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CITY OF PIKEVILLE
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
NOVEMBER 27, 2000

The Board of Commissioners of the City of Pikeville conducted their regular monthly session on Monday, November 27, 2000. The meeting was held in the City Hall Public Meeting Room located at 118 College Street.

There being a quorum present, Mayor Pro Tem Eugene Davis called the meeting to order at 1:00 p.m. Commission Members present at roll call were as follows:

COMMISSIONERS: BILL BLACKBURN
EUGENE DAVIS
SHARON CLARK

Mayor Frank Morris and Commissioner Wanda Wilson were absent.

AGENDA ITEM II.

MINUTES

The minutes for the previous regular meeting of October 23, 2000 and special meeting of October 3, 2000 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Blackburn made the motion, seconded by Commissioner Clark to approve the minutes as submitted. The motion carried 3 - 0.

AGENDA ITEM III.

BUSINESS FROM THE FLOOR

TOURISM: Pikeville/Pike County Tourism Director, Phyllis Hunt, requested the designation of two, 15 minute parking spaces for tourist/visitor parking and that the crosswalk on Huffman Avenue, between the Post Office and Tourism Office, be marked more clearly in an effort to alert vehicle operators of the pedestrian crossing. Police Chief Justice advised the Commission that he had been contacted by Post Office officials requesting that parking spaces on the right side of Huffman Avenue be designated as Post Office Patron parking. The Police Chief reported that the Main Street Post Office has seen an increase in their customer traffic since the relocation of the South Mayo Trail Post Office to Thompson Road. According to Police Chief Justice, there are now 5 parking spaces from the Main Street/Huffman Avenue intersection to the end of the Tourism office facility. He recommended the parking spaces be designated as 15 minute parking to be utilized for tourism and post office patrons. Commissioner Blackburn made the motion, seconded by Commissioner Clark to designate five parking spaces on the right side of Huffman Avenue, beginning at the Main Street intersection, as 15 minute parking. The motion carried 3 - 0. With regard to marking the crosswalk, City Manager Blackburn reported the crosswalk has just been re-stripped and recommended the city engineer be authorized to look at the area and report any suggestions at the next commission meeting. The Commission agreed.

BUILDING PERMITS: Building and Codes Enforcement Officer, Richard Huffman, reported that Commonwealth Building & Construction is refusing to obtain building permits due to their contention they have overpaid occupational license fees. Mark White of Commonwealth Building & Construction was present along with legal counsel, Glen M. Hammond. Mr. White alleges the contractor's fee is discriminatory in that contracting is the only profession that is pre-taxed and it pays about 2.5 times more tax than other businesses. Mr. Davis explained that contractors are not pre-taxes, but rather assessed a fee of 1/2% on the total amount of the contract, which is payable prior to beginning work. Mr. Davis advised that it was his understanding that the license fee was established because most of the contractors doing work inside the city limits were not based in Pikeville, thus avoiding payment of business license fees on net profits at the end of the year. City Attorney Davis explained that a work session had been conducted with Mr. White and the Commission in May, 2000, where a possible reduction of the contractors' license fee was discussed. During that meeting, the Commission heard a report from Tax Administrator Grace Ratliff

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regarding the amount of revenue that would be lost should the fee be eliminated. The anticipated revenue had been included in the upcoming operating budget, however the Commission had discussed a possible reduction of the contractor's license fee to 1/4%. No action was taken on the matter. The Commission directed the clerk to schedule a work session with Mr. White to discuss this matter further.

CHAMBER OF COMMERCE: Pike County Chamber of Commerce Executive Director, Kitty White, advised the Commission of a number of activities scheduled for December 2nd. December 2nd has been designated as "Downtown Pikeville Open House", and is being coordinated by the Pike County Chamber of Commerce and the Pikeville Main Street Program. Governor Patton will be present and will be participating in the dedication services at 10 a.m. for the News-Express building; 11 a.m. for the Pikeville College dormitories; Noon for the Library/Telecommunication/Medical Library facility; 1 p.m. for the Masten Childers Bridge; and 2:00 p.m. as the Grand Marshal for the Christmas Parade. Everyone was invited to attend.

AGENDA ITEM IV.

PAYMENT OF BILLS

A. CITY BILLS: A list of City Bills totaling \$593,084.43 was presented to the Commission for approval of payment. Commissioner Clark made the motion, seconded by Commissioner Davis to approve the payment of the bills as requested. The motion carried 2 - 0 - 1 with Commissioner Blackburn abstaining from the vote.

B. PIKEVILLE REDEVELOPMENT PROJECT: Presented for approval of payment were invoices #8 from Will Linder & Associates in the amount of \$5,000 for administration of Phase I of the Pikeville Redevelopment Project, and from Micro-Analytics, Inc. in the amount of \$6,394.00 for asbestos testing of the buildings acquired on Sycamore Street. Also submitted was a request for payment from Summit Engineering in the amount of \$8,696.08 for design of the Kentucky Avenue Townhouse project. Ms. Smallwood advised that a loan agreement needs to be negotiated between the city and the non-profit housing corporation. When a successful agreement is reached she will re-submit this bill for payment as this payment can be used as eligible basis for tax credits for the project. Mr. Sykes has agreed to defer payment. Commissioner Davis made the motion, seconded by Commissioner Clark to approve payments as submitted from Will Linder & Associates and Micro-Analytics, Inc. The motion carried 3 - 0.

Presented for approval of payment was a request from Appraisal Associates of Kentucky in the amount of \$6,750.00 for review appraisals of the Kentucky Avenue properties. Commissioner Clark made the motion, seconded by Commissioner Blackburn to approve payment as requested. The motion carried 3 - 0.

Ms. Smallwood presented the results of bids received for the removal of asbestos in the newly purchased Sycamore Street properties. The bids were received from Heiko - \$5,775.00; J & M Monitoring - \$7,060.00; HCI, Inc. - \$1,200.00; and Alpha Contracting of Berea - \$985.00. Based on price and subject to Ms. Smallwood checking references, Commissioner Blackburn made the motion, seconded by Commissioner Clark to award the bid for asbestos removal to Alpha Contracting of Berea in the amount of \$985.00. The motion carried 3 - 0.

C. WATER IMPROVEMENT PROJECT BILLS: Submitted to the Commission for approval of payment were the following invoices:

Summit Engineering (inspection)	\$11,000.00
Alpha Reclamation:(water line to new tank)	\$27,632.70
Crom Corporation (water tank)	\$126,346.75
East KY. Water (intake & plant)	\$420,582.16
Micro-Comm (telemetry)	\$198,298.08

City Engineer Sykes reported that construction of the water storage tank is complete with the exception of painting. Micro-Comm is 82% complete with the telemetry installation. Included in the pay request from East KY Water is Change Order #2. Mr. Sykes explained that the overall net increase of \$9,723.06 is due

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largely to the additional debris (thought to be construction debris) encountered in the pipe. The change order also requests a three week time extension due to the divers extended time on the site. City Engineer Sykes advised there is approximately \$67,000 in contingency funds available and recommended approval of the change order. Commissioner Blackburn made the motion, seconded by Commissioner Clark to approve the change order request to East KY Water's contract. The motion carried 3 - 0. Commissioner Clark made the motion to approve payment of the invoices as presented and approved by Rural Development. Commissioner Blackburn seconded the motion. The motion carried 3 - 0.

Tentatively, the loan closing with Rural Development is scheduled for January 25, 2001 at 11 a.m.

AGENDA ITEM V.

OLD BUSINESS

A. MAIN STREET PROGRAM REPORT: City Engineer Sykes reported that bids had been accepted by the Main Street Board for the River Fill Parking Lot Improvements. Bids were received from Baldwin Contracting in the amount of \$238,115.00 and Commonwealth Building & Construction in the amount of \$274,000. With the City's required 20% match of funds, the Main Street Agency has \$207,000 to fund the project. Mr. Sykes explained that \$22,653 can be deleted from the low bid amount for electrical work supplied by American Electric Power. During the Main Street Board Meeting, the Board directed that the sidewalk and curb along the east side of Division Street be deleted from the project. With these deletions, Mr. Sykes advised the project could be performed within available funding. The Commission questioned if it was necessary for the city to fund the required match monetarily, or if the match could be in-kind material and labor. Mr. Sykes advised the match could be in the form of in-kind services and/or cash. The Commission asked the City Manager to determine if it would be more economical for the city to purchase and install the plants in the designed landscaping, and if so, to fund the city's match with the purchase and installation of the landscaping materials. City Engineer Sykes explained that he would have to contact the contractor to determine how much had been allotted for the purchase and installation of the landscaping materials, as the contractor bid the project in lump sum. Commissioner Blackburn made the motion, seconded by Commissioner Clark to award the project to the low bidder, Baldwin Contracting, in the amount of \$202,160.90, and further moved to approve a change order to delete the landscaping from the contract if it is found to be more economical for the city to provide the materials and labor to accomplish the landscaping portion of the contract. The motion carried 3 - 0.

Executive Director, Glendia Sawyers reminded the Commission of the Christmas Parade on December 2nd beginning at 2 p.m. As of this date, there are 84 participants.

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

1. FEMA: City Engineer Sykes reported that the Federal Emergency Management Agency has issued a Letter of Map Revision approving the City of Pikeville's request for a revision in flood elevation for the area upstream of Baird Avenue. The flood elevation was raised from 685 feet to 786 feet. The revision becomes effective on February 21, 2001.

2. Sandy Valley Sewer Extension: Contractor, Alpha Reclamation, has completed the project. Final payment was approved with the City Bills. The city is continuing to withhold a 10% retainage.

3. South Mayo Water/Gas Extension: Mr. Sykes reported that contractor, South Creek Contracting, has reached substantial completion of the project. He estimated a \$35,000 cost overrun

4. Thompson Road Storm Sewer Replacement: Originally estimated at \$12,831.00, J & H Enterprises presented their invoice in the amount of \$15,845.00 for completion of the project. The final cost exceeds the original quote due to additional work requested by U.S. Filter. An additional 57 feet of 30 inch HDPE was placed in order to fully remedy the existing problem and additional site work was needed to determine the location of existing utilities and the flow line of the new pipe. Mr. Sykes recommended approval of payment of the invoice as presented. Commissioner Blackburn made the motion, seconded by

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Commissioner Davis to approve payment of \$15,845.00 to J & H Enterprises as recommended by the City Engineer. The motion carried 3 - 0.

5. Pauley Bridge Repairs: Bids were opened on November 6th for repairs to be made to the Pauley Bridge to allow it to be re-opened to pedestrian traffic. The bids were as follows: JVC: \$97,570; Commonwealth Building & Construction: \$103,900. Project Coordinator, Sue Smallwood reported that she had spoken with Patrick Kennedy of the Kentucky Historic Preservation Council. Mr. Kennedy says the city is eligible to apply for ISTEAFunds to make the necessary repairs to the Pauley Bridge. Applications for the ISTEAFunds are not due until February, 2001. Mr. Sykes advised the Commission that the original estimate to repair the bridge was \$65,000. He indicated that the time of year may have some effect on the bids received. It was recommended to reject all bids and to re-bid in the spring. Commissioner Davis made the motion, seconded by Commissioner Clark to reject all bids. The motion carried 3 - 0.

6. Elm Street/KY. Avenue Street Improvements: Summit Engineering has completed about 15% of the design for this partially Department of Transportation funded project. Mr. Sykes expects to advertise for bids in January, 2001.

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

1. Amended Budget Ordinance: First reading was given to an Ordinance entitled:

ORDINANCE AMENDING THE FISCAL BUDGET FOR THE 2000-2001 FISCAL YEAR

Second reading was scheduled for the December 21, 2000 Special Meeting.

2. Utility Disconnection: Second reading was given to an ordinance entitled as follows:

ORDINANCE AMENDING CODE OF ORDINANCES AND THE UTILITY RULES AND REGULATIONS SO TO PROVIDE FOR IMMEDIATE DISCONNECTION OF UTILITIES OBTAINED BY A CHECK, DRAFT, NOTE OR OTHER NEGOTIABLE INSTRUMENT WHICH IS DISHONORED FOR NOT SUFFICIENT FUNDS FOR ANY OTHER REASON; PROVIDING FOR IMMEDIATE DISCONNECTION OF UTILITIES WHEN CHECK, DRAFT, NOTE OR OTHER NEGOTIABLE INSTRUMENT IS DISHONORED FOR NON-SUFFICIENT FUNDS OR ANY OTHER REASON AFTER THE ACCOUNT HAS RECEIVED A FINAL NOTICE AND SUBJECT TO DISCONNECT FOR NONPAYMENT WITHOUT THE CUSTOMER RECEIVING A FURTHER FINAL NOTICE

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

MAYOR:	FRANK M. MORRIS	ABSENT
COMMISSIONER:	BILL BLACKBURN	YES
	EUGENE DAVIS	YES
	WANDA WILSON	ABSENT
	SHARON CLARK	YES

Mr. Davis requested an executive session for the purpose of discussing a pending legal matter.

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

1. Pick-up truck bids: Quotes were solicited for the purchase of a new pick-up truck for the Parks Department. Two quotes were submitted. Bruce Walters Ford submitted a quote in the amount of \$16,955.50. The Fletcher & Hall quote was \$16,432.33. City Manager Blackburn advised that both quotes met the specifications and recommended the purchase be made from the company with the lowest quote,

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Fletcher & Hall at \$16,432.33. Commissioner Clark made the motion, seconded by Commissioner Blackburn to purchase the pick-up truck from Fletcher & Hall in the amount of \$16,432.33. The motion carried 3 - 0.

2. Natural Gas Fund: City Manager Blackburn advised the Commission that the natural gas fund is experiencing high losses due to the escalation in gas prices. The city has experienced a \$240,366.00 deficit in the natural gas fund from July through November, 2000, and a \$45,120.44 deficit in November 2000, alone. The deficit has been offset by savings realized by the natural gas department when the gas purchase contract was negotiated with Alliance Energy. The City Manager was directed to request assistance from the broker in preparing a rate analysis to determine if the increase in gas prices should be passed along to the city's utility customers.

3. Executive Session: City Manager Blackburn requested an executive session for the purpose of discussing a personnel matter.

At 3:10 p.m., Commissioner Clark made the motion, seconded by Commissioner Blackburn to adjourn to executive session for the purpose of discussing a pending legal matter and a personnel matter. The motion carried 3 - 0.

At 3:50 p.m., Commissioner Clark made the motion, seconded by Commissioner Blackburn to reconvene to regular session. The motion carried 3 - 0.

City Attorney Davis presented a resolution commending the Pikeville High School Football Team, Coaches, and Cheerleaders for the outstanding season. Commissioner Blackburn made the motion, seconded by Commissioner Clark to adopt the resolution. The motion carried 3 - 0.

Commissioner Blackburn made the motion to adopt the resolution. Commissioner Clark seconded the motion. The motion carried unanimously.

City Manager Blackburn recommended a change of employment status for custodians, Wanda Frasure and Mary Sue Newsome, from part-time to full-time. Commissioner Davis made the motion, seconded by Commissioner Clark to change Ms. Frasure and Ms. Newsome's employment status to full-time. The motion carried 3 - 0.

Commissioner Clark made the motion to grant a one-time pay increase of \$250.00 to all city employees. Commissioner Blackburn seconded the motion. The motion carried 3 - 0.

Commissioner Blackburn made the motion to schedule the city employee Christmas Party on December 8th, from 3:00 p.m. to 5:00 p.m., at the Fire Department Training Facility. Commissioner Clark seconded the motion. The motion carried 3 - 0. City Manager Blackburn advised that the one time pay increase would be given to the employees during the Christmas Party.

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 3 - 0. (Adjournment Time: 4:00 p.m.)

APPROVED:

Frank M. Morris
FRANK M. MORRIS, MAYOR

ATTEST:

Karen W. Harris
KAREN W. HARRIS, CITY CLERK