

MINUTES } CITY OF PIKEVILLE

CITY OF PIKEVILLE BOARD OF COMMISSIONERS REGULAR MEETING MINUTES MARCH 23, 1998

The Board of Commissioners of the City of Pikeville met in regular session on Monday, March 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 6:02 p.m. Commission Members present at roll call were as follows:

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

Commissioner Eugene Davis arrived at the meeting at 6:20 p.m.

AGENDA ITEM II. MINUTES

The minutes for the previous regular meeting of February 23, 1998 and the March 4, 1998 special meeting were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Mounts made the motion, seconded by Commissioner Clark to approve the minutes as submitted. The motion carried 4 - 0 (Commissioner Davis not present at the time of the vote).

AGENDA ITEM III. BUSINESS FROM THE FLOOR

A. ECONOMIC DEVELOPMENT COUNCIL: Leslie Combs appeared before the Commission to discuss the proposed establishment of an Economic Development Council. With the creation of this Board, it is hoped that the efforts of the Main Street Agency, IDEA, Tourism and the Chamber of Commerce could be coordinated through one cohesive group, which could provide for projects to be accomplished more efficiently and economically. It is proposed that each of the agencies would have an office in the Academy Building, allowing the sharing of office equipment and staff. The Commission was assured that forming the new Board would not discontinue any of the current agencies. The concept has been approved by the Pike County Fiscal Court and the Chamber of Commerce for a 2 year period. Once the City approves the creation of the Economic Development Council, the proposal will be presented to the Tourism and Main Street Boards.

The proposed budget and by-laws for the Economic Development Council was presented to the Commission. It was noted that of the \$144,000.00 budget, 72% was committed to salaries and fringe benefit expenses for an executive director. Pike County Fiscal Court has agreed to pledge \$75,000.00 per year and Community Trust Bank has pledged \$25,000.00 per year. The City has been asked to contribute \$35,000.00 per year. Mayor Combs explained that part of the executive director's duties will be to act as the executive director for IDEA. Other duties of the position would require overseeing each of the aforementioned agencies' operations from the standpoint of coordinating those efforts and to recruit employment opportunities for the community. Commissioner Clark questioned if the decisions made by the Economic Development Council's executive director would be final. Ms. Combs explained that the governing board would be comprised of the Mayor, the County Judge, the Chairpersons or Presidents of each agency and 2 members at large - 1 appointed by the Mayor and the other appointed by the County Judge. The executive director will report directly to the Board. Commissioner Clark asked if the City would continue to budget funds for the Main Street Program (current allotment is \$15,000/annually). Ms. Combs told the Commission that the general functions of the Main Street Program could be performed by other agencies, however, eligibility to receive Heritage Council grant funds requires the position of project director. Likewise, Tourism funds cannot be co-mingled with other project funds. Main Street Board Member, Mark White, was present and informed the Commission that the Board is in the process of hiring a new director. Mr. White commented that the Main Street Program has a viable downtown revitalization plan and has received funding to begin implementation.

Because Commission Members were dissatisfied with the lack of production by former executive directors of IDEA and the Main Street Program, Mayor Combs suggested that the Commission approve the program and funding for a 1 year period, with a review of the performance at the end of that year. He added that a representative from the City Commission should be on the committee to interview applicants.

At the request of Commissioner Davis, further consideration of the matter was delayed until the next regular meeting.

B. OCCUPATIONAL LICENSE FEES: City Manager Blackburn advised the Commission that local businessman, Greg Justice, had requested to address the Commission to voice his objection to remitting the 2% license fee on the profits received from property rental income. Mr. Blackburn told the Commission that Mr. Justice feels the 1962 Ordinance that established the fee is unfair because he pays property tax on the rental property. Mr. Justice was not present to voice his objection. The Commission took no action.

C. PINSON HOTEL: Pinson Hotel owner, Robert Pinson, appeared before the Commission seeking permission to place two poles in the sidewalk to support a door awning at the hotel's Pike Street entrance.

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According to Mr. Pinson, the sidewalk is 21 inches from the edge of the street and would pose no hazard to pedestrian or vehicular traffic. Mr. Pinson told the Commission that Building Inspector, Levy Green, had denied his request and had suggested that he anchor the awning to the building. Mr. Pinson contended that affixing the awning to the building with chains is not durable nor attractive. Building Inspector Green reported that he had denied Mr. Pinson's request because of ordinances prohibiting the construction of signs closer than 5 feet to the public right-of-way and because the poles would be placed upon public property. Mr. Pinson argued that awnings could not be defined as signs. City Attorney Davis agreed with Mr. Pinson that an awning is not a sign, however expressed his concerns that permission to use public right-of-way would probably require the City to grant a franchise. He added that granting a franchise would involve an elaborate process. City Engineer Sykes informed the Commission that the Department of Transportation has a permitting procedure in place which grants an encroachment on public property and provides payment of a minimal fee. The procedure acknowledges there is an infringement on public property. Commissioner Blackburn commended Mr. Pinson for the improvements to his building. He asked if a notation could be made in the minutes allowing the encroachment on the condition that it did not establish an unfavorable precedent or cause unforeseen problems. City Attorney Davis advised the Commission they could adopt a resolution to grant Mr. Pinson a permit to construct an awning with the provision that the awning and supports would be removed should a reasonable need arise. Mayor Combs made the motion, seconded by Commissioner Mounts to authorize the City Attorney to prepare an agreement allowing the installation of the awning and the poles upon the public right-of-way. The motion carried unanimously.

AGENDA ITEM IV.

PAYMENT OF BILLS

A. CITY BILLS: A list of City Bills totaling \$543,625.74 was presented to the Commission for approval of payment. Questioned was the \$65,000.00 payment request for Pikeville College. City Manager Blackburn explained that the request is partial payment to purchase the graveled lot adjacent to the Academy Building (the remaining balance is \$50,000.00). The purchase price of the lot is the City's matching contribution for the ISTEA grant funds. Covenants in the deed to the parking lot will require the City to lease the lot to Pikeville College, however the City can use the parking lot anytime that it is not being used by the college. Mayor Combs made the motion, seconded by Commissioner Clark to approve payment of the bills as submitted. During discussion, City Manager Blackburn advised the Commission that the bill request is higher due to issuing all capital improvement purchase orders so the fiscal year budgets will not overlap. The motion carried 4 - 0 - 1 with Commissioner Mounts abstaining from the vote.

B. ACADEMY BUILDING: Presented to the Commission for approval was the final payment for Phase I of the Academy Stabilization Project from Richardson & Associates in the amount of \$1,709.65. Jack Sykes, Chair of the Historic Preservation Board, reported that the Historic Preservation Board had met and recommended the bill be paid as submitted. Commissioner Davis made the motion, seconded by Commissioner Mounts to approve payment of the bill as submitted. The motion carried unanimously.

C. HAROLD'S BRANCH: Presented for approval was a payment request from C & W Equipment in the amount of \$44,237.70 for the Harolds Branch Road Improvement Project. City Engineer Sykes reminded the Commission that the payment request will be reimbursed by D.O.T. Mayor Combs made the motion, seconded by Commissioner Mounts to approve payment of \$44,237.70 to C & W Equipment as requested. Mayor Combs asked if Summit Engineering was overseeing the project to insure there isn't a large cost overrun. Mr. Sykes advised that Summit Engineering is reviewing and signing all payment requests from C & W Equipment. The motion carried unanimously.

AGENDA ITEM V.

OLD BUSINESS

A. CITY ENGINEER'S REPORTS: Jack Sykes, representing Summit Engineering, Inc. City Engineers, presented a verbal status report of ongoing projects:

1. Peach Orchard Water Line Project: Presented to the Commission were the bid results for the replacement of 2500 ft. of 8" water line and 1400 ft. of 6" water line on Peach Orchard. The engineer's estimate for the project was \$111,415.00. Three bids were received with M & S General Contracting submitting the low bid at \$115,170.00. The other bids were from JBC, Inc. in the amount of \$127,740.00 and Alpha Reclamation at \$199,755.00. The Commission was notified there will be some traffic problems in that all of the utility work is in the roadway. The contract has a 60 day completion time. Mr. Sykes alerted the Commission to the possibility of a change order to the project. He explained that 850 ft. of encasement pipe had been included in the bid specifications, however when the line is exposed, there may be a need to increase this amount. State laws require that if a water line is located within 10 ft. horizontally or 2 ft. vertically to a sewer line, the water line must be encased for health precautions. City Manager Blackburn told the Commission that \$77,000.00 was budgeted for the project. \$30,000.00 will be transferred from the Jefferson Street Slide Repair Fund and the remainder will be paid from next fiscal year's budget. Commissioner Mounts made the motion, seconded by Commissioner Clark to award the bid to the low bidder, M & S General Contracting, in the amount of \$115,170.00. The motion carried unanimously. The street is scheduled for repaving after the utility work is completed.

2. Harold's Branch Road Improvements: Mr. Sykes advised the Commission that the project is proceeding on schedule. The utility work, which involved the relocation of the water and gas lines, has been completed. It was explained that the relocation of the lines to the hospital's parking lot from Harold's Branch Road was necessary to facilitate excavation. Presented were two items requiring a change order. Mr. Sykes told the Commission that when the project was designed, it was thought that the gas service tap was located just off Bypass Road. Because the tap was not located in that area, a tie-in for the gas line

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and a valve was added at a cost of \$1,900.00. At the request of PSG and the Fire Department, an additional fire hydrant and a valve, to allow the water service to be cut-off at Harold's Branch without interfering with hospital operations, was included. Total utility costs are \$4,400.00. At the time the project was designed, the street leading to the hospital's emergency room entrance was not paved. The street was paved just prior to beginning the project. In order not to disturb the entrance and to stay off the pavement as much as possible, the contractor was directed to install the utility lines at the edge of the pavement. Because of the relocation, the contractor encountered rock. The contractor has submitted a charge of \$2,000.00 for chipping the rock. The City Engineer reported that he had not received hospital approval for the relocation, but thinks they will pay for the relocation because it facilitated their operations. Total amount of the change order is \$6,071.10 which included a deduct of \$328.90 for the type of gas line installed. Included in the engineer's estimate was a 10% contingency for the project, however, D.O.T. approved the project without the contingency. The City is in receipt of a letter from the hospital agreeing to reimburse the City for any costs not paid by D.O.T. City Manager Blackburn expressed his opinion that the \$4,400.00 in utility changes benefited City operations. City Engineer Sykes told the Commission that he would submit the \$2,000.00 change order for the relocation of the utility lines to the hospital for approval. Commissioner Davis made the motion to approve the change order request in the amount of \$4,400.00 and to approve payment. Commissioner Mounts seconded the motion. The motion carried unanimously.

3. Keyser Water Tank: Summit Engineering is proceeding with the design. Mr. Sykes told the Commission that he conducted negotiations with Stuart Adams concerning a couple of design issues and thinks the problems have been resolved.

4. Bryan Street: Mr. Sykes reported that City Attorney Davis is preparing the necessary right-of-entry agreements to allow Summit Engineering to conduct surveying.

5. 911 Mapping: The project mapping is approximately 40% complete.

6. Academy Building Phase II Bids: Jack Sykes, in his capacity as Chairman of the Historic Preservation Board, reported that bids had been opened for Phase II of the Academy Building restoration project. The bid documents provided for the submittal of a base bid and six alternates. The project was bid with alternate repairs to determine if sufficient funds were available. It was learned after the bid documents were prepared that the Kentucky Heritage Council had not approved Alternate 6 (floor replacement). It was explained that Alternate 5 did not clearly specify to the bidders the type of work that was expected, which was reflected in the bids received - from a low bid of \$1,000.00 up to \$22,000.00. There were a total of five bids received. Commonwealth Building submitted the low base bid in the amount of \$315,000.00. The Alternate Bids were defined as follows: Alternate 1 - Paving three to four handicapped spaces at the back of the building and paving the access road to the lot; Alternate 2 - Cornice along exterior of building; Alternate 3 - built-in furnishings for the building; Alternate 4 - A deduction from the total bid - providing gypsum ceilings rather than repairing the plaster. The Historic Preservation Board recommended award of the bid to the low bidder, Commonwealth Building, for the base bid and Alternates 1 - 4 in the amount of \$388,600.00. Other bids including the bid amounts for Alternates 1 - 4 were as follows: Baldwin Contracting - \$391,256; Elliott Contracting - 494,951; Patriot Construction - \$408,890; Royalty Construction - \$437,000. There is approximately \$460,000.00 available for the project. With the projected \$70,000. surplus, the parking lot could be paved, the stone wall could be repaired and landscaping could be provided. Mr. Sykes told the Commission that the recommendation of the Historic Preservation Board is to award the bid with Alternates 1-4 to the low bidder, Commonwealth Building, on the condition that the contractor understand that the Historic Preservation Board may want to delete Alternate 1 and negotiate items in other Alternates. Commissioner Davis made the motion to accept the Historic Preservation Board's recommendation and award the bid to the low bidder, Commonwealth Building in the amount of \$388,600. Commissioner Clark seconded the motion. The motion carried unanimously.

Academy Building Rental Fee: Mr. Sykes reminded the Commission of the appraisal made by Judy Walters and the suggested rental fee for office space of \$8.00/sq. ft. and the Historic Preservation Board's recommendation that the suggested fee be reduced by half to \$4.00/sq. ft. The lesser fee will generate \$22,567. annually, if the building is fully occupied and each occupant, with the exception of the Pikeville College Alumni Association, is charged for space. It was projected that the utility costs will take 80% of the fees collected. Commission Members voiced their opinion that sufficient rental income should be generated to provide for maintenance. The Commission discussed a suggestion to allow the proposed Economic Development Council to manage the Academy Building and sublease to prospective tenants, using the funds collected as part of the City's contribution. The Commission delayed action until a decision is made on the establishment of the Economic Development Council.

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

1. Budget Amendments: Presented and given second reading was an Ordinance entitled:

ORDINANCE AMENDING THE FISCAL BUDGET FOR THE 1997-1998 FISCAL YEAR (O-98-006)

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

MAYOR: STEVEN D. COMBS YES

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COMMISSIONER:	BILL BLACKBURN	YES
	EUGENE DAVIS	YES
	JOHNNY MOUNTS	YES
	SHARON CLARK	YES

2. Park Street: Presented and given second reading was an ordinance to change the zoning for one tract of property located on Park Street. A transcript of the Joint Planning Commission's meeting was given to each Commission Member for review. City Building Inspector, Levy Green, told the Commission the only concern raised to the proposed zoning change was the potential increase of traffic on Park Street. He added that he felt that Ms. Walters had sufficiently addressed the matter by assuring the Planning Commission members and the property owners that part of the traffic would be diverted through the river fill. There was some discussion as to whether the change in zoning from an R-1 to R-3 rather than to C-1 was correct, as the Building Inspector voiced his concerns for spot zoning. City Attorney Davis advised that he thought that the zoning change to R-3 would have been less contested than a C-1 designation and reminded the Commission there were no objections to the proposed zoning. Second reading of the ordinance was given entitled as follows:

ORDINANCE AMENDING THE CITY OF PIKEVILLE ZONING MAP OF PARK STREET FROM R - 1 TO R - 3 (O-98-007)

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. City Park: City Attorney Davis presented an Ordinance for consideration which would ban roller blading, skate boarding, and bicycling in the City Park. Commission Members discussed the safety hazard in allowing those activities in the City Park as well as in the downtown area. Also discussed was the damage to the park accessories from roller blading and skate boarding activities. Commissioner Mounts reported that he had been informed by a number of business people of their concern that someone may be seriously injured while exiting their businesses by the children who are rollerblading on the sidewalks. Mayor Combs suggested declaring an emergency and adopting the ordinance to apply immediately to the City Park and then have the City Attorney to draft an Ordinance to ban roller blading and skateboarding in the downtown area once the YMCA Skate Park is opened. The area for the second ordinance was defined to include Hambley Boulevard to 119; from Hardees to McDonalds. City Attorney Davis gave reading to an Ordinance entitled as follows:

EMERGENCY ORDINANCE PROHIBITING THE USE OF SKATE BOARDS, ROLLER SKATES, ROLLER BLADES, BICYCLES AND OTHER NON-MOTORIZED DEVICES WITH WHEELS OR ROLLERS UPON WHICH A PERSON MAY RIDE IN THE CITY PARK AND PROVIDING PENALTIES FOR VIOLATION (O-98-008)

Mayor Combs made the motion to declare an emergency and adopt the Ordinance. 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

The City Attorney will prepare an ordinance to ban roller blading and skate boarding activities in the specified downtown area for consideration at a special called meeting or at the next regular meeting. Judy Walters spoke in support of the proposed ordinance and asked if private property could be added to the ban. City Attorney Davis advised that private property could be added to the ban. He was directed to send the Commission a copy of the ordinance when drafted.

4. Bond Refinancing: In November, 1995, the City Commission agreed to enter into an agreement with Hilliard/Lyons for the refinancing of certain bonds under the assumption that if the deal were found infeasible, the City would have no financial obligation to Hilliard/Lyons. In January, 1996, the bond market fell and the City did not refinance the bonds. Hilliard/Lyons has notified the City that the rates are falling and it looks advantageous for the City to refinance. Finance Director, Jan Hunt, advised the Commission that Hilliard/Lyons is only considering one bond, which has an interest rate of 6.65%, for refinancing. City Manager Blackburn advised that the City will probably have the same payment amount, but the term will be lessened. It was pointed out that Hilliard/Lyons will not be paid unless the refinancing venture is successful. Before action is taken to refinance, Hilliard/Lyons will determine the feasibility. The same agreement that was presented in January, 1996 by Hilliard/Lyons for the refinancing was again presented for approval. Commissioner Mounts made the motion, seconded by Mayor Combs to approve entering into an agreement with Hilliard/Lyons for bond refinancing. The motion carried unanimously.

5. Kentucky Heritage Council: The City Attorney reported that he had received an easement agreement from the Kentucky Heritage Council which would ensure that the Academy Building would be

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designated and preserved as a historical monument. It was reported that acceptance of the agreement is a condition of receiving the ISTE grant funds for the renovation of the Academy Building. The City is required to record the easement with the title for the Academy Building. The easement provides that the City will maintain the building; there will be no changes to the building that would alter the character of the building as a historic site; and the character of the wall can't be altered without the Kentucky Heritage Council's permission. Mayor Combs made the motion to approve the easement agreement. 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. Retirement: Since the publishing of the retirement ordinance, City Manager Blackburn reported that he had received a number of calls from former employees who felt they qualified for retirement benefits. After researching the records, Mr. Blackburn advised that only one met the qualifications provided for in the ordinance. Tommy Hall was employed by the City in December, 1967 and retired in 1996 from PSG. The Commission argued that Mr. Hall did not have 25 years service time with the City and they didn't realize that benefits were to include time with PSG. City Attorney Davis agreed. Mr. Blackburn told the Commission that the two recently approved recipients would not qualify under this scenario. The Commission delayed action to allow opportunity to review the intent of the ordinance.

2. Street Sweeper Financing: City Manager Blackburn advised the Commission that he had solicited proposals from the local lending institutions for three year financing for the street sweeper purchase. The low bidder was Matewan National Bank at 5.29% interest rate. Mr. Blackburn advised that the City has \$26,000.00 to pay towards the purchase and will borrow the remainder. Commissioner Mounts made the motion, seconded by Commissioner Clark to finance the street sweeper purchase with Matewan National Bank. The motion carried 4 - 0 - 1 with Mayor Combs abstaining from the vote.

AGENDA ITEM VI.

NEW BUSINESS

A. EMERGENCY SHELTER GRANT: The Commission received notice that a \$25,000.00 grant had been received from Kentucky Housing Corporation for the emergency shelter operations for fiscal year 1997-98. Commissioner Mounts made the motion, seconded by Commissioner Clark to accept the grant. The motion carried unanimously.

B. GRANT APPLICATION: Commissioner Mounts made the motion, seconded by Commissioner Clark to authorize the submission of a grant application for Emergency Shelter Grant funds for fiscal year 1998-99. The motion carried unanimously.

PSG Reports: Mayor Combs advised that a number of residents are continuing to bag leaves and grass clippings for garbage pickup. In addition to the material filling up the landfill, the act is illegal. The Commission directed that a note be placed on the bill to notify residents that the City cannot pick up leaves and grass with the regular garbage service. Discussed at some length was the concept of going to once a week residential garbage service. PSG Manager Greg May told the Commission that he had looked at the cost of purchasing a 90 gallon trash receptacle for every resident. The cost of the cans is about \$65,000.00. Mr. May estimated that 1/3rd of the operating cost could be saved by changing to once a week residential garbage service. No action was taken.

At 8:29 p.m., Mayor Combs made the motion to adjourn to executive session to discuss a personnel matter with the Police Chief. Commissioner Davis seconded the motion. The motion carried unanimously.

At 8:50 p.m., Mayor Combs made the motion, seconded by Commissioner Mounts to reconvene to regular session. The motion carried unanimously.

Police Chief Justice recommended that three police officers be promoted to the rank of Sergeant - Woody Pruitt, James Adkins, and Richard Harris - and that Sergeants Larry Sanders and Randy Ferrell be promoted to the rank of Captain. Commissioner Davis made the motion, seconded by Commissioner Blackburn to approve the promotions as recommended by the Police Chief. 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: 8:55 p.m.)

APPROVED _____
STEVEN D. COMBS, MAYOR

ATTEST:

KAREN HARRIS, CITY CLERK