

MINUTES } CITY OF PIKEVILLE**PIKEVILLE CITY COMMISSION
SPECIAL MEETING MINUTES
FEBRUARY 7, 2001**

The Board of Commissioners of the City of Pikeville met in Special Meeting on Wednesday, February 7, 2001. 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 6:00 p.m. Commission Members present at roll call were as follows:

MAYOR: FRANK MORRIS
COMMISSIONER: STEVE COMBS
EUGENE DAVIS
FRANK JUSTICE, II
DALLAS LAYNE

The special meeting was called for the following purposes:

I. CALL TO ORDER***II. Presentation of audit report for year ending June 30, 2000.******III. OLD BUSINESS******A. CITY ENGINEER'S REPORTS***

1. Consider approval to extend the city sewer to the Kanney and VanHoose properties.

B. CITY ATTORNEY'S REPORTS

1. Consider second reading and adoption of an Ordinance establishing 15 minute parking zones on Huffman Avenue.
2. Consider second reading and adoption of an ordinance amending the solid waste ordinance providing for charges for monthly rental of 95 gallon refuse cans.
3. Consider second reading and adoption of an ordinance naming Walnut Street in the Pauley Addition.
4. Consider first reading of an Ordinance amending the 2000-01 operating budget.
5. Consider first reading of an Ordinance declaring the intent to annex certain property northwest of the present city limits.
6. Consider adoption of an annual resolution for the acceptance of Municipal Road Aid Funds.
7. Consider discussion concerning the contractors' license fee and take any necessary action.

C. CITY MANAGER'S REPORTS

1. Consider response from Mary Mandt concerning the proposed acquisition of the former Hatcher Court property and take any necessary action.
2. Consider further discussion concerning the proposed sale of the city's Thompson Road property and take any necessary action.

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3. Consider executive session for the purpose of discussing a personnel matter.
- D. PIKEVILLE REDEVELOPMENT PROJECT

1. Consider granting authorization to purchase the Keathley properties.

IV. ANNOUNCEMENTS - The Pikeville City Commission's regular meeting scheduled for February 12, 2001 is cancelled.

V. ADJOURNMENT

AGENDA ITEM III. D. PIKEVILLE REDEVELOPMENT PROJECT

City Manager Blackburn requested the Commission move the item "Pikeville Redevelopment Project" to be heard first. He explained that Project Director, Sue Smallwood asked to be excused from the meeting early due to a death in her family. The Commission agreed to the request. Ms. Smallwood advised the Commission that the offer to purchase six apartment structures located on Sycamore Street, has been accepted by owner, Allen Keathley. The agreed purchase price of \$288,000 for the properties is the appraised value of all six units. Commissioner Davis made the motion, seconded by Mayor Morris to approve the purchase of the Keathley properties located in the Sycamore Street target area. The motion carried 4 - 0 - 1 with Commissioner Combs abstaining from the vote.

Commissioner Justice asked when offers to purchase the Kentucky Avenue properties will be extended. He reported that a property owner had contacted him and expressed that he was having a difficult time keeping tenants since it had been announced that the city was going to acquire the properties. The property owner had indicated that even though he had no tenants, he still had a bank payment to make on the property. Ms. Smallwood advised that the property owner is free to rent the property until the city purchases the property. The tenant is given a 90 day eviction notice at the time the property is acquired. The tenant has incentives to stay in the rental unit in that they are paid moving expenses and, in most cases, relocation benefits. City Manager Blackburn advised the Commission that it had been hoped that offers for the Kentucky Avenue properties could already have been extended, however, the Kentucky Housing Corporation (KHC) will not release the funds until the financing package has been finalized. It is hoped the financing package will be completed within the next month. Commissioner Justice asked the feasibility of the city purchasing the property, then reimburse city coffers with the KHC funds. Ms. Smallwood cautioned against using city funds until all the financing agreements have been executed. She also indicated that KHC may decide that the city does not need its money for acquisition if the properties are pre-purchased. Ms. Smallwood invited the Commission to her office to review the project.

AGENDA ITEM II. AUDIT

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J. Donald Wallen, representing Wallen & Cornett, CPAs, presented the audit report for year ending June 30, 2000. In a verbal summary, Mr. Wallen pointed out that the General Fund Balance had decreased \$336,000 from the previous year, but felt this could be attributed to the increase of \$478,000 seen in Capital Projects. After depreciation, the Water, Gas and Sanitation Funds finished the year with a surplus of \$13,106, \$30,627, and \$47,434, respectively. The Sewer Fund ended the year with a (\$13,236) deficit. Calling attention to page 13 of the audit report, Mr. Wallen expressed concern relative to the increase in uncollected utility bills. Gas Department delinquent payments rose to 32%, while the other enterprise funds' uncollected receivables remained between 8 - 10%. Beginning with the 2002 budget, the city will be required to assign values to the streets, sidewalks, and other infrastructure assets. Mr. Wallen advised the Commission that assigning values will be a very time-consuming, ominous task. In looking at pages 38-45, Mr. Wallen pointed out that receipts totaled \$132,000 less than budgeted, however expenditures came in \$326,000 less than budgeted. The tax penalty and interest income increased \$43,556, and Mr. Wallen congratulated the Finance and Tax Departments for this accomplishment. In concluding his report, Mr. Wallen reported that most cities are considered in good financial health when they have a minimum of two months of operating capital in reserve. According to this year's audit report, Pikeville has a 4 month reserve. Mr. Wallen thanked the City Manager and staff for cooperation given to his staff while the audit was conducted. He invited each Commissioner to contact him with any questions they may have concerning the report.

AGENDA ITEM III.

OLD BUSINESS

A. CITY ENGINEER'S REPORTS: Charles Byers, representing Summit Engineering, City Engineers, requested the Commission's approval to extend the sewer service on Vera Drive. Mr. Byers explained that the extension will be funded by the developer, Interstate Natural Gas, and will be extended an additional 800 feet to connect a home currently under construction. The plans have been approved by the Division of Water, however the plans have not been approved by the Pikeville/Pike County/Elkhorn City Planning Commission. Mr. Byers explained there had been a property dispute between the developer and Bill Deskins and the engineers had been unable to prepare the plat map for submission and consideration by the Planning Commission. He reported the dispute is being resolved, however, due to time constraints, it is necessary to obtain City Commission approval prior to submitting the issue to the Planning Commission for their approval. Commissioner Justice made the motion, seconded by Commissioner Layne to approve the request to extend the sewer line an extra 800 feet along Vera Drive. The motion carried unanimously.

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

1. Presented and given second reading was an Ordinance entitled as follows:

ORDINANCE ESTABLISHING FIFTEEN (15) MINUTE PARKING ZONE ON

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HUFFMAN AVENUE FOR THE USE OF THE TOURISM OFFICE AND POST OFFICE (O-2001-003)

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

MAYOR:	FRANK MORRIS	YES
COMMISSIONER:	STEVE COMBS	YES
	EUGENE DAVIS	YES
	FRANK JUSTICE, II	YES
	DALLAS LAYNE	YES

2. Second reading was given to an ordinance captioned as follows:

ORDINANCE AMENDING THE CITY OF PIKEVILLE'S SOLID WASTE MANAGEMENT ORDINANCE, SECTION 50.18 CHARGES FOR SERVICES SO TO INCLUDE A \$3.00 MONTHLY RENTAL FOR 95 GALLON REFUSE CANS (O-2001-004)

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

MAYOR:	FRANK MORRIS	YES
COMMISSIONER:	STEVE COMBS	YES
	EUGENE DAVIS	YES
	FRANK JUSTICE, II	YES
	DALLAS LAYNE	YES

3. Presented and given second reading was an Ordinance entitled as follows:

ORDINANCE NAMING OR RENAMING WALNUT LANE/STREET LOCATED IN THE PAULEY ADDITION 'WALNUT STREET' (O-2001-005)

Mayor Morris made the motion to adopt the Ordinance as presented and read. Commissioner Justice seconded the motion. The motion carried by the following votes:

MAYOR:	FRANK MORRIS	YES
COMMISSIONER:	STEVE COMBS	YES
	EUGENE DAVIS	YES
	FRANK JUSTICE, II	YES
	DALLAS LAYNE	YES

4. Presented and given first reading was an Ordinance entitled:

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

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City Attorney Davis explained that state law requires cities to amend their budgets when revenues exceed estimates or prior to making unbudgeted expenditures.

Second reading of the Ordinance was scheduled for the February 26, 2001 regular meeting.

5. First reading was given to an Ordinance declaring the city's intention to annex certain property lying northwest of the present city limits.

City Attorney Davis reported that the Ordinance was drawn in answer to a request from Bob Billips for the city to annex his property known as the Pine Ridge Subdivision. The ordinance also provides annexing property owned by the Hatcher Heirs. Mr. Davis commented that the Ordinance does not provide for the annexation of any territory in the Coal Run Village area.

Second reading of the ordinance was scheduled for the February 26, 2001 regular meeting.

6. Municipal Road Aid: City Attorney Davis presented a resolution authorizing and approving a contract between the Department of Transportation and the City of Pikeville for the award of Municipal Road Aid funds totaling \$84,538. It was explained the funds will be used to overlay certain streets during the 2001-2002 fiscal year. Commissioner Davis made the motion, seconded by Commissioner Layne to adopt the resolution as submitted. The motion carried unanimously.

7. Contractor's License Fees: City Attorney Davis explained the city is involved in an ongoing dispute with one of its local contractors concerning the amount of occupational license fees owed to the City of Pikeville. The Commission has been reviewing, for the last year, the amount of fees the contractor must pay on the total amount of each contract. The contractor pays, prior to obtaining a permit, a minimum contractor's fee of 1/2% on the total contract amount. It has been argued that contractors realize about a 10% profit on each contract, which amounts to them paying about 2.5% more than any other profession. According to the City Attorney, lowering the minimum fee to 1/4% would provide the contractors fee to be more equitable with those of other professions. Attorney Davis requested a closed session with the Commission for the purpose of discussing the legal aspects of this matter as well as the local contractor's dispute.

At 7:06 p.m., Commissioner Combs made the motion, seconded by Commissioner Justice to adjourn to a closed session for the purpose of discussing two matters involving property; two legal matters, and one personnel matter. The motion carried unanimously.

At 8:20 p.m., Commissioner Combs made the motion to reconvene to regular session. Commissioner Justice seconded the motion. The motion carried unanimously.

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Commissioner Combs made the motion to authorize the City Attorney and City Manager to negotiate a resolution of an occupational license fee dispute with local contractor, Commonwealth Building & Construction. Mayor Morris seconded the motion. The motion carried unanimously.

Commissioner Combs made the motion to authorize the City Manager to negotiate with the Mandt, York and Trimble heirs for the acquisition of the former Hatcher Court property in accordance with the property appraisals. Commissioner Justice seconded the motion. The motion carried 4 - 0 - 1 with Commissioner Davis abstaining from the vote.

City Manager Blackburn reported that Commissioner Layne has been authorized to negotiate with Eagle Environmental Products concerning their proposed purchase of the city's Thompson Road property.

There being no further business to come before the Commission, Mayor Morris made the motion, seconded by Commissioner Combs to adjourn the meeting. The motion carried unanimously. (Adjournment time: 8:25 p.m.)

The City Commission's next scheduled meeting is February 26, 2001, at 6:00 p.m. in the City Hall Public Meeting Room.

APPROVED

Frank M. Morris
FRANK M. MORRIS, MAYOR

ATTEST:

Karen W. Harris
KAREN W. HARRIS, CITY CLERK