

MINUTES } CITY OF PIKEVILLE

PIKEVILLE CITY COMMISSION REGULAR MEETING MINUTES MARCH 11, 2002

The Board of Commissioners of the City of Pikeville met in regular session on Monday, March 11, 2002. The meeting was held in the City Hall Public Meeting Room located at 118 College Street, Pikeville, Kentucky.

There being a quorum present, Mayor Pro-Tem Steven D. Combs called the meeting to order at 6:25 p.m. Commission Members present at roll call were as follows:

COMMISSIONER: STEVEN D. COMBS
EUGENE W. DAVIS
FRANK JUSTICE, II
DALLAS LAYNE

Mayor Frank M. Morris arrived at the meeting at 6:30 p.m.

AGENDA ITEM II. MINUTES

The minutes for the previous regular meeting of February 25, 2002 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 prepared. The motion carried 4 - 0 (Mayor Morris not present at the time of the vote).

AGENDA ITEM III. BUSINESS FROM THE FLOOR

A. CONSTRUCTION FINANCING - KY AVENUE TOWNHOUSES: Will Linder of Wilbur J. Linder & Associates, advised the Commission of the need to acquire a \$2.4 million construction loan for the Kentucky Avenue Townhouse - Phase II project. The loan is to be made to the non-profit agency, Kentucky Avenue Phase II, LTD. Because the tax credits have not yet been sold, it was recommended by the grant consultant, for the city to guarantee the repayment of the loan, as co-signer with the non-profit agency. Mr. Linder estimated sale of the tax credits to take place within 60 to 90 days. Chairman of the Housing Authority Board, Mike Castle, reported that all local banks and a few out-of-town banks had been given the opportunity to finance the project. Community Trust Bank was the only institution that submitted a proposal. Mr. Castle could only surmise that the other lending institutions were unfamiliar with tax credit projects.

City Manager Blackburn reported he had requested Community Trust Bank to limit the city's endorsement to \$750,000. This request was refused by Community Trust Bank. Required is the endorsement of the entire \$2.4 million loan until such time as the tax credits have been sold and assigned.

Mr. Linder advised the Commission that construction of the townhouse project is underway. Available funding for the project at this time is between \$500,000 - \$600,000. Mr. Linder estimated the cash on hand would fund two to three more payment requests from Goggins Construction. Mr. Linder stressed the urgency in negotiating an acceptable funding agreement within the next couple of weeks. If the housing units are not placed in service this calendar year, the tax credits will be lost. The options are signing with Community Trust Bank or looking for an alternate funding source.

Commissioner Combs stated he did not understand why the Commission was not previously advised of the bank's requirement that the tax credits be sold prior to loan closing. Mr. Linder explained that financial institutions generally do not require the pre-selling of tax credits. Commissioner Combs reported that Community Trust Bank, through written correspondence, extended the offer to provide the construction loan based upon the tax credits being pre-sold. Commissioners expressed

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~~their dissatisfaction in learning of the details until such time as the project requires immediate~~ action. Discussed was the possibility of the city negotiating a \$500,000 loan on behalf of the non-profit agency to pay for construction activities until the tax credits are sold and assigned. Mr. Linder supported this idea, but cautioned that assurances from Community Trust Bank, that they would provide the remainder of the construction loan, would be required. After further discussion, Commissioner Justice made the motion, seconded by Commissioner Layne to co-sign the construction loan in the amount of \$2.4 million and to authorize the mayor to sign all documents related to executing the construction loan. The motion carried unanimously.

B. TRAFFIC CONTROL DEVICE: Peach Orchard resident, Elster Elswick, appeared before the Commission with a petition signed by about 125 people requesting a traffic control device at the intersection of Hambley Boulevard/Julius Avenue/College Street. Mr. Elswick voiced his concern for traffic safety, particularly with the nearing completion of Pikeville College's new residence hall, and the variety of activities at the college gym/softball field/tennis courts. City Engineer Sykes advised that a traffic light can be obtained through the state price contract for about \$60,000. Because Hambley Boulevard is a city street, Mr. Sykes advised that he does not think the Department of Transportation will assist with funding. Commissioner Combs made the motion to authorize the City Engineer to conduct a study of the request and to prepare a cost estimate for the installation of a traffic control device that can be timed or equipped with a trip mechanism. Commissioner Justice seconded the motion. The motion carried unanimously.

C. RECYCLING: Bonita Rose, a local resident interested in environmental issues, presented a written letter of request to the Commission asking they consider conducting a study to initiate a workable recycling program in Pikeville. Commissioner Combs stated that during his tenure as Mayor, the Commission had discussed a recycling program with Rumpke representatives. The Commission was advised at that time that recycling would probably be a cost prohibitive venture for Pikeville. Duane Hamilton Project Manager for U.S. Filter reported that no other communities, where U.S. Filter is involved, operate a recycling program. Ms. Rose reported that Prestonsburg, Letcher County, and Magoffin County operate recycling programs. She added that Prestonsburg officials have commented that the program is not losing money nor is it making money. Ms. Rose indicated that public funds (PRIDE and other state funds) are available for recycling programs, which include educational programs. Commissioner Combs made the motion, seconded by Commissioner Layne to authorize U.S. Filter to conduct a study, bringing in experts in the field of recycling to create a model, and prepare a cost estimate for review. The motion carried unanimously.

AGENDA ITEM IV.

PAYMENT OF BILLS

A. PIKEVILLE REDEVELOPMENT PROJECT: Presented for approval were the following invoices in conjunction with the Kentucky Avenue Project:

1. **Pikeville Affordable Housing:** Presented for approval was a request from Pikeville Affordable Housing, to draw down funds from the city's letter of credit, totaling \$5,000. The funds are to be used to pay Miller, Mayer, Sullivan & Stevens, CPA's for services and consultation involving the Kentucky Avenue Phase II housing tax credits. Pursuant to discussion with Housing Authority Board executive director, Sean Gilbert, and Chairman Mike Castle, Sue Smallwood reported that the services were required by the funding agencies. A contract was negotiated with the CPA firm for an amount not to exceed \$20,000. Ms. Smallwood reported that Mr. Gilbert advised the payment request for \$5,000 has been the only one submitted to date. He is unsure at this time whether there will be any further services required. Commissioner Combs made the motion, seconded by Commissioner Layne to approve the draw down request. The motion carried unanimously.

2. **Patriot Construction:** Presented for approval of payment was a request from Patriot Construction in the amount of \$76,761.00 for work to date on contract 1A of the Kentucky Avenue

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Roadway and Utilities Improvement Project. City Engineer Sykes advised that Patriot Construction is working toward the completion of the second set of five building pads. The pads should be completed in two weeks. Patriot Construction is not delaying the housing contract. The pay request is payable with Department of Transportation funds. Commissioner Combs made the motion, seconded by Commissioner Justice to approve payment of Request #7 totaling \$76,761.00 to Patriot Construction. The motion carried unanimously.

3. Summit Engineering, Inc.: Presented for approval was a payment request totaling \$18,915.75. It was explained that \$3,200 of the request is for inspection for contract 1A - Kentucky Avenue. The remainder of the request is for design services for the next phase. Commissioner Justice made the motion to authorize payment of the request from Summit Engineering totaling \$18,915.75. Commissioner Layne seconded the motion. The motion carried unanimously.

B. PARKING STRUCTURE PROJECT: A request for payment totaling \$171,225.00 was presented to the Commission for approval of payment for the design plans and specifications for the parking structure project. The pay estimate brings the contract to 90% completion. The fee is payable through the Department of Housing & Urban Development's EDI-Special Projects Grant. Commissioner Justice made the motion, seconded by Commissioner Davis to authorize the draw down of funds and approve payment to Summit Engineering upon receipt of the funds. The motion carried unanimously.

AGENDA ITEM V.

OLD BUSINESS

A. CITY ENGINEER'S REPORTS: Jack Sykes was present on behalf of Summit Engineering, Inc., city engineers. A verbal report was presented for the following items:

1. Deskins Development: During the December 20, 2001 Commission Meeting, the Commission approved a request for extension of wastewater service to property being developed by Bill Deskins. The property is located across from the Thompson Road Fire Station. It is the city's intention to operate and maintain the sewer lines after completion, contingent upon the lines being constructed pursuant to city specifications. Mr. Deskins and the other property owners have agreed to obtain the necessary permits from the C & O Railroad and to obtain the liability insurance through construction. Once the lines are accepted into the city's maintenance system, the annual fee for the easements and insurance will become the city's responsibility. City Manager Blackburn advised that he is in receipt of a letter from Interstate Natural Gas Company agreeing to the tie-in of Mr. Deskins' sewer line into the sewer line on Interstate's Quail Valley Subdivision. No action needed.

2. Parking Garage Construction: Mr. Sykes requested authorization for the City Manager to begin negotiations with the Trimble Heirs for an easement on the adjacent tract where the house is located (College Street). The city is in the position of proposing a property exchange - returning a sliver in front in exchange for property in back. The easement is needed to accommodate construction, since the structure is built next to the property line. Commissioner Justice made the motion, seconded by Commissioner Layne to authorize the City Manager to initiate discussion with the Trimble Heirs for easement negotiation. The motion carried unanimously.

The plans and specifications for the parking structure are to be submitted to the Department of Transportation and the Department of Housing & Building Construction for approval prior to bid. The engineers requested permission to advertise for bids subject to approval of the two state agencies. Commissioner Justice made the motion, seconded by Commissioner Davis to authorize the city engineer to advertise for bids for construction of the parking structure pending approval of the plans and specifications by the Department of Transportation and the Department of Housing & Building Construction. The motion carried unanimously. The engineer expects to advertise for bids on March 24, 2002.

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3. Phase IV - Kentucky Avenue: Mr. Sykes reported the engineers are 80% through the design process for the second phase of the roadway improvements for Kentucky Avenue. There are funding shortfalls. The engineer is considering downsizing the project and/or locating additional funding.

4. Sandy Valley Water Tank: Continuing discussion concerning the water tank constructed, as a part of the Water Improvement Project, on the Kanney property, Commissioner Combs asked why telemetry charts for the tank has not improved. No changes have been made to the system at this time, however U.S. Filter Manager Duane Hamilton reported that the water line at the Bypass has been repaired but has not been put back in service. The Smith Hill tank will be put back on line when Patriot Construction completes the water valve installation at Auxier Avenue. The telemetry data was given to Mr. Sykes for review. Mr. Sykes opined the telemetry data may be erroneous, and asked for an opportunity to review the data.

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

1. Budget Amendment: Presented and given second reading was an Ordinance amending the 2001-02 operating budget. The Ordinance was read entitled:

ORDINANCE AMENDING THE FISCAL BUDGET FOR THE 2001-02 FISCAL YEAR (O-2002-001)

Commissioner Combs made the motion to adopt the Ordinance. Commissioner Davis seconded the motion. The motion carried by the following votes:

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

2. Recognition: A resolution recognizing the Pikeville High School Freshmen Cheerleaders and their coaching staff was presented and read as follows:

RESOLUTION RECOGNIZING AND HONORING THE PIKEVILLE HIGH SCHOOL FRESHMEN CHEERLEADERS AND THEIR COACHING STAFF FOR WINNING THIRD PLACE IN THE UCA NATIONAL CHEERLEADING COMPETITION IN ORLANDO, FLORIDA

WHEREAS, the Pikeville High School Freshmen Cheerleading Squad did compete in the 2002 UCA National Cheerleading Competition in Orlando, Florida;

WHEREAS, the Pikeville High School Freshmen Cheerleading Squad was selected from regional competitions throughout the country to compete for the 2002 UCA National Cheerleading title;

WHEREAS, the Pikeville High School Freshmen Cheerleading Squad did place third in the 2002 UCA National Cheerleading competition;

WHEREAS, the Pikeville High School Freshmen Cheerleaders third place finish not only brings honor and recognition to the squad and its coaches, but also brings national honor and recognition to the City of Pikeville;

WHEREAS, a tradition of excellence among all cheerleaders at Pikeville High School is well known both statewide and nationally and such a tradition of excellence is worthy of being honored

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and recognized by this Commission for the City of Pikeville;

NOW, THEREFORE, BE IT RESOLVED by the City of Pikeville as follows:

1. That the Pikeville High School Freshmen Cheerleaders Amanda Hall, Shara Little, Casey Kurkowski, Tara Justice, Whitney Hamilton, Anna Allen, Amelia Crum, Amber Justice, Ashley Ratliff, Alyssa Cline, Baily Joyce, Amanda Martin, Ashley May, Chelsi Lawson, Colby Kurkowski, Olivia Harris, Olivia Kinney, MacKenzie Lewis, Leigh Brittany Lynn, Ali Tucker, Kristen Kendrick, Lora Cleary, Jessica Justice, Chelsey Krukowski and Coach Lisa Wheeler are by these presents duly honored and recognized by the City of Pikeville for their achievement in capturing third place in the 2002 National UCA Cheerleading Competition.

2. That because of each squad member's and Coach's representation of excellence in cheerleading and as outstanding citizens of the City of Pikeville, they are each hereby appointed and designated as "Special Ambassador" of goodwill for the City of Pikeville.

3. That these outstanding accomplishments on behalf of the Cheerleaders and Coaches set forth hereinabove shall be caused by the clerk of the City to be recorded among the records of the City of Pikeville so that others that come hereafter will know of their excellence in cheerleading.

Commissioner Justice made the motion to adopt the resolution. Commissioner Davis seconded the motion. The motion carried unanimously.

3. Museum Lease: During the previous regular meeting, the City Attorney presented a proposed lease agreement between the City of Pikeville and the Big Sandy Mountain Heritage/History Center Incorporated for the former city hall building located on Hambley Boulevard. A member of the history center board, Hugh B. Hall, explained the lease is for a period of five years at \$1.00 per year. The history center board is requesting the city to pay for all utilities excluding telephone service. Repair responsibilities for the history center are limited to \$1,000/yr. Several members of the Big Sandy Mountain Heritage/History Center were present to support the lease agreement. It was explained that the Commission had approved the use of the building as a history center/museum, however a lease had not been drawn. An appropriation of \$100,000 had been provided in the 2001/02 budget for start-up costs. A lengthy discussion was had concerning the proposed operating budget, anticipated revenues, city participation, and proposed services. It was decided it would be more appropriate to form a history center/museum board as an agency of the city of Pikeville. Members of the history center board supported this action. Mr. Hall requested the Commission authorize the hiring of a consulting firm to prepare a beginning plan and a proposed budget. The consultation fee is \$3,500.00. Commissioner Combs made the motion, seconded by Commissioner Justice to form a history center/museum board and, further, to employ a consultant to develop an operating plan and proposed budget. The motion carried unanimously.

4. Law suit: City Attorney Davis requested a closed session for the purpose of advising the Commission of a law suit to which the city had been named a party. Mr. Davis reported that he has a conflict of interest in representing the city in this matter and advised special counsel should be retained.

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

1. Fire Department: A request from the Fire Chief to acquire an arson investigation dog, via grant funds, was postponed to the next meeting.

2. Emergency Shelter: The City Manager advised that repairs are being made to the city owned building which houses the homeless shelter. While the work is not yet completed, he advised the work will be completed prior to the next meeting. He recommended payment of \$9,024.00 to

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~~Pikeville Guttering Company, upon completion of the work. Commissioner Justice made the motion,~~
seconded by Commissioner Layne to approve payment of the invoice upon the completion of the work. The motion carried unanimously.

3. Property negotiation: City Manager Blackburn requested a closed session for the purpose of discussing negotiations with David Adams concerning the proposed acquisition of his property which adjoins Hambley Athletic Complex.

At 8:09 p.m., Commissioner Combs made the motion, seconded by Commissioner Davis to adjourn to closed session for the purpose of discussing a legal matter and a property matter. The motion carried unanimously.

At 8:55 p.m., Commissioner Justice made the motion, seconded by Commissioner Layne to reconvene to regular session. The motion carried unanimously.

Commissioner Combs made the motion, seconded by Commissioner Justice to appoint Edward Adkins as special counsel to represent the city in the lawsuit "Billips, Martha et al vs. Coal Run Processing". The motion carried unanimously.

Commissioner Layne made the motion to cancel the regular meeting scheduled for March 25, 2002, and call a special meeting for March 21, 2002 at 6:00 p.m. Commissioner Justice seconded the motion. The motion carried unanimously.

There being no further business to come before the Commission, Commissioner Davis made the motion, seconded by Commissioner Combs to adjourn the meeting. The motion carried unanimously. (Adjournment time: 9:00 p.m.)

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

ATTEST:

Karen W. Harris
KAREN W. HARRIS, CITY CLERK