

MINUTES } CITY OF PIKEVILLE

PIKEVILLE CITY COMMISSION
SPECIAL MEETING MINUTES
APRIL 11, 1995

The Board of Commissioners of the City of Pikeville met in Special Meeting on Tuesday, April 11, 1995 at 6:00 p.m. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard.

Mayor Steven D. Combs presided and 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

The Special Meeting was called for the following purpose:

TO CONSIDER THE PIKEVILLE UNITED METHODIST HOSPITAL REQUEST FOR UDAG FUNDS FOR HOSPITAL FACILITY EXPANSION AND TO TAKE ANY NECESSARY ACTION.

Hospital Administrator, Martha O'Regan Chill, along with a number of Hospital Board Members, Physicians and employees, appeared before the Commission to request authorization to submit a funding application to utilize the remaining \$3.6 million in UDAG Funds and to request the City's withdrawal of the Retention and Recapture Agreement filed in October, 1994.

Ms. Chill shared the Hospital's plans to expand the medical facility with the construction of another tower to compliment the 40 year old main structure and 25 year old main patient tower. With the addition of a new tower, office space for physicians and their staff will allow existing space to be utilized for inpatient care. Ms. Chill told the Commission that the hospital has a license for a 221 bed facility, but due to space constraints, only 184 beds are available. The Commission heard comments from Drs. Mettu, Poulos, Fannin and King as well as various emergency room employees on the need for additional space and equipment. Ms. Chill told the Commission that approximately 870 patients are transferred to other medical facilities, annually, to receive treatment. She added that she had spoken with several Lexington physicians who have verbally agreed to offer treatment in Pikeville once the necessary space and equipment become available.

The hospital, according to Ms. Chill, can support a construction project in the low \$20 million range. Ms. Chill told the Commission that the hospital's current auditor, Peat Marwick, along with their two previous auditing firm's have reviewed the hospital's financial records and have concurred with that figure.

Handouts displaying graphical information were given to each Commission Member. According to the information supplied by hospital personnel, the hospital has a large economic impact upon the City's revenue budget and area businesses. Ms. Chill reported that the hospital employs 900 persons who remit payroll taxes in excess of \$500,000.00. According to Ms. Chill, this figure represents about 1/4th of the City's Occupational Tax revenues and 17% of the City's General Fund revenue. It is estimated by the year 1999, an increase of \$250,000.00 in payroll taxes paid by hospital employees will be had. During 1994, the hospital's impact on 172 local businesses was assessed at \$15 million.

Ms. Chill told the Commission that the hospital's proposal had been discussed with HUD official, David Sowell. According to Ms. Chill, Mr. Sowell has indicated that the hospital's project would be eligible to receive U.D.A.G. funds.

The Pikeville United Methodist Hospital of KY., Inc., a non-profit corporation, will hold title to the improvements.

Project Coordinator, Sue Smallwood, reported that in her conversations with Mr. Sowell, it had been recommended that the hospital prepare the funding application; submit the application to Mr. Sowell for review and comments; then, upon final submittal of the application, withdraw the Retention and Recapture Agreement. By simultaneously withdrawing the Retention and Recapture Agreement and filing the hospital's U.D.A.G. application, the City's interest will be protected.

Commissioner Blankenship made the motion, seconded by Commissioner Blackburn to authorize Project Coordinator, Sue Smallwood, with the assistance of Will Linder, if necessary, to work with the hospital on the preparation of a U.D.A.G. application to utilize \$3.6 million for facility expansion, and to submit said application to HUD for consideration. During discussion, Commissioner Clark questioned if there was a possibility of repercussions resulting from this proposed action relative to SEI & Development Corporation's application to obtain \$1.6 million in U.D.A.G. funds. Mayor Combs reported that he had spoken with Chris Penn of SEI & Development Corporation on this date. According to the Mayor, Mr. Penn indicated that his company would not interfere with the City's efforts to acquire a viable project which would utilize the remaining U.D.A.G. funds. Upon call of the roll, the motion carried 5 - 0* Commissioner Blackburn disclosed that he had a family member employed at the hospital and Commissioner Davis disclosed that his physician had been present and voiced support for the project.

There being no further business to come before the Commission, Commissioner Blackburn made the motion, seconded by Commissioner Blankenship to adjourn the meeting. Upon call of the roll, the motion carried unanimously. (Adjournment Time: 6:37 p.m.)

APPROVED _____
STEVEN D. COMBS, MAYOR

ATTEST: