

KLCC Direct

A Kentucky League of Cities Publication



SPEAK NOW,
OR FOREVER HOLD YOUR PEACE.

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**KLC Legislative Committee
Preps for Summit**

For cities that are struggling to come up with new and innovative ways of raising money, all possibilities must be evaluated. Kentucky cities and their leaders must decide for themselves how best to raise revenues for local progress. That belief was the rallying cry at the KLC Legislative Committee meeting on May 10, 2006. The meeting was used as an opportunity for committee members to develop the 2007 legislative agenda and priorities. The recommendations of the Legislative Committee were presented to the KLC Board of Directors at the annual Board meeting on June 3, 2006.

Committee members agreed that flexibility of local revenue options is a key component of the overall effort for tax reform and economic development throughout our state. To boost the economy in Kentucky, the committee felt that cities must have additional revenue authority.

However, since every Kentucky community is unique, discussions centered on enabling cities to examine their local potential and identify revenue options to tailor economic progress to individual strengths.

Aside from tax modernization, KLC Legislative Committee members were briefed on current and potential issues such as cost saving measures for the County Employees Retirement System (CERS), revisions of eminent domain statutes and disclosures associated with bond pool loans.

Discussions about tax reform, pension costs and additional ideas for the legislative agenda will be held at the 2006 City Summit on June 29. Video conferencing for the event will be available in Versailles, Hazard and Paducah.

For more information or to register, please contact Tresa Short at 1-800-876-4552 or tshort@klc.org.

Thursday, June 29, 2006 • 9:30 a.m. - 3:30 p.m. (EDT)



**City Summit:
Be Part of the Solution**

Is balancing your budget getting more difficult each year? Are you affected by the increased costs of health insurance and pensions? If so, please send at least one key person from your city to discuss what matters most in your city and how we can collectively exercise our legislative voice.

Summit will include:

- ♦ Discussion of pension costs and possible tax reforms
- ♦ Panel of experts on health insurance/pensions
- ♦ Hard numbers on where cities will be without revenue options
- ♦ A political reality check of what's possible in next year's session

Host Site:

- ♦ **Versailles** - KY Community & Technical College System, Room 102 A & B (75 seats)

Interactive Satellite Sites (with facilitators):

- ♦ **Paducah** - Paducah Community College - Room 228 (22 seats)
- ♦ **Hazard** - First Federal Center - Room 119 P (22 seats)

The City Summit is provided by KLC at no cost to cities. To register, call Tresa Short at 1-800-876-4552 or email tshort@klc.org.

FRONT PAGE NEWS

**LEGISLATIVE EFFORTS
CONTINUE**

**Telecommunications
Tax Funds Falling
Short of Expectations**

The 2005 tax modernization package known as **House Bill 272** prohibited local governments and school districts from collecting franchise fees from cable television and telephone companies and stopped payment of intangible property taxes from those same businesses to the state and to local jurisdictions. KLC supported HB 272 because it contained a replacement revenue source that tapped heretofore untaxed satellite television providers and because the telecommunications tax money was originally based on a hold-harmless assumption for local governments and school districts.

Local governments and school systems established their individual hold-harmless amounts by certifying to the Revenue Department the amount of franchise fees and intangible property taxes paid by telephone and cable companies during the fiscal year ending June 30, 2005. Unfortunately, the drafters of HB 272 wrote a set dollar amount for the statewide hold-harmless total into the bill-\$3,034,000 per month-and it seems the assumption may have fallen short of reality.

KLC and its member cities took a leap of faith in supporting HB 272 and did so only after repeated assurances that local governments and schools would be held harmless in the transition to a new tax structure and would also benefit from a growth fund. Unfortunately, our warnings about writing a specific hold-harmless amount into law were not heeded. We are hopeful the executive and legislative branches will consider a revision or elimination of the number causing the problem.

HB 272 created the Local Fund Distribution Oversight Committee to review how the funds were being distributed to local entities. Jay Fossett, city manager for the City of Covington, and Joe Ewalt, KLC's director of policy development, represent KLC members on the oversight committee. KLC is continuing to work with the Revenue Department to address any problems with the distribution of these funds.

For more information contact KLC's Joe Ewalt at 1-800-876-4552 or jewalt@klc.org.

Task Force to Recommend Tax Changes

In the 2005 General Session, the legislature created the Local Government Tax Task Force to evaluate current and potential revenue options for all of Kentucky's local governments. The task force is scheduled to make recommendations this summer for reforming the local tax structure. In addition to KLC testimony, your city's interests are represented by KLC 2nd Vice President Glenn Caldwell, mayor of Williamstown, and KLC board member Thomas Guidugli, mayor of Newport. KLC also has staff

representation from Bill Thielen and Bert May, who serve on the task force.

In an interview with the *Kentucky Post* on May 11, Sylvia L. Lovely, executive director of the Kentucky League of Cities said, "The world has changed, a year ago the state took the first step with the state tax modernization, but local tax modernization is just as important. After all, that's where people live."

The local tax system - which is based on statute and the state Constitution - has long been criticized for being inefficient, duplicative, inconsistent, unfair and rigid. The state also takes a bigger chunk of local taxes than most other states. What's needed is to change the "one size fits all" structure of the system and create more flexibility to reflect the size and demographics of Kentucky's 120 counties and 421 cities, Lovely said. For example, some rapidly growing areas have few businesses to tax.

KLC looks forward to positive results from the efforts of the Local Government Tax Task Force and the continued commitment of the Fletcher administration and of the Kentucky General Assembly to redesign and improve the revenue system at the local level.



JOIN US
FOR CITY SUMMIT

ABOUT THE PRESIDENT

Collins Touts Cities Near and Far



Seven months into his year-long term as president of the Kentucky League of Cities, **Brad Collins** said it has been exciting, exhilarating and eye-opening, particularly in terms of being involved closely with the Kentucky General Assembly.

"To be able to get a closer look at our legislative members at work has been a unique experience," Collins said. "And believe me, they have a super tough job."

Collins, mayor of Morehead, called his participation with the KLC advocacy team and fellow city officials across the state a "baptism under fire" as he joined in the efforts to lobby and testify to further the cause of Kentucky's cities.

Collins has been a prominent figure in a number of initiatives including speeches at rallies for affordable housing, a cause he calls "near and dear to me." He was a spokesperson at the Kentucky Affordable Housing Trust news conference as well as the Mayor's Summit on Housing and Homelessness and was elected to the Kentucky Habitat for Humanity board.

He also represented KLC in meetings with several organizations, including the Kentucky Black Caucus of Local Elected Officials, the Kentucky Housing Coalition and Kentucky Habitat for Humanity.

In addition to a steady stream of meetings by the KLC Executive Board, the Legislative Committee and the NewCities Institute planning committee, Collins attended the Congressional Cities Conference held by the National League of Cities in Washington, D.C.

"There were several innovative ideas presented at the conference," Collins said, citing the Small Cities Steering Committee and the Human Development Committee, both of which Collins is a member.

Collins and other KLC leaders also visited Washington for a one-day "fly-in" meeting with Kentucky's congressional delegation to emphasize the key issues cities are facing.

In-state, Collins participated in the Kentucky Sister City Summit, held at the Rowan campus of Maysville Technological College and beamed to a statewide gathering via satellite. Guest speaker was Tim Honey, executive director of Sister Cities International.

Collins said he has been grateful for the support he has received from other city officials and from KLC staff.

"Until my term expires in October, I pledge to you that I will continue to give my best effort to lead KLC in a manner that is pleasing to everyone," Collins said. "And I owe a great number of people my thanks for words of encouragement and for dedicated help when they were called upon."

BIG IDEAS/INNOVATIONS

Nominate Your City for the 2006 Enterprise Cities Award!

The goal of the Kentucky League of Cities Enterprise Cities Awards program is to recognize and encourage entrepreneurship, innovation and excellence in local governance in Kentucky. The program gives KLC member cities statewide recognition for superior and innovative efforts in their communities. In addition, the program provides a means of sharing the best public service ideas in Kentucky and building a progressive, competent and caring image of Kentucky's local governments, their officials and their employees.

Recognition

One Enterprise Cities Award will be awarded per population division based on the 2000 Census. Awards will be given in the following divisions:

- ♦ Cities under 5,000
- ♦ Cities with 5,001 to 15,000
- ♦ Cities with 15,001 to 40,000
- ♦ Cities over 40,000

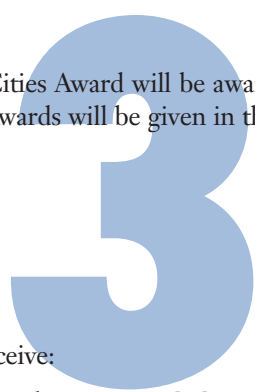
The winning cities will receive:

- ♦ A trophy to be presented at the 2006 KLC Convention and Expo
- ♦ One scholarship to the 2006 KLC Convention and Expo
- ♦ Recognition in *City* magazine
- ♦ Statewide recognition in publications and newspapers

Deadline

Entries should be received in the KLC office by July 14, 2006, at 5:00 p.m. (EDT). Send entries to: Kentucky League of Cities, Enterprise Cities Awards, 100 East Vine Street, Suite 800, Lexington, KY, 40507.

For more information, download a complete Enterprise Cities Award application form online at www.klc.org.



KLC Direct

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Mayor of Elizabethtown, First Vice President

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Mayor of Williamstown, Second Vice President

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Mayor of Maysville, Immediate Past President

Sylvia L. Lovely
Executive Director/CEO, KLC

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The voice of Kentucky cities.

KLC Direct is published monthly by the Kentucky League of Cities (KLC). KLC is a voluntary association of nearly 400 cities and provides a multitude of services to assist in improving local government. Please address any correspondence to KLC Direct, Kentucky League of Cities, 100 East Vine Street, Suite 800, Lexington, Kentucky 40507-3700. Phone (859) 977-3700 or 1-800-876-4552. Fax (859) 977-3703. www.klc.org.

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For a full list of KLC staff visit www.klc.org.

By providing pertinent information, the Kentucky League of Cities does not necessarily endorse the views, services, programs or initiatives described in the listed references or websites, nor is the Kentucky League of Cities responsible for any statements or material contained therein. This publication provides information and links as a service to readers for their consideration.

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www.webbyawards.com

Site to See

Proclaimed the online equivalent of an "Oscar," the **Webby Awards** is the leading international honor for websites and the innovators behind them. The Webby Awards are presented by the International Academy of Digital Arts & Sciences. Five finalists in the "government" category will compete for the title of best site at the big time awards ceremony in New York on June 12.

Check out the site... maybe your city's site could be a winner next year!

“And in the end, it's not the years in your life that count.
It's the life in your years.”

-- Abraham Lincoln

ASSOCIATION NEWS

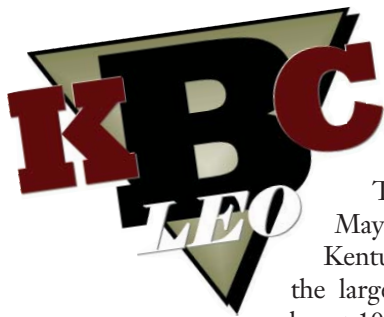
KBC-LEO Spring Summit



1. Sylvia L. Lovely addresses audience at Luncheon. Congressman Ben Chandler was the Luncheon Keynote Speaker. Also pictured, Mayor Teresa Isaac Lexington-Fayette Urban County Government (LFUCG);

2. Senator Gerald Neal, Representative Jesse Crenshaw and Representative Reginald Meeks provide the 2006 Kentucky General Assembly in Review; 3. KLC President Bradley Collins and wife, Linda, converse with

Joan Taylor; 4. KBC-LEO President Doris Clark Parham, Murray Councilmember, pictured with Priscilla Johnson, Administrative Office of the Courts and Lexington Mayor Teresa Isaac



The Kentucky Black Caucus of Local Elected Officials (KBC-LEO) held its third annual Spring Summit "Maximizing Our Results Through Collaboration," May 11-13, 2006 in Lexington, Kentucky. This year's summit had the largest attendance to date with almost 100 people attending.

The program consisted of a civil rights watch message from the attorney general, panel discussions on restoration on civil rights/voting rights, future of minority students in higher education, 2006 Kentucky General Assembly in review, employment, economic development and entrepreneurship, and health care issues in the African-American Community. Luncheon keynote speakers included Sixth District U.S. Congressman Ben Chandler and Dr. Don I. Tharpe, President

and Chief Executive Officer of the Congressional Black Caucus Foundation.

Other speakers included Attorney General Greg Stumbo, Senator Gerald Neal, State Representatives Jesse Crenshaw and Reginald Meeks and many state officials. New memberships were gained and many community leaders decided to get engaged on the issues confronting the community. Future summit program will focus on developing strategies to resolve issues in the community.

SHOW ME THE MONEY

MLB Baseball Tomorrow Grants Target at Risk Youth

Major League Baseball's Baseball Tomorrow Fund awards 30 grants per year (average grant \$51,000) to promote participation in baseball in urban and rural communities. The grants primarily go to police departments to impact at risk youth. To apply, submit a letter of inquiry outlining the project's purpose, the organization, children served, budget and other funding sources.

Send inquiries to Baseball Tomorrow Fund, 245 Park Avenue, New York, NY 10017. Get more information at www.mlb.com/NASApp/mlb/mlb/official_info/community/btf.jsp.

\$5 Million Available for Public Golf

The United States Golf Association (USGA) provides grants to help bring more people into the sport. Projects specifically geared toward serving

disadvantaged children and persons with disabilities get higher consideration. Funding can go toward:

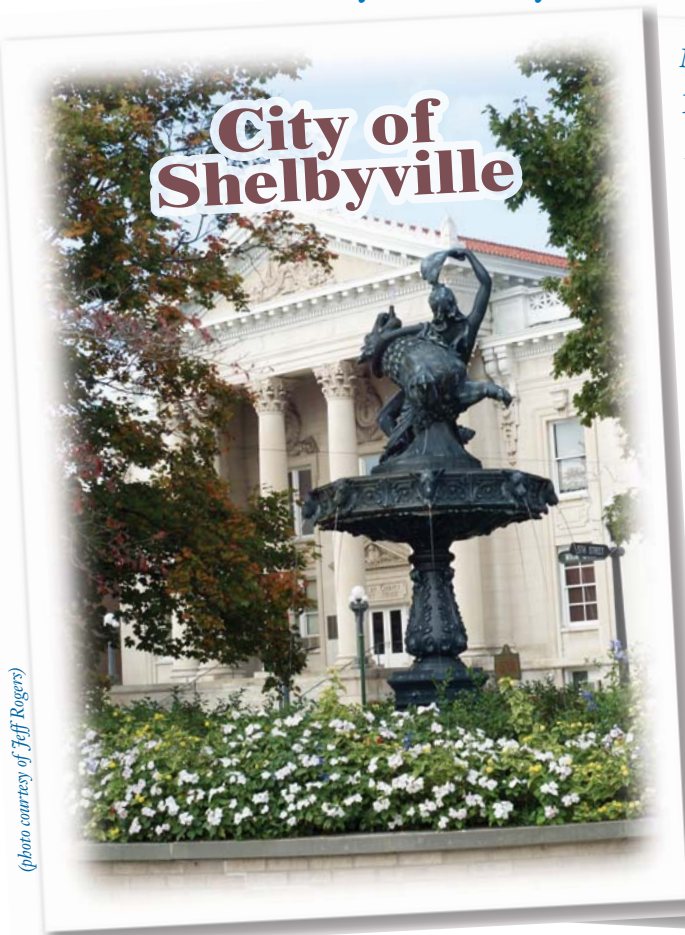
- ♦ golf course and practice range access
- ♦ golf instruction and equipment
- ♦ construction of beginner friendly courses
- ♦ transportation costs for participants

Deadline: July 7, 2006

Information: USGA - 719.471.4810 or grants@usga.org

CITY POSTCARD

A Look at the City of Shelbyville



(photo courtesy of Jeff Rogers)

Mayor: Thomas L. Hardesty

Population: 10,085

Location: Shelby County, just off Interstate 64, about half way between Frankfort and Louisville

History: Shelbyville, named for Kentucky's first governor, Isaac Shelby, was founded in 1792, the same year Kentucky became a state. Many refer to Shelbyville as the "American Saddlebred Capital of the World."

Festivals: **Shelbyville Horse Show** - The 15th annual event takes place on August 2-5, 2006 at the Shelby County Fairgrounds. Brought back by popular demand in 1989, this show attracts world championship horses from 10 states in a festive atmosphere that includes concessions, clothing and accessories for the horse lover. The Horse Show is held annually two full weeks before the World Championships Horse Show in Louisville.

Other notable festivals and events include the **Horse Show Jubilee** and the **Hornet Clubs Labor Day Celebration**.

Get On Board!

Governor Ernie Fletcher requests that KLC recommend members annually for several commissions and boards including:

- ♦ **Early Childhood Development Authority**
- ♦ **Kentucky Transportation Center Advisory Board**

If you would like to be considered for the above board positions, please download the short pdf application at www.klc.org (Adobe required) or contact KLC's **Tammy Lyons** by July 15, 2006 at 800.876.4552, ext. 3741 or tlyons@klc.org.

LEADERSHIP ADVANTAGE

NCI at Brushy Fork Institute

Again, this year, NewCities Institute Business Development Director Tad Long will instruct at the prestigious Brushy Fork Institute through Berea College, September 13-15 in Berea. The Institute works to develop strong leadership in Appalachian communities.



two-day interactive learning tracks. This year, J.D. Chaney, KLC's counsel for member legal services, will join Long for the intense workshop on civic engagement, particularly focused on developing "citizen" leaders.

The annual event features national keynote speaker Dr. Vaughn Grisham and a series of

Space is limited, so register early at www.brushyfork.org or call 859-985-3858.

INSURANCE UPDATE

KLC Workers' Compensation Update

The Kentucky League of Cities Insurance Services Board of Directors has recently voted to select AmericanRe as the reinsurance carrier for the KLC Workers' Compensation program. Protecting the long term financial strength of the program was cited as the

primary reason for this change. AmericanRe is rated (A) by AM Best and the effective date for the change is July 1, 2006.

For information on KLC insurance services, contact Lydia Heathman at 1-800-876-4552 or lheathman@klc.org.

Insurance Factoid

Five Office Energy Boosters! Healthier employees get more done! Try these ideas in your office:

- Promote a healthy breakfast - then have a variety of fruit available at the front desk
- Freshen up - take a 'fresh air break'

- Break away from the desktop - encourage walking meetings
- Support healthy lunch choices - provide an attractive eating area and a microwave
- Get rid of junk - rethink your vending options - offer water and juice

LAW ABIDING

HB 413 News

The lawsuit filed against the Finance and Administration Cabinet by KLC and four member cities seeking to clarify the interpretation of 2004's HB 413 (law enforcement citation fee) to exclude sheriff departments from sharing in the proceeds, is slowly progressing toward resolution. Our attorneys have filed a motion with the court asking for judgment in our favor and responses and cross motions have now been filed by the

Finance and Administration Cabinet and sheriffs' representatives. The parties argued the case to the court on May 24, 2006. The court will likely issue a ruling on all motions within 180 days after the hearing.

We will continue to update you as matters progress. In the meantime if you have any questions please call Temple Juett, KLC general counsel at 1-800-876-4552.

KLC Board Nominations Due August 1

The Kentucky League of Cities Nominating Committee is accepting nominations for KLC officers (President, 1st Vice President, and 2nd Vice President), the KLC Executive Board and the KLC Board of Directors positions. The elections will occur in October during the 2006 KLC Convention and Expo.

To be eligible, candidates must meet the following qualifications:

KLC Officers

Each officer must be an elected official of a city that is a member in good standing of KLC and must be serving on the Executive Board at the time of his or her nomination and election. No two officers can be from the same city and no officer can be elected to a consecutive term in the same office.

KLC Executive Board

All directors who are not KLC officers must be elected or appointed officials of cities that are members in good standing of KLC. No two members of the Executive Board shall be elected or appointed officials of the same city

and no member can be elected to serve more than two consecutive terms; however, service as a KLC officer is not considered for purposes of this term limit. Excluding the appointed officials, each director must be serving on the KLC Board of Directors at the time of his or her nomination and election.

KLC Board of Directors

All regional and at-large directors shall be elected or appointed officials of cities that are members in good standing of KLC.

Nominations are accepted from the KLC Executive Board, the KLC Board of Directors and the general membership and must be received at our KLC offices no later than August 1, 2006. Please mail or fax your nominations to Mayor Brad Collins, President, Kentucky League of Cities, 100 East Vine Street, Suite 800, Lexington, Kentucky 40507. Facsimile: (859) 977-3703.

If you have any questions regarding the nomination process or qualifications for office, please contact Temple Juett, general counsel, at 1-800-876-4552, ext. 3737 or tjuett@klc.org.

FROM THE FIELD

Past KLC President Chairs National Conference



Fort Mitchell Mayor **Thomas Holocher** serves as president of the Southern Municipal Conference and recently presided over its annual meeting in Charleston, SC. The event brought together elected officials from 14 southern states who discussed several issues, with emphasis on how state leagues could work more in tandem with NLC on security issues and local preparedness. Holocher said, "Coming together with our colleagues from around the nation makes a difference in how we are able to work on issues more collaboratively."

Bowling Green in Top 12!

The National Trust for Historic Preservation, the country's largest private, nonprofit preservation organization, has named **Bowling Green** to its 2006 list of America's Dozen Distinctive Destinations, an annual list of unique and lovingly preserved communities in the United States. It was selected from 93 destinations in 39 states that were nominated by individuals, preservation organizations and local communities. Bowling Green is the first Kentucky city named to the list since it started in 2000.

Lexington's Got Beauty & Brains

According to analysis and rankings prepared by Kiplinger's Personal Finance, Lexington ranks 13th in the nation's 50 Smart Places to Live. Check out other cities here: www.kiplinger.com/personalfinance/features/archives/2006/05/intro.html

Congratulations to Covington City Manager **Jay Fossett** who was recently appointed by Governor Fletcher to the Local Distribution and Fund Oversight Committee.

MEET ME AT KLC



Welcome New Staff

Eleanor Barbour
Legal Assistant
Joined KLC April 2006

Eleanor can be reached at 800-876-4552, ext. 3714, or by email at ebarbour@klc.org.

STAFF NOTES

Hawkins Honored for Contribution to Profession



KLC Loss Control Specialist **Layman Hawkins** recently received the state's highest honor, the President's Award, at the recent Governor's Safety and Health Conference. The award recognizes excellence and long term contribution to the public health and safety profession. Congratulations Layman!

CALENDAR OF EVENTS

Educate, Celebrate, Participate

JULY 2006

- 10 Understanding & Managing Workplace Conflict**
9:00 a.m. - 12:00 p.m. (EDT), Cost \$79 members; \$69 KLCIS customers
New City Building, Edgewood, KY
- 11 Understanding & Managing Workplace Conflict**
1:00 p.m. - 4:00 p.m. (EDT), Cost \$79 members; \$69 KLCIS customers
New City Building, Edgewood, KY
- 17 Planning & Zoning to Meet HB 55 Requirements**
8:30 a.m. - 5:00 p.m. (EDT), Cost \$99 members; \$89 KLCIS customers
London, KY
- 19 Planning & Zoning to Meet HB 55 Requirements**
8:30 a.m. - 5:00 p.m. (EDT), Cost \$99 members; \$89 KLCIS customers
Princeton Welcome Center - Princeton, KY

For more information on these events, contact KLC Convention & Special Events Manager Arlene Nance at 1-800-876-4552 or email anance@klc.org.



We Want to Hear from You!

To submit a story or commentary for KLC *Direct* departments, please contact the KLC staff listed or go to www.klc.org. For overall feedback, contact Terri Johnson at 1-800-876-4552, ext. 3784, or tjohnson@klc.org.

KLC SNAPSHOTS

KLC Legislative Committee May Meeting



(Above) Jackson Mayor Mike Miller and Williamstown Mayor Glenn Caldwell

(Below) KLC's Joe Ewalt and Brian Crall, Deputy Secretary of the Executive Cabinet, Office of the Governor



(Above) Glasgow Mayor Darrell Pickett and Paducah Mayor Bill Paxton

(Below) LFUCG Chief of Staff Gerald Smith and Bardstown Councilmember Bill Sheckles



KLC Direct is designed internally to save our members money.



June 2006 | Vol. 8 Issue 5



KLC Direct is a monthly publication of the Kentucky League of Cities. Any comments or article suggestions should be forwarded to: Kentucky League of Cities, 100 East Vine Street, Suite 800, Lexington, KY 40507-3700 • Fax: 859-977-3703 • www.klc.org • 1-800-876-4552

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