

SPECIAL MEETING MINUTES - JUNE 29, 1994

The Board of Commissioners of the City of Pikeville met in Special Meeting on Wednesday, June 29, 1994. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard, Pikeville, Kentucky.

Mayor Steven D. Combs presided and called the meeting to order at 12:06 p.m. Commission Members present and forming a quorum were as follows:

MAYOR:	STEVEN D. COMBS
COMMISSIONER:	KENNY BLACKBURN
	WALTER BLANKENSHIP
	EUGENE DAVIS

Commissioner Sharon Clark was absent.

The Special Meeting was called for the following purposes:

1. TO CONSIDER ADOPTION OF A RESOLUTION TO AUTHORIZE THE FILING OF A GRANT APPLICATION TO THE KENTUCKY HOUSING CORPORATION FOR THE HIGH STREET PROJECT.
2. TO CONSIDER SECOND READING OF AN ORDINANCE ADOPTING THE 1994-95 CITY OF PIKEVILLE OPERATING BUDGET.
3. TO CONSIDER A USE AGREEMENT WITH KEN DAMRON FOR THE RENTAL AND OPERATION OF A CONCESSION STAND AT BOB AMOS PARK.
4. CONSIDER DISCUSSION OF PERSONNEL MATTERS.
5. CONSIDER PROPERTY NEGOTIATIONS.
6. CONSIDER PROPOSAL FOR JUNE 30, 1994 AUDIT.

1. **HIGH STREET PROJECT:** Former Pikeville Housing Authority Executive Director, John Pinson; Pikeville Housing Authority Interim Executive Director, Steve Burchett; and Rob Nicholas of Will Linder and Associates, explained to the Commission a proposal to renovate a section of High Street. John Pinson reported that this is the third attempt in trying to obtain funds to renovate High Street. According to Mr. Pinson, the project involves sixteen apartment buildings on High Street - nine of which will be demolished and seven that will be rehabilitated pursuant to code. Total project cost is estimated at \$1.1 million. It is proposed to file a grant application through Kentucky Housing Corporation in the amount of \$600,000 and to obtain the remaining cost through local means. It was proposed to obtain a 0% interest loan from the City of Pikeville in the amount of \$500,000 (River Fill auction proceeds) repayable over 20 years. According to grantsman, Rob Nicholas, when the grant application is reviewed by the Kentucky Housing Corporation, a more favorable rating is given because of local entity participation. Commissioner Blackburn asked if the group had checked with a financial institution about the possibility of

borrowing the remaining funds. Rob Nicholas explained that having to borrow funds would make the project infeasible. It was explained that a large portion of the profits from the low income rentals, which is based upon 65% of the fair market rental rate, will be used to pay for insurance and maintenance.

It is expected that the corporation will contract with the Housing Authority to manage the apartments. While the property will be owned by the non-profit corporation, Pikeville Affordable Housing (basically a holding company formed by the Pikeville Housing Authority) the Commission was told that the City will carry any mortgages on the property because of its financial interest. Members of Pikeville Affordable Housing Corporation are John Pinson, Steve Burchett, Frank Morris, Lynn Parrish and Katie Deskins. Mr. Pinson agreed that the City and Housing Authority should have representation on the Board of Directors of the Corporation, and consented to allow the City Attorney to investigate the Corporation and to make any necessary changes to their Articles of Incorporation.

In addition to the grant funds and loan proceeds, Mr. Nicholas advised that the corporation plans to apply for tax credits. He estimated that \$300,000 would be received which would allow for 1/3 to be placed in construction contingencies, 1/3 to be paid to the Kentucky Housing Corporation and 1/3 to be remitted to the City of Pikeville within a year and a half. Mayor Combs explained that he did not feel comfortable in calling for a vote to approve a loan of this magnitude without all the Commission Members being present, however advised he would be in favor of authorizing the submission of the grant application to the Kentucky Housing Corporation without the guarantee of the City approving the \$500,000 loan. A resolution authorizing the filing of the grant application was presented as follows:

ORDER OF THE CITY OF PIKEVILLE, KENTUCKY, AUTHORIZING THE FILING OF A 1994 HOME INVESTMENT PARTNERSHIP ACT APPLICATION

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 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 Steven D. Combs, 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 is hereby approved and that Steven D. Combs, 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.

/s/ Steven D. Combs
STEVEN D. COMBS, MAYOR

6/29/94
DATE

ATTEST:

/s/ Karen Harris
KAREN HARRIS, CITY CLERK

Commissioner Blankenship made the motion to authorize the filing of the HOME Investment Partnership Act Application to the Kentucky Housing Corporation, without the guarantee of a loan commitment from the City of Pikeville. Commissioner

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

2. **1994-95 BUDGET:** Second reading was given to an Ordinance as follows:

ORDINANCE ADOPTING THE CITY OF PIKEVILLE, KENTUCKY ANNUAL BUDGET FOR THE FISCAL YEAR JULY 1, 1994 THROUGH JUNE 30, 1995, BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS FOR THE OPERATION OF CITY GOVERNMENT.

In discussion from the floor, the Commission heard a request on behalf of the Pikeville Public Library Board from librarian Billie Sue Davis, asking the Commission to consider increasing the yearly allotment for the Library. Currently, the City pays \$37,500/yr. toward the operation of the Library. She estimated that it had been ten years since the last increase. Mayor Combs asked Ms. Davis if the Library Board had considered leasing the Library's property located at College Street. Ms. Davis reported that half of the lot is leased at a rate of \$250.00 per month. Mayor Combs suggested that the Library Board have an appraisal of the property. Commissioner Blackburn made the motion to increase the Library's yearly allotment by 10%. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried 3 - 0 - 1 with Commissioner Davis abstaining from the vote.

The Commission heard a request from Fire fighters, Danny Hamilton and Tommy McClanahan, that an additional 4% pay increase be approved for Fire Department Employees due to the added operation of the emergency ambulance service. It was explained that when the ambulance service went into operation, the Fire Department staff's working hours were changed from 2080 hours per year to 2912 hours a year. Fire Chief Hall advised the Commission that although an additional 3% increase was given to the Fire Department employee's during last budget year, the added 832 hours gave each employee \$448.00 per year. Tommy McClanahan told the Commission that according to payroll clerk, Sue Burchett, the Fire Department's rate of pay is figured at 3328 hours per year. City Manager Johnson explained that Personnel Consultant, Greg Cochran, used this figure on which to base an hourly rate- ie. a 56 hour work week which lowered the hourly rate to compensate for the extra 16 hours per workweek. Mr. Johnson advised the Commission that with the 4% across the board increase, an average fire fighter's salary is \$20,300.80 which is more than what a police officer is paid. Fire Chief Hall advised that Ms. Burchett had told him that the fire fighter's average salary is \$20,027.90. Ms. Burchett explained to the Commission that she had been instructed to base the fire fighter's salary on 3328 hours per year or \$6.01 per hour for 2080 hrs. and \$9.01 for 832 hrs. In light of this fact, the City Commission agreed to grant a 3% rate adjustment (above the 4% across the board increase) to the Fire Department employees. Mayor Combs told the Fire Department Employees that this action in no way obligated the City Commission to grant further increases above and beyond the across the board increases in upcoming

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years. Mayor Combs made the motion to adopt the 1994 budget with the added increase to the Library and with a 3% additional increase to the Fire Department Employees. Commissioner Blackburn seconded the motion. Upon call of the roll, the motion carried by the following votes:

MAYOR:	STEVEN D. COMBS	YES
COMMISSIONER:	KENNY BLACKBURN	YES
	WALTER BLANKENSHIP	YES
	SHARON CLARK	ABSENT
	EUGENE DAVIS	YES

3. USE AGREEMENT: City Manager Johnson advised the Commission that Ken Damron had made a request to rent the concession stand, located under the caretaker's quarters at Bob Amos Park, on a month to month basis. A Use Agreement was presented for approval which requires Mr. Damron to provide \$300,000 in liability insurance and to pick up the litter within a certain radius of the concession stand. The rental rate is established at \$100.00 per month. Parks Director Justice advised the Commission that the Track Team operates the concession stand during April and part of May, however the City receives no compensation. Commissioner Blackburn made the motion, seconded by Commissioner Blankenship to enter into a month to month rental agreement for the remainder of the calendar year and renegotiate the terms next season. Upon call of the roll, the motion carried 4 - 0.

Items 4 and 5 listed on the agenda were not discussed.

6. AUDIT: City Manager Johnson presented a proposal from Wallen & Cornett to audit the City's records for year ended June 30, 1994. The cost was estimated at \$13,900.00. City Manager Johnson advised that the cost had not increased over the past two years. Mayor Combs asked the City Manager if he had advertised for proposals. Mr. Johnson reported that he had been advised by the City Attorney that it was not necessary to advertise for these types of services. In addition, Mr. Johnson reported that it would be more costly to the City should a new firm begin auditing the books in that it will take additional time for the firm to become familiar with the City's accounting system. Commissioner Blackburn made the motion, seconded by Commissioner Blankenship to accept the proposal. Upon call of the roll, the motion carried 3-0-1 with Mayor Combs abstaining from the vote.

There being no further business to come before the Commission, Commissioner Davis made the motion, seconded by Commissioner Blankenship to adjourn the meeting. Upon call of the roll, the motion carried 4 - 0. (Adjournment Time: 1:58 p.m.)

APPROVED

[Signature]
STEVEN D. COMBS, MAYOR

ATTEST:

[Signature]
KAREN HARRIS, CITY CLERK