

MINUTES } CITY OF PIKEVILLE

PIKEVILLE CITY COMMISSION REGULAR MEETING MINUTES MARCH 12, 2001

The Board of Commissioners of the City of Pikeville met in regular session on Monday, March 12, 2001. The meeting was conducted 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 M. MORRIS
COMMISSIONER:	EUGENE DAVIS
	FRANK JUSTICE, II
	DALLAS LAYNE

Commissioner Steven Combs was absent.

AGENDA ITEM II. MINUTES

The minutes for the previous regular meeting of February 26, 2001, were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Justice made the motion, seconded by Commissioner Davis to approve the minutes as presented. The motion carried 4 - 0.

AGENDA ITEM III. BUSINESS FROM THE FLOOR

A. CITY PARK MEMORIAL: Tim Cecil, representing the Pikeville Hillbilly Clan, requested permission to erect a memorial in honor of one of the founders of Hillbilly Days, Grady "Shady Grady" Kinney, who passed away a few weeks ago. Mr. Cecil presented a couple of pictures showing the type of memorial they plan to purchase. The proposed location for the memorial is in the downtown city park located in the space between the gazebo and restroom facility. Commission Members voiced support for the request and complimented Mr. Kinney's civic contributions. Mayor Morris made the motion to allow a memorial, in honor of Grady Kinney, to be erected in the downtown city park and directed Mr. Cecil to work with Park Director, Doug Justice, to determine an appropriate location. Commissioner Layne seconded the motion. The motion carried 4 - 0.

B. PROPOSED PROPERTY ACQUISITION: Appraiser, Judy Walters, was present and requested a closed session for the purpose of discussing the appraisal for the Hatcher Court property. City Manager Blackburn asked for a closed session with the Fire Chief and City Attorney to discuss a personnel matter. At 6:11 p.m., Mayor Morris made the motion to adjourn to closed session for the purpose of discussing a property matter and a personnel matter. Commissioner Justice seconded the motion. The motion carried 4 - 0.

At 7:35 p.m., Commissioner Layne made the motion, seconded by Mayor Morris to reconvene to regular session. The motion carried 3 - 0 (Commissioner Justice not present at the time of the vote).

The Commission announced there was no action required as a result of the closed session.

C. EAST KENTUCKY EXPOSITION CENTER: In other business from the floor, Pikeville Main Street Program Executive Director, Glendia Sawyers, recommended the filing of a grant application to Kentucky Renaissance Alliance in the amount of \$300,000 to be used for property acquisition for the civic center project. Funding applications are due on April 1, 2001. Regulations provide that a public hearing must be held prior to submission of the grant application. Commissioner Layne made the motion to adopt a resolution authorizing the Pikeville Main Street Program to file a \$300,000 grant application for property acquisition for the civic center project, to conduct the public hearing as required, and to authorize the

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~~Mayor to execute the application for funds. Commissioner Davis seconded the motion. The motion carried 4 - 0.~~ Ms. Sawyers assured the Commission there would be no cost to the city in the receipt of the grant funds.

AGENDA ITEM IV.

OLD BUSINESS

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

1. Kentucky Avenue Townhouse Project: During the previous regular meeting, approval was given to establish a \$200,000 line-of-credit with the Pikeville Affordable Housing Corporation, Inc. (the non-profit agency that will own and operate the townhouses). The line of credit was established to assist the non-profit agency with initial costs for the project, such as engineering, attorney fees, accounting fees, etc. At the previous meeting, a draw down request was submitted from the non-profit corporation in the amount of \$70,257, which included a request from Summit Engineering totaling \$69,507 for architectural and structural engineering fees. Mr. Sykes explained it was necessary for him to leave the last meeting prior to adjournment, but that Commissioners Combs and Justice had reported that Mr. Sykes had agreed to defer payment of the architectural fees until the complete funding package had been approved. Subsequently, the payment request on behalf of Summit Engineering was not approved during that meeting. Mr. Sykes explained that it had been his intent to defer payment of the architectural and engineering fees until the three party agreement (between the City, the Pikeville Housing Authority, and the non-profit corporation) could be completed. The agreement would allow Summit Engineering's fees to be eligible for the tax credits to be sold. The tax credits, along with other grant and loan proceeds, will fund the project. Mr. Sykes advised the sale of the tax credits will not take place until the project nears completion. Mr. Sykes asked the Commission to reconsider approval of Pikeville Affordable Housing Corporation's request for a draw down of \$70,257, which would allow Summit Engineering to be paid for fees incurred. Commissioner Justice made the motion to approve Pikeville Affordable Housing Corporation's draw down request in the amount of \$70,257. Commissioner Layne seconded the motion. The motion carried 4 - 0.

2. Water Improvement Project: The city engineer reported that the water plant and intake project have reached substantial completion and expects to begin the start-up procedure tomorrow afternoon. Mr. Sykes advised there is approximately \$45,000 in funds remaining after project completion. Originally the plans provided for the installation of a grit pump, but due to lack of funding was removed from the project. The bid for the pump was about \$60,000. The contractor, East Kentucky Water, has agreed to purchase and install the pump for about \$32,000. Additionally, it was recommended that a guardrail be placed around the newly constructed water storage tank located on the Kanney property, purchase and install a valve pit cover, and to purchase a small crane to assist with pump maintenance. The items were presented for consideration in a close-out change order totaling \$43,015.50. With the approval of the change order, Mr. Sykes advised there will be between \$15,000 and \$19,000 in remaining funds, which represents interest earned during the construction period. Mr. Sykes proposed the Commission approve the change order, but not submit it to the contractor, until it is determined if there will be any problems incurred at plant start-up. Commissioner Davis made the motion to approve the change order in the amount of \$43,015.50 subject to no problems being incurred at equipment start-up and sufficient funds remaining in the account. Commissioner Justice seconded the motion. The motion carried 4 - 0.

Pikeville Redevelopment Project Coordinator, Sue Smallwood, submitted a payment request on behalf of Alpha Contracting Services, Inc., a Berea, KY firm, in the amount of \$19,759.50, for demolition services on the city's Sycamore Street properties. Ms. Smallwood reported the project is approximately 50% complete. A 10% retainage is being withheld. There are two houses remaining to be removed. Payment of the demolition services comes from Appalachian Regional Commission (ARC) funds committed to the project. Commissioner Justice made the motion to approve payment of \$19,759.50 to Alpha Contracting Services, Inc. Commissioner Layne seconded the motion. The motion carried 4 - 0.

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

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Items 1 and 2 to be considered during the City Attorney's reports (first reading to amend the current operating budget and second reading of an ordinance to decrease the minimum occupation license fee for contractors) were deferred until the next meeting.

3. Natural Gas Rate: Second reading was given to an ordinance entitled:

ORDINANCE AMENDING SECTION 51.15 OF THE CODE OF ORDINANCES OF THE CITY OF PIKEVILLE DECREASING THE RATES AND FEES FOR NATURAL GAS SERVICE AND ADOPTING A QUARTERLY GAS COST RECOVERY ADJUSTMENT TO RATES AND FEES (O-2001-008)

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

MAYOR:	FRANK M. MORRIS	YES
COMMISSIONER	STEVEN COMBS	ABSENT
	EUGENE DAVIS	YES
	FRANK JUSTICE, II	YES
	DALLAS LAYNE	YES

4. Gas Purchase Agreement: Presented for approval was an amended agreement between the city and Alliance Energy Service Partnership for the purchase of natural gas. The City Attorney explained that Alliance Energy Service Partnership actually makes the purchases from Columbia Gas, negotiate the agreement for gas transportation, and negotiate the arrangements to assist the city to hedge gas prices. The agreement provides for fees for the purchase of natural gas to include the Columbia tariff plus Columbia's transportation charge plus Alliance Energy Service Partnership's fee of \$0.03 per MCF for services performed. One factor that can increase is the transportation fee charged by Columbia Natural Resources. City Attorney Davis reported that effective May 1, 2001, the fee for transportation of the gas will increase from \$0.65 per MCF to \$0.85 per MCF. Columbia Natural Resources' explanation for the increase is the city's requirement they purchase a drying station to improve their gas quality. He commented that transportation fees are not subject to Public Service Commission regulations. The agreement is for a three year term. Commissioner Davis made the motion, seconded by Commissioner Justice to enter into an agreement with Alliance Energy Service Partnership for the purchase of natural gas. The motion carried 4 - 0.

5. Annexation: During previous meetings, the Commission has been discussing the opportunity to annex property, located adjacent to Coal Run Hill, into the city limits, and more specifically the Pine Ridge Subdivision, owned by Robert Billips, a tract owned by the Hatchers, and the next tract owned by Robert Billips. Mr. Davis advised the C & O Railroad owns property between the present city limits and the Billips' property. He doesn't expect the C & O Railroad will object to the proposed annexation. Since the time the matter was first discussed, Frank Hatcher has advised the City Attorney that he no longer wants his property to be annexed into the city limits. However, Mr. Billips is requesting the city proceed with the annexation of the Pine Ridge Subdivision.

First reading was given to an Ordinance entitled:

ORDINANCE DECLARING THE INTENTION OF THE CITY OF PIKEVILLE TO ANNEX CERTAIN UNINCORPORATED TERRITORY LYING ADJACENT TO THE PRESENT CITY CORPORATE LIMITS AND COMPRISING OF APPROXIMATELY 108 ACRES, EXTENDING THE CITY CORPORATE LIMITS ON THE NORTHWEST OF THE EXISTING CORPORATE LIMITS

The ordinance will be on file in the city clerk's office for public inspection.

6. Personnel Policies and Procedures: City Attorney Davis reported that he, City Manager Blackburn, and the labor consultant have been reviewing the personnel policies and have deemed it prudent to amend the

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personnel policies and procedures as they relate to personal telephone calls and visits by non-employees in the work place.

First reading was given to an Ordinance entitled as follows:

ORDINANCE AMENDING PERSONNEL POLICY AND PROCEDURES SO TO AMEND THE EMPLOYMENT POLICY AND PROCEDURES CONCERNING WORKING RULES - PART 3 SO TO ADOPT A POLICY CONCERNING PERSONAL TELEPHONE CALLS AND VISITS BY NON-EMPLOYEES IN THE WORK PLACE

The ordinance will be on file in the city clerk's office for public inspection. Second reading was scheduled for March 26, 2001.

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

1. Fireworks: Mr. Blackburn explained the Pikeville Jaycees had previously sponsored the fireworks display for the Fourth of July. The city and county purchased \$1,500 worth of fireworks, and the Jaycees provided the remainder of the funds and the personnel to launch the fireworks. It was learned a few weeks before last year's Fourth of July Celebration that the Pikeville Jaycees was no longer an active organization. The city, through the Pikeville Fire Department, purchased fireworks and sent seven fire fighters for training to acquire certification to launch the fireworks. The City Manager reported that \$7,000 had been budgeted to purchase the fireworks for this year's celebration, if the Commission wanted to continue with the event. Fire Chief Hall advised that the supplier will make an inspection and recommend the appropriate package. He plans about a half hour, non-stop, fireworks display. It was the consensus of the Commission to provide the fireworks display for this year's Fourth of July celebration. The City Manager advised he will send a letter requesting the county's financial assistance, as well as soliciting private sponsors.

2. Hatfield/McCoy Reunion: The City Manager advised that Tourism Commission Chair, Walter Fletcher, had contacted him to request permission to block one lane of Huffman Avenue, running parallel to the city park, during the Hatfield/McCoy Festival, June 7-9, 2001. The traffic flow coming into downtown and exiting downtown will not be affected. Commissioner Layne made the motion, seconded by Commissioner Justice to approve the request to block one lane on Huffman Avenue during the Hatfield/McCoy Festival, June 7-9, 2001, as requested by the Tourism Commission. The motion carried 4 - 0.

There being no further business to come before the Commission, Commissioner Davis made the motion to adjourn. Commissioner Justice seconded the motion. The motion carried 4 - 0. (Adjournment Time: 8:20 p.m.)

The Pikeville City Commission's next scheduled meeting is March 26, 2001. Said meeting will be held in the City Hall Public Meeting Room, located at 118 College Street.

APPROVED: _____

Frank M. Morris
FRANK M. MORRIS, MAYOR

ATTEST:

Karen W. Harris
KAREN W. HARRIS, CITY CLERK