


FRONT PAGE NEWS >>>

2009 Legislative Agenda at a Glance

[www.klc.org](http://www.klc.org)

Issue	KLC Legislative Action
 <p>Additional reforms to the public pension system are needed to alleviate the skyrocketing <b>retirement</b> costs that cripple city budgets</p>	<ul style="list-style-type: none"> <li>Establish a less aggressive but actuarially sound plan.</li> <li>Extend the phase-in period for full funding of the Actuarially Required Contribution (ARC) to help soften the blow on employer contribution rates.</li> <li>Establish an 80-85 percent full funding standard.</li> </ul>
<p>The revenue shortfalls from the <b>telecommunications tax</b> should be addressed.</p>	<ul style="list-style-type: none"> <li>Add approximately \$7.5 million to the annual hold harmless fund.</li> <li>Amend the state budget to add \$22 million to compensate local governments for money lost between January 2006 and December 2008.</li> </ul>
<p>Correct <b>firefighter overtime</b> issue that could cost cities at least \$25 million in unforeseen back pay.</p>	<ul style="list-style-type: none"> <li>Amend the law to ensure that local governments do not have to pay overtime rates for regularly scheduled firefighter overtime on the \$3,100 state incentive pay.</li> </ul>
<p>The <b>charter county government</b> process should be restructured to ensure fairness for cities and counties.</p>	<ul style="list-style-type: none"> <li>Amend the charter county government statutes to provide for equal membership among the county and city governments on the commission developing a plan for a charter county government.</li> <li>Permit the commission to select its own presiding officer from among the membership.</li> </ul>
<p>The Kentucky Constitution severely limits the <b>revenue options</b> available to local governments.</p>	<ul style="list-style-type: none"> <li>Amend the Kentucky Constitution to allow more flexibility in local taxation.</li> <li>Improve the fiscal relationship between the state and local governments.</li> </ul>
<p>The revenue options that cities have are under attack.</p>	<ul style="list-style-type: none"> <li>Cities are actively opposed to any efforts to legislate mandated, centralized collection of occupational license fees.</li> </ul>

TOP LEGISLATIVE PRIORITY >>>

Seek Relief from Unsustainable Pension Costs Through Retirement Reform

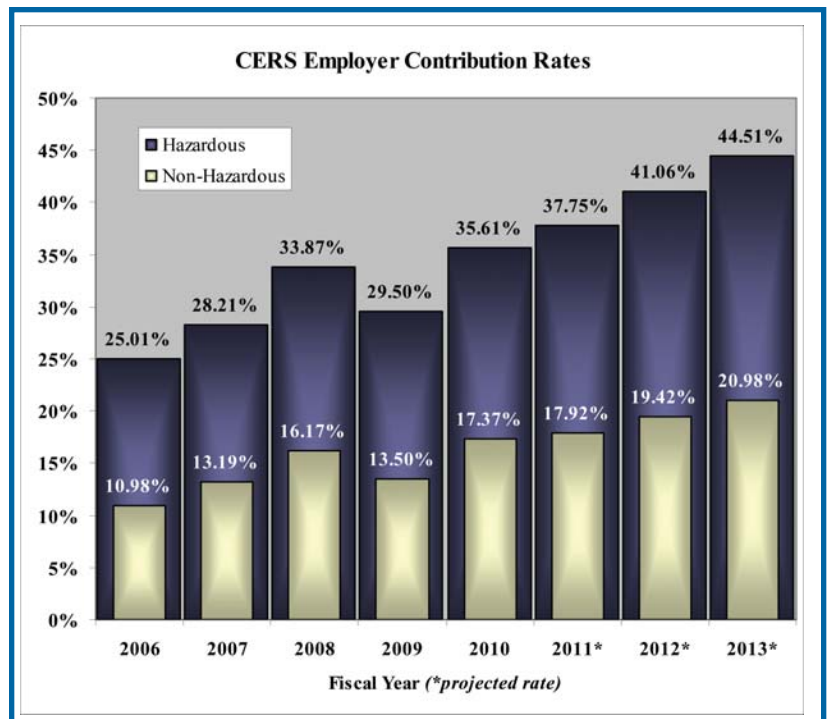


The top legislative priority in 2009 is to achieve reforms to the County Employees Retirement System (CERS) that will have an immediate impact on employer contribution rates as well as make the retirement system more solvent in the future. Many cities have been forced to eliminate public safety positions, cut financial support to social service groups or tap rainy day funds in the face of skyrocketing pension and retiree health insurance costs. Without

additional changes, we will continue to see local governments making sacrifices that will potentially have a negative impact on the quality of life of our citizens.

The aggressive approach implemented by the Kentucky Retirement Systems (KRS) Board of Trustees in response to accounting changes has forced employer contribution rates to shockingly high levels. In FY 2008 cities and counties contributed around \$181 million to CERS, more than three times the total amount paid in FY 2003. These rates only promise to go higher in the immediate

CONTINUED INSIDE (page 2)



## Seek Relief from Unsustainable Pension Costs

future in the absence of legislative action.

In November the KRS Board of Trustees announced the new employer contribution rates for members of the County Employees Retirement System (CERS) for next fiscal year. Local governments will now contribute 17.37 percent of non-hazardous duty employees' salaries to the retirement system and 35.61 percent for hazardous duty employees. The employer contributions are in addition to salary costs and only pay for future retirement healthcare costs and pensions; it does not cover any current benefits such as health or dental insurance. This means that starting July 1, cities and counties will be paying nearly 21 percent more for hazardous duty employees (police and fire) and 29

percent more for non-hazardous than they are this fiscal year.

*For example, if a city pays a police officer covered under hazardous duty \$35,000 this fiscal year, right now the city sends an additional \$10,325 to CERS for that employee's retirement benefit. Next year, the new hazardous duty rates will require the city to pay \$12,464, a 21 percent increase, to CERS for the same police officer even if his or her salary remains the same. These costs do not include the employee's current healthcare or overtime costs; these amounts only pay for future retirement benefits.*

"Make no mistake: cities are in a full-blown financial crisis," said Sylvia L. Lovely, Executive Director/CEO of the Kentucky League of Cities.

The changes enacted in House Bill 1 last session signaled a bold

beginning in addressing the public pension crisis over the long-term. However, the legislation only provided local governments with a temporary one-year reprieve from escalating contribution rates, still leaving a need for more permanent rate relief in the short term.

### KLC Legislative Action:

Legislation should be considered that will establish a less aggressive but actuarially sound plan for funding retiree health insurance benefits. The phase-in period for reaching the full Actuarially Required Contribution (ARC) should be extended to help soften the blow. In addition, legislation should establish an 80 - 85 percent full-funding standard - a level of funding generally accepted by actuaries as adequate to meet retirement obligations.

## The Economy's Impact on Pensions

Like private retirement investments, the financial solvency of a public pension fund depends largely on the return on investment from contributions from employees and employers. Kentucky's public pension systems have left an estimated \$5 billion on the table over the last 10 years because of overly conservative investment strategies, according to a study by Hammond Associates conducted for Gov. Steve Beshear's public pension working

group. The report indicated that because of the lack of diversification, Kentucky's systems have probably lost more in the recent financial crisis than other public pension funds.

Reducing or eliminating benefits for local government employees or retirees is not an option for making up for lost investment revenue. No matter what happens to the financial vitality of the pension funds, employees and retirees are guaranteed their

retirement benefits because of the inviolable contract they have with the state. The state and local governments have to contribute more through employer contributions to make up for the losses. Rising healthcare costs has already increased the amount of funding that cities and counties contribute toward retirement costs for employees. The losses on pension investments will only further strain city budgets.



## LEGISLATIVE PRIORITY >>>>>

### Address the \$22 Million Shortfall from the Telecommunications Tax

Between January 2006 and December 2008, local governments have been short-changed almost \$22 million from the telecommunications tax that was passed to replace public service property taxes and local franchise fees on cable and telephone companies. An insufficient "hold harmless" amount was written into law, causing most cities to experience a 15 percent shortfall compared to previous collections.

Local governments will continue to absorb a \$7.5 million loss every year until legislation is passed to correct the shortfall.

#### KLC Legislative Action:

The General Assembly needs to add approximately \$7.5 million to the annual hold harmless fund to accurately account for the total revenues local governments were receiving prior to the passage of the telecommunications excise tax law in 2005. The state budget

should be amended to add \$22 million to compensate local governments for money lost since January 2006.

In the 2008 session, Representative Ron Crimm (R-Louisville) championed the cause for cities with a bill that had 50 of his peers as co-sponsors. Although the tight state budget prevented the legislature from fulfilling their promise to cities, we will continue to fight to get this money back.



### Correct Firefighter Overtime Issue

An education incentive pay designed to give all full-time, paid firefighters a \$3,100 supplemental payment for completing training could cost cities at least \$25 million in unforeseen back pay. Cities were previously using recommendations from the Kentucky Labor Cabinet to determine overtime rates. A ruling by the Kentucky Court of Appeals held that cities had been paying firefighters incorrectly by not including the incentive pay in

overtime calculation.

#### KLC Legislative Action:

The Kentucky League of Cities and representatives of fire personnel have agreed to seek legislation that clarifies that the \$3,100 state incentive pay is excluded in calculating overtime pay for regularly scheduled overtime. This action would remove the extra cost burden from local governments. Without a legislative fix, many cities are considering not providing the



training incentive pay opportunity to their fire departments since the program is optional and is resulting in additional and unintentional cost to local governments.

### GENERAL INFO ABOUT CERS

- ♦ Most city employees receive their benefits through CERS, which is a defined-benefit retirement plan funded by only local governments and their employees.
- ♦ Each year, the Kentucky Retirement Systems Board of Trustees determines how much local governments have to pay into the system. Unlike the state, CERS members have no choice but to pay the rate set by the KRS Board of Trustees.
- ♦ Cities are committed to honoring and protecting the provisions of the "inviolable contract" for current and retired employees. While these important provisions protect the benefits of city employees, the inviolable contract also limits the avenues available for achieving immediate rate relief.

### Selected estimated increases in CERS payments in FY 2010

Covington	\$1,500,000
Elizabethtown	\$565,000
Florence	\$710,000
Frankfort	\$730,000
Hopkinsville	\$508,000
Louisville	\$13,400,000
Newport	\$380,000
Owensboro	\$890,000

(Projections are based on previous payrolls and assume no personnel changes or wage adjustments)

### WHAT'S NEW AT KLC FOR THE 2009 LEGISLATIVE SESSION?

Starting in early January, watch your inboxes on Fridays for the Legislative Bulletin - a straightforward recap of important happenings, as well as reminders and updates about the week ahead. KLC will continue to send Legislative Alerts for urgent issues that require your immediate attention. If you would like to sign up for legislative bulletins and alerts, please contact Tresa Short at 1-800-876-4552 or tshort@klc.org.

To keep you updated on the latest bills in Frankfort check out [www.klc.org](http://www.klc.org) to see what legislation we're tracking in real-time. This is an easy way to see what bills we monitor, support or oppose and where the bills are in the legislative process.

J.D. Chaney is in a new role at KLC as the Director of Governmental Affairs. His background in member legal services has given him a first-hand knowledge of the legislative needs of member cities. Contact him about legislative issues at [jchaney@klc.org](mailto:jchaney@klc.org) or 1-800-876-4552. Legislative Liaison Tony Goetz is new to KLC but not new to the halls of Frankfort. Tony has worked with the gubernatorial administrations and legislatures for more than 40 years. Email Tony at [tgoetz@klc.org](mailto:tgoetz@klc.org).



**[LEGISLATIVE TIPS]**

**SEVEN TIPS TO HELP YOUR CITY IN THE 2009 LEGISLATIVE SESSION**

- 1 Use your voice.** Contact your legislator by a written letter, email or a phone call. Identify the bill by number, title and sponsor. Explain your position, and give your name, address and title.
- 2 Stay informed.** KLC emails Legislative Bulletins and Legislative Alerts to keep you informed on what is going on during the session and what you can do to help your city. You can reply to these emails to let us know your opinion on the issues.
- 3 Be prepared with facts and figures.** When possible, gather hard data and real examples to quantify the effect legislation may have directly on your city when you speak with your legislators.
- 4 Reach out to the local media.** Write an opinion article (op -ed) that explains the top issues for your city. This is a good way to inform legislators, policy-makers and your own constituents. Contact KLC for assistance.
- 5 Update the KLC legislative team when you contact your legislator.** If you send a letter, make a phone call about an issue or visit with your legislator, let us know! KLC staff will refer back to these important interactions when lobbying on your behalf.
- 6 Visit the capitol.** Knowing where to go and being familiar with where your legislators work can help you use your voice. Let KLC know when you are coming and we'll show you around.
- 7 Say thank you.** Recognizing your legislators for successful work makes it more likely they will want to continue working with you because you appreciate what they are doing.



**LEGISLATIVE PRIORITY >>>>>**

**Pursue Fairness in Charter County Governments**

In any discussion of merged government an equal city-county partnership is necessary. Unfortunately, the process of creating a charter county government is biased in favor of counties. The statutes require local governments to form a county-dominated commission to study the possibility of charter county government. Furthermore, the judge/executive automatically presides over the commission. These requirements make a spirit of cooperation unlikely and subjects

cities to the possibility of hostile take-overs.

**KLC Legislative Action:**

KLC asks lawmakers to amend the charter county government statutes to provide for equal membership among the county and city governments on the commission developing a plan for a charter county government and permit the commission to select its own presiding officer from among the membership.



**Expand Revenue Options**

The Kentucky Constitution and current statutory law limit local governments to only a few significant revenue options, making raising revenue extremely restrictive compared to most other states. Every surrounding state allows cities to collect income or sales taxes or to share state general funds. Kentucky cities must rely heavily on business-related taxes as opposed to consumption-based sales taxes. Limited revenue options and tax shortfalls have left cities without the resources needed to improve quality of life and provide the services that citizens need and demand.

**KLC Legislative Action:**

Cities will not be able to function as the engines of the state's economy unless they have maximum flexibility and authority to address the needs of their communities. KLC will ask lawmakers to amend the Kentucky Constitution to allow more flexibility in local taxation and improve the fiscal relationship between the state and local governments. Without a constitutional amendment and increased revenue options, cities have few ways to reduce the fiscal stress they currently face.

**Protect Current Revenue Options for Cities**

Last session, a measure was filed that called for a centralized collection of occupational license fees, which makes up approximately 40 percent of revenue available to cities. The \$22 million shortfall caused by the centralized collection of the

telecommunications tax is evidence that centralized collection does not work for city governments. Cities are actively opposed to any efforts to legislate mandated, centralized collection of occupational license fees.



**A MESSAGE FROM THE PRESIDENT >>>>>**

**Cities have a Major Role to Play**

The most basic desire of any elected local official is to improve the quality of life in one's own community. Cities, as the hearts of communities, have a major role to play in this - more so than any other level of government. But it is of the utmost importance to recognize that so much of what happens within your city limits is a direct effect of regulation and funding from the legislature and other parts of state government. The members of the General Assembly view city officials as true representatives of your community's interests and needs. As both a constituent and a key influencer yourself, your voice is the most important voice your legislator can hear. It's a big responsibility, but you aren't alone. As Sylvia loves to remind us, we truly are "cities united!"

Last year, we saw many legislative victories such as the insurance premium tax reform and the beginning of reforms to the pension system. We were also able to block or alter more than 40 bills that would have been harmful to cities. This was only possible because you took the time to get involved and reached out to your legislators.

I would like to encourage you to get in touch with your legislators as soon as possible and let them know about your city's top legislative issues. Explain your budget concerns and ask them to help your city as well as other communities across the state. Invite them to a city meeting and publicly thank them for a vote that they made or a favorable action they took on behalf of your city. Visit Frankfort to meet with your legislator in person. Contact

KLC's legislative team for help and let them know how your conversation with your legislators went. This is a vital part of the legislative process.

One of the most important ways you can contribute to our success in the 2009 session is to attend KLC's City Night Reception on February 10 at the Frankfort Convention Center from 5:00 to 8:00 p.m. We need to come out in mass to show our legislators that we are committed to the issues that our communities face. I look forward to seeing you at the Capitol.

Best regards,

*Connie Lawson*

Connie Lawson  
KLC President  
and Richmond Mayor

**2009 KLC OFFICE CLOSINGS**

January 1 (Thu)	<b>New Year's</b>
January 2 (Fri)	<b>New Year's</b>
January 19 (Mon)	<b>Martin Luther King, Jr.'s Birthday</b>
May 25 (Mon)	<b>Memorial Day</b>
July 3 (Fri)	<b>Independence Day</b>
September 7 (Mon)	<b>Labor Day</b>
November 26 (Thu)	<b>Thanksgiving</b>
November 27 (Fri)	<b>Day after Thanksgiving</b>
December 24 (Thu)	<b>Christmas Eve</b>
December 25 (Fri)	<b>Christmas</b>
December 31 (Thu)	<b>New Year's Eve</b>
January 1, 2010 (Fri)	<b>New Year's</b>

## Cities Face Revenue Shortfalls from Declining Economy

Cities are being hit by the downfall in the economy just like local businesses and citizens. Even before the financial crisis, city expenditures were rising much faster than inflation and the revenues collected over the last 12 years. Over the last



decade, for every \$1.00 increase in city expenditures, revenues only increased by 86 cents.

Not only is the price of doing business going up, but revenues will likely not be at the level that was previously anticipated. The economy's impact on city investments and tax revenue will hurt the bottom line for local government budgets everywhere, affecting their ability to provide needed services. In Kentucky, cities are mostly limited to obtaining general fund tax revenues from occupational license fees, insurance premium taxes and property taxes. All three of these revenue streams will be hindered by the downturn in the economy.

- Occupational License Fees** - University of Kentucky Economist Dr. Ken Troske recently noted in November that unemployment has increased between 25 and 30 percent statewide since October. When jobs leave the community and consumer spending declines, cities lose occupational license fee revenue. Occupational license fees make up about 57 percent of city tax revenues in Kentucky, with many larger cities depending heavily on this source. To make matters worse, as unemployment rises and revenues from occupational license fees decrease, cities usually face a higher demand for social services.

- Property Tax** - Real property values have not declined significantly in Kentucky as they have in many other states. However, even if they did, the laws that govern local property tax rates adjust for both increasing and

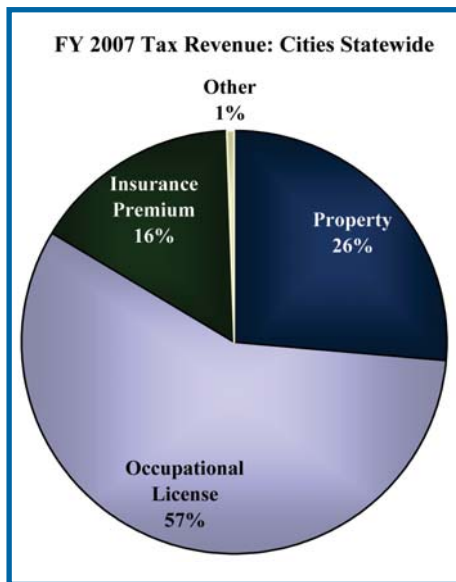
decreasing property values. This guarantees cities the ability to collect at least the same amount of revenue they received in the previous year. However, the decline in housing prices is usually a sign of slowing and that means cities will not realize the gains that they have seen in previous years from new development. Higher foreclosure rates also place a significant burden on cities to maintain vacant properties. When homes are foreclosed or property owners abandon houses, cities are often left to mow yards and board up windows to keep the neighborhood safe. This added upkeep is an even greater burden during times when taxpayer dollars are tight.

- Insurance Premium Tax and Other Revenue Sources** - In addition to property taxes and occupational license fees, cities depend on revenue from insurance premium taxes and funding provided by the state and federal governments. Insurance premium tax revenues may decline as consumers select options for lower premiums.

In FY 2007 cities received approximately \$192 million in funding from the state government, more than six percent of their entire operational revenue. Cities could experience a reduction in this funding as state lawmakers try to find ways to make up for the \$450 million shortfall in Kentucky's state budget. This could affect grant funding, infrastructure projects and other initiatives at the local level that improve the quality of life in communities.

In addition to reduced revenue from traditional taxing options, cities are expecting a lower return

on investments. State statutes are relatively strict when it comes to city investments, which somewhat insulates cities from the riskiest investments, but they are still at the whim of the markets. Normally, as stocks decline, the demand for bonds increases. However, the lack of liquidity in the market has forced interest rates of tax-exempt bonds higher, making them less attractive to investors. With inflation for local government purchases increasing 6.6 percent nationally from a year ago and infrastructure demands continuing to be high, local governments will likely feel the financial squeeze throughout the rest of this fiscal year and into FY 2010.



### Additional Economic Stimulus Could Include Infrastructure Projects

The First Session of the 111th Congress is scheduled to convene on January 6, and House and Senate leaders plan to have a broad economic stimulus package ready for President-Elect Obama's signature by his inauguration on January 20.

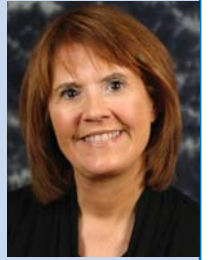
While specifics are not available at print time, the president-elect's team has emphasized the need to put people back to work by rebuilding and constructing the nation's roads and bridges among other "ready to go" infrastructure projects. Projects that are "ready to go" will likely be defined as projects that can go to bid within 90 or 120 days, meaning the planning and design aspects would have to already be completed. Funds will likely be given to the state with possibly some of that amount available to local governments for their projects.

Specifics about the plan will be available in mid-January. KLC will continue to monitor developments and keep you informed of pending federal action. Watch the Legislative Bulletin and [www.klc.org](http://www.klc.org) for timely updates.

If you have any questions, please contact Joseph Coleman at 1-800-876-4552 or [jcoleman@klc.org](mailto:jcoleman@klc.org).

## [STAFF NEWS]

### KLC Policy Development Counsel Announces Retirement



Kentucky League of Cities Policy Development Counsel Nancy Yelton will be retiring on December 31 after an admirable career working on behalf of local governments and state agencies, including the last eight years with KLC.

"Working with KLC's experienced legislative team has been one of the highlights of my career," said Yelton.

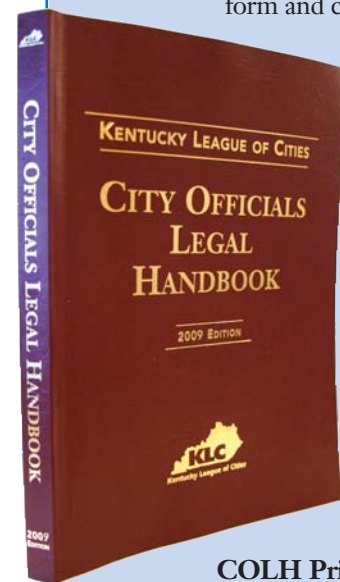
Yelton plans to stay connected with city issues. She will continue providing legislative analysis for KLC on a contract basis beginning in January.

### NEW! 2009 City Officials Legal Handbook

Order your copy today

This popular and user-friendly guide provides officials with information on the legal issues that matter most to city officials. Topics include annexation, incompatible offices, personnel matters, ethics, ordinances, open meetings and open records, public purpose spending, budgeting, auditing, and planning and zoning. The newly released 2009 edition includes more than 100 pages of updates on legislation, case law and attorney general opinions and new sections on Tax Increment Financing (TIF), vacancies in city offices, police and fire training requirements, organization of city governments, municipal elections and local alcohol beverage control.

Each chapter is written in a narrative form and covers the essential areas of local government law. While this publication is not intended to be a substitute for the advice of an experienced city attorney, it will help you understand many of the legal issues commonly encountered by city officials.

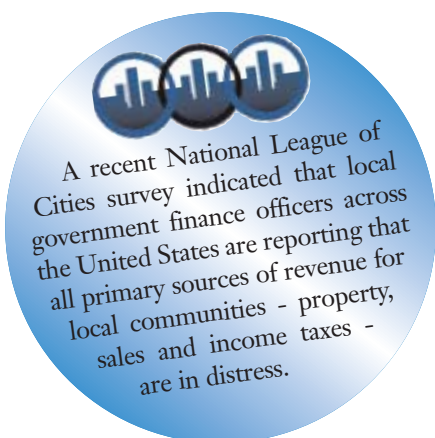


#### COLH Pricing:

Members	\$40
Cornerstone Partners	\$40
Non-Members	\$80

Members who attend the City Officials Academy will receive a copy free with their registration.

Contact Lynda Schwendeman at 1-800-876-4552 or [lschwendeman@klc.org](mailto:lschwendeman@klc.org) to order your copy today. The 2009 handbooks will be available in mid-January.



**[KLC AWARDS]**

**EXCELLENCE IN LEGISLATIVE LEADERSHIP AWARD**



**Representative Jody Richards** (D-Bowling Green) (left) and **Senate President David L. Williams** (R-Burkesville) (right) both accepted the 2008 Excellence in Legislative Leadership on behalf of House and Senate leadership, respectively. Rep. Richards and Sen. Williams were recognized for their work on pension reform during the 2008 session and extraordinary session.

**FRIEND OF CITIES AWARDS**

The "Friend of Cities" award is given by KLC to legislators who perform outstanding work in the legislature advocating for issues that impact cities across the state. Recipients for the 2008 Friend of Cities award include:



**Representative Johnny Bell**  
(D-Glasgow)

**Representative Ron Crimm**  
(R-Louisville)



**Representative Jim Glenn**  
(D-Owensboro)

**Representative Dennis Horlander**  
(D-Shively)



**Representative Mary Lou Marzian**  
(D-Louisville)

**Representative Kathy Stein**  
(D-Lexington)



**Senator Damon Thayer**  
(R-Georgetown)

**2008 LEGISLATIVE AWARDS >>>>>**

**KLC Big Hitter - Representative Steve Riggs**

**Representative Steve Riggs** (D-Jeffersonton) was recognized as a KLC Big Hitter in 2008 for his help and sponsorship of the insurance premium tax reform. The "Big Hitter" award is given by KLC to recognize legislators who help cities achieve major legislative victories by advocating for issues that impact cities across the state. Recipients receive an engraved Louisville Slugger baseball bat.

Cities have been working for insurance premium tax reform for more than a decade, and Rep. Riggs' guidance brought local governments and the insurance industry together to create the solutions laid out in HB 524. The reforms in HB 524 greatly improve the collection and administration of local insurance



premium taxes and assists local governments in their relationships with the insurance companies who must collect the tax.

"This legislation flew under the radar despite the fact that it affects

more than 3 million Kentuckians who have any type of insurance," said Riggs. "The reforms are helping governments be more efficient, and it's a great honor to be recognized."

**KLC Big Hitter - Representative Mike Cherry**



**Representative Mike Cherry** (D-Princeton) was also honored as a Big Hitter for his help and sponsorship of the pension reform

bill proposed during the 2008 regular session. As the sponsor of the initial reform legislation during the regular session,

Representative Cherry included many of the proposals made by KLC and its member cities. He worked diligently with the Governor, House leadership and Senate leadership during the special session to create reforms that now serve as the bold beginning to fiscal solvency in our retirement system.

"I'm excited and humbled receiving this award. I've noticed over the years that past recipients have always done something remarkable to help our cities across the Commonwealth," said Cherry. "I'm delighted to be in that category. Having a mayor for a wife makes recognition from KLC even more noteworthy."

**LOBBYING 101 >>>>>**

**City Officials Learn About Their Role in Frankfort at the 2008 Convention**

**Rep. Arnold Simpson** (D-Covington) shares his perspective as former city official and current legislator.



One of the most important duties of city officials is advocating on behalf of constituents for the overall good and fiscal health of your community and that of your sister cities throughout our Commonwealth.

Representative Arnold Simpson (former city manager of Covington) met with several KLC members at the 2008 KLC Convention and Expo to discuss how city officials can build a strong relationship with legislators. His experience as both a legislator and a former city official provided members a valuable perspective to consider for the next legislative session.

"There's nothing like hearing from city officials," Rep. Simpson

noted. "The legislature respects the work you do. I'm surprised on crucial issues when we don't hear more from you as elected officials. I'm more apt to be influenced if local elected officials take the time to reach out."

City officials also heard about some of the best ways to get involved during the session and learned some tips for communicating with legislators. KLC lobbyists advise city officials to reach legislators during the session by:

- ♦ Contacting your legislator personally to discuss the issues that matter most to your city and your position on specific bills.
- ♦ Calling the legislative message line at 1-800-372-7181. Tell them who you are, who you are trying to reach and the

message.

*Example:* This is Mayor Connie Lawson of Richmond and I want to leave a message for Rep. Harry Moberly. Please tell him I am in favor of HB 1.

- ♦ Scheduling an in-person visit in Frankfort to discuss the issues that matter most to your city. If you would prefer, a KLC legislative team member can go with you to visit with your legislators and to attend committee meetings and full sessions of each of the chambers.

Director of Governmental Affairs J.D. Chaney noted that many of the issues may not affect each city equally, but we must be united in our efforts so that when we are called upon to help our sister cities today, they will be there when the inevitable issue arises that does affect us.

**KLC Legislative Team**



**Sylvia L. Lovely**  
Executive  
Director/CEO  
slovely@klc.org



**J.D. Chaney**  
Director of  
Governmental  
Affairs  
jchaney@klc.org



**Joe Ewalt**  
Director of Policy  
Development  
jewalt@klc.org



**Sarah Razor**  
Government Affairs &  
Policy Communications  
Specialist  
srazor@klc.org

EXECUTIVE



**Neil Hackworth**  
Deputy Executive  
Director/COO  
nhackworth@klc.org

ADVOCACY



**Tony Goetz**  
Lobbyist  
tgoetz@klc.org

RESEARCH



**Joseph Coleman**  
Policy, Research &  
Federal Relations  
Manager  
jcoleman@klc.org

COMMUNICATIONS



**Tresa Short**  
Legislative Administrative  
Coordinator  
tshort@klc.org



**Temple Juett**  
General Counsel  
tjuett@klc.org



**Bert May**  
Contract  
Lobbyist



**Nancy Yelton**  
Contract Legislative  
Attorney



Call 1.800.876.4552

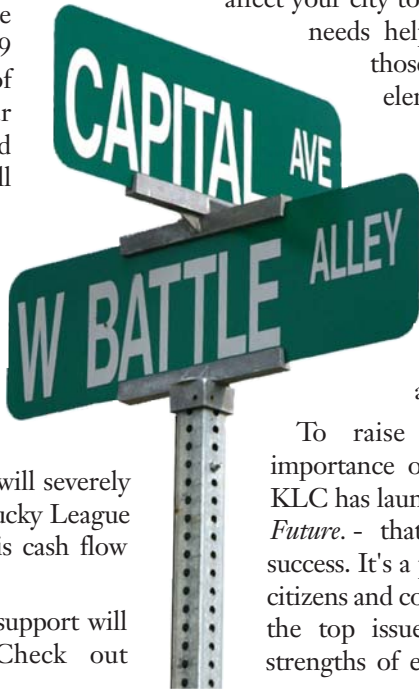
**FROM THE EXECUTIVE DIRECTOR >>>>>**

**Dear Members:**

I've always thought it was noteworthy that our Frankfort office is located on Battle Alley. It seems even more poignant as we start the 2009 legislative session. A perfect storm of conditions has led cities to near impossible financial conditions, and this session is likely to be an uphill fight.

Revenue streams cannot keep pace with escalating retirement costs. At the same time cities are facing expensive environmental mandates and limited local revenue options, not to mention the collapse of the nation's financial system in October, which will severely impact jobs and revenue. The Kentucky League of Cities will bring attention to this cash flow crisis to the 2009 General Assembly.

Your awareness of the issues and support will be essential to our success. Check out



www.klc.org and watch your email for the weekly Legislative Bulletin for real-time updates and calls to action. Every issue that we are addressing may not affect your city today, but it could be your city that needs help next time. Your response to those calls to action is the most crucial element for cities to have a successful

legislative session. As Representative Arnold Simpson explained at the KLC 2008 Convention and Expo, legislators depend on your input to decide how to vote on the issues, and we must ensure that city voices are heard.

To raise statewide awareness of the importance of strong cities and communities KLC has launched an initiative - *Your City. Your Future.* - that lays out a blueprint for our future success. It's a plan with actionable steps on how citizens and community leaders can take some of the top issues that cities face and use the strengths of each community for the solution.

The action steps revolve around the significance of local decision making; the need for a realignment of intergovernmental interaction; and the importance of developing a more informed and involved public, including elected officials, civic leaders and citizens. We believe that by working to make our cities stronger, we will be making the state stronger and thus a better place for everyone to live, work, play and learn.

**Cities United!**

*Sylvia L. Lovely*  
Sylvia L. Lovely  
Executive Director/CEO  
slovely@klc.org



*KLC Direct is designed internally to save our members money.*



**CITIES**  
MAKE LIFE MORE  
LIVABLE.

January 2009 | VOL. 11 Issue 1



**KLC Direct**  
A Kentucky League of Cities Publication



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 • 859.977.3700 • 1.800.876.4552 • Fax: 859.977.3703 • www.klc.org

- IMPORTANT DATES . . .**
- Tuesday, January 6, 2009  
Part I of the session convenes
  - Friday, January 9  
Part I of the session adjourns
  - Tuesday, February 3  
Part II of the session convenes
  - Tuesday, February 10  
**City Night** - Frankfort Convention Center
  - Tuesday, March 24  
Part II adjourns sine die

PAID  
U.S. POSTAGE  
PERMIT #879  
LOUISVILLE, KY