

# MINUTES } CITY OF PIKEVILLE

## PIKEVILLE CITY COMMISSION REGULAR MEETING MINUTES FEBRUARY 23, 1998

The Board of Commissioners for the City of Pikeville met in regular session on Monday, February 23, 1998. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard in Pikeville, Kentucky.

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

MAYOR: STEVEN D. COMBS  
COMMISSIONER: BILL BLACKBURN  
EUGENE DAVIS  
JOHNNY MOUNTS  
SHARON CLARK

### AGENDA ITEM II. MINUTES

The minutes for the previous regular meeting of January 26, 1998 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Mounts made the motion, seconded by Commissioner Davis to approve the minutes as presented. The motion carried unanimously.

### AGENDA ITEM III. BUSINESS FROM THE FLOOR

A. GAS TRANSPORTATION: John Elliott, on behalf of W. E. Elliott Gas Company, came before the Commission to request permission to transport natural gas owned by their company through the City's line. According to Mr. Elliott, the gas well is located behind Pikeville Elementary School and the current transportation line extends across property owned by the school system. The school board is interested in selling the property and feels that it would be in the best interest of the school, as well as the prospective purchaser, that the line be removed. Mr. Elliott explained to the Commission that the gas from this well is sold directly to the hospital, with the proceeds going to Pikeville College to benefit the Nursing Program. Elliott Gas Company will assume all expenses with relocating, maintenance, and annual testing of the meter and will either provide the City with the meter readings or will reimburse the City if City personnel read the meter. Elliott's will invoice the hospital for their gas usage. The Mayor expressed that any contract with the gas company would need to have a provision to provide for quality assurances as some of the supplier's gas is apparently too wet. Mr. Elliott agreed to this stipulation. Commissioner Davis made the motion, seconded by Commissioner Clark to authorize the City Attorney to prepare an agreement between the City of Pikeville and W. E. Elliott Gas Company for the transportation of gas through the City's distribution lines and to authorize the Mayor to execute the agreement. The motion carried unanimously.

Mr. Elliott advised the Commission that his company has two wells located behind Food City that he would also like to sell the gas directly to the hospital and donate the income to the Pikeville College Nursing Program if the City of Pikeville would agree to transport the gas. It was reported the meter is in place and he would agree to the same stipulations as discussed in the earlier matter. An analysis of the gas wells production showed the sales at \$45,000.00 with the City's profit at \$14,000.00. Currently, the City sells the gas taken from these wells to the hospital. City Manager Blackburn advised that he and PSG Manager May had reviewed the proposal and do not find it in the City's best interest to agree to the proposal. According to the City Manager, the recent gas rate increase of 27% allowed the City to budget a \$35,000.00 surplus in the gas fund. Should the Commission agree to the request, the surplus would be reduced by about half. The Mayor pointed out that the \$14,000.00 profit enjoyed by the City in 1997, would be increased to about \$20,000.00, taking into consideration the recent gas rate increase. The Commission tabled the request until the next regular meeting.

B. ECONOMIC DEVELOPMENT: At 6:25 p.m., Mayor Combs made the motion to adjourn to an executive session for the purpose of discussing an economic development matter with Terry Spears of the County Judge/Executive's office. Commissioner Clark seconded the motion. The motion carried unanimously.

At 7:26 p.m., Mayor Combs made the motion to reconvene to regular session. Commissioner Mounts seconded the motion. The motion carried unanimously.

Mayor Combs announced that the Commission met in executive session with Terry Spears of the County Judge's office to consider a proposal to recruit industry to the area. The Commission will explore other possibilities with the County Judge's office. He added that a special meeting would be called at a later date to select one or two proposals.

### AGENDA ITEM IV. PAYMENT OF BILLS

A. CITY BILLS: A list of City Bills totaling \$342,649.00 was presented to the Commission for approval of payment. Commissioner Mounts made the motion, seconded by Commissioner Clark to approve payment of the bills as requested. The motion carried 4 - 0 (Commissioner Davis not present at the time of the vote).



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B. ACADEMY BUILDING: Presented for approval was an invoice from Richardson & Associates for design work for the second phase of the Academy Building renovation project in the amount of \$3,750.00. Jack Sykes, Chairman of the Historic Preservation Board, advised the Commission that the Board approved and recommended payment of the bill, subject to approval of the plans by the Kentucky Heritage Council. A letter of approval from the Kentucky Heritage Council was received on this date. Mayor Combs made the motion, seconded by Commissioner Davis to approve payment to Richardson & Associates in the amount of \$3,750.00 as recommended by the Historic Preservation Board. The motion carried unanimously. It is expected that the second phase will be advertised for bids within the next week. Mr. Sykes told the Commission that a special meeting of the Historic Preservation Board would be scheduled prior to the Commission's next meeting to review the bids and recommend a contractor. Once the contract is awarded, the project's estimated completion time is six months.

C. HAROLDS BRANCH ROAD IMPROVEMENT PROJECT: Presented for approval was a bill from C & W Equipment for work completed on the Harolds Branch Road Improvement Project in the amount of \$70,300.80. City Engineer Sykes advised the Commission that the payment will be reimbursed by D.O.T. Commissioner Mounts made the motion, seconded by Commissioner Clark to approve payment to C & W Equipment in the amount of \$70,300.80. The motion carried unanimously.

## AGENDA ITEM V.

## OLD BUSINESS

A. CITY ENGINEER'S REPORT: Jack Sykes, representing Summit Engineering, Inc., presented a status report for the following projects:

1. Raw Water Intake: Holly Nicholas of PDR Engineers was present to give a status of the funding request for the water improvement project, which includes improvements to the intake, construction of three water tanks, etc. Ms. Nicholas told the Commission that after she had talked with the staff at the Department of Local Government, she thought it was unlikely that the City would receive ARC funds during this grant cycle. Because of the fact that ARC funds were not committed to the project, Rural Development Funds were not awarded. Additionally, Rural Development has changed its rating criteria. Pikeville's application scored 80 points out of a possible 125 points. The low score was attributed to Pikeville's population and median family income being higher than that of the successful applicants. Ms. Nicholas told the Commission that Pikeville could probably not improve on the score. She explained that Rural Development had revamped its rating criteria to encourage smaller town (1000 or less in population) to upgrade their utilities or to consolidate with larger utilities. Thus, Rural Development has obligated all funds it received during the October cycle. Pikeville can submit a new application for the October, 1998 funds or the City could obtain loan funds for the entire project. Ms. Nicholas told the Commission that it is her opinion that Pikeville's chances of receiving Rural Development funds in the next grant cycle are slim because of its inability to increase its points. Pikeville can resubmit an application for ARC grant funds. She was optimistic that Pikeville would be awarded an ARC grant in the next funding cycle.

Ms. Nicholas advised the Commission of a new funding program which may become available in July or August of 1998. The Safe Drinking Water Loan Fund is not taking applications at this time, however Pikeville would be eligible to submit an application for the low interest loan (between 2% and 4%) for improvements to the intake only. Cost of the intake improvements are estimated at \$416,000.00, which would leave approximately \$1.7 million of the total water improvement project unfunded. In order to get Pikeville on the Intended Use Plan for the Safe Drinking Water Loan monies, the City will have to submit a preliminary application in March, 1998. Ms. Nicholas told the Commission that she has all of the information required to submit the preliminary application. Mayor Combs made the motion to authorize the City Engineer to prepare and submit the preliminary application to the Safe Drinking Water Loan Fund. Commissioner Clark seconded the motion. The motion carried unanimously.

2. Peach Orchard Water Line: The plans for the Peach Orchard Water Line replacement project have been approved by the Division of Water.

3. Bleachers: Mr. Sykes advised that City Manager Blackburn had requested that he inspect all the City owned bleachers, identify the structural deficiencies and any potential liabilities. Three sets of bleachers at the Hambley Athletic Complex and four sets of bleachers at the Bob Amos Park were inspected. Mr. Sykes pointed out that two deficiencies identified were the minimum openings at the foot boards and the minimum egress widths. Mr. Sykes told the Commission that the bleachers met the existing code at the time of installation. He added there is nothing in the code, to his knowledge, that requires upgrades to the bleachers. City Manager Blackburn told the Commission that he ordered the inspection after an allegation by the Pikeville High School Athletic Director that the bleachers were unsafe. Mayor Combs suggested a noon meeting be scheduled with the Athletic Director, the School Superintendent and the City Commission to discuss this issue and to discuss the school's contribution for the upkeep of the Hambley Athletic facility. Mayor Combs advised that former Superintendent Waddell had agreed to an increased contribution to the City once the school completed the new auditorium.

4. Academy Building Lease Fee: A recommendation had been made by the Historic Preservation Board at a prior meeting that the proposed office rental fee of \$8.00 per square foot be reduced to \$4.00 per square foot for those agencies desiring to locate in the Academy Building. Mr. Sykes reported that he had two prospective tenants to contact him to ask if the fee had been reduced. Questions were raised by the Commission relative to income and upkeep of the facility. Mr. Sykes did not have the information with him to answer the questions. Action with regard to the recommendation was delayed.



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

1. Retirement Benefits: City Attorney Davis advised the Commission that he recommended they ratify the action taken at the previous meeting concerning the adoption of the ordinance which established parameters for pension benefits for certain city employees. He explained this necessary because of the substantial changes made to the ordinance after first reading was given. Since the last meeting, the audit was concluded and questions were raised by the auditor concerning the manner in which the retirees are paid. They questioned whether the account could be identified as a retirement account. The auditor sent the particulars to a specialist and was advised the account could not be termed as a retirement account. Auditor Don Wallen explained the compensation paid to the retirees is subject to federal and state withholding as well as FICA. In order to classify the payments as retirement, the City would be required to purchase service time through the current retirement system or establish an annuity account. There was some question raised whether the City could purchase the back service time since the retirees were not part of the qualified retirement plan, nor employed with an eligible agency. City Attorney Davis gave his opinion that the City could not purchase back service time because the law is very specific in terms of what you do for one employee, you must do for all employees. Mayor Combs suggested delaying further consideration until a report can be heard in executive session concerning the City's legal liability with regard to the payment of taxes.

2. Concealed deadly weapons: City Attorney Davis presented and gave second reading to an Ordinance entitled:

**AN ORDINANCE RELATING TO THE BAN ON CARRYING OF CONCEALED DEADLY WEAPONS IN BUILDINGS AND ON PROPERTY OWNED AND CONTROLLED BY THE CITY OF PIKEVILLE INCLUDING BUT NOT LIMITED TO THE HOUSING AUTHORITY OF PIKEVILLE, KENTUCKY.**

Mayor Combs made the motion to adopt the Ordinance as presented and read. Commissioner Clark seconded the motion. The motion carried by the following votes:

MAYOR:	STEVEN D. COMBS	YES
COMMISSIONER:	BILL BLACKBURN	YES
	EUGENE DAVIS	YES
	JOHNNY MOUNTS	YES
	SHARON CLARK	YES

3. Park Street Zoning: Presented and given second reading was an Ordinance entitled:

**ORDINANCE AMENDING THE CITY OF PIKEVILLE ZONING MAP OF PARK STREET FROM R-1 TO R-3**

The Commission received a map from Joint Planning Commission secretary, Leon Huffman, that depicted the location of the property affected by the proposed zoning change as well as clarifying that the tract is .346 acres instead of 3.46 acres as recorded in the Joint Planning Commission's minutes. Commissioner Mounts asked if there had been objections to the proposed change. City Attorney Davis reported that he had reviewed the minutes and found there had been questions raised by the residents concerning additional traffic flow on Park Street. Building Inspector, Levy Green, reported that the applicant, Judy Walters, proposed a Park Street access for one duplex unit and a River Fill access for the other unit. There was no one present at the previous meeting or at this evening's meeting to object to the adoption of the ordinance. The clerk was directed to make copies of the Planning Commission Meeting minutes and distribute to the City Commission. Further action was delayed until the next regular meeting.

4. 1997-98 Budget Amendments: Presented and given first reading was an Ordinance entitled:

**ORDINANCE AMENDING THE FISCAL BUDGET FOR THE 1997-1998 FISCAL YEAR**

City Manager Blackburn distributed the proposed budget changes to each Commission Member.

The Ordinance will be on file in the office of the City Clerk where it may be viewed by the public. Second reading was scheduled for the next regular meeting.

5. Collective Bargaining: Presented to the Commission was the following resolution:

WHEREAS, state mandated collective bargaining would violate the principle of local home rule; and

WHEREAS, state mandated collective bargaining would constitute a costly unfunded mandate that will undoubtedly result in increased taxes or diminished services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION FOR THE CITY OF PIKEVILLE:

Section 1. The City Commission for the City of Pikeville hereby expresses its opposition to state mandated collective bargaining for public employees and requests that the representatives of the City of



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Pikeville in the 1998 Kentucky General Assembly vote against any proposed legislation that would mandate collective bargaining for public employees.

Duly adopted by a majority vote of the City Commission for the City of Pikeville, Kentucky, this, the 23rd day of February, 1998.

Mayor Combs made the motion to adopt the resolution. Commissioner Mounts seconded the motion. The motion carried unanimously.

6. School Bonds: The City School Board's attorney presented to the City Attorney's attention that as part of the financing arrangement for the 1965 and 1974 School Bond Issues, the City received title to the elementary and high school properties. The agreement provided that once the bonds were paid off, the City would reconvey title of the property to the Pikeville Independent School Board. A portion of the bonds were retired in 1996 and the remainder in 1997. Commissioner Davis made the motion to authorize the reconveyance of the elementary and high school properties to the Pikeville Independent School District and to authorize the Mayor to execute the deeds. Commissioner Clark seconded the motion. The motion carried 4 - 0 - 1 with Mayor Combs abstaining from the vote. Commissioner Mounts asked if the agreement provided for the School Board to lower the taxes once the bonds were paid off. The City Attorney reported that he had checked into the matter and found that it is the School Board's prerogative as to whether they lower the property tax rate.

7. Off-site signs: City Attorney Davis advised that he has now completed an amendment to the zoning ordinance regarding the placement of off-premise signs. Because the proposed amendment is part of the zoning ordinance, the Planning Commission must hold a public hearing to consider the matter. Mayor Combs made the motion to authorize the City Attorney to submit the proposed zoning ordinance amendment to the Joint Planning Commission for their consideration. Commissioner Mounts seconded the motion. The motion carried unanimously.

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

1. Street Sweeper Bids: City Manager Blackburn advised that two bids had been received for the purchase of a street sweeper. PSG Manager May reviewed the bids and recommended the award to Municipal Equipment in the amount of \$138,979.00. Delivery time is about four months. Approximately \$26,000.00 has been budgeted. The extended delivery date will allow the City Manager to arrange financing, for a 3 to 4 year period, with a local lending institution. Because of the delay in delivery, Municipal Equipment has agreed to lend the City a vehicle to use during the Hillbilly Days Festival. Commissioner Mounts made the motion to award the bid to the low bidder, Municipal Equipment, in the amount of \$138,979.00. Mayor Combs seconded the motion. The motion carried 5 - 0.

2. Special Garbage Pick up Fees: The City Manager advised that persons desiring to have large items of trash removed from their property can call PSG to have the item removed for a designated fee. Two individuals had contacted the City Manager's office with regard to removal service that was rendered in 1994 and in 1997. Because the bills were unpaid, the utility office transferred the balance to each individual's utility bill. Because he was not employed at the time, Mr. Blackburn told the Commission that he had offered to reduce each of the bills by half, but the individuals felt they should not have to pay for the service. Mr. Blackburn told the Commission that he plans to institute a new policy that will provide for the resident to sign the pick-up order before the trash items are removed from the property. Mr. Blackburn told the Commission there are a total of five bills that were transferred to the utility bills. The Commission authorized the City Manager to reduce the bills by half.

3. Library Funds: City Manager Blackburn advised that approximately \$7,000.00 remains in the account that was transferred to the City by the Pikeville Public Library District for the library facility construction. Mayor Combs made the motion to transfer the funds to the Library for resources for the Pikeville Library only. Commissioner Mounts seconded the motion. The motion carried 4 - 0 - 1 with Commissioner Davis abstaining from the vote.

4. YMCA Rental Fee: The YMCA is currently using the Teen Center for a fee of \$125.00 per month. After negotiations with the City Manager, the YMCA has agreed to pay a rental fee of \$450.00 per month, beginning April 1, 1998. Additionally, the YMCA received bills for swimming pool use in 1996 and 1997. YMCA was not billed until the end of 1997. The City Manager advised that he had agreed, subject to City Commission approval, to waive the invoice for 1996 (\$740.00) if they pay the 1997 bill in an amount just over \$1,600.00. Commissioner Blackburn made the motion to approve the agreement. Commissioner Clark seconded the motion. The motion carried unanimously.

5. PSG Radio System: Commissioner Davis made the motion to authorize the City Manager to advertise for bids for the purchase of radios for the public works department. Commissioner Clark seconded the motion. The motion carried unanimously.

6. Facilities Request: Parks Director Justice received a request from the Pikeville High School Track Coach asking to use the Bob Amos Park track. The City Manager reported that last season, the Commission had authorized the track to be closed for 1 1/2 hour each day during track season. Mayor Combs made the motion to authorize the Park Director to close the track at his discretion. Commissioner Clark seconded the motion. The motion carried unanimously.



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7. City Park: City Manager Blackburn advised that Marvin Hensley and Tim McNamee had inspected the City Park and identified several trees that needed to be trimmed or to be removed for safety purposes.

## AGENDA ITEM VI

## NEW BUSINESS

A. BOARD APPOINTMENTS: It was brought to the Commission's attention there is one vacancy on the Library Board and two vacancies on the Historic Preservation Board. There was no action taken with regard to this matter.

At 9:06 p.m., Mayor Combs made the motion to adjourn to an executive session for the purpose of discussing a legal matter concerning the potential liability for the pension plan as discussed earlier by the auditor and a contractual matter regarding the Keyser/Dark Hollow Water Tank. Commissioner Clark seconded the motion. The motion carried unanimously.

At 10:05 p.m., Mayor Combs made the motion, seconded by Commissioner Clark to reconvene to regular session. The motion carried unanimously.

Keyser/Dark Hollow: Mayor Combs reported that the Commission negotiated an agreement with Stuart Adams for the construction of a 200,000 gallon water tank to serve Keyser/Dark Hollow and the Northmonte Subdivisions. The City and Mr. Adams will each fund 50% of the cost of the tank with Mr. Adams being given a \$16,000.00 credit for deletion of the water line - ie - should the water tank cost \$300,000.00, the City will pay \$166,000.00 and Mr. Adams will pay \$134,000.00. The Mayor added that should the water tank cost exceed the \$300,000.00 estimate, each party would fund the overrun equally. Mr. Adams told the Commission that he would fund only \$134,000.00 of the cost of the water tank, stating that he would have no input in the matter if the City accepted a bid over \$300,000.00. The City Engineer suggested that the Commission authorize advertisement for bids with either party having the right to not participate in the project. The Commission agreed with the suggestion. Mayor Combs made the motion to authorize the City Engineer to advertise for bids for the purchase of a 200,000 gallon water tank. Commissioner Davis seconded the motion. The motion carried unanimously.

Retirement Ordinance: The City Attorney gave second reading to the Ordinance entitled:

## ORDINANCE ESTABLISHING PARAMETERS FOR CERTAIN RETIREMENT BENEFITS

The City Attorney advised that the City would be withholding taxes from the pension benefits. Attorney Davis reported that he had been asked whether the Ordinance provided for back pay for individuals from the time they requested the benefit until the benefits were approved. Mr. Davis told the Commission that he had advised the Finance Department that no provisions for back pay were included in the Ordinance.

Mayor Combs made the motion to adopt the Ordinance as presented. Commissioner Mounts seconded the motion. The motion carried by the following votes:

MAYOR:	STEVEN D. COMBS	YES
COMMISSIONER:	BILL BLACKBURN	YES
	EUGENE DAVIS	YES
	JOHNNY MOUNTS	YES
	SHARON CLARK	YES

Day Care Center Nominating Committee: Mayor Combs made the motion to appoint Woody Runyon and Rick Bartley to serve on the Model City Day Care Center Nominating Committee. Commissioner Clark seconded the motion. The motion carried unanimously.

There being no further business to come before the Commission, Mayor Combs made the motion, seconded by Commissioner Mounts to adjourn the meeting. The motion carried unanimously. (Adjournment Time: 10:20 p.m.)

APPROVED: \_\_\_\_\_  
STEVEN D. COMBS, MAYOR

ATTEST:

\_\_\_\_\_  
KAREN HARRIS, CITY CLERK