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**CITY OF PIKEVILLE
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
APRIL 24, 2000**

The Board of Commissioners of the City of Pikeville met in regular meeting on Monday, April 24, 2000, at the City Hall Public Meeting Room, 118 College Street.

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 BLACKBURN
WANDA WILSON
SHARON CLARK

Commissioner Eugene Davis arrived at the meeting at 1:30 p.m.

AGENDA ITEM II.

MINUTES

The minutes for the previous regular meeting of March 27, 2000 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Clark made the motion, seconded by Commissioner Wilson 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. TRANSIENT AUTOMOTIVE DEALERS: Randy Walters of Bruce Walters Ford Sales came before the Commission to request the Commission's adoption of an Ordinance to regulate out-of-town automotive sales within the city limits. The resident automotive dealers had the misconception that itinerant dealers paid no license fees or taxes on the net profits. Tax Administrator, Grace Ratliff, reported that the out-of-town dealers are charged the standard \$75.00 license fee, plus they pay the required percentage on their net profit. City Attorney Davis advised that the city can't discriminate against itinerant merchants. Mr. Walters presented a copy of an ordinance, adopted by the City of Glasgow, which imposes a \$500.00 occupational fee plus the posting of a cash or surety bond in the amount of \$5,000.00 or 5% of the retail value of any goods to be offered for sale. City Attorney Davis was directed to determine if other cities have adopted ordinances regulating transient merchant businesses and report back at the next regular meeting. The local dealers advised they are going to ask the Pike County Fiscal Court to enact a similar ordinance.

B. OCCUPATIONAL LICENSE FEE: Mark White of Commonwealth Building questioned the proposed amendment to the occupational and business license fee

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ordinance as presented and given first reading at the previous regular meeting. City Attorney Davis explained that the only fees that had been increased were \$5.00 and \$10.00 minimum license fees. Mr. White explained that contractors are required to pay an additional 1/2% on gross contract fees, above their license fee, at the same time as a building permit is obtained. At the end of the year, taxes are due on the net profit. Mr. White contends this method of calculation results in overpayment of taxes for which his company can't claim credit for in the coming year. He advised that his company overpaid this past tax year in the amount of \$6,349.00, based upon the amount that would have been collected on his net profits at the 2% rate. He commented that contractors pay about 5% in occupational fees, under the current method of calculation. Contractors are the only group required to pay a license fee at the time a job is began. City Attorney Davis explained that the intent was to ensure the city collected occupational fees from out-of-town contractors. The Commission discussed the possibility of extending a credit from one tax year to the next. City Attorney Davis cautioned that anticipated revenues from this source had been built in to the operating budget, and offering a credit may have a serious adverse impact on revenues. The Commission directed the Tax Administrator to calculate the income expected from the contractor's license fee and report the findings at the next meeting.

AGENDA ITEM IV.

PAYMENT OF BILLS

A. CITY BILLS: A list of City Bills totaling \$461,019.75 was presented to the Commission for approval of payment. There being sufficient funds to pay the bills, Commissioner Davis made the motion, seconded by Commissioner Clark to approve payment of the City Bills as requested. 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 date's meeting.

B. CITY ENGINEER'S REPORTS: Jack Sykes of Summit Engineering, Inc., City Engineers, presented a verbal status report for the following ongoing projects:

1. Water and Sewer Rates: As a part of the eligibility requirements for obtaining grant and loan funds from the Department for Rural Development (to be used for the Water Improvements Project), it was necessary to review the rates and expenditures for the water and sewer departments to ensure each department is self-sufficient. The figures were analyzed by auditing firm, Wallen & Cornett and grantwriter, Holly Nicholas. Based on the analysis, it was recommended to increase the water rates by 1 1/2% and the sewer rates by 8%. Mr. Sykes advised the Commission there had been no rate increases for 6 to 8 years. While the project does not involve the sewer service or add any debt service to the sewer fund, it was determined from the 1999 audit that the sewer service fees were not sufficient to cover expenditures. City Manager Blackburn said the Commission had the option of increasing the water and sewer utility service rates or to

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~~dedicate a portion of the occupational tax revenues to pay back the Rural Development~~
loan. The Commission pointed out, based on the 20 - 25% cost of living for the past 6 to 8 years, the proposed increase is far less. Commissioner Davis also pointed out that to ensure continued water supply for the city, the improvements to the water system are necessary. City Attorney Davis reported that he would present ordinances adjusting the rates during his reports.

2. Water Improvement Project: At the request of City Manager Blackburn, Mr. Sykes presented a proposal to administer the funds for the Water Improvement Project for an amount not to exceed \$9,500.00 (estimated 20 hrs. per month for 10 months). City Manager Blackburn explained that Project Coordinator, Sue Smallwood, has temporarily assumed the duties of the building inspector in addition to administering the High Street Redevelopment Project, and does not feel she has adequate time to administer the Water Improvement Project. Ms. Smallwood explained that given a choice, she would rather administer the Water Improvement Project than perform the duties of building inspector. The City Manager reported that it would be about the middle of June before a building inspector could begin work. Commissioner Clark asked if action could be delayed for 30 days. Mr. Sykes indicated that a few items would need to be taken care of within the next 30 days. He suggested that he administer the project on a month-to-month basis, until Ms. Smallwood can assume the project administration. The Commission agreed. Mr. Sykes added that he did not think any official action was necessary, since the City Manager has the authority to enter into contracts totaling less than \$10,000.00.

3. Hambley Athletic Complex/Locker Room Addition: As requested at the previous meeting, Mr. Sykes presented a cost estimate for changing the outside building material on the locker room facility from block to brick veneer in the amount of \$18,658.00. Also presented were estimates to install brick veneer to the existing complex and the retaining walls in the amounts of \$82,636.00 and \$38,009.00, respectively. While the Commission felt the brick veneer would improve the aesthetics of the complex, they agreed there are not sufficient funds in the budget without taking it from the river fill savings account. Commissioner Davis pointed out that funds will be needed to upgrade the bleachers, should the proposed bill be adopted by the Legislature. City Manager Blackburn reported that funds to upgrade one set of bleachers has been included in the upcoming budget.

4. Camp Site Development: Mr. Sykes advised there is a potential of federal funds becoming available to develop tourism attractions in the Big Sandy Region along the Country Music Highway. Mr. Sykes has developed a concept to construct 14 camper sites in the Bob Amos Park, near the water ^{pumping station} tank site. To develop sites (37' X 59') with concrete pads including water, sewer and electrical hook-ups for each site would cost an estimated \$136,000.00. Action to authorize the submission of a funding application was delayed until the next regular meeting.

5. Water Project: Mr. Sykes reported he has completed plans for a small water project at the swinging bridge near Keyser Heights and on a portion of the old Chaney

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~~Water System line near Sam Antonios and Justice Funeral Home. The plans will be submitted to the Division of Water for approval. Mr. Sykes plans to advertise for bids at the end of May and begin construction around the first of July.~~

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 Bonds: City Attorney Davis reported that bond counsel for Pikeville College has not prepared the ordinance for the issuance of the educational revenue bonds on behalf of Pikeville College. Bond Counsel has requested a special meeting to hear first reading. The Commission agreed to schedule a special meeting around May 15th.

2. Budget Ordinance: First reading was given to an ordinance captioned as follows:

AN ORDINANCE ADOPTING THE CITY OF PIKEVILLE, KENTUCKY ANNUAL BUDGET FOR THE FISCAL YEAR JULY 1, 2000 THROUGH JUNE 30, 2001, BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS FOR THE OPERATION OF CITY GOVERNMENT

Second reading was scheduled for the next regular meeting.

3. Occupational License Fee: City Attorney Davis suggested that second reading of the ordinances amending the occupational license fees and regulations be delayed until Mr. White's concerns could be considered. Appearing before the Commission was local accountant Caleb Cooley. Mr. Cooley requested the Commission consider excluding investment income from being subject to the 2% occupational license fee. Mr. Cooley explained that it is obvious that it was never the intent to tax investment income. He stated that Lexington/Fayette County had adopted an ordinance in 1997 to exclude non-corporate landlords with gross income less than \$30,000.00 from their occupational license fees. The limit was raised to \$50,000.00 in 1999. The Commission will consider this matter at the next meeting.

4. Community Development Plan: City Attorney Davis reported that the Pikeville/Pike County/Elkhorn City Joint Planning Commission reviewed and approved the Community Development Plan for the City of Pikeville's Redevelopment Project (High Street/KY Avenue/Sycamore Street) on April 18, 2000. Presented was a letter from Planning Commission Secretary, Leon Huffman, recommending approval of the Community Development Plan by the City Commission. By approving the plan, the Commission noted the following:

- ◆ The Commission has the option of adding or deleting properties to/from the project area.

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~~Concerning Coleman & Corbin Realty Company's request at the previous meeting for~~ their property on Auxier Avenue to be deleted from the project area, Sue Smallwood reported that she and grantwriter, Will Linder had met with Karla Corbin. Mr. Linder explained that because of the property's location in the center of the project area, it may hinder development of the surrounding properties. The plan calls for the acquisition of all the properties along Auxier Avenue, then the reselling to one developer. Funds received from the resale of the property are to be put back into the project. Ms. Smallwood reported that no resolution was made to Ms. Corbin's request, however she understood the concept of the proposal. The City Attorney suggested it may be feasible to allow the request if Ms. Corbin agrees to pursue the construction of the office building in accordance with the development plan.

- ◆ No building permits can be issued in the project areas unless approved by the City Commission or unless the improvements are for general maintenance.

Mark White, on behalf of the Sandy Valley Habitat for Humanity, requested that "Habitat" be permitted to continue with their building project on their two lots on Kentucky Avenue. Ms. Smallwood reported that the lots owned by Habitat are in the first phase of the project, which has been funded and will proceed on schedule, subject to the adoption of the Community Development Plan.

Commission Members discussed at great length the fact that phases 3 - 5 of the project, which are not estimated to begin for at least four years, will prohibit property owners from making any improvements to their property. Commissioner Blackburn was concerned that potential purchasers of property in the project area, or property owners would not be aware of the Community Development Plan. Ms. Smallwood reported that each property owner has received notice of the City's intent to include their property in the project area. The Community Development Plan will be filed with the Pike County Clerk's office.

The following resolution was presented and read as follows:

RESOLUTION OF THE CITY OF PIKEVILLE, KENTUCKY, APPROVING THE COMMUNITY DEVELOPMENT PLAN (URBAN RENEWAL PLAN) AND THE FEASIBILITY OF RELOCATION FOR THE PIKEVILLE REDEVELOPMENT PROJECT AREA

WHEREAS, under the provisions of Title I of the Housing and Community Development Act of 1974, as amended, the Secretary of Housing and Urban Development is authorized to provide financial assistance for community development agencies undertaking and carrying out Community Development Programs as administered by the Commonwealth of Kentucky; and,

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WHEREAS, it is provided in such Act that contracts for financial aid thereunder shall require that the Community Development Plan (Development Plan) for the urban renewal area involved in the community development program be approved by the governing body of the locality in which the area is situated and that such approval include findings by the governing body that:

1. The financial aid to be provided in the contract is necessary to enable the Program to be undertaken in accordance with the Development Plan;
2. The Development Plan will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of the Target Area by private enterprise;
3. The Development Plan conforms to a general plan for the development of the Locality as a whole;
4. The Development Plan gives due consideration to the provision of adequate public facilities improvements as may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the sites covered by the Plan; and,

WHEREAS, it is desirable and in the public interest that the City of Pikeville undertake and carry out the Community Development Program encompassing the area identified on Exhibit A attached hereto.

WHEREAS, the City has received financial assistance under such Act and has entered into a contract or contracts with the Commonwealth of Kentucky for making available financial assistance to the undertaking of the Program; and,

WHEREAS, the City has made studies of the location, physical condition of structures, land use, environmental influences, and social, cultural, and economic conditions of the Urban Renewal Area comprising the Target Area and has determined that the area is a blighted and deteriorated area and that it is a detriment and a menace to the safety, health, and welfare of the inhabitants and users thereof, and of the locality at large, because of blighted and deteriorated housing conditions, environmental problems, and circulation problems; and the members of this City Commission have been fully apprised and are aware of these facts and conditions; and,

WHEREAS, it has been found that a shortage of housing of sound and standard design, adequate for family life, exists in the Target Area; and,

WHEREAS, the need for housing accommodations has been, or will be over a 5 year period, increased as a result of the demolition of residential units in slum areas under development plans; and,

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WHEREAS, the conditions of blight in the area and the shortage of decent, safe, and sanitary housing in the community cause or contribute to an increase in the spread of disease and crime and constitute a menace to the public health, safety, and welfare; and,

WHEREAS, a general plan has been prepared and is recognized and used as a guide for the general development of the locality as a whole; and,

WHEREAS, the Pikeville, Pike County, Elkhorn City Joint Planning Commission has reviewed the Development Plan for the Target Area (Community Development Area) comprising the Community Development/HOME Programs and has found no contradictions with existing or proposed plans for the area; and,

WHEREAS, the City Commission has prepared and submitted a program for the relocation of individuals and families that may be displaced as a result of carrying out the Community Development Program in accordance with the Development Plan; and,

WHEREAS, there have also been presented to the City Staff information and data respecting the relocation program which has been prepared by the Pikeville City Commission through the assemblage and analysis of data and information obtained from studies, surveys, and inspections in the project area; and,

WHEREAS, the members of the City Commission have general knowledge of the conditions prevailing in the Urban Renewal Area and of the availability of proper housing in the area for the relocation of individuals and families that may be displaced by the Program, and, in the light of such knowledge of area housing conditions, have carefully considered and reviewed such proposals for relocation; and,

WHEREAS, it is necessary that the City Commission take appropriate official action respecting the relocation program and the Development Plan for the Community Development Program in conformity with the contract for financial assistance between the City and the Commonwealth of Kentucky; and,

WHEREAS, the City Commission is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal activities with federal financial assistance under Title I, including those prohibiting discrimination because of race, color, creed, sex, national origin, familial status or disability.

NOW, THEREFORE, BE IT RESOLVED:

1. That it is hereby found and determined that the Target Area comprising the Community Development Program is a blighted and deteriorated area and qualifies as an eligible area under Chapter 99 of the Kentucky Revised Statutes.
2. That the Development Plan and its supporting documentation for the Community Development Program, having been duly reviewed and considered, is hereby

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approved and the Clerk be, and is hereby, directed to file said copy of the Development Plan with the minutes of this meeting.

3. That it is hereby found and determined that, where clearance is proposed, the objectives of the Development Plan cannot be achieved through more extensive rehabilitation of portions of the Target Area comprising the Community Development Program, and, that clearance is necessary for the assemblage of land for new housing development.
4. That it is hereby found and determined that the Development Plan for the Community Development Program conforms to the general regional plan of the locality.
5. That it is hereby found and determined that the financial aid to be provided pursuant to the contract for federal financial assistance pertaining to the Community Development Program is necessary to enable the Program to be undertaken in accordance with the Development Plan for the area comprising the Community Development Program.
6. That it is hereby found and determined that the Development Plan for the Target Area comprising the Community Development Program will afford maximum opportunity, consistent with the sound needs of the Locality as a whole, for the renewal of the areas by private enterprise.
7. That it is hereby found and determined that the Development Plan for the Target Area gives due consideration to the provision of open space and facilities, as may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the sites covered by the Plan.
8. That it is hereby found and determined that a shortage of housing of sound and standard design adequate for family life exists in the community and the City will assure a one-for-one replacement of all affordable bedroom units within the City of Pikeville.
9. That it is hereby found and determined that the need for housing accommodations has been or will be increased as a result of the demolition of residential units in slum areas under development plans.
10. That it is hereby found and determined that, in carrying out the Development Plan/ Urban Renewal Plan, the program for the proper relocation of displaced individuals and families into decent, safe, and sanitary dwellings in conformity with acceptable standards is feasible and can be reasonably and timely effected to

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permit the proper execution and completion of the Plan; and, that such dwellings or dwelling units available or to be made available to such displaced individuals are at least equal in number to the number of households being displaced; are not generally less desirable in regard to public utilities and public/commercial facilities than the dwellings from which the displacement is taking place; are available at rents or prices within the financial means of the displaced individuals and families; and are reasonably accessible to their places of employment.

11. That, in order to implement and facilitate the implementation of the Development Plan hereby approved, it is found and determined that certain official action must be taken by this Body with reference, among other things, the location of sewer and other public facilities, etc. and, accordingly, this Body hereby:
 - (a) pledges its cooperation in helping to carry out the Development Plan;
 - (b) requests the various officials, departments, boards, and agencies of the Locality having administrative responsibilities in the premises likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the Development Plan; and,
 - (c) stands ready to take appropriate action upon proposals and measures designed to effectuate the Development Plan.
12. That financial assistance under the provision of Title I of the Housing and Community Act of 1974, as amended, is necessary to enable the land in the area comprising the Community Development Program to be renewed in accordance with the Development Plan for the Program; and, accordingly, the proposed program is approved and the City is authorized to acquire property as authorized by Chapter 99 of the Kentucky Revised Statutes.

Commissioner Davis made the motion to adopt the resolution approving the Community Development Plan for the Pikeville Redevelopment Project Area. Commissioner Wilson seconded the motion. The motion carried unanimously.

6. Water/Sewer Rates: Presented and given first reading were the following two ordinances entitled:

ORDINANCE OF THE CITY OF PIKEVILLE, KENTUCKY AMENDING SECTION 53.03B OF THE CODE OF ORDINANCES INCREASING MONTHLY WATER SERVICE RATES

and

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ORDINANCE OF THE CITY OF PIKEVILLE, KENTUCKY AMENDING SECTION 55.04 OF THE CODE OF ORDINANCES REVISING SEWAGE TREATMENT RATES

Upon second reading, adoption, and publication, the rates will take effect on June 1, 2000. Second reading of the ordinances were scheduled for May 22, 2000.

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

1. Garbage Truck Bids: City Manager Blackburn reported that bids were advertised for the purchase of a garbage truck. There were two bidders submitting bids. Mr. Blackburn reported there was a mistake with the specifications and recommended the bids be rejected and to authorize rebidding the truck. Commissioner Clark made the motion, seconded by Commissioner Davis to reject all bids and readvertise for bids. The motion carried unanimously.

2. Wastewater Treatment Plant Headworks: One bid was received for the replacement of the headworks at the wastewater treatment plant. The bid was received from Boggs Municipal Services in the amount of \$39,450.00. City Manager Blackburn advised the work had been budgeted and recommended award of the bid to Boggs Municipal Services. Commissioner Clark made the motion, seconded by Commissioner Davis to award the bid for the replacement of the wastewater treatment plant headworks to Boggs Municipal Services in the amount of \$39,450.00. The motion carried unanimously.

3. Wastewater Treatment Plant Sludge/Grit Removal: One bid was received for the removal of sludge/grit from the wastewater treatment plant. The City Manager advised this work has to be done about every three years. This project has been budgeted. The cost is a flat fee of \$9,500.00 plus \$0.06/gallon (de-watered). Commissioner Davis made the motion, seconded by Commissioner Davis to award the bid for the removal of the sludge/grit from the wastewater treatment plant as recommended by the City Manager. The motion carried unanimously.

4. Surplus Garbage Truck: Mr. Blackburn recommended the Commission declare the small garbage truck, that was recently replaced with a new one, as surplus property and advertise for sale with a minimum sale price of \$9,500.00. Commissioner Davis made the motion, seconded by Commissioner Wilson to declare the stated garbage truck as surplus property and to advertise for bids for the sale with a \$9,500.00 minimum. The motion carried unanimously.

5. Cost-of-Living Increase: City Manager Blackburn reported that the Commission had approved a 5% cost-of-living increase to all city employees. Mr. Blackburn requested the increase become effective on May 1, 2000. Mayor Morris made the motion to grant a 5% across-the-board, cost-of-living salary increase to all city

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employees, effective May 1, 2000. Commissioner Davis seconded the motion. The motion carried unanimously.

At 3:35 p.m., Commissioner Clark made the motion to adjourn to executive session for the purpose of discussing a personnel matter. Commissioner Wilson seconded the motion. The motion carried unanimously.

At 4:45 p.m., Commissioner Clark made the motion, seconded by Commissioner Wilson, to reconvene to regular session. The motion carried unanimously.

Upon City Manager Blackburn's and Fire Chief Hall's recommendation, Commissioner Clark made the motion, seconded by Commissioner Wilson to employ Richie Robinson as a part-time firefighter/EMT. The motion carried unanimously.

Commissioner Blackburn made the motion, seconded by Commissioner Davis to award 5% merit increases to the following employees who are primarily in supervisory positions: Sue Smallwood, Sue Varney, Grace Ratliff, Karen Harris, Tommy Hall, Doug Justice, and James Justice, and to award a 10% merit increase to City Manager, Kenny Blackburn. The motion carried unanimously.

There being no further business to come before the Commission, Commissioner Clark made the motion, seconded by Commissioner Davis to adjourn. The motion carried 5 - 0. (Adjournment Time: 4:55 p.m.)

APPROVED: Frank M. Morris
FRANK M. MORRIS, MAYOR

ATTEST:

Karen W. Harris
KAREN W. HARRIS, CITY CLERK