

MINUTES } CITY OF PIKEVILLE

REGULAR MEETING MINUTES - SEPTEMBER 27, 1993

The Board of Commissioners of the City of Pikeville met in regular session on Monday, September 27, 1993. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard.

At 7:00 p.m., Mayor Walter E. May called the meeting to order. Upon call of the roll, the following Commission Members were present and formed a quorum:

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

Commissioner Sharon Clark was absent.

AGENDA ITEM II. CALL OF THE AGENDA

Added to the prepared agenda as Item VII, c, was an appointment to the Housing Authority Board.

AGENDA ITEM III. MINUTES

The minutes for the previous regular meeting of August 23, 1993, and special meeting of September 13, 1993 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 circulated. Upon call of the roll, the motion carried 4 - 0.

AGENDA ITEM IV. BUSINESS FROM THE FLOOR

1. Methodist Hospital of Kentucky 1994 Budget: Larry Smith, Chief Financial Officer for the Methodist Hospital of Kentucky, returned to the Commission seeking approval of the hospital's proposed 1994 operating budget. At the previous meeting, approval was deferred to allow sufficient opportunity for the city's financial staff and City Commission to review the budget. Mr. Smith reported that he and staff had reviewed the budget and explained the budget process to City Treasurer, Karen Gibson, and Finance Director, Jan Hunt. Ms. Gibson advised the Commission that she found the budget to be satisfactory. Commissioner Mounts questioned the proposed capital expenditures. Mr. Smith explained that budget year 1994 contains \$8 million - \$2 million of which is designated for the construction of a cancer center; \$4 million for the purchase of new equipment; and \$1.2 million for equipment replacement. There being no further discussion with regard to the matter, Commissioner Blankenship made the motion, seconded by Commissioner Mounts to approve the 1994 budget for the Methodist Hospital of Kentucky as presented. Upon call of the roll, the motion carried 4 - 0.

2. Dils Cemetery: Pikeville/Pike County Tourism Executive Director, Ann Charles advised the Commission that the Tourism Board would like to offer the Dils Cemetery as a tourist attraction beginning in Spring, 1994, but in order to do so, an access road must be constructed. Ms. Charles reminded the Commission that the cemetery was leased from Dilco Development, Inc. in 1992 for the purpose of establishing a historical site and a tourist attraction. Presented for consideration was an estimate from Summit Engineering, Inc. for the construction of an access totaling just over \$12,000. Ms. Charles asked the Commission to consider funding the entire cost of the roadway utilizing the 5% administrative fee retained for collecting the hotel/motel room tax. The Commission asked Ms. Charles to forward the plan to the City Manager for his review and directed the City Manager to ask for assistance for this project from the county. In addition, Mr. Johnson was asked to determine a cost for doing the project in-house.

3. Keyser Heights: Linda Ratliff, on behalf of the homeowners in Keyser Heights, appeared before the Commission concerning the Keyser Heights Recreation Area. At a previous meeting, Ms. Ratliff asked the Commission to consider bidding on the state's surplus property known as Keyser Heights Waste Hollow and then designating a two acre tract as a recreation area and turn-around for school buses and sanitation trucks. The successful bidder for the tract was Stewart Adams. Ms. Ratliff requested that the Commission approach Mr. Adams about donating or selling the said tract. Mr. Adams was present and advised the Commission he would consider the matter.

4. Housing: Chris Chrisman architect for the Cedar Hills Development and Bowles Park Town Houses, two residential housing projects, presented plat maps of the projects and asked the Commission to accept the utility easement dedications. Mr. Chrisman advised that the plats have been reviewed and accepted by the Pikeville/Pike County/Elkhorn City Joint Planning Commission, and copies have been forwarded to the Division of Water for review and approval. Jack Sykes, representing the City Engineer's office, advised the Commission of his interest in both housing

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projects. In addition, Mr. Sykes reported that Summit Engineering, Inc., city engineers, designed the utilities for the projects. Mr. Sykes further advised that copies of the utility plans have been forwarded to PSG and they have been invited to inspect the utilities to ensure their construction pursuant to city and state requirements. An ordinance was presented and given first reading as follows:

ORDINANCE ACCEPTING PERMANENT EASEMENTS FOR THE MAINTENANCE FOR WATER AND SEWER LINES WITHIN THE CEDAR HILLS SUBDIVISION AND BOWLES PARK TOWN HOUSES AND OTHER RESIDENTIAL PROPERTY ON CEDAR CREEK

The Ordinance will be on file in the office of the City Clerk for public inspection.

5. Harolds Branch: On behalf of 40 residents from the right fork of Harolds Branch, Steven Ford presented the Commission with a petition asking for the placement of speed bumps and the designation of a 15 m.p.h. speed limit. The City Engineer and Chief of Police were directed to meet with Mr. Ford at the site to consider the matter further.

AGENDA ITEM V.

PAYMENT OF BILLS

A: CITY BILLS: A list of City Bills totaling \$423,639.43 were presented to the Commission for approval of payment. City Manager Johnson confirmed that monies were available for payment and recommended the bills be approved as submitted. Commissioner Davis made the motion, seconded by Commissioner Mounts to approve payment of the list of City Bills as presented. Upon call of the roll, the motion carried 4 - 0.

B. WATER DISTRIBUTION SYSTEM IMPROVEMENTS: Two invoices were presented for approval with reference to the South Mayo Water Distribution System Improvements Project. For inspection services, Summit Engineering, Inc. presented a bill in the amount of \$1,604.26 and a request in the amount of \$10,000.00 was presented from Will Linder & Associates for the preparation of Fund C Application and evidentiary material and documentation for release of funds for both Fund B-2 and Fund C. Commissioner Davis made the motion to approve payment of the two invoices as submitted. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 4 - 0.

AGENDA ITEM VI.

OLD BUSINESS

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

1. Police Station: First payment to the contractor (Commonwealth Builders, Inc) was submitted and approved with the city bills listing. City Engineer Sykes advised the Commission of the necessity of approving a change order which would provide for the placement of rebar in the walls for added stability as a result of the location of an existing foundation while excavating. Commissioner Mounts made the motion, seconded by Commissioner Blankenship to approve the change order as requested. Upon call of the roll, the motion carried 4 - 0.

2. Water Tank Painting: The contractor has initiated work on the Ratliff's Creek water tank. Repairs and painting will begin on the Harold's Branch Water Tank after work has been completed on the Ratliff's Creek tank.

3. Thompson Road Sewer: Between 700 and 800 feet of line has been installed. Mr. Sykes explained that while it was expected the utility lines would be in place prior to the beginning of construction of the shopping center, installation was unable to be accomplished. The shopping center developer has placed a stabilization material in the parking lot area. The city engineer advised of the need to place backfill to protect the 200 feet of utility lines in the parking lot area at a cost of \$15.00/ton for a total cost of \$10,500.00. Funding for this change order will be taken from the \$26,000.00 in contingency funds.

4. Poor Farm Pump Station: City Engineer Sykes reported that draft plans and specifications for the renovation of the Poor Farm Pump Station have been forwarded to the Division of Water and Professional Services Group, Inc. for review. Mr. Sykes advised that it will take approximately 30 days to receive approval from Division of Water. Comments were forwarded to the city engineer from Bob Dohoney of PSG on this date. No further action is necessary at this time.

5. Fire Station Class Rooms: At the request of Commissioner Mounts, two proposals were submitted to the Commission for consideration with regard to finishing the class room facility at the Fire Station. The proposals, varying in stages of completion, ranged in cost from \$36,754.90 to \$110,527.22. The greater cost proposal provided for a "turn-key" job utilizing a contractor while the lesser figure put the facility "under roof". Fire Chief Hall advised that the job could be done for a lesser dollar amount as Fire Department employees have expressed their willingness to do some of the work. The Fire Chief advised the Commission that the facility is greatly needed and gave examples of intended uses. It was reported that the facility would also aid in attaining a more

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favorable ISO Rating. City Manager Johnson advised the Commission that approximately \$180,000 is available in uncommitted Coal Severance Funds. Commissioner Mounts made the motion to authorize putting the facility under roof and approved an expenditure of up to \$25,000. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 4 - 0.

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

1. Cable T.V.: City Attorney Davis advised the Commission that beginning October 1, 1993, the city of Pikeville can ask for FCC certification to regulate basic service rates which are charged by cable companies operating within the city. Mr. Davis reported that under the law, basic service is the only tier of service which can be regulated. Mr. Davis advised that he did not think the process to become certified would be expensive, however it would require the assistance of the FCC attorney which was placed on retainer during a previous meeting. The process would entail completing a request to become certified, adoption of regulations, and the calculation of benchmark rates. Commissioner Mounts made the motion to begin the process to obtain FCC certification. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 4 - 0.

2.a. U.D.A.G. Advisory Committee: City Manager Johnson advised the Commission that after contacting the CEO's of the local financial institutions and a local CPA, he had been unsuccessful in finding anyone to serve on the UDAG Advisory Committee which was established at the prior meeting for the purpose of reviewing proposals for the use of the \$4.5 million in UDAG funds. Mayor May also pointed out that since the appointment of Will Linder to serve on the committee, it had been disclosed that Mr. Linder had actively participated in the preparation of one of the proposals. Due to this reason, Mayor May asked that Mr. Linder not serve on the committee. The Commission agreed with the Mayor's suggestion. It was the consensus of the Commission to appoint Commissioner Mounts, Big Sandy Area Development Executive Director, Roger Rectenwald and Administrative Assistant Sue Smallwood to serve on the advisory committee. City Manager Johnson was directed to attempt to locate two other individuals who would be appropriate to serve on the committee.

b. Grouse Point Development: Nancye Caudill Blackburn, President of Grouse Point Development, previously submitted a proposal for the use of U.D.A.G. funds for the purpose of constructing 150 room hotel, a 10,000 seat civic center and 30 middle class housing units. A letter from James T. Cauley, on behalf of Ms. Blackburn, was submitted to the Commission asking that an amendment be approved to allow the deletion of the hotel and civic center complex and increase the housing units to be constructed to 40. Mr. Cauley cited the reason for the amendment was due to Grouse Point Development not being able to comply with HUD requirements for construction of a motel and civic center within the time restraints suggested at the previous Commission Meeting. The amount requested from U.D.A.G. was reduced to \$1,350,000. Commissioner Mounts made the motion to accept the revision. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 4 - 0.

c. U.D.A.G. Proposal: The Commission reviewed a letter from Thomas W. Huffman of the Mark II Convention Center asking for permission to submit a proposal for the use of U.D.A.G. funds. The City Attorney was directed to notify Mr. Huffman that his request could not be considered due to the request not being made within the specified period of time.

d. S.E.I. & Development Corporation: Chris Penn, representing S.E.I. & Development Corporation, developers of the Lowe's and Winn Dixie Projects, addressed the Commission relative to the proposed redistribution of U.D.A.G. funds. City Attorney Davis requested an executive session to discuss a legal opinion pertaining to this project and the letter submitted by S.E.I. At 8:24 p.m., Commissioner Davis made the motion to adjourn to executive session, pursuant to KRS 61.810, Section 3, paragraph c, to discuss a legal matter. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried 4 - 0.

At 9:25 p.m., Commissioner Blankenship made the motion, seconded by Commissioner Mounts to reconvene to regular session. Upon call of the roll, the motion carried 4 - 0.

Mr. Penn explained to the Commission that his letter was not meant to infer that he was contemplating legal action. The letter was only to request a response with regard to the redistribution of U.D.A.G. funds, a portion of which he was under the impression had been earmarked for Phase II of the shopping center project. He reported that he had met with John Rasnick, who had been designated as a city representative with regard to negotiations of projects proposed for the airport site. The outcome of the meeting had been that sometime in spring, 1994 a U.D.A.G. application would be submitted for funding the second phase of the project. Mr. Penn explained that his company funded the ongoing development due to not having sufficient time to have the U.D.A.G. funds approved prior to the slated construction date. The Commission questioned why Mr. Penn did not

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submit a letter in answer to the advertisement for proposals for development. Mr. Penn answered that he did not feel it necessary. City Attorney Davis questioned Mr. Penn about whether he had received any assurances that his project would be the recipient of the U.D.A.G. funds. Mr. Penn advised that he understood that his company had no exclusive right to those funds, however felt the funds would be available when needed. Mayor May explained that correspondence has been circulated which indicated that unused U.D.A.G. funds would be recalled by the Federal Government and felt it necessary to act quickly in an effort to retain those funds for Pikeville. He further advised that it may be possible to again advertise for proposals as those proposals received would not require all the \$4.5 million. Jack Sykes addressed the Commission relative to the proposal submitted by Lover's Leap Partners for a portion of the U.D.A.G. funds. Mr. Sykes advised that two partners in the Lover's Leap Partners are also partners in Summit Engineering. Mr. Sykes continued by saying that due to the implied conflict of interest he was withdrawing the Lover's Leap Partners proposal.

3. Thompson Road: Presented for approval was the conditional loan commitment document between the city of Pikeville and the Kentucky Infrastructure Authority for the Thompson Road/Lake Joann Sewer Project. Commissioner Mounts made the motion, seconded by Commissioner Blankenship to authorize the Mayor to execute the conditional loan commitment document as presented. Upon call of the roll, the motion carried 4 - 0.

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

1. Garbage Truck Bids: City Manager Johnson reported that three bids were received in answer to an advertisement for the purchase of a solid waste packer and truck. The bids were as follows:

Cavalier Equipment Corporation - Truck & Pack-Rat Packer \$34,839.00

D & W Truck Sales - Truck & Pack-Rat Packer....\$34,484.00

Municipal Equipment - Truck & Peerless Packer...\$37,851.50

The City Manager advised the Commission that bids were forwarded to PSG staff for review and recommendation. A memo from PSG named Municipal Equipment as the best, lowest bid based upon quality, service, and liability.

Commissioner Davis made the motion, seconded by Commissioner Mounts to award the bid to Municipal Equipment Corporation as recommended by PSG staff. Upon call of the roll, the motion carried 4 - 0.

2. 4 X 4 Bids: Two bids were received in answer to an advertisement for the purchase of a 4 X 4 utility vehicle to be used by the Fire Department. The bids were received from Fletcher & Hall in the amount of \$26,993.00 and Thompson Buick in the amount of \$27,625.00. Mr. Johnson recommended award to the low bidder, Fletcher & Hall. Commissioner Blankenship made the motion to award the bid to Fletcher & Hall as recommended by the City Manager. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried 4 - 0.

3. Halloween Trick-or-Treat: Commissioner Blankenship made the motion, seconded by Commissioner Mounts to designate October 30, 1993 from 6:00 p.m. to 8:00 p.m. as Halloween Trick-or-Treat in the City of Pikeville. Upon call of the roll, the motion carried 3 - 0- 1 (Commissioner Davis abstained from voting).

4. Ambulance Program: City Manager Johnson advised the Commission of an opportunity to submit an application for grant funds for the purchase of emergency medical service equipment. Grant packages are available totaling \$25,500.00. Commissioner Davis made the motion, seconded by Commissioner Blankenship to authorize the City Manager to submit an application for grant funds for the EMS program. Upon call of the roll, the motion carried 4 - 0.

5. Sidewalk: The Commission again discussed the need to construct a sidewalk on the By Pass from the Department of Transportation to Pikeville High School. Commissioner Blankenship made the motion to authorize the City Engineer to advertise for bids for the construction of the sidewalk. Commissioner Davis seconded the motion. Upon call of the roll, the motion carried 4 -0.

6. Parking: As directed at the previous City Commission Meeting, the city manager reported that he had negotiated a fee with Jack Mandt and Hugh B. Hall for use of lots for parking at Hatcher Court and at the corner of Third Street, respectively. Both lots can be leased month to month for \$500.00 each. The Hatcher Court Lot will facilitate between 75 and 100 vehicles while the lot at the corner of Third Street has been striped to accommodate 32 vehicles. Mr. Johnson added that with the opening of the lot behind the Post Office, approximately 200 parking spaces will be provided. Mr. Johnson also recommended that the old city hall lot on Division Street and the lot on which the new police station is being constructed be designated as two hour parking. Commissioner Mounts

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made the motion, seconded by Commissioner Blankenship to authorize entering into a month to month lease with Jack Mandt and Hugh B. Hall for the above mentioned properties. Upon call of the roll, the motion carried 4 - 0.

An emergency ordinance was presented and read entitled:

EMERGENCY ORDINANCE DESIGNATING AS TWO HOUR PARKING THE OLD TRAIN STATION PARKING LOT ADJACENT TO THE NEW PIKEVILLE POLICE STATION TRACT AND DESIGNATING AS TWO HOUR PARKING ON THE OLD POLICE STATION LOT

Commissioner Mounts made the motion, seconded by Commissioner Blankenship to declare an emergency with regard to the foregoing Ordinance. Said emergency being that much needed downtown business customer parking can be established immediately. Upon call of the roll, the motion carried by the following votes:

MAYOR:	WALTER E. MAY	YES
COMMISSIONER:	WALTER BLANKENSHIP	YES
	SHARON CLARK	ABSENT
	EUGENE DAVIS	YES
	JOHNNY MOUNTS	YES

D. RIVER FILL PROPERTY: Commissioner Blankenship made the motion to accept sealed bids for the sale of river fill property up to the line of Third Street including the strip adjacent to Patty's Green Florist with the following provisions:

1. The sale shall be subject to existing zoning and building regulations for each lot.
2. Permanent improvements on residential lots must begin within 12 months and substantially completed within 24 months; Permanent improvements on commercial lots must begin within 18 months and be substantially complete within 36 months. A monetary penalty will be established for failure to comply.
3. The deed of conveyance will contain a right of reversion providing that title to the property shall revert to the City of Pikeville if permanent improvements have not begun within the deadline.
4. Reserve the right to reject any or all bids.

Sealed bids will be accepted until 5:00 p.m. on October 25, 1993.

Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried 4 - 0.

AGENDA ITEM VII.

NEW BUSINESS

A. GRANT: On the agenda for the previous City Commission Meeting was a request to authorize the filing of a 1993 Home Investment Partnership Act Program application on behalf of Judy Walters. Ms. Walters' project consisted of renovating a downtown building to provide 8 apartment units. Grantsman, Will Linder, advised the Commission that Ms. Walters was unable to proceed with the project due to her inability to acquire the building. Since that time, Ms. Walters has acquired the Professional Building on Grace Avenue and has requested that the Commission authorize filing of the grant application to the Kentucky Housing Corporation for the project. City Attorney Davis gave notice to the Commission that Ms. Walters currently serves on the Board of Zoning Adjustments. Mr. Davis said that he saw no immediate conflict of interest but advised the Commission to disclose this information to the Kentucky Housing Corporation. The following resolution, entitled as follows, was submitted for approval:

ORDER OF THE CITY OF PIKEVILLE, KENTUCKY, AUTHORIZING THE FILING OF A 1993 HOME INVESTMENT PARTNERSHIP ACT APPLICATION FOR THE JUDY WALTERS PROJECT

WHEREAS, it is necessary and in the public interest that the City avail itself of the financial assistance provided by Title II of the National Affordable Housing Act, 1990, to commence a HOME Investment Partnership Act Program within the community; and,

WHEREAS, it is recognized that the Federal/State contract for such financial assistance pursuant to said Title II will impose certain obligations and responsibilities upon the City and will require among other things:

- (1) approval of a satisfactory application transmitted to the Kentucky Housing Corporation;
- (2) certification by the City relating to activities such as civil rights, citizen participation, relocation payments, acquisition of properties, national environmental policies, and accounting practices; and,
- (3) other local obligations and responsibilities in connection with the

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undertaking and carrying out of the HOME Investment Partnership Act Program; and

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF PIKEVILLE:

(1) that the United States of America and the Commonwealth of Kentucky be, and hereby are, assured of full compliance by the City with certification relating to all regulations and administration of Civil Rights Act, citizen participation, relocation payments, acquisition processes, accounting procedures, the Hatch Act, minimum wage and minimum hour provisions of the Fair Labor Standards Act, and all requirements of the National Environmental Policy Act of 1968.

(2) that the Mayor is authorized and directed to prepare such certification and to assure full compliance with all certifications as outlined in (1) above, and all other pertinent regulations.

(3) that an application on behalf of the City for a grant of up to \$300,000 of said Title II funds for the Judy Walters Project is hereby approved and that the Mayor is hereby authorized to execute and file such application with the Kentucky Housing Corporation, to provide such additional information and to furnish such documentation as may be required, and to act as the authorized correspondent of the City relating to the HOME Investment Partnership Act Program.

(4) That the City agrees to maintain records and monitor HOME regulations for the HOME affordability of the proposed project.

(5) that if said application is approved for receipt of funding from the HOME Program, the authorization for use of HOME funds is hereby approved and the Mayor is hereby authorized to act on behalf of the City to execute any additional material requested by the Kentucky Housing Corporation, including but not limited to the Recipient Agreement and Certification of Anti-Displacement and Relocation Assistance Plan.

Commissioner Mounts made the motion to authorize the City Attorney to disclose the possible conflict of interest posed by Ms. Walters' service on the Zoning Board of Adjustments and further moved the adoption of the resolution as submitted. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 4 - 0.

B. HOUSING AUTHORITY APPOINTMENT: Mayor May advised the Commission that the term had expired for Housing Authority Board Member, Walter Preston Walters. Mayor May nominated Carolyn Collins to serve a four year term on the Housing Authority Board. Commissioner Blankenship made the motion to approve the Mayor's nomination. Commissioner Mounts seconded the motion. Upon call of the roll, the motion carried 4 - 0.

A letter appeared in the agenda package commending the Pikeville Fire Department for their expertise in rendering aid. Mayor May reported that many letters to this effect have been received and suggested a resolution to commend the Fire Department for their efforts. Commissioner Blankenship made the motion, seconded by Commissioner Mounts to adopt a resolution commending the new fire chief, Tom Hall, on the fine job he is doing and the work that the fire fighters are doing. Upon call of the roll, the motion carried 4 - 0.

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 4 - 0. (Adjournment Time: 10:45 p.m.)

APPROVED

Walter E. May
WALTER E. MAY, MAYOR

ATTEST:

Karen Harris
KAREN HARRIS, CITY CLERK