

**PIKEVILLE CITY COMMISSION
REGULAR MEETING MINUTES
JANUARY 23, 1995**

The Board of Commissioners of the City of Pikeville met in regular session on Monday, January 23, 1995. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard, Pikeville, Kentucky.

There being a quorum present, Mayor Steven D. Combs called the meeting to order at 6:00 p.m. Commission Members present upon call of the roll were as follows:

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

AGENDA ITEM II.

MINUTES

The minutes for the Special Meeting of December 19, 1994 were included with each Commission Member's agenda package. There being no addition or corrections, Commissioner Blankenship made the motion, seconded by Commissioner Davis to approve the minutes as submitted. Upon call of the roll, the motion carried unanimously.

AGENDA ITEM III.

BUSINESS FROM THE FLOOR

1. LORRAINE PLAZA: Attorney, Randy Clark, appeared on behalf of the developers of Lot #10 (Lorraine Plaza) and requested to meet with the Commission in a closed session for the purpose of discussing the development and to ask for a time extension of the deadline in which to begin construction. Pursuant to KRS 61.810, paragraph (1) (g), Commissioner Davis made the motion, seconded by Commissioner Blackburn to adjourn to executive session for the purpose of discussing the proposed development of Lot #10 (Lorraine Plaza). Upon call of the roll, the motion carried unanimously.

At 6:17 p.m., Commissioner Blankenship made the motion to reconvene to regular session. Commissioner Blackburn seconded the motion. Upon call of the roll, the motion carried 5 - 0.

City Attorney Davis announced that during executive session, a potential developer spoke to the Commission and made them aware of a particular development plan that they would like to pursue on Lot #10 (Lorraine Plaza - sold by City of Pikeville to Thomas Ratliff). The developer does not want to disclose the type of development which is being considered because they feel it may give their competitors an economic advantage. It was requested that the Commission grant a time extension on which to begin construction on this tract of property until December 31, 1995. The initial time limit provided for

construction to begin by July 1, 1995. Commissioner Blankenship made the motion to grant Thomas Ratliff's request for a time extension until December 31, 1995 in which to begin construction on the Lorraine Plaza property. Commissioner Blackburn seconded the motion. Upon call of the roll, the motion carried unanimously.

2. PERRY STREET: Della Dotson, on behalf of certain residents of Perry Street, presented a petition requesting that the City of Pikeville install guardrails in the steep curve on Perry Street. The City Manager advised the Commission that City crews do not have the capability of installing guardrails. A contractor would have to be employed to perform the installation. Mayor Combs stated that he assumed that an investigation would have to be done with regard to the right of way and the City Engineer will have to prepare a cost estimate. The Mayor advised that he would be abstaining from any further discussion with regard to the matter due to a conflict of interest. The Commission directed that the City Engineer determine the right-of-way and develop a cost estimate for the next regular meeting.

3. MAIN STREET PROGRAM: Paula Thompson, Main Street Program Director, announced that the Main Street Program now has a facade improvement fund. It was explained that Main Street will award mini grants in the form of reimbursement up to \$500.00 for any facade improvement (masonry, signage, awnings).

With regard to the Downtown Park Revitalization, Ms. Thompson gave each Commission Member a chronology as prepared by Helen Powell, landscape architect, detailing the progress made toward renovations to the City's downtown park. Ms. Thompson advised the Commission that the Main Street Program is requesting to assume control of the Park Revitalization Project. She reported that the Main Street Program is planning a fund raiser in the form of selling engraved bricks to be used in the City Park as walkways and other decorative uses. Due to a lax in the progress of the park's revitalization, Ms. Thompson asked the Commission to reform the City Park Revitalization Committee and that it fall as a committee under the auspices of the Main Street Program. The Commission authorized Ms. Thompson to contact the individuals who were previously on the City Park Revitalization Committee to determine if they are still interested in serving on the committee. No action was taken with regard to Ms. Thompson's request for the Main Street Program to assume control of the Park Revitalization Project.

Ms. Thompson discussed overall downtown revitalization with the Commission. With the City Park as a starting point, Ms. Thompson advised the Commission that she had been working with several state agencies for the development of a Downtown Revitalization Plan. She stated that she will be soliciting input from the City Commission along with that of the general public, to devise a revitalization plan. The Main Street Program will fund the production of that plan. Ms. Thompson asked for a commitment from the City Commission in the implementation of the Downtown Revitalization Plan when completed. Ms. Thompson assured the Commission, that the completed plan will be presented to them for approval. Commissioner Davis made the motion, seconded by Commissioner

Blankenship to support the implementation of the Downtown Revitalization Plan after it is adopted by the City Commission. Upon call of the roll, the motion carried unanimously.

4. **DARK HOLLOW/UNREPORTED PROPERTY TAXES:** City Engineer, Jack Sykes, advised the Commission that due to an issue concerning easements and contractual obligations, he is requesting an executive session to discuss the Dark Hollow Sewer Line Extension. The executive session was delayed to be heard later in the meeting.

Stuart Adams told the Commission that Bob Billips had sold over \$1 million worth of property with said property being listed on the tax roles at a value of \$189,000.00. He requested that the City Commission make every attempt to collect five year's worth of back property taxes for the property located in the Northemonte Subdivision. According to City Attorney Davis, the City allows the County's PVA office, pursuant to state statute, to assess property within the City Limits. Mayor Combs asked if this matter would have to be reported to the County Attorney's office. City Attorney Davis told the Commission that he could not advise them with regard to this matter since he represents Mr. Billips. Mr. Adams told the Commission that he had advised PVA, Jim Cauley, of the matter. Mayor Combs made the motion to seek legal advise from County Attorney, Gary Johnson, to determine appropriate action. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried unanimously. Commissioner Davis commented that he did not like being made a part of a personal dispute between two individuals.

5. **TELECOMMUNICATIONS CENTER:** Telecommunications Board Member, Don Wallen, reported that the Board is in the process of evaluating applications received for the position of Interim Director and the position of Site Coordinator. The Board hopes to select a candidate for the Interim Director's position within two weeks. Mr. Wallen advised the Commission that the funding for the Site Coordinator position is being provided by the Pike County Fiscal Court. The County has also donated \$10,000.00 toward the project. Mr. Wallen advised that once the Site Coordinator position has been filled, the Board will begin applying for grant funds to be used for the center's construction. Mr. Wallen explained that the Board's main objective at this point is finding a location for the Telecommunications Center. It was reported that the Telecommunications Board and the City of Pikeville Library Board had met to discuss the project as it has been explained that grant funds will be more easily obtained if the Telecommunications Center is closely related to the Library. It was explained that the Library would benefit from the technology and equipment the Telecommunications Center would have to offer. Mr. Wallen told the Commission that in order to obtain grant funds to construct a building, the Board needs a property deed. According to Mr. Wallen, the Board is ready to acquire the services of an architect for design of a building, however explained that it was necessary to be site specific so that grant applications would not have to be revised due to ecological or other environmental factors. The Commission heard from Library Board Chairman, Joe Justice, of the Library Board's support for the project. Mr. Justice told the Commission that since both agencies are so closely related, it made sense to have the entities share costs, facilities and other common uses. Mr. Wallen requested that the Commission authorize the City Engineer to plot off enough space (two,

100' X 100' lots) in the River Fill, behind the City Park, for the location of both, a Library and a Telecommunications Center. Mr. Wallen advised that, in talking with the City Attorney, no clear decision has been reached regarding whether the deed for the City Park prohibits the gift of property to the Telecommunications Center and to the Library Board. Library Board Chairman Justice pointed out that the size of the lots may not provide enough space for both facilities and for parking. It was Mr. Wallen's contention that the remaining river fill property could be used as parking. Mr. Justice explained that he thought it prudent to have enough space plotted to provide parking as other developments may locate on the remaining river fill property. Commissioner Blackburn asked the Library Board Chairman if that Board intends to reconvey the property on College Street to the City. Mr. Justice stated that he had envisioned the construction of a 10,000 sq. ft. facility which would require more funds than the Library has. The Library Board plans to use their property to raise the money for the construction of an adequate facility. City Engineer Sykes reminded the Commission of the existing plans for the relocation of the basketball courts and the construction of restroom facilities in the river fill area behind the City Park. Mayor Combs suggested that a joint meeting of the Telecommunications Board, Library Board and City Park Revitalization Committee be had to discuss the location of the proposed facilities and then make a formal request to the Commission. Commissioner Clark asked if the Park Board should be involved. The Commission agreed that the Park Board should have input in the decision. Mr. Wallen told the Commission that grant applications are due by the end of February. Mayor Combs advised Mr. Wallen that the Commission would meet in Special Meeting to consider a formal request.

6. INDUSTRIAL SITE PROPERTY: Bill VanHoose appeared before the Commission on behalf of his father, Charlie VanHoose, to request to purchase the City's property located north of Pikeville and adjacent to the Coal Run Bridge. The property was formerly owned by Mr. VanHoose. According to Bill VanHoose, the property was acquired about 24 years ago by the City, under threat of condemnation, to be used as an Industrial Park. Mr. VanHoose advised the Commission that his father is requesting to purchase the property since it has not been developed. Mayor Combs stated he would abstain from the discussion on this matter because he has represented both, Charlie and Bill VanHoose. City Attorney Davis advised that he could not offer the City Commission a legal opinion because he also has represented the VanHoses. The City Attorney explained that the City's current ordinance relating to the disposal of surplus property requires an appraisal and the advertisement for bids. To vary from the Ordinance would require an amendment. Commissioners Blankenship and Davis both made statements that they would have no objections to giving the VanHoses first choice at purchase of the property if the property was acquired through threat of condemnation. Additionally, it was requested the deeds of conveyance be researched to determine if there were any other individuals involved with this particular tract of property. Commissioner Davis made the motion, seconded by Commissioner Blankenship to authorize the City Attorney to acquire independent legal counsel to review the deeds and to advise the Commission with regard to this matter. Upon call of the roll, the motion carried 3 - 0 - 2 with Commissioner Blackburn and Mayor Combs abstaining from the vote due to a conflict of interest. City Attorney Davis advised that he would acquire the services of Richard Elswick as

independent legal counsel. The Commission heard comment from Patrina Compton in support of a publically solicited bids for the disposal of surplus property.

7. HOSPITAL: A group of hospital representatives appeared before the Commission to discuss the Mayor's concerns regarding the cancer center construction. Mayor Combs told those present that the comments he had, have been limited solely to the finances. Commissioner Blankenship issued a statement with regard to the matter as follows: "I've been on this Commission for the last five years. My main duty for the last two years is been a referee for a political feud. I thought when the election ended a year ago, that it would end, but it didn't. I was wrong. In every agenda that we get, we have something reverting back to that campaign. Item G is a classic example. I think it's high time that the two feuders sit down and settle their feud like two sensible gentlemen or revert back to the law of the old west and meet at the Court House Square and settle it over there. We could then erect a monument on the spot as we did the last big feud we had, put it on the tour map and get something for it before we get completely drowned in political bull manure."

Hospital Administrator Martha Chill, who has been employed at the hospital for the past 8 months, along with Chief Financial Officer, Danny Harris; Pikeville National Bank President, Burlin Coleman; Pam Robinette, Hospital Attorney; a representative from Peat Marwick, Hospital Auditors; and ten Pikeville United Methodist Hospital Board Members appeared before the Commission to address questions and comments concerning the hospital's cancer center project. Mayor Combs, referencing the minutes of the October 22, 1993 City Commission Meeting, explained his questions arose from the fact that the budget for the Industrial Revenue Bonds provided for \$1.2 million for the construction of the cancer center, funds to pay off the existing bonds, 940,000.00 for equipment purchases for the cancer center, and funds to upgrade certain facilities at the hospital. He said that upon learning of the hospital's solicitation of funds for the cancer center construction, he became concerned about the finances due to his understanding that the City's bond rating is affected and that the City has the obligation to make sure the bond funds are expended properly since it owns the property and building where the hospital is operated. City Auditor, Don Wallen, reported he had briefly reviewed the bond financial records. According to the records held by the Trustee, Pikeville National Bank, the bond was floated in the amount of \$4.6 million. \$1.9 million was used to retire the old bond issue, which left approximately \$2.8 million to construct and equip the cancer center, including the acquisition of a linear accelerator, renovations to the pharmacy, and renovation of the critical and intensive care units. Mr. Wallen advised the Commission that he reviewed the disbursements and found those records to be in good order and approved by the appropriate individuals. The total disbursements are just over \$1 million. The largest lump expenditure was for the purchase of the linear accelerator. The other expenditures were for various renovations including a dumb waiter, converting the outpatient surgery to pediatrics, and a very small amount was spent on the newborn nursery and on architectural expenses for the pharmacy entry expansion. \$174,000 has been spent on the cancer center itself for earth moving, engineering, and other ground breaking work.

Hospital Attorney Robinette explained to the Commission that the bonds are City issued Industrial Revenue Bonds. Parker Eades, of the law firm of Wyatt, Tarrant and Combs, handled the bond issue. The hospital, according to Ms. Robinette, was not willing to obligate the City for those bonds. Ms. Robinette told the Commission that Mr. Eades had advised the Commission that the hospital would be paying a higher rate of interest so that the City would not be exposed on those bonds. Ms. Robinette explained that the hospital's financial staff must show proof to Pikeville National Bank when requests are made for draw downs on the bond funds. She stated that if the City believes that the hospital is irresponsibly requesting the funds and that Pikeville National Bank is irresponsibly disbursing those funds, then the City Commission can request to see the financial documentation held by the Trustee. Ms. Robinette explained that the hospital pays a rental fee for the facility. She commented that the hospital is taking the position that as long as it is handling monies correctly and as long as the City knows the hospital is financially sound, "that's as far as the hospital is obligated to go under the bond issue". Hospital Administrator Chill, in a letter to the press and members of the Commission, has gone a step further by inviting concerned individuals to contact her with their questions or concerns at the hospital or at home.

Ms. Robinette told the Commission that the hospital has a \$1.2 million fixed price contract for the actual construction of a one story cancer center. There will be other costs, such as a corridor from the main hospital facility to the cancer center, which will be funded through general hospital operating funds.

Mayor Combs reported that he had made a request of Pikeville National Bank that he or a representative of the City be allowed to review the financial documents for the bond issue. The Mayor reported that the request had been refused on two or three occasions. He told those present that Mr. Wallen had finally been allowed to view the documents this past Friday. Mayor Combs explained that the refusal caused some concern, however he had learned that Pikeville National Bank had suffered a turnover in personnel. He called attention to the news story which reported that site preparation of the cancer center is being funded through the hospital's general fund. Ms. Robinette confirmed that a great deal of the site preparation work is funded through the hospital's general fund. The Mayor stated his main objective was to make sure that the cancer center would be built. He added that he had learned from Pikeville National Bank President, Burlin Coleman, and Steve Belcher that the bond issue was to cover the entire expenditure. He said he could understand cost overruns, however he wanted assurance that the cancer center would be built and the bonds paid back. Ms. Robinette stated that the cancer center would not be built for \$1.2 million. The project involves more than a building - it must be equipped, the parking lot must be renovated, the utilities must be relocated, and an 8 ft. concrete wall must be constructed which protects the linear accelerator. Excavation is not covered in the \$1.2 million budget. The \$940,000.00 included in the budget for equipment only covered the purchase of the linear accelerator.

Ms. Robinette told the Commission that the hospital received the annual audit from Peat Marwick on this date. She advised that, pursuant to the lease agreement, a copy will be

made available to the City. She urged the Commission to review the audit document and contact Martha Chill or Danny Harris if they have any questions. Ms. Robinette also advised the Commission that monthly financial statements are provided to the City via the City Clerk's office. The Commission can review the financial documentation, however she reminded them that the information is confidential in nature because the hospital is a private corporation. Hospital Administrator Chill advised the Commission that total estimated cost of the cancer center is between \$3 and \$3.5 million.

Local resident, Anna Stratton, asked if the hospital would disclose the amount paid for the printing company it recently acquired. Ms. Robinette advised the hospital is a private corporation and is not obligated to disclose the dollar amount paid for a private acquisition. Ms. Robinette did add that hospitals across the country are purchasing printing companies, laundries, medical equipment supplies and fast food restaurants.

Hospital Board Member, David Collins, advised the Commission that the hospital received a clean opinion with regard to its annual audit. Mayor Combs announced that City Auditor, Don Wallen, would be reviewing the audit.

City Attorney Davis discussed the need for an easement from the hospital for the Sewer Extension Project. According to Ms. Robinette and Norm Walters, a large map showing the adjacent properties was requested, however was not received from Summit Engineering. An explanation was also requested as to the reason the line had to cross hospital boundaries twice. Jack Sykes responded that the large map would only show properties owned by other individuals and stated that he had given a small map to Mr. Walters for his review. Mr. Walters indicated that the large map was needed to better show the proposed locations of the sewer lines. Mr. Walters advised that when the large map is delivered, the matter will be presented to the Hospital Board for their approval. He further commented that the Hospital is in support of the sewer extension project.

AGENDA ITEM IV.

PAYMENT OF BILLS

1. CITY BILLS/FINANCE REPORT: A list of City Bills totaling \$392,115.65 were presented to the Commission for approval of payment. Commissioner Blackburn questioned the PSG monthly invoice in the amount of \$234,661.41. He stated that he had obtained copies of vehicle repair bills (approximately \$1,400.00) that had been charged to the repair/replacement maintenance account and requested an explanation as to the reason for charging the City the repair cost for a PSG leased vehicle. Mayor Combs reported that he had previous discussions with Mr. Bacon concerning a PSG employee who was driving a company vehicle home which is a 40 mile one-way trip. The Mayor said the response was that the City didn't need to worry because the employee was driving a leased vehicle which was PSG's responsibility. Commissioner Davis asked how much the City pays PSG annually for operation of the Public Works Department. Mr. Bacon advised that the contract is \$2.8 million. Commissioner Davis asked if the questioned expense of \$1,400.00 is included in the monthly fee. Mr. Bacon advised the Commission that PSG has a target of \$330,000 for the repair and maintenance account every year. PSG pays

that money, then the City reimburses PSG for the target amount which is included in the \$2.8 million fee. City Attorney Davis commented that he did not remember it being a part of the contract that the City would pay repair costs for leased vehicles. Mr. Bacon told the Commission that he would look into the matter and report back to the Commission. Commissioner Blackburn made the motion to approve payment of the City Bills with the exception of the \$234,661.41 invoice from PSG. Commissioner Blankenship seconded the motion. Commissioners Davis and Clark asked when a new bill could be presented and approved. Mr. Bacon advised that the \$234,661.41 bill is the same amount presented for payment every month. Commissioner Davis offered an amendment to the motion. He explained that if the invoice amount was going to be \$234,661.41 regardless of the \$1,400.00 repair bill, then he would propose payment of the bill. He further commented that a review of the contract should be made to determine what repairs can be charged to the repair/replacement maintenance account. Commissioners Blackburn and Blankenship agreed to the amendment. Upon call of the roll, the motion carried unanimously.

Copies of Financial Statements were given to each Commission Member. No action was taken.

2. SEWER EXTENSION PROJECT BILLS: Presented for payment were bills totaling \$29,254.96. The City Engineer reported that the project's design is 99% complete. Approximately 80% of the needed easements have been signed. Mr. Sykes gave his opinion that half of the remaining easements would be signed within the next two weeks with the other half requiring condemnation proceedings. Commissioner Blankenship made the motion to approve payment of the bills as requested totaling \$29,254.96. Commissioner Clark seconded the motion. Upon call of the roll, the motion carried 3 - 0 (Commissioners Blackburn and Davis not present at the time of the vote).

AGENDA ITEM V.

OLD BUSINESS

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

1. Sewer Project: A list of easements remaining to be acquired for the sewer extension project was presented to the Commission. The City Engineer requested the Commission's assistance in obtaining the easements.

2. Perry Cline Center: The contract was awarded for this renovation project but the proceed to work order was delayed on two counts - one of which was getting approval from the Historic Preservation Board (which has now been received) and the other reason was having to wait for the Helping Hand Agency to move.

3. 201 Facilities Plan: Mr. Sykes told the Commission that he had received a 201 Plan Document Revision on this date which would support the wastewater plant that the IDEA Board is proposing to install at Mossy Bottom. Mr. Sykes explained that the 201 Facilities Plan is a wastewater planning study that depicts how the City expects to serve

the wastewater facility needs as well as a comprehensive plan for the next 20 years. The initial plan, prepared by Howard K. Bell Engineers in 1978, takes in all the area to the Floyd County line. The City's wastewater plant was not designed to handle that capacity. The IDEA Board, in conjunction with the Mountain Water District, is constructing a plant on the Mossy Bottom Industrial Site to serve that site and the corridor down to the Floyd County line. They have issued a proposed revision to the 201 Facilities Plan that would allow them to serve that area. Mayor Combs stated that he had learned there were problems with this plan as he had been advised by the County Judge's office that EDA monies had been denied for the project. Mr. Sykes advised that he had not reviewed the proposed revision and was not prepared to recommend approval of the document. The matter was tabled until a County representative could advise as to the Fiscal Court's opinion of the project since it has been indicated that they have not endorsed plans for the wastewater plant.

4. Raw Water Intake: Mr. Sykes advised the Commission of problems at the Raw Water Intake and of the possibility of having to acquire outside services to evaluate the problem. Tom Bacon told the Commission that the Raw Water Intake, located across from the Water Plant, has three pumps which pump the raw water to the water plant for treatment. The pumps have a pumping capacity of 5,000 gallons per minute. In times of high turbidity, the capacity is reduced to about 1,500 gallons per minute. While the capacity has slowly gotten better, Mr. Bacon said that he feels like mud and/or rocks are coming out around the bottoms of the pumps which restrict the flow. Over the past year, the City has provided two new pumps. Mr. Bacon reported that maintenance tests show one of the pumps producing only 400 gallons per minute as opposed to the pumping capability of 2,600 gallons per minute. Mr. Bacon told the Commission that they need to retain the services of someone who can determine the problem, whether it be in the wet well, in the 30 inch line, or with the river filter beds. Mr. Bacon said the City had been lucky that no water line breakages had been experienced nor have there been any major fires as it would take a considerable amount of time to recover from the large water usage. Mr. Bacon has prepared a plan to hire a diving firm to look at the under water structures and determine what cleaning and/or repairs are necessary. The City Engineer advised the Commission that the intake has a blow back system and recommended that Mr. Bacon maintain a log detailing the frequency that the blow back system is used and that he record the amount of water flow. An estimate of \$6,000 was received for an inspection by a diving firm. City Engineer Sykes recommended that the Commission authorize Mr. Bacon to solicit the needed inspection services and to authorize the City Manager to award the contract on an emergency basis. Commissioner Davis made the motion to authorize the solicitation of bids from a diving firm to investigate the problems at the Raw Water Intake and to authorize the City Manager to award the contract on an emergency basis. Commissioner Blackburn seconded the motion. During discussion, Commissioner Blackburn requested that, should a serious problem be detected, a special meeting be called to address the matter. Upon call of the roll, the motion carried unanimously.

5. Dark Hollow: Mr. Sykes explained that an easement across the B & B Customs building lot is needed to extend sewage services to the Dark Hollow area and to

replace the Keyser siphon line should the Commission authorize the work. In negotiating with the B & B Customs owners, they have agreed to give the City the easement subject to the City moving the sewer line or an agreement which would allow B & B Customs to build over the line should they wish to expand. Commissioner Blackburn made the motion to accept the conditions of the easement. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried unanimously.

At 8:42 p.m., Commissioner Blackburn made the motion, seconded by Commissioner Blankenship to adjourn to an executive session, pursuant to KRS 61.810 paragraph (1) (b) (c) and (f), for the purpose of discussion a pending legal matter, property acquisitions, and a personnel matter. Upon call of the roll, the motion carried unanimously.

At 10:07 p.m., Commissioner Blackburn made the motion seconded by Commissioner Clark to reconvene to regular session. Upon call of the roll, the motion carried unanimously.

City Attorney Davis announced that matters discussed in executive session included negotiations concerning an easement acquisition and a proposal that the City Engineer and Stuart Adams have negotiated to extend water and sewer service to Dark Hollow. With regard to Dark Hollow, the conditions of the agreement provide that Mr. Adams would build, according to the Division of Water specifications, the required sewer line from Dark Hollow, under US 23 and across the adjoining property, to connect to the existing sewer line. Mr. Adams will also install an eight inch water line from the tie in point at Keyser Hollow down to Dark Hollow so that water service can be provided to the Dark Hollow Subdivision. He will also be required to do the necessary earth work to open up the ditch line from Keyser Hollow to Dark Hollow that would be sufficient to allow the City to install a sewer line from Keyser Hollow down to the new tie in point at Dark Hollow. Upon completion by Mr. Adams or his company, the City of Pikeville will reimburse him for part of the cost of performing the work in the sum of \$50,000.00. Commissioner Blankenship made the motion to the proposal and authorized the City Attorney to prepare the necessary contractual documents for the Mayor's signature. Commissioner Clark seconded the motion. Upon call of the roll, the motion carried unanimously.

The City Attorney reported that he and the City Manager had discussed an ongoing request from Bill Williamson for the City to reimburse him for a portion of his retirement purchase where he bought back his retirement benefits when he retired on January 1, 1994. The City of Pikeville has since agreed to purchase the time credit for eligible City employees for the years 1984 through 1989. Part of what Mr. Williamson purchased was that credit time in which he served as a fire fighter. Mr. Williamson has requested that he be reimbursed for the portion of the buy back that was owed for the years 1984-89. The City Attorney advised the amount was roughly calculated at over \$10,000.00. Mr. Williamson has agreed to settle the matter for \$10,000.00. Commissioner Blackburn made the motion to settle the claim for \$10,000.00. Commissioner Davis seconded the motion. During discussion, the City Attorney clarified the record to provide further

explanation for the settlement was that Mr. Williamson was a fire fighter and he did actually participate in purchasing back, on his own, his retirement credit after he retired. Upon call of the roll, the motion carried unanimously.

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

1. Title Work/Sewer Project: City Attorney Davis reported that he had advertised for bids for attorneys that could do legal title work on approximately 200 tracts of property for the Harolds Branch/Chloe Creek sewer extension project. Three bids were received. The City Attorney recommended award of the bid to the low bidder, Frank Nall, at \$100.00 per tract and curative work at \$50.00 per hour. Other bids were received from Richard Elswick and ^{William} John Davidson, both quoted \$200.00 per tract and who submitted a quote of \$60.00 and \$85.00/hr. respectively for curative work. The City Attorney recommended award of the bid to the low bidder, Frank Nall. Commissioner Blankenship made the motion, seconded by Commissioner Clark to accept the low bid as submitted by Frank Nall. Upon call of the roll the motion carried 5 - 0.

2. KIA/CDBG: Presented for approval was a contract from Will Linder & Associates for the preparation of the applications for funding from KIA and CDBG for the sewer extension project. Project Coordinator, Sue Smallwood, told the Commission that the contract documents should have been approved at the time that the firm was given authorization to apply for funding. The contract fee is \$28,000.00 which provides for \$10,000.00 for each application and technical assistance in the amount of \$8,000.00. Commissioner Blankenship made the motion, seconded by Commissioner Clark to approve the contract as submitted. Upon call of the roll, the motion carried unanimously.

C. CITY MANAGER'S REPORTS: City Manager, John B. Johnson, made a verbal presentation of the following items:

1. Solid Waste: City Manager Johnson reported that he had advertised for bids for solid waste services pursuant to City Commission directive. Mr. Johnson advised the Commission that if the City continues to provide solid waste services, a capital investment of \$186,000.00 is anticipated to fund the purchase of a new truck, a packer, and renovation of the transfer station. Two bids were received. Rumpke of KY will provide sanitation services at a residential rate of \$11.00 per month for twice weekly service and \$9.00 per month for once a week service. Leron Industries, a local company, bid \$14.00 for twice weekly service and \$10.00 per month for once a week service. If the bid were awarded to either of the two companies, a franchise agreement would be entered into whereby they would take over the customers and the city would not pay a monthly contract fee. They will haul to their own landfill and would bill the customers and take care of their own collections. Mayor Combs advised that the Commission would have to negotiate with PSG before going any further with this concept. The City Manager reported that he had discussed the matter with PSG Regional Manager, Bob Dohoney, and advised that as long as the City does not enter into another contract arrangement, there

will be no problem. The City Attorney advised the Commission that a release would have to be signed by PSG. The Commission directed the City Manager to acquire written references on both companies. Commissioner Blankenship suggested a survey of residential residents to determine if twice weekly trash pick up is needed. The City Manager told the Commission that surveys are difficult to perform. The Mayor suggested running an ad in the paper to request residents to call or write in with their preferences. Commissioner Clark told the Commission that she would like to consider the matter of recycling should they vote to offer a franchise to one of the companies.

2. 911 Update: City Manager Johnson advised the Commission that no monies had been received from the County for reimbursement of 911 fees. The City Attorney reported that he had spoken with County Attorney Reed Anderson who indicated that the delay in receiving a proposed settlement offer is partially attributed to the 911 agency having no director at this time.

AGENDA ITEM VII.

NEW BUSINESS

A. BOARD APPOINTMENTS:

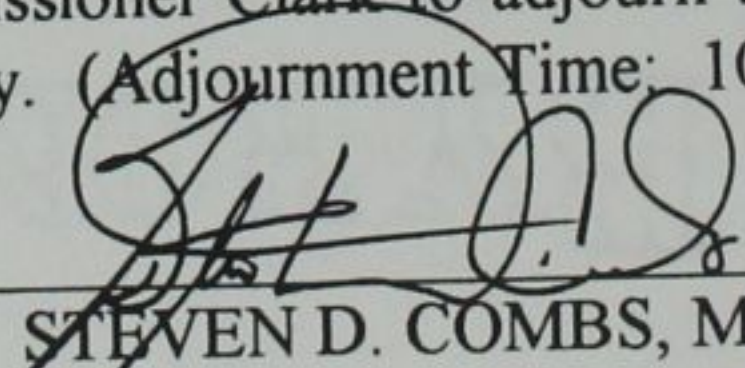
1. Technical Advisory Committee/Subdivision Regulations: City Engineer Sykes advised that Danl Hall and Don Batten had expressed interest in serving on the Board, however Mr. Hall does not live within the City Limits. City Attorney Davis advised that nothing was in the requirements to provide that board members had to live within the City Limits. Commissioner Davis requested to delay the matter until the next meeting. Commissioner Blackburn suggested placing an advertisement in the newspaper asking for volunteers to serve on the Board. The matter was deferred until the next meeting.

2. Ethics Board: Mayor Combs made the motion to appoint Richard Elswick to chair the 5 member Ethics Board with the duty of locating four other members to serve on the Board. Commissioner Blankenship seconded the motion. Upon call of the roll, the motion carried unanimously.

3. Historic Preservation Board: Appointments to this Board were delayed until the next regular meeting.

There being no further business to come before the Commission, Commissioner Blankenship made the motion, seconded by Commissioner Clark to adjourn the meeting. Upon call of the roll, the motion carried unanimously. (Adjournment Time: 10:40 p.m.)

APPROVED


STEVEN D. COMBS, MAYOR

ATTEST:

Karen Harris