

KLIC Direct

A Kentucky League of Cities Publication

TOURISM IN KENTUCKY: THE FUTURE LOOKS BRIGHT

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FRONT PAGE NEWS

TOURISM IN KENTUCKY - THE FUTURE LOOKS BRIGHT

Combine a nationwide increase in travel and tourism dollars with Kentucky's natural beauty, rich history and exciting attractions, and it's a good bet that tourism will produce some of the state's best revenue streams of tomorrow.

Kentucky's tourism industry topped \$9.1 billion in 2002, rebounding from a nationwide downturn after September 11, 2001-this according to the Kentucky Tourism Development Cabinet. Tourism-related employment increased by 4,355 jobs, bringing the total to more than 164,000 jobs.

Few states have seen the level of tourism growth that Kentucky enjoys. "Tourism remains Kentucky's third largest revenue-producing industry with a bright future," said Tourism Development Secretary Ann Latta.

What It Means for Cities

Since restaurants benefit from tourism development, state law permits some cities to impose a small tax on food and beverages. Right now, authority for the tax is limited to cities of the fourth and fifth class and all revenue goes to the local tourism commission.

While tourism generated \$143 million in local taxes in 2002 and state taxes were more than \$799 million, only 15 cities (out of more than 200 eligible cities) have taken advantage of the restaurant tax option because of the restrictions in current law.

KLC Board President Bill Nighbert, mayor of Williamsburg, has seen his city become a perfect example of how a restaurant tax helps a city capitalize on existing tourism and use those dollars to attract even more visitors. The tax helped finance construction of Kentucky Splash, which has become one of the Southeast's premier water park attractions.

"Without a restaurant tax, Kentucky Splash would have been just a dream, not a reality," said Mayor Nighbert.

The mayor added that KLC is already working with cities to address restaurant and other local tax issues during the 2004 legislative session. Nighbert encourages local leaders to provide input to their legislators. (Tax revenues by county can be reviewed online at www.kentuckytourism.com/media).



The Benefits of Regional Collaboration

Some of Kentucky's most successful tourism models are in Northern Kentucky and Eastern Kentucky. Northern Kentucky has adopted a 'share the wealth' position. Newport on the Levee boasts a world-class aquarium and entertainment, dining and shopping complex while Covington is home to the Northern Kentucky Convention Center and most of the area's convention-ready hotels. Northern Kentucky Tourism (www.nkytourism.com) includes a number of northern Kentucky cities on its site.

The Southern and Eastern Kentucky Tourism Development Association (SEKTDA) is another example of cooperative tourism that is working. SEKTDA was developed through the Center for Rural Development and represents 40 southern and eastern Kentucky counties. Secretary Latta said tourism expenditures rose by \$31 million in the SEKTDA region during 2002.

Resources for Cities

Want to take advantage of state funds for tourism projects in your city? There are currently two incentive programs available for major projects. The Kentucky Tourism Development Act lets developers of approved projects recover up to 25 percent of their development cost over a ten-year period. The State Tax Increment Financing program is a similar development and recovery program for projects on a larger scale that would require legislative approval. Both programs are administered through the Kentucky Tourism Development Cabinet.

Another program offered through the state is the Certified Retirement Communities, whereby your city can be certified and marketed as 'retirement ready.' Certified communities meet high standards in a number of amenities that retirees say are most essential for happy lifestyles.

KLC also provides competitive financing and bonding for tourism and recreational related city projects. Recent projects include Lexington's Rupp Arena. For more information on KLC financial services, contact Garrett Drakeford at gdrakeford@klc.org or 1-800-876-4552.

(An expanded version of this article is available online at www.klc.org.)



By the Numbers

- 1** - Number of parks dedicated entirely to the horse (Kentucky Horse Park, Lexington)
- 8** - Number of Kentucky cities designated Certified Retirement Communities
- 500** - Approximate number of thoroughbred horse farms in Kentucky
- 1,100** - Approximate number of lakes in Kentucky
- 2,500** - Approximate number of festivals in Kentucky

Contacts

Below is a list of contact information concerning tourism in Kentucky:

Kentucky League of Cities (KLC)
1-800-876-4552, www.klc.org

KLC Economic Development
Kirby Ramsey, kramsey@klc.org
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KLC Financial Services
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KLC Loss Control
Paul Dienes, pdienes@klc.org
Dan Hunter, dhunter@klc.org

Kentucky Department of Travel
www.kentuckytourism.com

Kentucky Tourism Council
502-223-8687, ktc@mis.net

Ky. Tourism Development Cabinet
502-564-4270

Certified Retirement Communities
Debby Giannini, 502-564-6972

Tourism Development Incentives
(Tax Increment & Tax Development Information)
Todd Cassidy, Economic Development Representative, 502-564-0678, Todd.Cassidy@mail.state.ky.us



THE LAST WORD FIRST


It's Time to Select Nominees

The KLC Nominating Committee will soon begin developing a slate of nominees for KLC officer (President, 1st Vice President and 2nd Vice President), Executive Board and Board of Director positions to be elected during the 2003 KLC Annual Convention.

In accordance with KLC bylaws, each KLC officer must be an elected official of a city that is a member in good standing of KLC. Also, the elected official must be serving on the KLC Executive Board at the time of his or her nomination and election. Traditionally, although it is not mandatory, the current KLC 1st Vice President is nominated for election as KLC President, and the 2nd Vice President is nominated for election as 1st Vice President.

Nominees to the Executive Board and Board of Directors must be elected or appointed officials of cities that are members in good standing of the League. Elected officials must have served at least one full year on the Board of Directors to be nominated to the Executive Board; however, this requirement does not apply to appointed officials.

The Nominating Committee will accept and consider suggestions for nomination from current officers, board members and the general membership. All nominations must be received at the KLC office by July 31, 2003. If you have any questions regarding the nomination process or qualifications for office, please contact the League office at 1-800-876-4552.

Sincerely,

Bill Nighbert
KLC President
Mayor of Williamsburg

LAW ABIDING

What is an 'Amicus' Brief? KLC as 'Amicus Curiae': A Friend of the Court and Judicial Advocate for Cities

Amicus curiae is a Latin phrase that translates literally to mean "friend of the court." In modern litigation, court rules usually allow a person or group to intervene as *amicus curiae* with either the permission of the court or the consent of all parties involved in the action. Although *amicus curiae* are not actual parties to the litigation, they usually have some stake in the outcome and want the court to consider their arguments.

Amicus curiae often offer unique insight, claim expertise in a particular area of the law, or represent an interest or constituency that stands to be affected by the court's decision. It can aid the court in deciding unresolved matters of law and draw attention to matters that may otherwise escape the court's consideration.

Over its 75-year history, the Kentucky League of Cities has intervened as *amicus curiae* in a number of cases. By sharing its expertise in municipal law, KLC has helped protect and advance the interests of its member cities. By intervening in actions where a court's decision can have wide-ranging impact on Kentucky cities, KLC can influence the shaping of municipal law and help courts realize that their decisions often can have effects far beyond the parties to the action.

'Amicus' in Action: KLC Helps Get Attorney General's Open Meeting Decision Reversed

KRS 61.820 provides that public meetings "shall be held at specified times and places which are convenient to the public." In April 2002, the Attorney General issued Open Meetings Decision 02-OMD-78, which interpreted the provision to restrict all public meetings of a city within the geographic boundaries of the city.

KLC believed the decision was overly broad since there are several situations where cities have a legitimate need to conduct public meetings outside their boundaries. Because this rule could significantly inhibit the efficient operation of city governments and undermine cooperative efforts between multiple cities, KLC filed an *amicus curiae* brief with the Kenton Circuit Court to have the decision over-turned.

In March of this year, the Kenton Circuit Court reversed that part of the Attorney General's opinion, stating that "... the statutory language ... does not restrict public agencies to conducting meetings within their jurisdictional boundaries. As argued in the *amicus* briefs ... some meetings may be quite convenient to the public even though held outside the geographic boundaries."

The Court's holding does not mean that cities have blanket discretion to hold meetings beyond corporate boundaries as they desire. Rather, cities must examine each case and determine, the Court said, "whether the scheduled place of the public agency's meeting is 'convenient to the public.'" Where there are adequate alternatives available within a city, most likely holding the meeting outside of the city would not be appropriate. A good rule of thumb to remember is to always conduct the meeting in a place that will maximize the opportunity for public participation.

For more information on this decision, contact J.D. Chaney at jchaney@klc.org or 1-800-876-4552, ext. 3719.

KLC Direct

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- Bill Nighbert
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- Sandy Jones
Mayor of Bowling Green
- Sylvia L. Lovely
Executive Director/CEO, KLC

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, 101 East Vine Street, Suite 600, Lexington, Kentucky 40507. 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

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Q & A

Q: By what percentage is the number of people paying their utility bills online expected to increase this year?

A: 38% or an astounding 40 million

This is another reason for Kentucky cities to utilize KLC's Information Technology Services, which can help them build websites and develop online citizen services. For more information, contact KLC's Anthony Wright at 1-800-876-4552, ext. 3781 or awright@klc.org.

Source: Lane Report Business Digest, FMC, Inc. 2/24/03

MEET ME AT KLC

Lovely's in the Winner's Circle

- ◆ **Sylvia L. Lovely**, KLC Executive Director/CEO and President of the NewCities Foundation, received the Winner's Circle Award from the Lexington Chapter of the National Association of Women Business Owners (NAWBO).



The award recognizes women who have an impact on opportunities for women in business and leadership. Past winners have included U.S. Department of Labor Secretary Elaine Chao, Former Governor Martha Layne Collins and, last year, Phyllis George. According to the NAWBO Chapter, Lovely was selected to receive the Winner's Circle Award based on her efforts as a community builder and advocate for civic engagement.

- ◆ AceWeekly Magazine and the Lexington Young Professionals Association recently named NewCities' Foundation Senior Advisor for Program Development **Robyn Miller** as one of Lexington's Rising Stars. The honor recognizes young leaders under the age of 40.



- ◆ The **KLC Communications Department** received three Addy Awards from the Lexington Advertising Club and six Thoroughbred Awards from the Lexington Chapter of the Public Relations Society of America for outstanding work in various media.

- ◆ Sullivan University recently named **Arlene Nance**, KLC's Convention & Special Events Manager, as its Student of the Week after she was nominated for the honor by one of her professors. Nance is furthering her education, pursuing a degree in Travel, Tourism and Events Management.

Meanwhile, **Tammy Lyons** and **Terry Ueber** made Sullivan's Deans List the past semester. Tammy, an executive secretary in KLC's Insurance Services, had a perfect 4.0 grade point average for the semester in business management. Terry, a part of KLC's administrative team and also majoring in business management, has a 3.56 overall GPA.

- ◆ **Hayley Young**, Claims Adjuster, passed her adjuster's licensing exam and is now a certified claims adjuster at KLC.



STAFF PROFILE

Doug Oskins
Loss Control Specialist
Joined KLC Aug. 1999



"Since I started working at KLC, I have a better idea of just how much cities do for their citizens" says Doug Oskins, who continues to provide excellent consultation for our member cities.

Organizing and planning the Kentucky Municipal Environmental Safety and Health Association's annual conference is just one of the highlights of Doug's position. His interest and experience in public health and safety keeps KLC and our member cities up to date on the latest developments in that field. From Certified Industrial Hygienist to providing technical training for the Kentucky Fire Chiefs Association, Doug's position spans many areas, however, his objective is clear, "To provide quality liability and workers' compensation loss control surveys for members."

To contact Doug by phone, dial 1-800-876-4552, ext. 3751, or email doskins@klc.org.

CITY POSTCARD

A Look at the City of Flemingsburg

Mayor: Louie Flanery

Population: 3,010

Location: Fleming County, Flemingsburg is located in the outer bluegrass region of Kentucky.

History: George P. Stockton founded Flemingsburg in 1796 and named for his half-brother Colonel John Fleming. The "Official Covered Bridge Capital of Kentucky", Flemingsburg claims 3 of the 13 covered bridges still standing in Kentucky.

Festivals: The Covered Bridge Festival held on the fourth Saturday in August is an annual tradition dedicated to celebrating the wonder of three of the covered bridges located in Flemingsburg with guided tours, entertainment and food.

Special Attractions: The Franklin Sausley Monument commemorates one of the soldiers who helped raise the flag at Iwo Jima during WWII and is located in the Elizaville Cemetery.



KLC FACTOID

11.2 million

The average number of commercial trucks that cross the Mexican and Canadian borders into the U.S. every day.

Source: U.S. Representative Hal Rogers' office

NEXT ISSUE: City Budgets: The Harsh Reality

CITY DIRECT

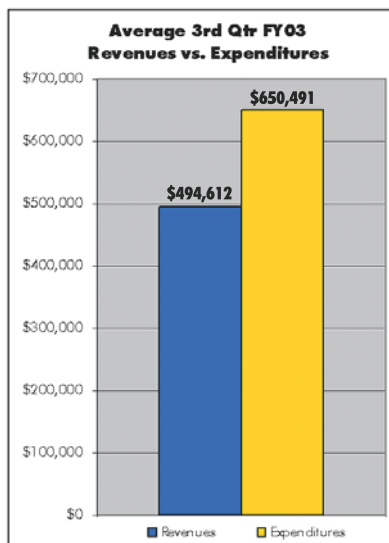
Kentucky's Largest Cities Report a Fiscal Shortfall

In May 2003 the Kentucky League of Cities surveyed the state's 27 most populous cities, which represent almost 1.5 million Kentuckians, to gauge their current fiscal status. The 18 cities that responded indicated a stark trend of expenditure growth outpacing revenue growth over the past 12 months.

The survey results, which were presented to KLC's Urban Cities Coalition and Legislative Committee on May 28, reveal the average revenue increase for the most populous cities in the state totals 4.0 percent. However, average expenditure growth totals 6.4 percent, which suggests a 2.4 percent shortfall. The top three reasons indicated for expenditure growth are (1) salaries, payroll and overtime; (2) health insurance costs and other benefits and (3) capital projects for aging infrastructure.

Many respondents indicated an anticipated shortfall for fiscal year 2004, while others will be forced to make serious cutbacks. In a time of federal tax cuts, at least six cities are considering or have already approved fee or tax increases. At least two cities are severely limiting salary and pay increases while others are dipping into reserves, cutting back employee benefits or limiting capital projects. Clearly, cities are making the tough decisions to maintain quality services while balancing their budgets in a tight economy.

For more information on this survey, contact Joseph Coleman at jcoleman@klc.org or 1-800-876-4552, ext. 3715.



YOUNG VOICES

And the Winner is . . .

Congratulations to Mitch Hoxby, a fifth-grader from Elsmere, Ky., who won our letter-writing contest during City Government Month. Kids from grades K-5 were asked to write a letter or essay describing a leader in their community and why they admire that person. Here is Mitch's winning letter.

"Mayor Billy Bradford is the city leader I choose to admire. Being Mayor, Mr. Bradford is responsible for how the city is run. He makes many important decisions that effect the people who live in Elsmere. Mayor Bradford attends all the council meetings and starts them with prayer. Billy Bradford is Northern Kentucky's first African American mayor. He was just re-elected in November to another four-year term. This proves the people of Elsmere like him and the job he is doing for their city."

Sincerely,
Mitch Hoxby

Mitch Hoxby
5th Grader, St. Henry School



MEMBERSHIP NEWS

Planning for Any Possibility

KLC is developing information on crisis communications planning which will be available to cities in early 2004. The template will help cities better assess their risk and response to natural, operational, legal and/or public relations disasters. Watch for more news on this effort soon.

NEWCITIES NEWS

You Can Help NewCities

Open an approved account at Fifth Third Bank and they'll donate \$53 to the NewCities Foundation!

For more information, visit the NewCities website at www.newcities.org or the NewCities section of the KLC website at www.klc.org.



FROM THE FIELD

Mayor Dodd Dixon of Winchester recently spent three weeks in Europe as a participant in the prestigious Marshall Memorial Fellowship program.

Online News & Views

Here's a list of current articles of interest to cities and leaders that are available at the Kentucky League of Cities website:

- ◆ Congress fails cities, NLC says.
- ◆ Fiscal conditions force cities to make tough choices.
- ◆ U.S. cities can learn from how Toronto dealt with SARS problem.

To view these articles and more, visit www.klc.org and click on the News link.



Register Now for Convention 2003!

Go online to register at www.klc.org/leadership/publications.asp.

CALENDAR OF EVENTS

Educate, Celebrate, Participate JULY

8 Kentucky Labor Law Made Easy!
Kentucky League of Cities
Lexington, Kentucky

10 Fun, Festivals & Special Events
Campbellsville University
Campbellsville, Kentucky

11 Planning & Zoning to Meet HB 55 Requirements
Ramada Inn
Paintsville, Kentucky

14-18 Kentucky Municipal Clerks Association Institute
Radisson Plaza Hotel
Lexington, Kentucky

22 The Role of the Public Official in Planning & Zoning
Elizabethtown Tourism and Convention Center
Elizabethtown, Kentucky

AUGUST

5 Nuts & Bolts of Personnel Law
Breathitt County Library
Jackson, Kentucky

7 Municipal Finance: Loan and Debt Management
Carroll Knicely Conference Center
Bowling Green, Kentucky

15 Risk Management Basics for Local Government
London Community Center
London, Kentucky

19-20 Solving the Watershed Puzzle
Holiday Inn North
Lexington, Kentucky

21 Basic Tips for Grant Writing
University of Louisville
Conference & Training Center,
Louisville, Kentucky

26 Sharing the Target: Mayor/Council Relations
General Butler State Resort
Park
City, Kentucky

For more information or to register online, visit KLC's website at www.klc.org/leadership. With questions, contact Doreen Caines at 1-800-876-4552, or dcaines@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.



LEGISLATIVE FLASH

KLC Hosts First Mayor's Conference with the White House

On May 14, more than 50 mayors and other officials from cities across Kentucky participated in a direct conference call with federal officials from the White House and the Office of Homeland Security. The linkup, organized by KLC in conjunction with Toby Burke of the White House Office of Intergovernmental Affairs, is the first of its kind nationally. Plans call for additional sessions on a quarterly basis—with issues selected for their timeliness.

The genesis of the conference call format came earlier this year when Deputy Director of Insurance Services Bill Hamilton and other KLC officials attended the National League of Cities conference in Washington. "Toby Burke threw out some ideas on how to keep local officials better informed," Hamilton said. "We contacted him about the conference call program. He said it wasn't a program, just an idea—so we decided to help the White House launch this idea. We're excited about the possibilities with this pilot venture."

The key question for most mayors in the forum involved Homeland Security funding. Some voiced

concern that distribution of money might not get to the city level.

Herb Jones of the Office of Homeland Security, a participant in the call, said there would be no direct funding to local governments. Instead, governors will designate a state director to determine allocation. "But if you have problems getting the money, please let us know and we'll look into it," he said.

Hamilton noted that the willingness of federal officials to follow up with local officials is the kind of pro-active cooperation between Washington and state/local governments that the conference call forum hopes to achieve.

Additional information on homeland security issues can be found at the U.S. Department of Homeland Security website at www.dhs.gov. For more information on KLC, visit www.klc.org.

To suggest a topic for a future White House call, contact Terri Johnson at tjohnson@klc.org or 1-800-876-4552, ext. 3784.



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, 101 East Vine Street, Suite 600, Lexington, KY 40507-3700 859-977-3700 1-800-876-4552 Fax: 859-977-3703 www.klc.org



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