Cleve Fleming, on-site manager of the Wastewater Treatment Plant, with regard to the request to purchase a Sulfenator and a Mechanically Cleaned Bar Screen. The Bar Screen which includes a 13% PSG Mark-up will cost \$41,810.00. The Sulfenator will cost \$7,660.00, which also includes a 13% PSG Mark-up. The City Engineer recommended to approve the purchase of the two items of equipment under PSG's contract, and negotiate with them relative to their installation and mark-up. The equipment will be purchased with the funds from Kentucky Infrastructure Authority. Commissioner Blankenship made the motion to accept the City Engineer's recommendation. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried 3 - 0.

3. Mall Access Road: It was reported that ditching is now complete. Mayor May asked Mr. Sykes to determine the appropriate locations and install deflectors or guardrail to aid in visibility.

4. Perry Cline Community Center: Paul Thacker Construction, Contractor, will begin work on the emergency shelter apartments after the first of the year, subject to the current tenant being moved out.

5. Northgate Road: Mr. Sykes advised no settlement offer has been made, however Mr. Tippy's insurance company has indicated a settlement offer will be made. The City Attorney was instructed to write a letter to Mountain Water District requesting the monies necessary for the road repairs be withheld in the contractor's retainage. Mr. Sykes reported he had contacted Ernest Chaney of the Mountain Water District who indicated he did not think he could withhold the monies due to the type of funding received for this project. The City Attorney advised that usually construction contracts do not allow agencies to withhold for these types of claims. Mayor May questioned if a maintenance bond could be required before allowing construction work where City streets must be travelled over. The City Attorney reported an ordinance is in effect which provides for a maintenance bond if a contractor is doing work in the street. The City Attorney was instructed to prepare an ordinance which would allow for a maintenance bond for construction projects which require hauling over city streets.

6. Yorktown Sewer: Mr. Sykes announced the City has received approval of a Kentucky Infrastructure Loan in the amount of \$897,868. The interest rate is 2.9%. The loan will enable the City to provide for the extension of water lines through the proposed city limits at Yorktown; construction of a 100,000 gallon water tank at Cedar Gap and Tie-In at Island Creek. The Commission discussed the need for advertising the project in two phases. One for the extensions for the old city limits and the

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other instigated upon the settlement of the annexation suit in the Yorktown area. It was requested the news media communicate the fact that the extension to the South Mayo Trail area which is currently in litigation will be on hold until the matter is resolved. It was the consensus of the Commission that water line extensions will not be constructed outside the City Limits.

7. Historic Preservation Guidelines: Mr. Sykes advised the Commission that a public hearing has been scheduled for 7:00 p.m. on January 6, 1992 in the City Hall Public Meeting Room to review the draft guidelines to enforce the Historic Preservation ordinance.

8. Historic Preservation Board: At the recommendation of Historic Preservation Board Chairman, Jack Sykes, Mayor May requested the Commission reappoint Betsy Venters and Susie McGhee to serve three year terms on the Historic Preservation Board. Commissioner Blankenship made the motion, seconded by Commissioner Mounts to reappoint Betsy Venters and Susie McGhee to the Historic Preservation Board. Upon call of the roll, the motion carried 3 - 0.

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

1. Conditional Loan Commitment: Presented to the Commission for execution by the Mayor was the conditional loan commitment for the Yorktown water extension; Cedar Creek Water Tank installation and Island Creek Tie-In. The City Engineer reported the City of Pikeville has eleven months in which to meet the commitments as specified. City Attorney, Russell Davis, gave his opinion that it would be unlikely for the annexation suit to be settled within that period of time. The Commission discussed the feasibility of using the balance of the loan toward another water project. The City Engineer was directed to find out if it would be possible to use the monies toward an alternate water project should the annexation suit not be settled within the specified time period. The City Manager was directed to prepare a letter to each of the residents located within the 1990-5 annexation area notifying that monies are available to extend the water service and fire hydrants to their area subject to the area being determined to legally be within the city limits. Commissioner Blankenship made the motion to authorize the Mayor to execute the Conditional Loan Commitment. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried 3 - 0.

C. CITY MANAGER'S REPORTS: Don Wallen of the firm of Wallen & Cornett, CPA, presented the City of Pikeville audit for year ending June 30, 1991. Mr. Wallen reported it is their opinion that the financial statements fairly represent the city's position. The General Fund ended up with a deficit of \$113,000.00. The deficit was attributed to personnel costs in the Fire Department. It was explained that the ABC allowance for personnel was not transferred to the Fire Department. Another attributing factor was the \$76,000 normal refund from the Department of Transportation for fuel was not received due to the return being filed after July. The Proprietary Funds (Water, Sewage, Gas and Sanitation) finished the year with an approximate \$133,500 deficit, which was attributed to depreciation expenses. Mr. Wallen added that the Sanitation Department would have finished the year with a deficit regardless of whether depreciation was included. In closing, Mr. Wallen gave the opinion that the City is in better financial position than one year ago and expects it to improve in the future with the addition of the Capital Improvements. The management letter was reviewed with the Commission and it was noted that changes proposed have been instituted by the staff. Jim Norris, Acting Administrator of the Methodist Hospital introduced Norm Walters to the Commission. Mr. Walters presented for approval the Methodist Hospital's proposed 1991-92 operating budget in the amount of \$44,492,107. Commissioner Mounts questioned if a legal fees reimbursement to the City of Pikeville was included in the Hospital Budget. It was reported that the Hospital had not been requested to make reimbursement for legal fees. Commissioner Mounts made the motion, seconded by Commissioner Blankenship to request the Methodist Hospital of Kentucky to reimburse the City of Pikeville for legal fees incurred on behalf of the Hospital. Upon call of the roll, the motion failed at a vote of 1 - 2 (Commissioner Blankenship and Mayor May cast no votes). Commissioner Blankenship made the motion to approve the Methodist Hospital of Kentucky budget as submitted for year 1991-92. The motion failed by lack of a second.

D. OATH OF OFFICE: Due to the absences of two Commission Members, Mayor May announced the oath of office would be administered to the Commission at the next meeting.

There being no further business to come before the Commission, Commissioner Blankenship made the motion, seconded by Commissioner Mounts to adjourn the meeting. Upon call of the roll, the motion carried 3 - 0.

The City Commission's next scheduled meeting is January 27, 1992 at 7:00 p.m. 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

