

MINUTES } CITY OF PIKEVILLE

CITY OF PIKEVILLE BOARD OF COMMISSIONERS REGULAR MEETING MINUTES MARCH 22, 1999

The Board of Commissioners of the City of Pikeville met in regular session on Monday, March 22, 1999. The meeting was held in the City Hall Public Meeting Room at 260 Hambley Boulevard, Pikeville, Kentucky.

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

MAYOR: FRANK MORRIS
COMMISSIONER: BILL BLACKBURN
EUGENE DAVIS
WANDA VARNEY
SHARON CLARK

AGENDA ITEM II. MINUTES

The minutes for the previous regular meeting held on February 22, 1999 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Davis made the motion to approve the minutes as submitted. Commissioner Varney seconded the motion. The motion carried unanimously.

AGENDA ITEM III. BUSINESS FROM THE FLOOR

A. CHAMBER OF COMMERCE: Kitty Blackburn, executive director of the Pike County Chamber of Commerce, along with Chamber President John Coffey and Board Member David Stratton, appeared before the Commission to offer the light displays, used during their Mountain Festival of Lights promotion, for sale. Ms. Blackburn advised there are a total of 41 lights in the display and the Chamber is interested in selling the lights as a whole package. The Chamber is asking \$173,000.00 for the lights, storage trailer and miscellaneous lights and hookups. A similar offer has been extended to Prestonsburg/Floyd County and Paintsville/Johnson County. Ms. Blackburn commented that it would be ideal for Pike County and the City to purchase the lights jointly and to display the lights, as a tourist attraction, along the boulevard or in the cut-thru. Ms. Blackburn stated that while she felt the Fishtrap location an ideal spot to exhibit the lights, the distance from other activities was a substantial factor in low tourist participation, which forced the Chamber to offer the lights for sale. Mayor Morris voiced his opinion that the local merchants would appreciate the added attraction during the Christmas season as it would bring in more shoppers. Ms. Blackburn pointed out that many of the displays are not Christmas related and could be used as year round decorations. Commissioner Davis asked if individual displays could be purchased. Ms. Blackburn said the Chamber wanted to sell the entire grouping to one agency, however if there is no interest shown, they may decide to offer individual displays for sale. Commissioner Davis expressed his opposition to the city purchasing the entire display without assistance from the county. Discussion continued concerning possible sites to exhibit the lights. Sites are limited due to the height of a number of the displays and the necessity to locate them away from public rights-of-way for safety purposes. The Mayor told Ms. Blackburn that he would arrange a meeting with County officials to determine their interest in acquiring the lights.

B. YMCA: Mike Meade of Elliott Contracting came before the Commission to request a waiver of permit fees and water tap fees for the new construction at the YMCA's skate park located at Bob Amos Park. According to Mr. Meade, YMCA received a grant to build a concession/restroom facility in the amount of \$25,000.00. Construction costs will use the entire grant funds with no money left for permit and tap on fees. City Attorney Davis advised the Commission they could legally waive the building permit fees and utility fees since the facility is located on city property and would be considered an improvement to the property, however there would be no basis on which to grant a waiver of occupational license fees. The cost of the water tap fee was estimated between \$300 - \$500. Commissioner Blackburn made the motion, seconded by Commissioner Davis to waive the building permit fee and water tap on fee for the YMCA facility at the skate park. The motion carried unanimously.

AGENDA ITEM IV. PAYMENT OF BILLS

A. CITY BILLS: A list of City Bills totaling \$365,365.62 was presented to the Commission for approval of payment. Commissioner Clark made the motion, seconded by Commissioner Varney to approve payment as requested. The motion carried unanimously.

B. ACADEMY BUILDING/CITY HALL CONVERSION: Commonwealth Building & Construction presented an invoice totaling \$61,353.00 for approval of payment for work completed on the Academy Building renovation for the City Hall conversion. The project is 84% complete. Architect Bill Richardson recommended the bill be approved as submitted. Commissioner Davis asked whose responsibility it is to pay the cost of reworking the second floor fire escape. Architect Richardson explained the fire escape had to be adjusted to fit the ramp. Commonwealth Building & Construction has assumed the monetary responsibility to correct the fire escape mechanics. Commissioner Davis made the motion to approve payment of the bill as requested. Commissioner Clark seconded the motion. The motion carried unanimously.

Richardson Associates, Architects presented their request for payment in the amount of \$4,679.28 for architectural services associated with the City Hall conversion. City Attorney Davis reported that he had reviewed the bills associated with the project and is of the opinion that Richardson Associates, Architects, has been overpaid. The standard contract for Architectural Services stated that Mr. Richardson would be compensated at 6% of the construction costs, however Mr. Richardson has billed, at \$75.00/hr. and received payment for, redesign of the fire escape, meetings with furniture suppliers, etc., totaling \$12,000.00, which is in addition to the percentage of construction costs. Mr. Richardson argued that he had to rework the fire escape design a number of times to satisfy the state and local fire marshal and building inspectors and felt the work exceeded the scope of services specified in the contract. City Attorney Davis countered that

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as architect, Mr. Richardson should have been familiar with the building codes and was responsible for submitting a compliant design. Fire Chief Hall concurred with the City Attorney and added that Mr. Richardson had been advised of the minimum acceptable requirements. With regard to the meetings with furniture suppliers and redesign of the office space, Mr. Richardson argued that he had been required to prepare multiple designs based upon requirements specified by city personnel. Commissioner Clark pointed out that Mr. Richardson was being compensated at 6% of the purchase price of the furniture. The Commission directed the City Manager, City Attorney, City Engineer and Project Director to meet with Mr. Richardson to negotiate compensation.

Change Order #9 in the amount of \$3,039.00 was presented for approval. Architect Richardson explained that \$2,184.00 of the amount is for installation of wire glass in the existing wood transoms and \$855.00 is for dropping the ceilings to enclose the visible sprinkler pipes. Commissioner Davis made the motion, seconded by Commissioner Blackburn to approve the change order as submitted. The motion carried unanimously.

C. CITY PARK RESTROOM: Presented for approval was an invoice in the amount of \$23,099.50 from Patriot Construction for the city park restroom construction. City Engineer Sykes reported there is approximately \$13,250.00 worth of work remaining before project completion. Also presented was a bill from Big Sandy Guardrail in the amount of \$3,350.00 for installation of a guardrail and land slide repair on Williams Hollow. Mayor Morris made the motion, seconded by Commissioner Varney to approve payment of the bills as presented. The motion carried unanimously.

AGENDA ITEM V.

OLD BUSINESS

A. MAIN STREET PROGRAM: There was no representation from the Main Street Board present for this meeting.

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

1. Bob Amos Park Storage Room: The 40 X 60 storage building planned for Bob Amos Park was bid at the same time as the city park restroom project. Patriot Construction was the low bidder for both projects, however the storage building came in \$14,000.00 over estimate. The City Manager and City Engineer were directed to negotiate with the contractor in an attempt to lower the bid. The City Manager reported that he was unable to negotiate a lower bid nor was he able to get the building constructed in-house any cheaper. The City Manager recommended the bid be awarded to Patriot Construction in the amount of \$79,000 and to increase the project cost by \$1,500 for the addition of a metal roof. The cost overrun will be funded through the 1999-2000 budget since the contractor will not begin the project until June. The exterior of the building is gray chip-faced block. Brick is estimated to cost an additional \$12,000 to \$14,000. The Engineer was directed to get a price on a colored chip-faced block along with an estimate for brick and to submit the information at the next meeting. Commissioner Davis made the motion, seconded by Commissioner Clark to award the bid for construction of the storage building at Bob Amos Park to Patriot Construction in the amount of \$80,500.00. The motion carried unanimously.

2. Harolds Branch Road Improvement Project: The project is complete, however, City Engineer Sykes reported that he has not received the final closeout change order nor the settlement agreement from contractor, C & W Equipment. Mr. Sykes advised the Commission that he has received notice that the contractor owes subcontractors \$32,863 in addition to the amount he specified in his certified affidavit. The City Engineer recommended the matter be referred to the City Attorney to seek the maximum liquidated damages. Commissioner Davis made the motion, seconded by Commissioner Clark to authorize the City Attorney to begin legal action against C & W Equipment. The motion carried unanimously.

3. Bowles Subdivision Storm Drainage: City Engineer Sykes advised the Commission that he has determined there is an existing storm drainage line located along the Bypass Road (Rte #1426) which extends to the river. He opined that the line is low enough to pick up the majority of the storm drainage in the lower portion of the project however, a line will have to be constructed to take the upper project's drainage to the river. Mr. Sykes presented an exhibit detailing the project, which was broken down into three phases. Phase I Line A, begins at the upper end of Cedar Drive and extends to the river. The line ranges in depth from 3.5 feet to 13.5 feet. Cost of line A is estimated at \$59,000. Phase II Line B, runs with the riverbank along Cedar Drive then extends down to Oak Lane, and onto the river. There is an existing 18 inch line, but it is not low enough to pick up the drainage. Cost for Line B is estimated at 70,750.00. Line B2 will have to be installed at a depth of 19 feet, and Mr. Sykes expressed some concern for line construction at this depth, however it would be a cheaper alternative to Line B. Line C begins at Walnut Drive and crosses Oak Lane for a cost of \$114,200.00. Phase III Line D constructs a line from Chestnut Drive to Oak Lane at a cost of \$61,000.00 and Line E does half of Walnut Street for an estimated cost of \$54,000.00. The total cost for all three phases is \$361,000.00. Mr. Sykes explained the storm drainage could be constructed in two projects. He added that, in his opinion, the priority is lines A and C or lines A and D. The projected cost for A and C is \$174,000.00. The estimated cost for A and D is \$120,000.00. Mr. Sykes recommended A and C as it was his opinion these lines would provide the most benefit for the neighborhood. City Manager Blackburn reported that he is setting aside \$41,000.00 per year for this project. Commissioner Davis made the motion to authorize the City Engineer to advertise for bids for the construction of Lines A and C. The motion carried unanimously.

4. Huffman Avenue: City Engineer Sykes reported he had been asked to prepare a cost estimate to widen Huffman Avenue to improve traffic circulation. The project would entail adding a traffic lane on the side of the existing parking lot; removing the existing curb and replacing it with a new sidewalk, curb and gutter; and constructing a new entrance into the parking lot. The entire street from the Boulevard down to College Street should be repaved. There currently are small isolated drainage problems. The City Engineer recommended the entire street be milled, adjust the manhole levels to their proper height and pitch and construct storm drains in the street. Cost for pavement, curb and gutter, sidewalk, restriping and signage is \$25,000. The drainage would add \$31,800 to the project cost. Two utility poles and a fire hydrant would also require relocation. City Manager Blackburn advised that he will contact Mountain Enterprises for a quote. Mayor Morris commented that the City should look at acquiring the necessary right-of-way to widen the portion of Elm Street adjacent to the Library/Telecommunications facility. The City Engineer reported the right-of-way in question is under the control of the Pike County Library District.

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5. Raw Water Intake Project: City Manager Blackburn reported there is a \$535,000 funding shortfall for the \$2.1 million Raw Water Intake Project. He explained the City had been awarded a \$350,000 ARC grant and \$1.2 million in Rural Development Funds - half is a grant and half is a low interest loan. Mr. Blackburn advised the Commission that it would be necessary to seek outside funding for the remainder of the money needed for the project. City Engineer Sykes reported that divers had worked at the intake. PSG officials report they can manage with the amount of water being fed to the intake at this time.

C. CITY ATTORNEY'S REPORTS: Russell H. Davis, Jr., city attorney, presented the following items for the Commission's consideration:

1. Grace Avenue Loading Zone: Second reading was given to an ordinance to establish a loading zone in the third parking space from the Main Street/Grace Avenue intersection. The Police Department reviewed the request for a loading zone, made by Levi's Floral, and determined there to be a need for the loading zone. Commissioner Clark asked if the public would be able to use the loading zone. Police Chief Justice explained that loading zones are to be used mainly by commercial vehicles, however the public can use the loading zones after 2 p.m. The City Attorney suggested designating the space as a 15 minute pick-up/delivery zone so the public could utilize the space. Mayor Morris suggested that a similar designation be made in one parking space, preferably the middle space, on Division Street. After considerable discussion, it was decided to designate the third parking space on Grace Avenue, from the intersection of Grace Avenue and Main Street, as a 15 minute pick-up/delivery zone and to designate the first parking space on Division Street, from the intersection of Second Street and Division Street, as a 15 minute pick-up/delivery zone. City Attorney Davis gave first reading to an Ordinance establishing the zones as specified. Second reading was scheduled for the next regular meeting.

2. Property Tax Ordinance: Presented was an emergency Ordinance setting the property tax rate. The ordinance was read entitled:

AN ORDINANCE FIXING A TAX LEVY ON REAL AND TANGIBLE PERSONAL PROPERTY, FRANCHISES, ALL FOR THE GENERAL OPERATING EXPENSE PURPOSES AND PROVIDING FOR A DISCOUNT ON ALL TAXES, IF PAID ON OR BEFORE MAY 3, 1999, AND A PENALTY IF NOT PAID BY JUNE 3, 1999

It was pointed out that the tax rate did not increase from the previous year's \$0.175 per \$100.00 of assessed value. The last time the rate was changed, it was lowered from \$0.181 per \$100.00 of assessed value.

Commissioner Clark made the motion to declare an emergency, said emergency being the necessity to mail the tax bills as soon as the ordinance goes into effect, and adopt the ordinance. Commissioner Varney seconded the motion. The motion carried by the following votes:

MAYOR:	FRANK MORRIS	YES
COMMISSIONER:	BILL BLACKBURN	YES
	EUGENE DAVIS	YES
	WANDA VARNEY	YES
	SHARON CLARK	YES

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

1. Elliott Contracting: Mr. Blackburn presented a request from Elliott Contracting to close College Street, from Elm Street to Kilgore Street, during the Library/Telecommunications facility construction. They estimated construction to take 15 months. Commissioner Davis commented that it would be a good time to widen the street. Commissioner Blackburn made the motion, seconded by Mayor Morris, to approve Elliott Contracting's request to close College Street, from Elm Street to Kilgore Street, during construction of the Library/Telecommunications facility. The motion carried unanimously.

2. CDBG: City Manager Blackburn reported he had been made aware of the availability of CDBG funds. In order to apply, the City had to advertise for requests for qualifications for a consultant to prepare a funding application. One response was received. The City Manager recommended that Will Linder & Associates be retained to prepare the funding application. The cost for environmental review is \$2,500.00. The cost for preparation of the application is \$9,500.00 and is payable only if the CDBG is awarded to the City. Commissioner Varney made the motion to authorize the Mayor to execute a contract with Will Linder & Associates for preparation of a CDBG application. Commissioner Clark seconded the motion. The motion carried unanimously. Mayor Morris made the motion, seconded by Commissioner Davis to authorize the submittal of the CDBG funding application. The motion carried unanimously.

3. Newsletter: During the previous regular meeting, the Commission authorized the preparation of a newsletter to be published in the newspaper, on a quarterly basis or as needed, to advise the public of what's going on in the city. City Manager Blackburn reported the *News-Express* editor has advised there will be a charge for the article. Estimated cost is between \$215.00 and \$350.00. Commissioner Clark made the motion, seconded by Mayor Morris to authorize the expenditure. The motion carried unanimously.

4. Landscaper: City Manager Blackburn advised the Commission that the previous hiree for the landscaping position was unable to accept the position. Mr. Blackburn recommended hiring David Crisp for the position at a wage rate of \$11.00/hour. Mayor Morris asked why the city could not contract with a local firm for landscaping. Commissioner Clark explained that a person is needed on a full-time basis and did not think the city could financially afford a landscaping firm. Commissioner Clark made the motion, seconded by Commissioner Varney to hire David Crisp in the position of landscaper at a wage rate of \$11.00/hr. The motion carried 4 - 1 with Mayor Morris casting a nay vote.

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5. Capital Improvement Study: City Engineer Sykes requested at least a one hour work session with the Commission to review the Capital Improvement Study. The work session was scheduled for March 25th at 2 p.m.

AGENDA ITEM VI.

NEW BUSINESS

A. PSG CONTRACT: On behalf of the city's utility manager, Professional Services Group, Inc. (PSG), local manager, Greg May delivered a proposal to the Commission whereby PSG would give \$500,000.00 to the City of Pikeville to be used for the Raw Water Intake project, in exchange for extending their management contract for a period of five years. The current management contract expires in 2002. The money would only have to be repaid if the contract was canceled by either party. The repayment schedule would be amortized over the 5 year period and would include interest at a rate of 9.5%. Commissioner Blackburn asked for a lower interest rate of 5% in the event that PSG chose to cancel the contract. Mr. May said he thought his company would agree to the lower interest rate. City Manager Blackburn explained that the total amount of PSG's bill that appears on the monthly bill listing includes the utility bill costs and fuel costs for the city's utility operations. Mr. May commented that PSG usually has an increase in their contract of 2.4% annually. This year, they propose to increase their fee by 2.5%, however \$51,000 of the increase will be dedicated for salary increases for PSG employees. Commissioner Blackburn made the motion to accept the offer with the stipulation the lower interest rate of 5% will be applied should PSG cancel the contract. Commissioner Varney seconded the motion. Mayor Morris was not in favor of making a decision on the matter during this evening's meeting. He commented that the Commission should not enter into contracts beyond their terms of office. The City Attorney explained that legislation now permits governmental bodies to enter into contracts beyond their terms of office. Commissioner Clark asked if the Commission could adjourn to executive session to discuss a legal matter. The City Attorney advised it would be possible as long as the Commission had legal questions about the application of the contract. The offer, itself, can't be debated. Commissioner Blackburn and Varney agreed to table their motion.

At 9:16 p.m., Commissioner Clark made the motion to adjourn to executive session to discuss a legal matter concerning PSG's contract. Commissioner Varney seconded the motion. The motion carried unanimously.

At 10:25 p.m, Commissioner Varney made the motion, seconded by Commissioner Clark to reconvene to regular session. The motion carried unanimously.

Commissioner Blackburn brought his motion back to the floor to accept PSG's offer with the stipulation that the interest rate would be lowered to 5% in the event PSG canceled the contract. Commissioner Varney seconded the motion. The motion carried unanimously.

Board appointments were postponed until the next regular meeting.

There being no further business to come before the Commission, Mayor Morris made the motion to adjourn. Commissioner Davis seconded the motion. The motion carried unanimously. (Adjournment time: 10:30 p.m.)

The Pikeville City Commission's next scheduled meeting is April 26, 1999 at 6:00 p.m.

APPROVED

FRANK M. MORRIS, MAYOR

ATTEST:

KAREN W. HARRIS, CITY CLERK