

MINUTES } CITY OF PIKEVILLE

CITY OF PIKEVILLE
BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
AUGUST 12, 2002

The Board of Commissioners of the City of Pikeville conducted a regularly scheduled meeting on August 12, 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 6:10 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 was absent.

AGENDA ITEM II. MINUTES

The minutes for the previous regular meeting of July 22, 2002 were included in each Commission Member's agenda package. There being no additions or corrections, Commissioner Layne made the motion, seconded by Commissioner Justice to approve the minutes as submitted. The motion carried 4 - 0.

AGENDA ITEM III. BUSINESS FROM THE FLOOR

A. HAMBLEY COMPLEX IMPROVEMENTS - FINANCING: At the Commission's request, Greg Phillips of Hilliard-Lyons was present to discuss financing options for the Hambley Field Improvements. Estimated cost of the first phase of improvements is just over \$1 million. During previous meetings, discussion was had regarding the possibility of transferring surplus Coal Severance Funds (\$375,000) and funds allotted for drainage at Bob Amos Park (\$90,000) to the project. Mr. Phillips gave each Commission Member copies of three financing scenarios for the issuance of General Obligation Bonds in the base amount of \$725,000. The scenarios were based upon 10 year, 12 year and 15 year amortizations as follows:

Amortiz- ation	Available \$	Interest Rate	Misc. Fees	Par	Annual Payment (Estimated)
10 years	\$725,000	4.62%	\$45,000	\$770,000	\$90,000
12 years	\$725,000	4.68%	\$50,000	\$775,000	\$80,000
15 years	\$725,000	4.78%	\$50,000	\$775,000	\$70,000

Since the estimated useful life of the turf is ten years, Mr. Phillips advised the Commission that it is not recommended to finance any longer than the useful life.

Mr. Phillips explained that should the city have any other project that is expected to be under construction in the next year, the funds needed for that project could be consolidated with this proposed bond issue. He commented that cost of issuance would be lower than two separate bond issues.

The time frame for issuance of the bonds is two months.

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Commissioner Combs explained there are additional phases for improvement to Hambley Complex, including additional property acquisition and bleacher replacement. The bleachers are estimated to cost \$1 million with a useful life of 30 years. Mr. Phillips advised should the Commission decide to consolidate the two phases, the first phase (turf) could be amortized over 10 years, and the second phase (bleachers) could be amortized up to 30 years.

B. HAMBLEY COMPLEX IMPROVEMENTS - SYNTHETIC TURF: Architect Chris Chrisman was present to discuss the installation of the synthetic turf at Hambley Complex. It is proposed to begin work immediately following football season. Estimated time of construction is 60 days. The useful life of the fabric is 10 years. Replacement cost is estimated between 60 and 70% of the initial cost. Mr. Chrisman pointed out the turf itself is not replaced, only the fabric underneath the turf, however the sand and rubber pellets have to be removed, stockpiled, and re-installed. The architects are continuing to evaluate available products. Mr. Chrisman advised they may choose to use a new installation that involves the placement of sand only. It appears the sand may be the safer product in the reduction of athletic injuries. Maintenance will involve using a roller over the entire field on a monthly basis until it completely settles. Commissioner Davis reported that coaches from Lexington have advised to extend the turf to the fence to ensure no dirt gets in the turf. Placement of the bleachers was discussed. Mr. Chrisman advised there is a possibility of putting the visitor's bleachers on sleds to be placed at the back of the infield. He has been told by the manufacturer of the turf, that the turf can withstand the weight of the bleachers.

The plans are in conceptual stage. Mr. Chrisman advised that design and bidding documents could be completed in 30 to 40 days. Discussion was had whether to advertise for bids prior to having the funding package complete. Mr. Chrisman explained the bidding documents normally have a 45 to 60 day hold period which would allow for funding to be finalized. Commissioner Justice made the motion to authorize the preparation of design documents and advertise for bids for Phases I and II of the Hambley Field Improvements. Commissioner Combs seconded the motion. The motion carried 4 - 0.

Commissioner Combs made the motion, seconded by Commissioner Justice to schedule a work session on August 15th at 2 p.m. to finalize what improvements will be made to the complex and to review the amortization schedules for any additional funds required for the project. The motion carried 4 - 0.

City Attorney Davis suggested the Commission authorize the City Manager to hire Hilliard-Lyons to do the bond work should the Commission want to proceed with the bond issue. Commissioner Justice asked if action to hire the firm should be done at this time or if the Commission should wait until the bids for the project are received. Commissioner Combs stated that Hilliard-Lyons should be compensated for their time. Mr. Phillips explained that Hilliard-Lyons is not compensated unless the bonds are issued. However, Mr. Phillips did request a vote of confidence that the city would work with Hilliard-Lyons if the Commission proceeds with the project. Commissioner Combs made the motion to employ Hilliard-Lyons to work on this project. Commissioner Davis seconded the motion. The motion carried 4 - 0.

C. PIKEVILLE AFFORDABLE HOUSING - PHASE IV KENTUCKY AVENUE: Executive Director of the Housing Authority of Pikeville, Sean Gilbert appeared before the Commission to request the Commission's approval to extend a \$200,000 line-of-credit to Pikeville Affordable Housing Corporation. Mr. Gilbert explained the line-of-credit will be used to pay up front costs (accounting, engineering, legal services, and tax credit fees) for the Kentucky Avenue Phase IV Townhouse Project. During the Kentucky Avenue Phase II Townhouse Project a \$200,000 line-of-credit was authorized. Pikeville Affordable Housing Corporation has repaid the initial line-of-credit. Commissioner Davis made the motion, seconded by Commissioner Layne to extend a \$200,000 line-of-credit to Pikeville Affordable Housing Corporation to be used to fund up front costs associated with the Kentucky Avenue Phase IV Townhouse Project. The motion carried 4 - 0.

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the majority of the request represents payments for building and utility permits, bonds, and site work. Mr. Chrisman reported that he reviewed the pay request and recommended payment of the invoice as requested. Commissioner Combs made the motion, seconded by Commissioner Justice to approve payment of invoice #1 to Elliott Contracting, Inc. in the amount of \$226,127.70 as recommended by the architect. The motion carried 4 - 0. Mr. Chrisman advised the Commission there may be a cost savings added back to the project through the reduction of the number of piles needed. The structural engineers are reviewing the data.

Summit Engineering, Inc. presented a request for payment in the amount of \$8,400.00 for engineering services for the parking garage project. Commissioner Combs made the motion to approve payment to Summit Engineering, Inc. as presented. Commissioner Justice seconded the motion. The motion carried 4 - 0.

AGENDA ITEM V.

OLD BUSINESS

A. CITY ENGINEER'S REPORTS: Jack Sykes and Charles Byers, representing Summit Engineering, Inc., city engineers, presented a verbal progress report for the following projects:

1. Phase IV - Kentucky Avenue: Presented for approval was an amended agreement with the Kentucky Transportation Cabinet to increase the amount to be reimbursed to the city for both phases of the Kentucky Avenue Roadway Improvements by \$1,215,400. Commissioner Davis made the motion to approve and authorize the Mayor Pro-Tem to execute the agreement as presented. Commissioner Layne seconded the motion. The motion carried 4 - 0.

2. Utility Relocation Project - Phase II: City Engineer Sykes advised the bids for phase II of the Utility Relocation Project came in a little over budget which left nothing for the contingency budget. Presented for approval was an agreement with the Kentucky Transportation Cabinet whereby the City will be reimbursed up to \$100,000 for Phase II of the Utility Relocation Project. Commissioner Justice made the motion, seconded by Commissioner Layne to approve and authorize the Mayor Pro-Tem to execute the agreement as presented. The motion carried 4 - 0.

In conjunction with the Utility Relocation Project - Phase II, Mr. Byers presented Mountain Enterprises Inc. request to place fill in Poor Farm Hollow and to store materials in the parking lot located across the street from the Police Station. According to Mr. Byers, the fill material will be "walked-in" with the asphalt being packed on the bottom and covered with sand. Commissioner Justice told Mr. Byers to make sure the fill is placed in such a way as it squares the property. Commissioner Layne made the motion, seconded by Commissioner Davis to allow Mountain Enterprises, Inc. to place fill material in Poor Farm Hollow under the City Engineer's supervision. The motion carried 4 - 0.

With regard to the storage of materials, the Commission advised all available parking spaces are needed for parking due to the construction of the parking garage and future construction of the civic center. Alternate storage sites suggested were Poor Farm Hollow and an area on Third Street located behind the Pike County Extension Office. Mr. Sykes advised the Commission he would look at alternate storage sites with the contractor and make a recommendation at the next meeting.

3. Bowles Addition Sewer Replacement: The Middle Bowles Addition sewer project is substantially complete with the exception of clean-up. The contract was originally awarded to BOCA in the amount of \$45,700.00. Due to extra materials needed, the condition of the fill, etc., the contract was increased to \$61,880.00. Mr. Byers recommended payment of \$55,692.00. The city will be withholding a 10% retainage from the entire contract amount.

Commissioner Combs spoke to the need to replace the sewer line in the next block. Funding for the line replacement will be considered in the 2003-2004 budget.

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Commissioner Combs made the motion to pay BOCA \$55,692.00 as recommended by the city engineer. Commissioner Justice seconded the motion. The motion carried 3 - 0 (Commissioner Davis not present at the time of the vote).

4. Hibbard Street Gas Line Project: Pay Request #1 was presented for approval of payment of behalf of M & S General Contracting in the amount of \$12,640.50. A 10% retainage is being withheld on all pay requests. Mr. Byers recommended payment of the invoice as presented. Commissioner Combs made the motion to authorize payment of \$12,640.50 to M & S General Contracting as recommended by the city engineers. Commissioner Justice seconded the motion. The motion carried 3 - 0 (Commissioner Davis not present at the time of the vote).

5. Kentucky Avenue Roadway & Utility Improvement Project - Phase II: Presented on behalf of Patriot Construction was an invoice totaling \$80,049.76 for approval of payment. Mr. Byers advised that the majority of the pay request involves the release of 5% of the retainage for the project. Mr. Byers recommended approval of payment. Commissioner Combs made the motion, seconded by Commissioner Layne to approve payment of \$80,049.76 to Patriot Construction as recommended by the city engineers. The motion carried 3 - 0 (Commissioner Davis not present at the time of the vote).

6. Mt. Martha Drive Street Widening: Mr. Byers reported the engineers were asked to determine if Mt. Martha Drive could be widened. From previous maps the street easement is determined to be 30 feet. The street is currently 12 to 15 feet wide. Mr. Byers advised there are walls, ditches, and other structures located within the street easement. Mr. Sykes asked for the Commission's direction as there is not much room for widening without acquiring right-of-way. The engineer will schedule a day to walk the site with Commissioners.

B. MAIN STREET PROGRAM REPORT: Glendia Sawyers, Executive Director for the Pikeville Main Street Program, requested \$1,000 be allotted for expenses associated with Patriot's Day (September 11th) Memorial Service. Ms. Sawyers reported that Pike County Fiscal Court has agreed to participate in the event and approved a \$1,000 expenditure for the event. Commissioner Justice made the motion, seconded by Commissioner Combs to allot \$1,000 for expenses associated with the Patriot's Day Memorial Service. The motion carried 4 - 0. Ms. Sawyers requested permission to block the intersection at Huffman/Second/College beginning at 9:30 a.m. on September 11th. The Commission directed Ms. Sawyers to schedule the street closing with the Police Department.

Working with the Pike County Senior Citizens' Program, the Main Street Program was successful in its application for the city to host the 2003 and 2004 Senior Citizens Games. The 2003 State Games event will have approximately 300 participants and the 2004 National Games expects a minimum of 600 participants. The 2004 games is a 5 day event.

A Community Development Block Grant pre-application in the amount of \$1 million was submitted on behalf of the city for Phase III of the Utility Relocation Project. Approval has been granted by the Department of Local Government for the submittal of the full funding application.

The Main Street Program completed an ARC (Appalachian Regional Commission) funding application in the amount of \$500,000 on behalf of the city for Phase III of the Utility Relocation Project.

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

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

ORDINANCE AMENDING THE FISCAL BUDGET FOR THE 2001-2002 FISCAL YEAR

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Presented for approval was a draw down request from Pikeville Affordable Housing Corporation in the amount of \$69,824.06 for engineering fees associated with the Kentucky Avenue Phase IV Townhouse Project. Commissioner Combs made the motion, seconded by Commissioner Justice to approve Pikeville Affordable Housing Corporation's request to draw down \$69,824.06. The motion carried 4 - 0.

D. HIGH STREET/KENTUCKY AVENUE DEMOLITION BIDS: Project consultant, Will Linder, presented the bid results for the demolition of structures on High Street and structures on Kentucky Avenue, as well as grading and seeding for the Sycamore Street slope. The bids were as follows:

Patriot Construction.....	\$134,000.00
HICO.....	\$141,000.00
Alpha Contracting.....	\$149,760.00
Alpha Reclamation.....	\$228,197.00

Mr. Linder advised that he had spoken with officials at the Department for Local Government (DLG). He was informed that ARC Funds may not be available for the construction of the retaining wall and the site work at Sycamore Street. DLG officials recommended award of a contract with all three phases of work.

*Note - the description for work at the Sycamore Street location is as follows: No major buildings to clear. Scope of work includes but is not limited to: clear and grub entire area within project limits. Remove and dispose of all trash and other debris. Fill all voids and depressions with suitable material. Grade and shape disturbed area to a uniform slope and cross section. Seed and mulch entire disturbed area. Provide lime, fertilizer, and crown vetch overseeding per Technical Specifications.

Mr. Linder recommended award of the contract to the low bidder, Patriot Construction, in the amount of \$134,000.00. Commissioner Justice made the motion, seconded by Commissioner Layne to award the bid to the low bidder, Patriot Construction, in the amount of \$134,000.00.

Tom Young, on behalf of HICO, presented his argument that demolition of Kentucky Avenue and High Street was the prime contract and the site work for Sycamore Street was bid as an alternate. HICO was low bidder for Kentucky Avenue and High Street demolition at \$121,000 (Patriot Construction bid on these phases was \$124,000). He stated the city should award a contract for the prime contract to the low bidder and negotiate a price for the alternate. Mr. Linder told the Commission that it is against federal regulations to negotiate per phase. The City Attorney gave his opinion there is no prime contract. The contractor with the lowest bid for the total contract is the contractor who should be awarded the contract, unless it is known that the city will not proceed with Sycamore Street. Commissioner Combs stated the work on Sycamore Street will proceed whether or not ARC funds are awarded.

Upon call of the roll, the motion carried 4 - 0 to award the demolition contract for all three phases to Patriot Construction in the amount of \$134,000.

E. EASEMENT ACQUISITION: In conjunction with the Kentucky Avenue Phase IV Improvement Project, the following resolution establishing just compensation for an easement acquisition located at 178 Poplar Street was presented:

ORDER OF THE PIKEVILLE CITY COMMISSION APPROVING THE DETERMINATION OF JUST COMPENSATION FOR ACQUISITION OF PROPERTY IN THE PIKEVILLE REDEVELOPMENT PHASE IV - KENTUCKY AVENUE TARGET AREA OF PIKEVILLE, KY

WHEREAS, the Kentucky Housing Authority, has approved HOME Investment Partnership Program funds for acquisition of properties in the Pikeville Redevelopment Phase IV - Kentucky

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Avenue Target Area; and,

WHEREAS, in accordance with the Uniform Acquisition and Relocation Policies Act of 1974 (the Uniform Act), the City of Pikeville (hereinafter referred to as "City") has obtained an appraisal of properties to be acquired through the HOME program; and,

WHEREAS, based upon the appraisals prepared by a competent appraiser it is necessary that the City determine the just compensation to be offered to each property owner.

NOW, THEREFORE, BE IT ORDERED, by the CITY OF PIKEVILLE that:

1. The Determination of Just Compensation for the easements to be acquired in the HOME - Phase IV Target Area are hereby amended in the following amounts:

<u>Parcel #</u>	<u>Building</u>	<u>Address</u>	<u>Amount</u>
18	n/a	178 Poplar Street	\$300

2. The Grants Coordinator is directed to make a revised Offer for Purchase on this property in the Pikeville Redevelopment Project - Phase IV - Kentucky Avenue area in the amount of the "Determination of Just Compensation" listed above, and to accept and sign all related acquisition documents relating to these offers on behalf of the City in order to eliminate slum and blight and provide for the assemblage of land.
3. The City Commission authorizes purchasing this easement at the city's risk.
4. Once funding is released from Kentucky Housing Corporation for Phase IV - Kentucky Avenue Project the draw down of funds is authorized to be made from the Kentucky Housing Corporation when signed Agreements for Sale are executed with property owners in the amounts approved above to reimburse the city for this expense.
5. That acquisition procedures will be undertaken in accordance with all rules and regulations promulgated by the Commonwealth of Kentucky and the Uniform Act, as amended.

Commissioner Combs made the motion to adopt the resolution as presented. Commissioner Layne seconded the motion. The motion carried 4 - 0.

City Engineer Sykes reported that he and the City Manager have had several conversations with the owner. The owner (Clark Akers) has indicated he will not accept \$300.00. The Commission opted to discuss the matter further during executive session.

J.T. Goggans was present to discuss the construction status of the Kentucky Avenue Phase II Townhouse Project. Architect Chris Chrisman reported the construction is proceeding fairly rapidly. Eight of the ten housing unit foundations are in place. According to Mr. Chrisman, Mr. Goggans is doing everything he can to expedite the construction. Mr. Chrisman advised the project is a little behind schedule. According to contract, the project should be completed by the end of October, 2002. Mr. Goggans indicated the project will be completed on time, barring any unforeseen circumstances. The Commission was invited to a progress meeting on August 15th at 10 a.m. Sean Gilbert reported that 30% of the units have to be leased by November 1, 2002.

AGENDA ITEM IV. PAYMENT OF BILLS

A. PIKEVILLE REDEVELOPMENT PROJECT: Presented for approval of payment was an invoice totaling \$761.00 on behalf of Baird & Baird for legal services in conjunction with Phase IV-Kentucky Avenue property acquisition. Commissioner Justice made the motion, seconded by Commissioner Layne to approve payment as requested. The motion carried 4 - 0.

B. PARKING GARAGE: Submitted for approval was invoice #1 from Elliott Contracting, Inc. in the amount of \$226,127.70 for the Parking Garage project. Architect Chris Chrisman explained that

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Commissioner Combs made the motion to adopt the ordinance. Commissioner Justice seconded the motion. The motion carried by the following votes:

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

2. Property Tax Liens: The city attorney explained that Kentucky statutes provide for the recording of property tax liens with the county clerk's office. The fee for recording said liens is \$10.00 per record. The city attorney recommended the Commission authorize the recording of the tax liens as required by statute. Commissioner Combs made the motion, seconded by Commissioner Layne to authorize the recording of property tax liens with the county clerk's office as recommended by the city attorney. The motion carried 4 - 0.

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

ORDINANCE CLOSING A PORTION OF BRYAN STREET LOCATED IN THE KEEL ADDITION OF THE CITY OF PIKEVILLE

It was noted that both adjoining property owners, St. Francis of Assisi Catholic Church and First Quarter Holding, Inc. have given their written consent to the closing. A copy of the written consent is attached to the Ordinance.

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

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

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

1. Septic Waste Haulers' Fee: Through written correspondence, the Commission received a recommendation from U.S. Filter Project Manager, Duane Hamilton, to increase fees to septic waste haulers from \$30.00/1000 gallons to \$50.00/1000 gallons. Pikeville and the city of Martin are the only two wastewater plants that accept septic haulers. The increase in fees can be used toward the cost of cleaning the basins at the wastewater treatment plant. Mr. Hamilton also recommended the city look into purchasing a septic hauling station which would eliminate any toxic, grease, or any other non-permitted substances from being wasted in the city's system. Commissioner Combs made the motion, seconded by Commissioner Layne to increase the fees charged to septic waste haulers to \$50.00/1000 gallons, as recommended by Project Manager, Duane Hamilton. The motion carried 4 - 0.

Commissioner Combs made the motion, seconded by Commissioner Davis to adjourn to closed session for the purpose of discussing a personnel and a property matter and possible litigation with a contractor. The motion carried 4 - 0.

Commissioner Combs made the motion, seconded by Commissioner Davis to reconvene to regular session. The motion carried 4 - 0.

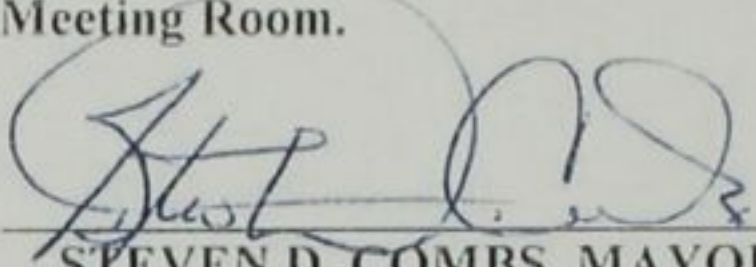
Commissioner Combs made the motion to authorize the city attorney to begin condemnation proceedings to acquire the Arnold Clark Akers property, said property being located in the Phase IV

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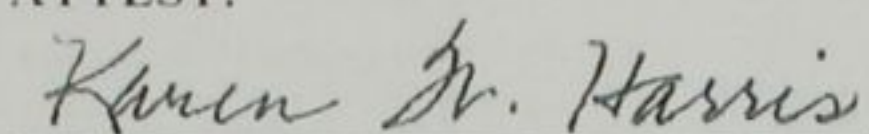
Kentucky Avenue Project Area. Commissioner Layne seconded the motion. The motion carried 4 - 0.

There being no further business to come before the Commission, Commissioner Combs made the motion to adjourn. Commissioner Davis seconded the motion. The motion carried 4 - 0.

The next regular meeting of the Pikeville City Commission is Monday, August 26, 2002, at 6:00 p.m. The meeting will be held in the City Hall Public Meeting Room.

APPROVED: 
STEVEN D. COMBS, MAYOR PRO TEM

ATTEST:


KAREN W. HARRIS, CITY CLERK