

MINUTES } CITY OF PIKEVILLE

PIKEVILLE CITY COMMISSION

REGULAR MEETING MINUTES

MARCH 27, 2000

The Board of Commissioners for the City of Pikeville met in regular meeting on Monday, March 27, 2000. The meeting was held in the City Hall Public Meeting Room located at 118 College Street, Pikeville, Kentucky.

There being a quorum present, Mayor Frank M. Morris called the meeting to order at 1:00 p.m. Commission Members present at roll call were as follows:

MAYOR: FRANK M. MORRIS
COMMISSIONER: BILL R. BLACKBURN
WANDA V. WILSON
SHARON C. CLARK

Commissioner Eugene W. Davis was absent.

AGENDA ITEM II.

MINUTES

The minutes for the previous regular meeting of February 28, 2000 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Blackburn made the motion, seconded by Commissioner Wilson to approve the minutes as presented. The motion carried 4 - 0.

AGENDA ITEM III.

BUSINESS FROM THE FLOOR .

A. STREET NAME CHANGE: Carl Owens, resident of Shale Drive, formerly known as Owens Drive, appeared before the Commission to request a street name change. Mr. Owens reported that Owens Drive had been renamed Shale Drive as a part of the 911 re-addressing program. Mr. Owens requested that Shale Drive be renamed Dobbins Drive in memory of his father, Jeff "Dobbins" Owens. Commissioner Blackburn made the motion, seconded by Commissioner Clark to change the name of Shale Drive to Dobbins Drive. The motion carried 4 - 0.

B. TRAFFIC LIGHT REQUEST: Concerned parent, Andy Weinstock, requested the Commission's assistance in alleviating the traffic hazard along north US 23 in front of Community Trust Bank and along business US 23 in front of Pikeville High School. Mr. Weinstock reported that he had written a letter to the Department of Highways requesting a traffic control device. The Department of Highways conducted a traffic survey and advised there is not enough traffic to warrant the installation of a traffic control device. Mr. Weinstock suggested that traffic could be improved by prohibiting parking in front of the Hambley Athletic Center, along business US 23. Mayor Morris reported that he has a meeting with Charles Neeley of the Department of Highways at 3 p.m. on March 30th, and invited Mr. Weinstock to attend the meeting with him.

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C. ~~HIGH STREET REDEVELOPMENT PROJECT:~~ Karla Corbin, representing Coleman & Corbin Realty, came before the Commission to request their property, located at 126 North Auxier Avenue, be eliminated from the High Street Redevelopment Project area. Ms. Corbin explained that her company has plans to construct a three story office complex on the property. Commissioner Clark disclosed that she could make no decision with regard to the request due to a conflict of interest, however voiced her objection to the city acquiring the property, then re-selling the property to a developer, who would then construct an office building. Project Coordinator, Sue Smallwood, cautioned that deleting properties from the project could establish an unfavorable precedent. The Commission agreed that a meeting should be scheduled to allow Ms. Corbin to discuss her firm's request with consultant, Will Linder, and with Ms. Smallwood.

D. PARKING SPACE REQUEST: City Manager Blackburn advised the Commission that a request has been made for creating additional parking spaces along Hibbard Street/Baird Avenue at the side of the Goff Furniture Building. Mr. Blackburn reported that Jeff Damron is renovating a portion of the building to locate a 50 seat submarine sandwich and pizza shop. The zoning ordinance requires 14 parking spaces be provided for said use. With the additional parking spaces along Hibbard Street, created by the city during the previous year, Ms. Smallwood reported the requirement could be met with 8 additional parking spaces. City Engineer Sykes and City Manager Blackburn visited the site and determined that 8 parking spaces could be created without interfering with the gateway element proposed for the Baird Avenue property. In an effort to promote economic development, Commissioner Clark made the motion, seconded by Commissioner Wilson to create 8 additional parking spaces on the city's property located at Baird Avenue, utilizing city crews to do the work. The motion carried 3 - 0 - 1 with Commissioner Blackburn abstaining from the vote.

E. ECONOMIC DEVELOPMENT: IDEA Chairman, Leon Huffman, reported that he and the East Kentucky Corporation are negotiating with representatives of a telemarketing firm to locate an office in Pikeville. Mr. Huffman explained that a tentative lease agreement has been reached between the owner of the building which housed the former Post Office location on South Mayo Trail, and the telemarketing firm. However, the agreement is pending the award of KJDA incentives. In order for the Kentucky Economic Development & Finance Administration to approve the state's corporate tax credits and 4% wage assessment to the company, they must have assurance from the City of Pikeville that the City is willing to waive 50% of its 2% occupational license fee in favor of the company. Mr. Huffman advised the center will be expanded to a 100 seat facility equating to about 230 jobs. Starting wages for phone-based jobs are \$7.00 per hour, with health insurance and retirement benefits after 90 days. The company is requesting to submit their KJDA application by March 29th. The telemarketing firm has three other locations in eastern Kentucky. Presented was a letter from the City of Middlesboro waiving 50% of their occupational license fees in favor of the company. City Attorney Davis advised that Kentucky Statutes allow cities to rebate up to 50% of occupational fees, however, stated that it was his personal opinion that the Commission should create a uniform guideline of incentives that will be offered to prospective

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businesses. He added that he felt that other owners of newly created businesses would question why they were not afforded the opportunity to recoup 50% of occupational license fees. The Commission pointed out they are very much in favor of seeking economic development opportunities for Pikeville, but agreed that a decision should be delayed until an incentive package can be developed. The Commission directed the clerk to schedule a meeting with Thomas Jones, Director of East Kentucky Corporation, to discuss the matter further.

AGENDA ITEM IV.

PAYMENT OF BILLS

A list of City Bills totaling \$398,001.69 was presented to the Commission for approval of payment. Commissioner Clark made the motion, seconded by Commissioner Wilson to approve payment of the city bills as requested. The motion carried 4 - 0.

AGENDA ITEM V.

OLD BUSINESS

A. MAIN STREET PROGRAM: Main Street Agency Board Member, Sarah George, advised the Commission that bids had been received and opened for the construction of two gateway elements. Location of the gateways are at Baird Avenue and at the north U.S. 23 ramp. Two bids were received, with the low bid being from Commonwealth Building in the amount of \$119,800. In an effort to construct the gateways with the money allotted in the budget, the gateways were scaled down about 280 linear feet, field stone was replaced with split face block, size of the footer was reduced from 4 ft. to 2 ft., and the owner was to furnish the lettering. With the contractor's suggested cuts, both gateways could be constructed for \$59,500.00. Ms. George reported that the Main Street Agency Board has voted to not scale down the project. Because it is not known at this time how the civic center project will proceed, the Main Street Board has voted to delay any river fill improvements, except for the construction of the Division Street sidewalk, and use the money for the gateway construction. Ms. George added that the contract could be reduced by \$11,000 if the City would pick up the landscaping costs. Ms. George requested that the Commission authorize the Main Street Agency to submit a budget amendment to allow the transfer of funds from the river fill improvements to gateway construction. Commissioner Clark voiced her concern at the cost of the gateways as designed. She suggested that the engineer review the specifications to determine if the bid is comparable. A decision on the matter was delayed until it could be considered further at a special meeting. The City Engineer was asked to review the plans and bid and to ask the low bidder to attend the special meeting.

B. CITY ENGINEER'S REPORTS: Jack Sykes, representing Summit Engineering, City Engineers, gave a verbal progress report for the following projects:

1. Lockerroom Addition: City Engineer Sykes presented a change order in the amount of \$3,983.10 from Baldwin Contracting. The change order is to repair and reinstall electric and telephone cables exposed during excavation. City Engineer Sykes reported that the cables had not been installed in accordance with the National Electric

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Code. The City Manager explained that the funds for the change order are not budgeted. The school is paying 80% of the negotiated bid amount (\$100,000.00) through a monthly lease payment of \$800.00/month until the loan is repaid. The city's contribution to the project is \$20,000. Commissioner Blackburn made the motion to approve the change order as submitted, with the city increasing its contribution to include the change order amount. Commissioner Clark seconded the motion. The motion carried 4 - 0. During the previous meeting, the Commission requested cost estimates to change the outside building material to brick. City Engineer Sykes advised that quotes will be presented at the next meeting.

2. Water System Improvement Project: Mr. Sykes reported there will be a pre-construction conference later this week with Micro-Comm, contractor for the water tank telemetry portion of the project (Contract #3). The engineer will be advertising for bids for the construction of two water tanks and the raw water intake improvements and additions. Mr. Sykes requested a work session concerning the proposed increase in water and sewer rates. The auditor, grant writer, city manager and engineer will have a work session to discuss the matter prior to the Commission's special meeting.

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

1. Pikeville College Educational Revenue Funds: During the previous meeting, the Commission heard a request from Steve Belcher, representative of Community Trust Bank, that the City of Pikeville issue Educational Development Revenue Bonds in the amount of \$2.5 million on behalf of Pikeville College, for certain renovations and to pay off certain existing debt. Presented for approval was a memorandum of agreement and the following order (resolution) approving said agreement:

MUNICIPAL ORDER OF THE CITY COMMISSION OF THE CITY OF PIKEVILLE, KENTUCKY, RELATING TO AND APPROVING A MEMORANDUM OF AGREEMENT BETWEEN THE CITY AND PIKEVILLE COLLEGE OR ITS ASSIGNEES OR DESIGNEES, IN WHICH THE CITY AGREES TO ASSIST THE COLLEGE IN REFUNDING CERTAIN OUTSTANDING INDEBTEDNESS AND FINANCING THE RENOVATION AND IMPROVEMENT OF A BUILDING PROJECT THROUGH THE ISSUANCE BY THE CITY OF \$2,500,000 OF EDUCATIONAL DEVELOPMENT REVENUE BONDS.

WHEREAS, it is in the public interest and desirable for the general health, welfare and economy of the City and its surrounding area that the City provide additional permanent educational opportunities in the City and in such area, and

WHEREAS, the Pikeville College, a Kentucky non-profit educational institution, of Pikeville, Kentucky, or its assignees or designees (the "College"), has submitted to the City a proposed Memorandum of Agreement, in which the College proposes to refund certain outstanding indebtedness to Community Trust Bank, N.A. (the "Refunding

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Program") and to renovate and improve the Condit Residence Hall on the College's campus, which is part of the College's existing educational facilities in Pikeville, Kentucky (the "Project"), and

WHEREAS, the College has proposed in said Memorandum of Agreement that if the City will agree to authorize, issue and sell its educational development revenue bonds in the maximum principal amount of \$2,500,000 (the "Bonds"), pursuant to Sections 103.200 through 103.286 of the Kentucky Revised Statutes, as amended (the "Act"), for the purpose of financing the Refunding Program and the renovation and improvement of the Project, the College will agree to operate the Project and to make payments to the City sufficient to pay all principal and interest requirements of the Bonds as same become due, and

WHEREAS, said plan of financing and the Act contemplate that the Bonds would not be a debt of the City, but would be secured only by a pledge of the revenues derived by the City from payments from the College sufficient to pay all principal and interest requirements of the Bonds and other security as furnished by the College, and

WHEREAS, it is deemed advisable and in the best interests of the City that said Memorandum of Agreement be approved and executed.

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

1. That the Memorandum of Agreement referred to in the preamble hereto is hereby accepted and approved, said Agreement contemplating that the City shall assist in financing the Refunding Program and the renovation and improvement of the Project, which Refunding Program and Project are to be financed by the issuance of a maximum principal amount of \$2,500,000 of Bonds, subject to the conditions set out in said Agreement.
2. That the City intends to cooperate fully with the College and with Bond Counsel designated in said Memorandum of Agreement, in the issuance of the proposed Bonds.
3. That the City intends to enter into an appropriate Loan Agreement between the City and the College and agrees that this Order commits the City insofar as the laws of the Commonwealth of Kentucky allow, (a) to issue the Bonds and to use the proceeds thereof for the benefit of the College, (b) to adopt the appropriate Ordinance authorizing the Bonds and (c) to approve the appropriate documentation to secure the Bonds; provided all of the proceedings for the issuance of the Bonds must be approved by said Bond Counsel and the City. Since Kentucky law (KRS 103.230) permits the sale of the Bonds to be made at a negotiated interest rate and price without public advertising, if such rate and price are agreeable to the College, and since the College desires that the

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Bonds be sold in that manner by negotiation, the City agrees to cooperate fully with the College in effecting such negotiated sale.

4. That the Mayor is hereby authorized and directed to execute said Memorandum of Agreement on behalf of the City and to execute all necessary documents, instruments and obligations of the City, in order effectively to carry out the intent and purpose of this Order and of said Agreement, all without expense to the City. A copy of said Agreement is hereby ordered to be made a part of this Order the same as if copied in full herein, and such copy shall be filed in the records of the City with this Order.

5. That the City hereby specifically approves and authorizes the beginning of the renovation and improvement of the Project before all of the details of the issuance of the Bonds have been completed, with the understanding by the City in the Memorandum of Agreement that the College may be reimbursed out of the proceeds of the Bonds when and if issued for any and all costs of the Project hereafter advanced by the College.

6. That this approval is made subject to the condition that such Bonds shall not constitute a debt or general obligation of the City and that the City shall have no expense in connection with the Refunding Program or the Project or in connection with the issuance of the Bonds, all as provided in said Memorandum of Agreement.

7. That the approval of the Memorandum of Agreement by the City shall be evidenced by the adoption of this Order by the governing body of the City, by the furnishing of a certified copy of the same to the College and to Bond Counsel, and the execution of the Memorandum of Agreement by the Mayor.

8. That this Order shall be in force immediately upon its adoption.

INTRODUCED, READ AND ADOPTED ON MARCH 27, 2000.

BY Frank M. Morris
Mayor

Attest:

/s/ Karen W. Harris
City Clerk

Mr. Belcher advised that an Ordinance issuing the Educational Revenue Bonds would be presented for first reading at the April regular meeting.

2. Budget Amendment Ordinance: First Reading was given to an Ordinance entitled:

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ORDINANCE AMENDING THE FISCAL BUDGET FOR THE 1999-2000 FISCAL YEAR

Finance Director, Sue Varney, explained that the amendments are general "housekeeping" items which reflect additional revenues and expenditures incurred since the last revision. Second reading was scheduled for the next meeting.

3. Occupational License Fee Ordinance: City Attorney Davis advised the Commission that he and Tax Administrator, Grace Ratliff, have found it necessary to amend the existing occupational license fee ordinance to further expound on guidelines and definitions. Mr. Davis stressed that the occupational license fee rate is not being increased, however \$5.00 per day business license fees for certain business activities, have been increased to \$15.00 per day, or \$50.00 per year. Presented and given first reading was an ordinance entitled as follows:

AN ORDINANCE TO AMEND THE OCCUPATIONAL LICENSE FEE ORDINANCE OF THE CITY OF PIKEVILLE PASSED MAY 14, 1962, JUNE 11, 1962, JUNE 30, 1962, DECEMBER 27, 1971 AND SEPTEMBER 25, 1991

4. Occupational License Fee Ordinance - Regulations: First reading was given to a summary of an ordinance captioned as follows:

SUMMARY ORDINANCE ADOPTING REGULATIONS CONCERNING AND RELATING TO THE OCCUPATIONAL LICENSE FEE ORDINANCE, DEFINITIONS, COMPUTATION OF NET PROFITS, MINIMUM LICENSE FEES, INTEREST AND PENALTIES

5. Resolution approving instructions for filing Occupational License Fee: Adoption of the resolution was delayed pending adoption of the ordinance concerning and relating to the occupational license fee ordinance, definitions, computation of net profits, minimum license fees, interest and penalties.

6. Proclamation in honor of U.S. Army: City Attorney Davis advised that the Mayor plans to issue a proclamation in honor of the 225th birthday of the U.S. Army. The Mayor will declare the week of June 12-18, 2000, as United States Army Week in Pikeville.

7. Kentucky Avenue Redevelopment Project: City Attorney Davis explained that he and Project Coordinator, Sue Smallwood, had met with Will Linder, concerning the funding for the Kentucky Avenue Redevelopment. The City has applied for \$1.2 million in HOME funds. Mr. Davis advised that Kentucky Housing Corporation is requiring the City to pledge the \$1 million note from HODAG funds (in conjunction with the Ridge Cliff Apartment Project), that is scheduled to mature in 2003, as security for the HOME funds. Ms. Smallwood commented that the budget for this project provides for the \$1

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million rebate from the HODAG funds to be utilized in the Kentucky Avenue Project. She further explained that the City was always under the obligation to use the rebate toward providing public housing. Considerable discussion was heard from Mayor Morris objecting to the proposed construction of a high-rise housing unit on Kentucky Avenue. Ms. Smallwood explained that the development plans have yet to be finalized, and pointed out that in order to secure the release of the HOME funds, the City has no choice but to pledge the \$1 million HODAG note. Commissioner Clark made the motion, seconded by Commissioner Blackburn to pledge the \$1 million HODAG note as security for the HOME funds. The motion carried 3 - 1 with Mayor Morris casting a no vote.

8. Emergency Shelter Grant: Project Coordinator, Sue Smallwood, requested permission to apply for a \$40,000.00 grant from the Kentucky Housing Corporation for operation and maintenance of the Perry Cline Emergency Shelter. She advised that the grant requires a 50% match of city funds. Commissioner Wilson made the motion, seconded by Commissioner Clark to authorize the submission of the grant application to the Kentucky Housing Corporation. The motion carried 4 - 0.

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

1. Hambley Complex Addition Financing: Presented to the Commission were the interest rate proposals from local financial institutions for an \$80,000.00 loan for the lockerroom addition at Hambley Field. The low bid was received from Kentucky National Bank for a secured loan at an interest rate of 6% for a 10 or 15 year loan term. Mr. Blackburn reminded the Commission that Pikeville Independent School District would be paying the loan payment, pursuant to an amended lease agreement, until the debt is retired. Currently, the school pays \$1,000 per month. The lease payment will be increased to \$1,800 per month, to cover the loan payment. In discussing the security for the loan, the City Manager advised that only the property on which the addition is located, will be pledged as security. Commissioner Blackburn made the motion, seconded by Commissioner Clark to award the bid for financing of the lockerroom addition to Kentucky National Bank at a rate of 6% for a 15 year term, and further, to approve an amended lease agreement with Pikeville Independent School District, increasing their lease payment to \$1,800/month, until such time as the loan is repaid. The motion carried 4 - 0.

2. Surplus police cruiser: One bid was received for the sale of a 1992 Ford Crown Victoria police cruiser that has been wrecked. The bid was received from Roberts Auto Parts in the amount of \$261.00. City Manager Blackburn reported that he had been told by a salvage dealer that the city could get at least \$1,000.00 for the vehicle. The City Manager recommended that all bids be rejected and to authorize him to negotiate with other companies for the sale of the police cruiser. Commissioner Clark made the motion, seconded by Commissioner Wilson to reject the bid and authorize the City Manager to solicit bids. The motion carried 4 - 0.

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3. Tractor/mower bids: Two bids were received for the purchase of a tractor/mower. The bids were received from Phelps Equipment in the amount of \$15,995.00 and Blackburn's Lawn Equipment in the amount of \$16,275.00. City Manager Blackburn reported that both proposals meet specifications as bid. Both bids are under budget, and City Manager Blackburn recommended award of the bid to the low bidder, Phelps Equipment, in the amount of \$15,995.00. Commissioner Clark made the motion to award the bid for the purchase of the tractor/mower to Phelps Equipment in the amount of \$15,995.00 as recommended by the City Manager. Commissioner Wilson seconded the motion. The motion carried 4 - 0.

4. Mowing Agreement/Housing Authority: Presented for renewal was an agreement between the city and the Housing Authority of Pikeville for grass mowing services in the Hames Court, Myers Tower, and Fairview housing properties. Term of the contract is April 1, 2000 through October 31, 2000. The Housing Authority will pay the City a sum of \$3,571.42 per month for the service and will provide a riding tractor, walk behind mower, 16 ft. tandem trailer, and a 20 inch lawn mower. Commissioner Blackburn made the motion, seconded by Commissioner Clark to renew the grass mowing agreement as presented. The motion carried 4 - 0.

5. Budget Work Session: A work session to review the proposed 2000-01 operating budget for the City of Pikeville was scheduled for Saturday, April 1, 2000, beginning at 8:15 a.m.

AGENDA ITEM VI.

NEW BUSINESS

A. CITY PARK: Sue Smallwood, on behalf of the Downtown Park Revitalization Committee, requested permission to purchase a playground unit and swing set for the city park. City Manager Blackburn explained that bidding was not necessary since the vendor, Little Tikes Commercial Play Systems through Bluegrass Recreational Products, Inc., is the state price contract vendor. The playground equipment and play surface installed totals \$31,027.50. Sufficient funds are available in the budget to purchase the equipment. Commissioner Wilson made the motion, seconded by Commissioner Clark to authorize the purchase of the playground equipment totaling \$31,027.50. The motion carried 4 - 0.

B. BOARD APPOINTMENTS: The Commission was advised of vacancies on the Park Board, Historic Preservation Board, Technical Advisory Committee, and Board of Ethics. Appointments were delayed to a later date.

There being no further business to come before the Commission, Commissioner Blackburn made the motion, seconded by Commissioner Clark to adjourn the meeting. The motion carried 4 - 0.

APPROVED: Frank M. Morris

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FRANK M. MORRIS