

# MINUTES } CITY OF PIKEVILLE

1. To consider two appointments to the Pikeville Historic Preservation Board.

2. To consider first reading of an ordinance providing a grant to Pikeville College for the establishment of an Osteopathic Medical School.

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

MAYOR: STEVEN D. COMBS  
COMMISSIONER: SHARON CLARK  
EUGENE DAVIS

Commissioners Kenny Blackburn and Walter Blankenship were absent.

With regard to the appointments to the Pikeville Historic Preservation Board, Commissioner Clark made the motion to appoint Pam Robinette and Jack Sykes to serve a term on this Board. Commissioner Davis seconded the motion. Upon call of the roll, the motion carried 3 - 0.

City Attorney Davis reported that he had been directed, at the City Commission meeting held on March 25, 1996, to research the propriety of the City making a grant to Pikeville College to assist in some manner their effort to establish an Osteopathic Medical School. Attorney Davis reported that he had researched the matter and had conversation with the Kentucky Municipal Law Center concerning the issue. Mr. Davis explained that no governmental entity can make gifts or loans, however the City can provide funds to establish a public goal or purpose, that is recognized as a legitimate public purpose. Mr. Davis gave his opinion that the establishment of higher education would be of public benefit and would be a legitimate venture in which the City could become involved. To affirm his opinion, the City Attorney reported that he had located state statutes which gave cities of the first and second class the authority to establish municipal colleges. Attorney Davis explained that he had been advised by the Kentucky Municipal Law Center that the City would need to make sure that Pikeville can retain some type of control or to set parameters for the expenditure of the grant funds. City Attorney Davis presented and gave first reading to an ordinance entitled:

## PIKEVILLE CITY COMMISSION SPECIAL MEETING MINUTES APRIL 3, 1996

The Board of Commissioners of the City of Pikeville, Kentucky, met in Special Meeting on April 3, 1996, at Noon, in the City Hall Public Meeting Room at 260 Hambley Boulevard.

Purpose of the Special Meeting was to consider the following items:

1. To consider two appointments to the Pikeville Historic Preservation Board.
2. To consider first reading of an ordinance providing a grant to Pikeville College for the establishment of an Osteopathic Medical School.

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

MAYOR: STEVEN D. COMBS  
COMMISSIONER: SHARON CLARK  
EUGENE DAVIS

Commissioners Kenny Blackburn and Walter Blankenship were absent.

With regard to the appointments to the Pikeville Historic Preservation Board, Commissioner Clark made the motion to appoint Pam Robinette and Jack Sykes to serve a term on this Board. Commissioner Davis seconded the motion. Upon call of the roll, the motion carried 3 - 0.

City Attorney Davis reported that he had been directed, at the City Commission meeting held on March 25, 1996, to research the propriety of the City making a grant to Pikeville College to assist in some manner their effort to establish an Osteopathic Medical School. Attorney Davis reported that he had researched the matter and had conversation with the Kentucky Municipal Law Center concerning the issue. Mr. Davis explained that no governmental entity can make gifts or loans, however the City can provide funds to establish a public goal or purpose, that is recognized as a legitimate public purpose. Mr. Davis gave his opinion that the establishment of higher education would be of public benefit and would be a legitimate venture in which the City could become involved. To affirm his opinion, the City Attorney reported that he had located state statutes which gave cities of the first and second class the authority to establish municipal colleges. Attorney Davis explained that he had been advised by the Kentucky Municipal Law Center that the City would need to make sure that Pikeville can retain some type of control or to set parameters for the expenditure of the grant funds. City Attorney Davis presented and gave first reading to an ordinance entitled:



## MINUTES } CITY OF PIKEVILLE

ORDINANCE PROVIDING A GRANT TO PIKEVILLE COLLEGE FOR THE ESTABLISHMENT OF AN OSTEOPATHIC MEDICAL SCHOOL IN THE CITY OF PIKEVILLE AND SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE GRANT SHALL BE MADE.

The City Attorney pointed out that he had included the following provisions to ensure the City's control over the expenditure of the \$250,000.00 grant:

1. The Mayor will be a member of a 15 member advisory board for the medical school.
2. The College will be required to establish no less than 25 new permanent jobs.
3. The College shall obtain and invest in the project gifts, donations or grants (excluding the City of Pikeville grant) of not less than \$3.5 million.
4. The College will be required to obtain federal, state and local government approvals, reviews and accreditation required by law for the establishment of the medical school.
5. The medical school shall adopt and establish appropriate measures to encourage the graduates to locate their practice in Pike County, Kentucky, and shall continuously use its best efforts to ensure the best practical results.
6. The College will agree to preserve its non-profit status during the term of the grant.
7. If the College fails in any way to comply with the terms and conditions, the City may suspend the grant and any payment thereunder at any time by notice to the College.

Public benefits were outlined as follows:

1. A local medical school would promote and encourage physicians trained in Eastern Kentucky to remain and practice in Eastern Kentucky.
2. The citizens of Eastern Kentucky and the City of Pikeville would be afforded a greater opportunity to attend medical school.

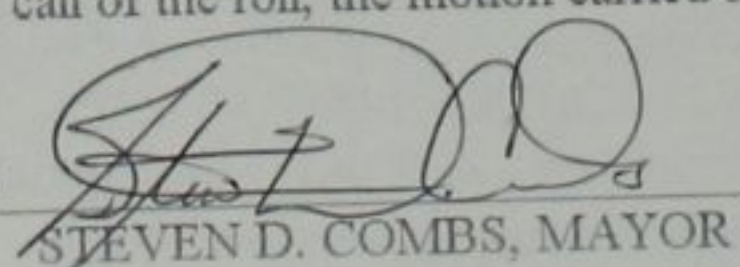
3. A medical school located in the City of Pikeville would benefit the Pikeville Methodist Hospital (the City owns the property and building) by having teaching doctors, medical residents and medical interns assisting in patient care and treatment.

4. The City of Pikeville will receive additional employment opportunities, jobs and occupational taxes through the creation of between 25 and 40 new permanent jobs, each with an average annual salary of \$60,000.00. The City Attorney told the Commission that he estimates the City will receive \$50,000.00 per year in additional occupational taxes. The local economy could see a boost of \$2 million per year.

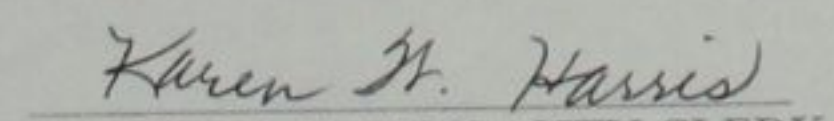
It was announced that second reading of the Ordinance would be heard during the April 22, 1996 regular City Commission Meeting. Burlin Coleman asked Mayor Combs to prepare a letter of support to be sent with the College's application. City Attorney Davis advised that the Mayor could report that he did anticipate adoption of the Ordinance which would provide \$250,000.00 in grant funds, over a four year period, to be used in the establishment of a medical school at Pikeville College.

There being no further business to come before the Commission, Mayor Combs made the motion, seconded by Commissioner Davis to adjourn the meeting. Upon call of the roll, the motion carried 3 - 0. (Adjournment Time: 12:24 p.m.)

APPROVED

  
STEVEN D. COMBS, MAYOR

ATTEST:

  
KAREN W. HARRIS, CITY CLERK