

Lexington-Fayette Urban County Government

*200 E. Main St
Lexington, KY 40507*



Tuesday, March 19, 2013

3:00 PM

Packet

Council Chamber

Urban County Council Work Session

**URBAN COUNTY COUNCIL
SCHEDULE OF MEETINGS
March 18 – March 25, 2013**

Monday, March 18

No Meetings

Tuesday, March 19

EOC Workshop.....9:30 am
Conference Room– 5th Floor Conference Room

Social Services & Community Development Committee.....11:00 am
Council Chamber – 2nd Floor Government Center

Budget & Finance Committee.....1:00 pm
Council Chamber – 2nd Floor Government Center

Council Work Session.....3:00 pm
Council Chamber – 2nd Floor Government Center

Wednesday, March 20

Food Truck Work Group.....3:00 pm
Conference Room – 5th Floor Government Center

Town & Gown Commission Meeting.....4:00 pm
Maxwell St Presbyterian Church, 180 E Maxwell St

Thursday, March 21

Corridors Commission..... 11:00 am
Conference Room – 5th Floor Government Center

Town Branch Commons Workshop.....4:00 pm
Conference Room – 5th Floor Government Center

Arts & Entertainment District Workshop.....4:30 pm
Conference Room – 5th Floor Government Center

Council Meeting..... 6:00 pm
Council Chamber – 2nd Floor Government Center

Friday, March 22

No Meetings

Monday, March 25 Council Spring Recess: March 25th thru April 8th

No Meetings

URBAN COUNTY COUNCIL

WORK SESSION SUMMARY

TABLE OF MOTIONS

March 12th, 2013

Mayor Jim Gray called the meeting to order at 3:00pm. Council Members present were VM Linda Gorton, Chuck Ellinger, Steve Kay, Chris Ford, Shevawn Akers, Diane Lawless, Julian Beard, Bill Farmer Jr., George Myers, Jennifer Scutchfield, Jennifer Mossotti, Kevin Stinnett, Harry Clarke, Peggy Henson and Ed Lane.

I. Public Comment - Issues on Agenda – No

II. Requested Rezoning / Docket Approval – No

III. Approval of Summary – Yes

Motion by Beard to approve the summary. Seconded by Clarke. Motion passed without dissent.

IV. Budget Amendments – No

V. New Business – Yes

Motion by Gorton to approve the new business. Seconded by Farmer. Motion passed without dissent.

VI. Continuing Business / Presentations – Yes

Motion by Gorton to approve the Neighborhood Development Funds. Seconded by Myers. Motion passed without dissent.

Motion by Gorton to extend the time for the Police and Fire Pension Reform Agreement presentation to 30 minutes. Seconded by Farmer. Motion passed without dissent.

VII. Council Reports – Yes

VIII. Mayor's Report – Yes

IX. Public Comment – Issues Not on Agenda – No

X. Adjournment

Motion by Stinnett to adjourn. Seconded by Ellinger. Motion passed without dissent.

**Lexington-Fayette Urban County Government
Work Session Packet
March 19, 2013**

- I. Public Comment - Issues on Agenda**
- II. Requested Rezoning/ Docket Approval – Yes**
- III. Approval of Summary – Yes p. 1**
- IV. Budget Amendments – Yes p. 6 - 9**
- V. New Business – Yes p. 10 - 41**
- VI. Continuing Business/ Presentations**
 - a** Neighborhood Development Funds, March 19, 2013 p. 42
 - b** General Government Committee Summary March 2013 p. 43 - 46
 - c** Presentation: Franchise Update; By: David Barberie,
LFUCG Department of Law p. 47 - 57
 - d** Presentation: PPACA Impact Analysis; By: Benji Marrs,
Benefit Insurance Marketing p. 58 - 72
- VII. Council Reports**
- VIII. Mayor's Report – Yes**
- IX. Public Comment - Issues Not on Agenda**
- X. Adjournment**

Administrative Synopsis - New Business Items

- a 0079-13** Authorization to execute an agreement with Cintas Document Management for document shredding services for the Division of Community Corrections. (L0079-13) (Ballard/Mason)
This is a request to execute an agreement with Cintas Document Management for document shredding services for the Division of Community Corrections. The impact for FY2013 is \$729.50. Funds are budgeted. p. 10
- b 0167-13** Authorization to execute a renewal Maintenance Agreement with Routeware, Inc. for upgrades and technical support for the Routeware routing system for 5 calendar years. (L0167-13) (Feese/Moloney)
This is a request to execute a renewal Maintenance Agreement with Routeware, Inc., for upgrades and technical support for the Routeware routing system for 5 calendar years, 2013 through 2017, at a cost in the amount of \$488,268. Funds are budgeted. p. 11 - 12
- c 0241-13** Authorization to execute agreement with University of Kentucky Albert B. Chandler Medical Center for use of emergency room as clinical practice area for sexual assault treatment program. (L0241-13) (Gooding/Mason)
This is a request to execute agreement with University of Kentucky Albert B. Chandler Medical Center for use of emergency room as clinical practice area for sexual assault treatment program for calendar year 2013. The cost is \$3,000. Funds are budgeted. p. 13
- d 0242-13** Authorization to submit application and accept award, if offered, to the Kentucky Justice and Public Safety Cabinet for Law Enforcement Service Fee Grant Program for Fiscal Year 2014. (L0242-13) (Gooding/Mason)
This is a request to submit application and accept award, if offered, to the Kentucky Justice and Public Safety Cabinet for an amount of \$125,000 for Law Enforcement Service Fee Grant Program for Fiscal Year 2014. No matching funds required. Budget amendment in process. p. 14
- e 0245-13** Authorization to submit application and accept award, if offered, to the Kentucky Justice and Public Safety Cabinet for the continuation of the Street Sales Drug Enforcement Project for FY 2014. (L0245-13) (Gooding/Mason)
This is a request to submit application and accept award, if offered, to the Kentucky Justice and Public Safety Cabinet for an amount of \$75,000 for the continuation of the Street Sales Drug Enforcement Project for FY 2014. A local match of \$25,000 is required. The match is included in the Division of Police's 2014 General Fund budget request. p. 15

- f 0246-13** Authorization to execute Supplemental Agreement No. 5, accepting additional federal funding from the Kentucky Transportation Cabinet for additional construction of the Clays Mill Road Improvements Project. (L0246-13) (Gooding/Paulsen)
This is a request to execute Supplemental Agreement No. 5, accepting additional federal funding in the amount of \$620,000 from the Kentucky Transportation Cabinet for additional construction of the Clays Mill Road Improvements Project. This increase brings the total amount received for the project to \$8,823,760. Budget amendment in process. p. 16
- g 0257-13** Authorization to submit grant application to the Kentucky Energy and Environment Cabinet, and to accept award if offered, for purchase of dumpsters and rolloff containers for use in the recycling program under the Kentucky Recycling Grant Program for FY2014. (L0257-13) (Gooding/Moloney)
This is a request to submit grant application to the Kentucky Energy and Environment Cabinet, and to accept award if offered, requesting funds in the amount of \$24,918 for purchase of dumpsters and rolloff containers for use in the recycling program under the Kentucky Recycling Grant Program for FY2014. A 25% match of \$7,587 is required. Budget amendment in process. p. 17
- h 0258-13** Authorization to submit application requesting federal funds for Violent Gang and Gun Crime Reduction Program (Project Safe Neighborhoods) Grant-FY 2014. (L0258-13) (Gooding/Mason)
This is a request to submit application requesting \$300,000 in federal funds for Violent Gang and Gun Crime Reduction Program (Project Safe Neighborhoods) Grant-FY 2014. No matching funds are required. p. 18
- i 0259-13** Authorization to submit continuation application to the U.S. Department of Justice/Office on Violence Against Women under the Grants To Encourage Arrest Policies and Enforcement of Protection Orders Program. (L0259-13) (Gooding/Mason)
This is a request to submit continuation application to the U.S. Department of Justice/Office on Violence Against Women under the Grants To Encourage Arrest Policies and Enforcement of Protection Orders Program requesting \$300,000 in federal funds. No matching funds are required. p. 19
- j 0260-13** Authorization to submit application to the U.S. Department of Justice, Office on Violence Against Women for continuation of A Safe Havens Project-FY 2014. (L0260-13) (Gooding/Mills)
This is a request to submit application to the U.S. Department of Justice, Office on Violence Against Women in the amount of \$650,000 for continuation of A Safe Havens Project-FY 2014. No matching funds are required. p. 20

- k** **0262-13** Authorization to advertise for electric and gas franchise ordinances. (L0262-13) (Hamilton)
This is a request to advertise for electric and gas franchise ordinances. Under state law, utility franchises are required to be advertised for bid in order for the utility to use local government's public rights-of-way to locate its facilities. There is no budgetary impact. p. 21 - 40
- I** **0263-13** Authorization to execute the Red Mile Development Area Tax Increment Financing (TIF) Master Development Agreement with the Lexington Trot Breeders Association LLC. (L263-13)(Atkins)
This is a request to execute the Red Mile Development Area TIF Master Development Agreement with the Lexington Trot Breeders Association LLC, which covers the spending of the incremental revenues that are to be generated by the project. p. 41

BUDGET AMENDMENT REQUEST LIST

JOURNAL	67385	DIVISION	Planning Commissioner's Office	Fund Name Fund Impact	General Fund 4,000.00 4,000.00CR .00
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To provide grant match for the Plant for the Planet Project.

JOURNAL	67509	DIVISION	Facilities & Fleet Management	Fund Name Fund Impact	General Fund 45,000.00 45,000.00
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To provide funds for renovations of the second floor space behind the Council Chamber to create a conference room by decreasing fund balance.

JOURNAL	67570-71	DIVISION	Fire & Emergency Services	Fund Name Fund Impact	General Fund 5,480.00 5,480.00CR .00
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To provide funds for equipment and software for the Haz Mat Unit by recognizing a reimbursement for a haz mat clean up.

JOURNAL	67676	DIVISION	Law	Fund Name Fund Impact	General Fund 5,410.00 5,410.00CR .00
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To provide funds in the General Fund to replace outdated copier for the division. This cost is to be split among three funds (General, Sewer, and Landfill based on the work done by the division.)

JOURNAL	67680-81	DIVISION	Social Services Administration	Fund Name Fund Impact	General Fund 500.00 500.00CR .00
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To budget donation to the Department of Social Services from Commerce Lexington to support Manchester Bidwell and National Center for Arts & Technology (NCAT) Event presented by Bill Strickland.

JOURNAL	67684	DIVISION	Adult & Tenant Services	Fund Name Fund Impact	General Fund 30,000.00 30,000.00CR .00
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To provide funds for burial assistance by decreasing transfer to the Tenant Relocation Fund.

JOURNAL	67742-43	DIVISION	Facilities & Fleet Management	Fund Name Fund Impact	General Fund 80,000.00 80,000.00CR .00
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To provide funds from the sale of surplus vehicles and equipment for the purchase of new police vehicles.

JOURNAL	67566-67	DIVISION	Special Programs	Fund Name	Donation Fund
				Fund Impact	2,500.00
					2,500.00CR
					.00

To provide funds for Sweet 16 food cost by recognizing a donation from Lexington Convention & Visitors Bureau.

JOURNAL	67568-69	DIVISION	Special Programs	Fund Name	Donation Fund
				Fund Impact	420.00
					420.00CR
					.00

To provide operating expense by recognizing revenue from Lexington Professional Baseball for the installation and removal of banners.

JOURNAL	67682-83	DIVISION	Adult & Tenant Services	Fund Name	Tenant Relocation Fund
				Fund Impact	30,000.00
					30,000.00CR
					.00

To decrease transfer from General Fund and expense budget for Tenant Relocation assistance based on current needs for burial assistance in the General Fund.

JOURNAL	67719-20	DIVISION	Environmental Policy	Fund Name	Urban Fund
				Fund Impact	8,094.00
					8,094.00CR
					.00

To provide funds for professional services to cover expenses of Shillito Park Underground Storage Tank Site Check based on revenues received.

JOURNAL	67662	DIVISION	Grants and Special Projects	Fund Name	US Department of HUD
				Fund Impact	479,790.68
					479,790.68CR
					.00

To amend CDBG 2008 to reflect expenses incurred.

JOURNAL	67618-19	DIVISION	Grants and Special Projects	Fund Name	US Department of Transp
				Fund Impact	620,000.00
					620,000.00CR
					.00

To budget additional federal funds for Clays Mill Road Improvements per Supplemental Agreement No 5.

JOURNAL	67677	DIVISION	Grants and Special Projects	Fund Name	US Dept Homeland Sec
				Fund Impact	85,113.95
					85,113.95CR
					.00

To amend Metropolitan Medical Response System (MMRS) 2007 to reflect actual expenditures.

JOURNAL	67678	DIVISION	Grants and Special Projects	Fund Name Fund Impact	US Dept Homeland Sec 1,000.00 1,000.00CR .00
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To amend Metropolitan Medical Response System (MMRS) 2012 to provide for the purchase of HAL S3000 Tetherless Patient Simulator.

JOURNAL	67679	DIVISION	Grants and Special Projects	Fund Name Fund Impact	US Dept Homeland Sec 17,316.98 17,316.98CR .00
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To amend Metropolitan Medical Response System (MMRS) 2011 to provide for the purchase of HAL S3000 Tetherless Patient Simulator.

JOURNAL	67383-84	DIVISION	Grants and Special Projects	Fund Name Fund Impact	Grants - Other 8,000.00 8,000.00CR .00
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To establish grant budget for the Plant for the Planet project.

JOURNAL	67757	DIVISION	Grants and Special Projects	Fund Name Fund Impact	Grants - State 10,000.00 10,000.00CR .00
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To amend Kentucky Pride 2013 to provide funds for Streets and Roads personnel costs.

JOURNAL	67664	DIVISION	Water Quality	Fund Name Fund Impact	Sanitary Sewer Fund 500,000.00 500,000.00CR .00
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To decrease funds for remodeling and transfer funds to Sanitary Sewer Construction Fund to combine with other SCADA electrical work.

JOURNAL	67675	DIVISION	Law	Fund Name Fund Impact	Sanitary Sewer Fund 1,500.00 1,500.00CR .00
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To provide funds in the Sewer Fund to replace outdated copier for the division. This cost is to be split among three funds (General, Sewer, and Landfill based on the work done by the division.)

JOURNAL	67572	DIVISION	Water Quality	Fund Name Fund Impact	Sanitary Sewer Constr. 324,672.56 324,672.56CR .00
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To allocate budgeted cost savings from the SSA effort to the West Hickman WWTP upgrade related to SCADA. The additional investment provides an estimated \$56,000 in annual operational savings.

JOURNAL	67665-66	DIVISION	Water Quality	Fund Name	Sanitary Sewer Constr.
				Fund Impact	500,000.00
					500,000.00CR
					.00

To recognize a transfer from the Sewer Operating Fund and increase SCADA electrical budget to include Town Brand motor control center project.

JOURNAL	67674	DIVISION	Law	Fund Name	Landfill Fund
				Fund Impact	1,000.00
					1,000.00CR
					.00

To provide funds in the Landfill Fund to replace outdated copier for the division. This cost is to be split among three funds (General, Sewer and Landfill based on the work done by the division.)

BUDGET AMENDMENT REQUEST SUMMARY

Fund	1101	General Service District Fund	45,000.00
Fund	1103	Donation Fund	.00
Fund	1104	Tenant Relocation Fund	.00
Fund	1115	Full Urban Services District Fund	.00
Fund	3120	US Department of Housing and Urban Development	.00
Fund	3160	US Department of Transportation	.00
Fund	3200	US Department of Homeland Security	.00
Fund	3300	Grants – Other	.00
Fund	3400	Grants – State	.00
Fund	4002	Sanitary Sewer Revenue and Operating Fund	.00
Fund	4003	Sanitary Sewer Construction Fund	.00
Fund	4121	Landfill Fund	.00



Lexington-Fayette Urban County Government
DEPARTMENT OF PUBLIC SAFETY

Jim Gray
Mayor

Clay Mason
Commissioner

To: Sally Hamilton, CAO
Mayor Jim Gray
Councilmembers

From: Rodney Ballard
Rodney Ballard, Director
Division of Community Corrections

Date: January 17, 2013

Subject: Approval of Agreement with Cintas Document Management

Requesting approval of an agreement between the Division of Community Corrections and Cintas Document Management to provide shredding services.

The fiscal impact for FY2013 will be \$729.50. Funds are budgeted in 1101-505401-5421-71299.

cc: Clay Mason, Commissioner
Department of Public Safety



Lexington-Fayette Urban County Government
DEPARTMENT OF ENVIRONMENTAL QUALITY

Jim Gray
Mayor

Richard Moloney
Commissioner

MEMORANDUM

TO: Mayor Jim Gray and Urban County Council

FROM : Richard Moloney, Commissioner
Department of Environmental Quality

DATE: March 08, 2013

RE: Routeware for the next 5 calendar years to Support Plan for the Routing Project

The Division of Waste Management is requesting renewal of the Routeware Support Plan for the Routing Project for the next 5 calendar years in the amount of \$488,268.00.

The requested support plan will enable the new DWM routing system (Routeware) to have the upgrades and technical support which will be necessary to maintain the most efficient and improved reliability.

This request is fully budgeted and will be funded through the Urban Service Area Fund.

ROUTEWARE
Maintenance Agreement

Customer Name: Lexington-Fayette Urban County Government	# of Units	137	Maintenance Commitment Term Amount Expressed as per Rcore license/per month	
	Annual Maintenance Period		Maintenance cost per unit	5 Years
	Year 1: 01/1/2013 – 12/31/2013		\$48	\$78,912.00
	Year 2: 01/1/2014 – 12/31/2014		\$53	\$87,132.00
	Year 3: 01/1/2015 – 12/31/2015		\$62	\$101,928.00
	Year 4: 01/1/2016 – 12/31/2016		\$65	\$106,860.00
	Year 5: 01/1/2017 – 12/31/2017		\$69	\$113,436.00
	Total Cost (assuming no change in number of units)			\$488,268.00

This Addendum is made as of _____, 2013 ("Effective Date") by and between Routeware, Inc., having offices at 3003 SW 153rd Drive Beaverton, Oregon 97006 ("Routeware") and the above-named Customer, as it relates to maintenance and support for all Rcore, DMS 5000, DMS 3000, Homeport, and RBO software products ("Software"). The total number of applicable units as of the effective date of this Addendum is 137 units.

1. Maintenance Commitment. Customer agrees to purchase maintenance services for the Software for the fees specified above during the Commitment Term selected above. Routeware will invoice Customer for the applicable maintenance fee prior to the commencement of each annual maintenance period. The maintenance fee for each annual maintenance period is due on or before the commencement of the annual maintenance period. The maintenance fees listed above apply only to Customer's Software as of the Effective Date. Not more than once each year, Routeware will have the right to perform an audit to verify that Customer is using the Products in compliance with the Agreement. That audit will be performed during normal business hours upon not less than 15 days' prior written notice to Customer. That audit will be conducted at Routeware's sole cost and expense and will be subject to reasonable security and access restrictions. If an audit conducted under this Section discloses that Customer has underpaid by more than 5% any amounts payable under the Agreement or this Addendum during the period covered by the audit, Customer will pay Routeware the amount of that underpayment and, in addition, will reimburse Routeware's reasonable and actual costs for that audit. Maintenance is provided for currently-supported releases and operating platforms.

2. Future Maintenance Fees. After the Commitment Term, maintenance for the Software will automatically renew for subsequent annual terms unless either party gives the other party notice of nonrenewal at least sixty (60) days prior to the expiration of the existing maintenance period. Fees for renewal periods will be calculated based on the maintenance fee billed to Customer for the immediately preceding year, increased by not more than five percent (5%) plus the most recent annualized increase, if any, in the Employment Cost Index). Routeware will notify Customer of the applicable annual maintenance fee at least sixty (60) days prior to the expiration of the existing maintenance period. Should Customer terminate maintenance and then later opt to subscribe again, Customer must pay a maintenance fee to cover all interim periods at then current rates.

3. Conditions. All maintenance pricing set forth herein is conditioned upon: (i) Customer using currently-supported releases of the Software on a platform/operating system that is then-currently supported by Routeware and the platform/operating systems' vendor(s); (ii) Customer continuing to subscribe to such maintenance on an uninterrupted basis; and (iii) Customer's usage not exceeding the number of licensed units as of the Effective Date. All fees are shown in \$US and are exclusive of taxes.

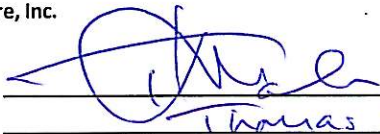
4. Early Termination. Customer may terminate maintenance for the Software during the Commitment Term with sixty (60) days' written notice to Routeware, provided that Customer shall be obligated to immediately pay to Routeware one hundred percent (100%) of the maintenance fees for the balance of the Commitment Term. Routeware shall have the right to retain (without refund to Customer) all maintenance fees previously paid by Customer to Routeware pursuant to this Agreement.

This Agreement supersedes all prior understandings and agreements by the parties relating to maintenance of the Software. This offer expires if not signed by Customer and returned to Routeware by **February 28, 2013**.

Lexington-Fayette Urban County Government

By: _____
Name: _____
Title: _____
Date: _____

Routeware, Inc.

By: 
Name: Thomas Malone
Title: CEO
Date: 2-8-13



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Division of Grants and Special Programs

**TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL**

**FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS**

DATE: MARCH 5, 2013

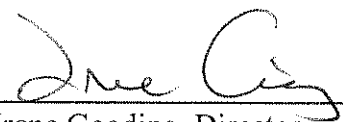
**SUBJECT: REQUEST COUNCIL AUTHORIZATION TO EXECUTE
AGREEMENT WITH UNIVERSITY OF KENTUCKY ALBERT B.
CHANDLER MEDICAL CENTER FOR USE OF EMERGENCY
ROOM AS CLINICAL PRACTICE AREA FOR SEXUAL
ASSAULT TREATMENT PROGRAM—FY 2013**

The Lexington-Fayette Urban County Government has been awarded federal funds under the Violence Against Women Act by the Kentucky Justice Cabinet for the continuation of the Sexual Assault Treatment Center in the Division of Police. This program provides for the use of specially trained Sexual Assault Nurse Examiners (S.A.N.E.s) for the performance of forensic examinations on the victims of sexual assault. In order to provide the victims of sexual assault with maximum privacy, only one area hospital emergency room will be used for all examinations. The University of Kentucky has agreed to continue its allocation of emergency room space to this program at a cost of \$250 per month for the year 2013. Total cost is \$3,000.

Funds are budgeted as follows:

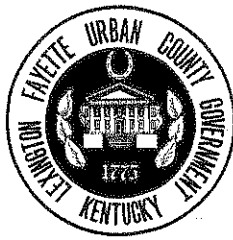
FUND	DEPT ID	SECTION	PROJECT	BUD REF	ACCT	ACTIVITY
3140	505506	5561	SANE_2013	2013	71302	FED_GRANT

Council authorization to execute agreement is hereby requested.


Irene Gooding, Director

Xc: Clay Mason, Commissioner of the Department of Public Safety

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Division of Grants and Special Programs

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: MARCH 5, 2013

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO SUBMIT
APPLICATION TO, AND ACCEPT AWARD IF OFFERED FROM
THE KENTUCKY JUSTICE AND PUBLIC SAFETY CABINET
FOR LAW ENFORCEMENT SERVICE FEE GRANT PROGRAM -
FY 2014

The Division of Police has prepared an application for submission to the Kentucky Justice and Public Safety Cabinet requesting funding in the amount of \$125,000 from the Law Enforcement Service Fee Program. If approved, these funds will be used to support overtime costs of approximately 2,800 police officer overtime hours for a Traffic Alcohol Patrol. The source of funds is the Law Enforcement Service Fee Fund.

No matching funds are required.

Council authorization to submit the application and accept the award, if offered, is hereby requested.

Irene Gooding, Director

Xc: Clay Mason, Commissioner of Public Safety

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Division of Grants and Special Programs

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: MARCH 5, 2013

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO SUBMIT APPLICATION AND
ACCEPT AWARD, IF OFFERED, TO THE KENTUCKY JUSTICE AND PUBLIC
SAFETY CABINET FOR THE CONTINUATION OF THE STREET SALES
DRUG ENFORCEMENT PROJECT FOR FY 2014

The Division of Police has prepared a grant application for submission to the Kentucky Justice and Public Safety Cabinet requesting federal funding for continuation of the Street Sales Drug Enforcement project for Fiscal Year 2014. LFUCG is requesting federal funds in the amount of \$75,000 to continue the activities of the Lexington-Fayette Urban County Government's Division of Police and the Fayette County Commonwealth Attorney's Office in their attempts to arrest and convict the street level drug dealers. A local match of 25% (\$25,000) is required. Match is included in the Division of Police's 2014 General Fund budget request. Total project cost is \$100,000.

The Division of Police will use these funds for overtime expenses, and the Commonwealth Attorney will use funds to support the employment of a full-time assistant prosecutor. The source of these federal funds is the Edward Byrne Memorial Justice Assistance Grant Program in the U.S. Department of Justice.

Council authorization to submit application and accept the award of federal funds, if offered, is hereby requested, subject to the availability of sufficient funds in FY 2014.

Irene Gooding, Director

Xc: Clay Mason, Commissioner of Public Safety

HORSE CAPITAL OF THE WORLD

200 East Main Street 6th Fl Lexington, KY 40507 PH (859)258-3070 FAX (859)258-3081 www.lexingtonky.gov



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Division of Grants and Special Programs

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: MARCH 5, 2013

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO EXECUTE SUPPLEMENTAL AGREEMENT NO. 5, ACCEPTING ADDITIONAL FEDERAL FUNDING FROM THE KENTUCKY TRANSPORTATION CABINET FOR ADDITIONAL CONSTRUCTION OF THE CLAYS MILL ROAD IMPROVEMENTS PROJECT

On July 1, 2003 (Ordinance No. 174-2003), Council approved acceptance of award from Kentucky Transportation Cabinet in the amount of \$276,000 in federal funding [Surface Transportation Lexington (SLX)] for the design phase of the Clays Mill Road. Project required a 20% local match in the amount of \$60,000 for a total design cost of \$345,000. Project includes the area from the intersection with New Circle Road to the intersection with Man O War Boulevard.

On June 7, 2007 (Ordinance No. 120-2007), Council approved execution of Supplemental Agreement No. 1, accepting additional federal funds in the amount of \$487,760 for additional design costs and for the right-of-way acquisition phases of the project. These additional federal funds required \$121,940 in local match.

On September 18, 2008 (Ordinance # 213-2008), the LFUCG executed Supplemental Agreement No. 2 with the Kentucky Transportation Cabinet for the utilities phase of the Clays Mill Road Improvements Project from New Circle Road to Twain Ridge Drive. Supplemental Agreement No 2 provided \$770,000 in federal funds for this phase, requiring a local match in the amount of \$192,500.

On October 21, 2010 (Ordinance No. 188-2010), Council approved acceptance of federal funds in the amount of \$4,200,000 (Supplemental Agreement No. 3) for additional design and for improvements to Clays Mill Road from New Circle Road to Man O' War Boulevard. A match in the amount of \$15,000 was required.

On December 6, 2012 (Resolution No. 702-2012), Council approved acceptance of federal funds (Supplemental Agreement No. 4) in the amount of \$2,480,000 for additional design and for construction to Clays Mill Road Improvements Project for Sections 2B (from Higbee Mill Road to Twain Ridge Drive) and 2C (from Keithshire Way to Waco Drive).

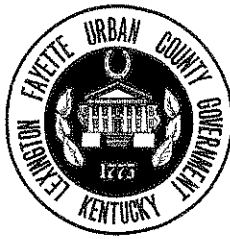
The Kentucky Transportation Cabinet has now offered the LFUCG additional federal funds (Supplemental Agreement No. 5) in the amount of \$620,000 for the construction phase of this project. KYTC has approved toll credits in lieu of local match for funds awarded in Supplemental Agreement No. 5. The total now made available from KYTC for this project is \$8,823,760.

Council authorization to accept additional federal funding in the amount of \$620,000 and to execute Supplemental Agreement No. 5 is hereby requested.


Irene Gooding, Director

Xc: Derek Paulsen, Commissioner of the Department of Planning, Preservation, and Development

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Division of Grants and Special Programs

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: MARCH 8, 2013

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO SUBMIT GRANT
APPLICATION TO THE KENTUCKY ENERGY AND ENVIRONMENT
CABINET, AND TO ACCEPT AWARD IF OFFERED, REQUESTING
FUNDS IN THE AMOUNT OF \$24,918 FOR PURCHASE OF
DUMPSTERS AND ROLLOFF CONTAINERS FOR USE IN THE
RECYCLING PROGRAM UNDER THE KENTUCKY RECYCLING
GRANT PROGRAM FOR FISCAL YEAR 2014

The Department of Environmental Quality/Division of Waste Management has prepared an application requesting state funds from the Kentucky Energy and Environment Cabinet under the Kentucky Recycling Grant Program. Funds in the amount of \$24,918 are being requested for the purchase of twelve (12) eight cubic yard dumpsters to be placed at schools that produce large quantities of recyclable comingled material and three (3) fourteen yard rolloff containers to be placed in public areas of the city that don't have LFUCG's recycling services.

The purpose of this project is to increase recycling in Lexington. The dumpsters will replace Rosies at twelve schools that are large producers of recyclables. The comingled recycling dumpsters are more efficient when recycling for large producers. The rolloff containers will be placed in areas that are not served by LFUCG Waste Management.

The project requires a grant match in an amount equal to 25% of the grant funds requested. Division of Waste Management will use \$2,587 in personnel costs (existing staff) and \$5,000 in professional services for graphic design and installation of wrapping for the three recycling rolloffs. These matching funds have been requested in the 2014 budget for the Urban Services Fund (1115). Total project cost is \$32,505.

Council authorization to submit the application and accept the award if offered is hereby requested.

Irene Gooding, Director

Xc: Richard Moloney, Chief Administrative Officer

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Division of Grants and Special Programs

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: MARCH 9, 2013

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO SUBMIT APPLICATION
FOR A VIOLENT GANG AND GUN CRIME REDUCTION PROGRAM
(PROJECT SAFE NEIGHBORHOODS) GRANT— FY 2014

An application has been prepared for submission to the U.S. Department of Justice under the 2013 Violent Gang and Gun Crime Reduction Program, also known as Project Safe Neighborhoods Grant Program. Project Safe Neighborhoods (PSN) is designed to create safer neighborhoods through a sustained reduction in crime associated with gang and gun violence. The program's effectiveness is based on the cooperation of local, state, and federal agencies engaged in a unified approach. The U.S. Attorney (USA) is responsible for establishing a collaborative PSN task force of federal, state, and local law enforcement and other community members to implement gang and gun crime enforcement, intervention and prevention initiatives within the district. This program was formerly funded based upon a formula; however, beginning with the 2012 submission has become competitive.

The amount of federal funds requested is \$300,000. The Lexington Fayette Urban County Government will serve in the capacity of fiscal agent. No matching funds are required. If approved funds will be used by the LFUCG and Kentucky State Police for targeted law enforcement, by Commonwealth Attorneys in Fayette County, Kenton County, and the 28th Judicial Circuit for prosecution of gang/gun crimes, and by Fayette County Public Schools for a gang prevention program based by Martin Luther King Academy for Excellence.

Council authorization to submit the application is hereby requested.

Irene Gooding, Director

Xc: Clay Mason, Commissioner of the Department of Public Safety

HORSE CAPITAL OF THE WORLD

200 East Main Street 6th Fl Lexington, KY 40507 PH (859)258-3070 FAX (859)258-3081 www.lexingtonky.gov



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Division of Grants and Special Programs

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: MARCH 11, 2013

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO SUBMIT CONTINUATION
APPLICATION TO THE U.S. DEPARTMENT OF JUSTICE/OFFICE ON
VIOLENCE AGAINST WOMEN UNDER THE GRANTS TO ENCOURAGE
ARREST POLICIES AND ENFORCEMENT OF PROTECTION ORDERS
PROGRAM

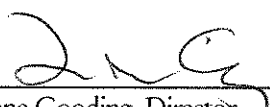
The LFUCG Division of Police in collaboration with community partners serving the victims of domestic violence has prepared a continuation application for submission of the U.S. Department of Justice/Office on Violence Against Women requesting \$300,000 in federal funds from the Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program. No matching funds are required.

An Arrest Policies grant was first approved by the Office on Violence Against Women on July 1, 2006, on July 1, 2009, and on October 1, 2011, for a total award of \$1.2 million. These funds were originally used to provide additional training on domestic violence for police recruits and for patrol officers, overtime for patrol officers for the purpose of providing additional hours in apprehending violators and building cases for prosecution, and the creation of two victim advocate positions in the Division of Police. The purpose of the project is to hold offenders of domestic violence accountable for their actions through investigation, arrest, and prosecution.

The continuation application will provide for funding to continue the employment of the one victim assistant, required OVW training, police overtime for purposes of apprehending violators, victim services through community partners, and support of innovative practices to address domestic violence. U.S. Department of Justice, Office on Violence Against Women has reduced maximum funding for continuation projects from \$400,000 for a two-year period to \$300,000 for a three-year period.

The application requires execution of a Memorandum of Understanding among all community partners. Along with the police, this partnership includes prosecution, Legal Aid of the Bluegrass, the Fayette County Sheriff's Office, District Court, Family Court, Cabinet for Health and Family Services, the Bluegrass Domestic Violence Program, Bluegrass Rape Crisis Center, the Fayette County Domestic Violence Prevention Board, Fayette County Attorney, Fayette County Commonwealth Attorney.

Council authorization to submit the application and to authorize execution of the Memorandum of Understanding by Mayor with community partners is hereby requested.


Irene Gooding, Director

Xc: Clay Mason, Commissioner of the Department of Public Safety

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Division of Grants and Special Programs

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS

DATE: MARCH 11, 2013

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO SUBMIT APPLICATION
TO THE U.S. DEPARTMENT OF JUSTICE, OFFICE ON VIOLENCE
AGAINST WOMEN FOR CONTINUATION OF A SAFE HAVENS
PROJECT—FY 2014

Since October 2004, the Lexington-Fayette Urban County Government has received federal funds from the U.S. Department of Justice, Office on Violence Against Women for implementation of a project under the Safe Havens: Supervised Visitation and Safe Exchange Grant Program. The purpose of these funds is to provide safe and affordable supervised visitation and monitored exchange services to victims of domestic violence, child abuse, stalking, and sexual assault. A Safe Havens consultation committee was formed and facilitated by the Domestic Violence Prevention Board to oversee the project and to develop a coordinated community approach to visitations and exchanges. In addition to the Domestic Violence Prevention Board, organizations participating in the program include LFUCG Department of Social Services, Sunflower Kids, Inc., a private nonprofit organization offering supervised visitation and exchanges; Friend of the Court, Fayette County Circuit Court; Fayette Family Court; Rape Crisis Center of the Bluegrass; Bluegrass Domestic Violence Program, Kentucky Cabinet for Health and Family Services, and law enforcement agencies:

A three-year application for federal continuation funds is now being proposed for submission. If approved, funding in the amount of \$650,000 for a three-year period will be awarded. If approved funds will be used to continue operating the Sunflower Kids visitation center, to expand services to two additional visitation sites in other counties, and to continue partial contractual funding of the Director of the Fayette County Violence Prevention Board for oversight of the project. No matching funds are required.

Council authorization to submit the application and to authorize Mayor to sign the Memorandum of Understanding with other service agencies participating in the project is hereby requested.


Irene Gooding, Director

Cc: Beth Mills, Commissioner, Department of Social Services

HORSE CAPITAL OF THE WORLD

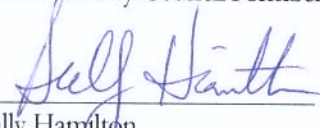


Lexington-Fayette Urban County Government
CHIEF ADMINISTRATIVE OFFICE

Jim Gray
Mayor

Sally Hamilton
CAO

TO: Mayor Jim Gray
Urban County Council Members

FROM: 
Sally Hamilton
Chief Administrative Officer

DATE: March 11, 2013

RE: Advertise for Electric and Gas Franchise Ordinance

The administration is recommending that the franchise ordinances for the electric and gas franchises be adopted by Council and offered for bid to the utilities. Under state law, utility franchises are required to be advertised for bid in order for the utility to use the local government's public rights-of-way to locate its facilities. The proposed ordinances are the result of extensive negotiations with the interested utilities. The proposed franchises are 5 years in duration and Lexington may extend them with identical terms for up to 2 additional 5 year periods. The franchise fee will automatically be set at 3%, but Lexington may raise the fee to a maximum of 5% at any time during the life of the franchise.

There will be a separate presentation on these franchises at the Council work session on March 19, 2013. Please contact David Barberie in the Department of Law should you have any questions.

ORDINANCE NO. _____-2013

AN ORDINANCE CREATING AND ESTABLISHING FOR BID A NON-EXCLUSIVE GAS FRANCHISE FOR THE PLACEMENT OF FACILITIES FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF GAS FOR HEATING AND OTHER PURPOSES WITHIN THE PUBLIC RIGHTS-OF-WAY FOR AN INITIAL PERIOD OF FIVE YEARS WITH UP TO TWO RENEWAL PERIODS OF FIVE YEARS EACH; IN RETURN FOR PAYMENT TO THE URBAN COUNTY GOVERNMENT OF THE SUM OF AT LEAST THREE PERCENT (3%) OF EACH FRANCHISEE'S GROSS ANNUAL REVENUES RECEIVED FROM THE SERVICES PROVIDED WITHIN FAYETTE COUNTY, WITH THE ABILITY TO BE RAISED TO FIVE PERCENT (5%); AND FURTHER PROVIDING FOR COMPLIANCE WITH RELEVANT LAWS, REGULATIONS AND STANDARDS; A PERFORMANCE BOND; INDEMNIFICATION; INSURANCE; ACCESS TO PROPERTY AND INSPECTIONS; REPORTING; AUDITS; NOTICE OF FILINGS WITH THE PUBLIC SERVICE COMMISSION; CANCELLATION OR TERMINATION; PENALTIES FOR VIOLATIONS; AND BID REQUIREMENTS; ALL EFFECTIVE ON DATE OF PASSAGE.

BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - There is hereby created a non-exclusive franchise to acquire, lay, maintain and operate in the public streets, alleys, avenues, public roads, highways, sidewalks and other public ways of the Lexington-Fayette Urban County Government (hereinafter the "Rights-of-way"), a system of mains, pipes, fixtures and appliances for the transmission, distribution and sale of gas for heating and other purposes, subject to all the provisions of this Ordinance and any franchise agreement entered into pursuant to the terms of this Ordinance. This Ordinance does not excuse the franchisee from complying with any and all existing and future local laws and ordinances, as may be amended, including but not limited to the terms and provisions of Chapters 17, 17B, and 17C of the Code of Ordinances, Lexington-Fayette Urban County Government (the "Code"), and any applicable provisions of its zoning ordinance as may be amended (the "Zoning Ordinance"), which are incorporated herein by reference, and shall apply as if fully set forth herein to the extent that there is no express conflict with the terms or provisions of this Ordinance.

Section 2 - The person, firm or corporation that shall become the purchaser of said franchise, or any successor or assignee of such person, shall hereinafter be referred to as the "Company". The Lexington-Fayette Urban County Government shall hereinafter be referred to as "Lexington", or the "Government". The applicable definitions and terminology contained in the provisions of the Code and/or the Zoning Ordinances shall apply.

Section 3 - The Company acquiring this franchise shall have the right and privilege of laying, maintaining and operating gas mains and pipes, equipment and apparatus, and appurtenances necessary or appropriate in connection therewith, in, along and under the Rights-of-way within the corporate boundaries of Lexington as they now exist or may hereafter be extended (referred to herein as "System" or "Facilities"); subject to the provisions hereof and to all powers (including police power) inherent in, conferred upon, or reserved to Lexington, including but not limited to those contained in the Code.

Section 4 – In the operation of its System as it relates to the rights conferred by this franchise, the Company shall conform to at least the minimum standards or requirements contained in federal or state law or regulation related to transportation of gas and liquids by pipeline. In addition to complying with all of the requirements contained in federal or state law or regulation, and the Code (as may be amended), the Company agrees that:

(a) All working facilities and conditions used during construction, installation and maintenance of Facilities under this franchise shall comply with the standards of the Occupational Safety and Health Administration;

(b) It shall construct and operate the System and Facilities under this franchise in accordance with all generally accepted related industry codes and standards that are applicable;

(c) It guarantees the first-class quality of all construction and of all materials and equipment used or installed under this franchise. In case of any defect in the work, materials or

equipment, whether latent or patent, the Company will forthwith remedy such defects without cost to Lexington; and

(d) In the construction or reconstruction or maintenance or removal of any of said Facilities, the Company shall have due regard for the rights of Lexington and others, and shall not interfere with, or in any way injure the property of Lexington or others lawfully under, on, or above the Right-of-way. The Company shall comply with all the laws of the Commonwealth of Kentucky and the Code as to placing lights, danger signals or warning signs and shall be liable for any and all damage that may arise by reason of its failure or neglect to comply with the Code and laws. Work by the Company hereunder shall be done in a workmanlike manner and so as not to unnecessarily interfere with public use of the Rights-of-way.

Section 5 – The Company shall comply with all of the requirements of the Code (as may be amended), and more specifically, Section 17C-19 of the Code, pertaining to government or public construction and/or street projects.

Section 6 – In addition to any performance bond(s) required pursuant to Section 17C-23 of the Code, the Company may be required to provide a performance guarantee for significant projects with construction costs of one hundred thousand dollars (\$100,000) or more involving the Rights-of-way. This performance guarantee shall be set in an amount and duration to be determined by the Chief Administrative Officer of Lexington or his or her designee upon discussing and verifying the scope of such a project with the Company, and shall be in favor of Lexington to be issued by an entity subject to jurisdiction and venue in Fayette County, Kentucky. In no event shall the total cumulative amount of such performance guarantee exceed two hundred thousand dollars (\$200,000), unless otherwise provided in this Ordinance or by law.

Section 7 – As consideration for the granting of this franchise, the Company agrees to defend, indemnify, and hold harmless Lexington consistent with the indemnification and hold

harmless provisions as set forth in Section 17C-17 of the code, or as it may be amended in the future. The obligation to defend, indemnify and hold harmless does not include defending, indemnifying, and holding harmless Lexington for its own negligent acts or intentional acts.

Section 8 - The Company shall comply with all applicable federal, state or local non-discrimination and affirmative action requirements of any laws, regulations and executive directives, and shall not discriminate in its employment practices against any employee or applicant for employment because of race, color, religion, national origin, sex, age or physical handicap.

Section 9 - The Company agrees to procure and maintain throughout the term of any franchise agreement awarded pursuant to this Ordinance and any extension thereof, commercial general liability insurance in the principal amount of at least One Million dollars (\$1,000,000) per occurrence with a Two Million Dollar (\$2,000,000.00) aggregate, with an insurance company authorized to do business in the Commonwealth of Kentucky with the provision, "it is agreed and understood that the Lexington-Fayette Urban County Government, its agents, employees, officers and elected officials, as their interests may appear, are additional insureds, in the same manner as if a separate policy had been issued, under the provision of the policies required to be issued during the term of this franchise or as otherwise required by this Ordinance." All insurance policies shall be broad form in nature and shall be through a company with an A.M. Best Rating of "A" or better, admitted to do business in Kentucky, and the contract shall be non-cancelable without at least thirty (30) days advance written notice by registered mail to Lexington from the insurance company.

Section 10 – (a) Lexington, through its Mayor or his designee, or through such assistants as Lexington may employ or designate, may, at all reasonable times and under reasonable conditions with prior notice, have access to all or any of the property owned or used in part or in

whole by the Company in its operating and maintaining the System under this franchise and located within the Rights-of-way. In like manner, Lexington's above-mentioned officers and assistants may at all reasonable times and under reasonable conditions with prior notice, inspect, examine or verify all or any of the accounts, books, records, contracts, documents or papers of the Company relating to gross revenues in Fayette County in order to audit and recompute any amounts determined to be payable under this Ordinance consistent with the provisions of Section 20(b) of this Ordinance. In the event that Lexington determines that it desires an audit of this franchise, the Company agrees to comply with all reasonable requests of Lexington pertaining to obtaining any necessary information or documentation from the Company reasonably necessary to the administration of this franchise, subject to any reasonable confidentiality agreement. The Company has the right, at all reasonable times and under reasonable conditions with prior notice, to have access to all or any of the property, including financial records, accounts, books records, contracts, documents, or papers, including such records of any auditor, consultant or other contractor of Lexington's relating to Lexington's audit, computation or re-computation of any fees established under this ordinance and the administration of this franchise, subject to any reasonable confidentiality agreement.

(b) The Company agrees further to furnish the Mayor or his designee timely written notice of its filing an application with the Public Service Commission for an increase in general rates or change in its billing practices concurrent with said filing. Should Lexington choose to intervene in the Commission action, the Company shall not oppose such intervention, and Lexington shall be given access to records related to said application, as required by the Commission.

(c) The Company agrees to provide Lexington and/or its Council with information pertaining to its provision of services pursuant to this franchise upon reasonable

request. This shall include, but is not necessarily limited to, attending official public meeting(s) at which some or all the Councilmembers are in attendance (in order to provide such information upon reasonable advanced notice) and providing an annual update to the Council upon its request.

Section 11 - (a) The franchise hereby created shall be for an initial period of five (5) years from the date of acceptance by the Urban County Council.

(b) This franchise may be renewed for up to two (2) additional terms not to exceed five (5) years each upon the request of the Company and the approval of the request by the Urban County Council. The request shall be made in writing to Lexington's Mayor and Vice-Mayor at least one hundred eighty (180) days, but no earlier than one (1) year, in advance of the termination date of the Company's franchise agreement. The ultimate decision of whether to grant an additional franchise term shall solely be that of the Government.

(c) In addition, the term of the franchise may be extended up to twelve (12) months by agreement of the parties in order to provide for the good faith negotiation of a new franchise.

(d) This franchise is not exclusive, and the Government reserves the right to grant similar franchises to more than one Company. All franchises awarded pursuant to this Ordinance are intended to terminate at the same time. Therefore any other Company awarded a franchise pursuant to this Ordinance shall only be awarded a franchise that is equal in duration to the remaining term of the initial franchise(s).

(e) This franchise creates no vested rights in the Company and any installation or emplacement of Facilities by the Company in the Rights-of-way is at the Company's risk. If the Company is not granted a new or extended franchise upon the expiration of the term for which the franchise is granted, or if the Company's franchise is terminated or cancelled, as provided for

herein, Lexington shall have the right to require the Company to remove at its own expense all portions of the system from all Rights-of-way within the confines of Fayette County. The Company shall be provided a reasonable time within which to remove its facilities.

(f) No assignment of this franchise or the System subject to this franchise shall take place without at least sixty (60) days advance written notice to Lexington, and consent by Lexington, which consent shall not be unreasonably withheld. In the event that such an assignment is subject to the jurisdiction of the Public Service Commission, the Company agrees not to object to Lexington's intervention in any action before the Public Service Commission on this subject.

(g) The Company shall not object to Lexington's intervention in any action before the Public Service Commission involving the transfer of control of the Company.

(h) In the event that the Company, or its parent entity, announces through a public filing with the Securities and Exchange Commission, or other public agency filing, that a majority, or more, of the assets of the Company, are available for sale to the public separate and apart from the sale or transfer involving additional companies or assets owned by a parent entity and that such sale involves the seeking of publicly solicited bids for such Company's assets, the Company shall notify Lexington in writing within ten (10) business days of such filing. Lexington shall then be provided a period of time not less than the period of time allowed by any other potential bidder, and in accordance with the procedure set forth by the Company, to determine whether it wishes to make an offer on the assets that become available for sale and submit its offer. However, such right to make an offer shall not preclude other parties from making offers, nor does such an offer create an obligation on the Company to accept such offer or delay a sale or transfer of the assets nor is this provision intended to prevent the Company, its Board of Directors and its officers from exercising their regulatory and fiduciary duties in the decision to

accept, reject, modify or alter any offer submitted by any bidder or to amend or withdraw the procedure established for the solicitation of such bids. Lexington recognizes that the terms of this section are applicable only in the event that bids are publicly solicited according to this section.

Section 12 - (a) If, after the Company is provided the opportunity to appear and present evidence before Lexington's Chief Administrative Officer or his designee, Lexington determines that the Company has violated any of the following provisions of this Ordinance, the following penalties shall be recoverable. The above-determination, which must be in writing and provide the basis for the decision, shall be the final administrative decision, which may be appealed to a court of competent jurisdiction.

(1) For failure to complete any construction project by no later than the ending term of any franchise awarded pursuant to this Ordinance or any extension thereof, the Company shall forfeit five hundred dollars (\$500.00) per day or part thereof that the violation continues; in lieu of a penalty, the Company may post a performance bond, letter of credit or other surety acceptable to Lexington in an amount sufficient to complete such construction projects. This section shall not apply to any projects for which performance bonds or other surety is already pledged.

(2) For failure to provide data and reports requested by Lexington and as required by this Ordinance the Company shall forfeit one hundred dollars (\$100.00) per day or part thereof that the violation continues.

(3) For failure to pay the franchise fee when due pursuant to Section 19 of this Ordinance, or any itemized bill presented by Lexington pursuant to Section 5 of this Ordinance or this section, the Company shall forfeit one hundred dollars (\$100.00) per day or part thereof that the violation continues. However, this provision shall not apply if interest is assessed by Lexington pursuant to Section 20(c).

(b) If the Company fails to comply within thirty (30) days of any Council resolution directing compliance with any other provisions of this Ordinance, the Company shall forfeit one hundred dollars (\$100.00) per day or part thereof that the violation continues. The decision of the Council may be appealed to a court of competent jurisdiction.

(c) The Company shall not be excused from complying with any of the terms and conditions of this Ordinance by any failure of Lexington, upon any one or more occasions, to insist upon the Company's performance or to seek the Company's compliance with any one or more of such terms or conditions. Payment of penalties shall not excuse non-performance under this Ordinance. The right of Lexington to seek and collect penalties as set forth in this section is in addition to its right to terminate and cancel as set forth in Section 14 of this Ordinance.

Section 13 - At all times and under all circumstances the Company shall be obligated to do everything reasonably within its power to ensure that its customers in Fayette County receive uninterrupted service, unless such customer has elected interruptible service. The Company shall continue to maintain its Kentucky corporate headquarters in Lexington, Fayette County, Kentucky, and agrees that it shall be staffed, at a minimum, with appropriate decision-making personnel for operations at the local level, which shall include, but not be limited to, the acceptance of payments, receipt of customer complaints, response to emergencies, and the general provisions of customer service.

Section 14 - (a) In addition to all other rights and powers pertaining to Lexington by virtue of the franchise or otherwise, Lexington, by and through its Council, reserves the right to terminate and cancel any franchise awarded pursuant to this Ordinance and all rights and privileges of the Company hereunder in the event that the Company:

(1) Willfully violates any material provision of the franchise or any material rule,

order, or determination of Lexington made pursuant to the franchise, except where such violation is without fault or through excusable neglect, including but not limited to cases of force majeure;

(2) Willfully attempts to evade any material provision of the franchise or practices any fraud or deceit upon Lexington;

(3) Knowingly makes a material misrepresentation of any fact in the application, proposal for renewal, or negotiation of the franchise; or

(4) Fails to begin service restoration following seventy-two (72) consecutive hours of interrupted service, except when approval of such interruption is obtained from Lexington. Such approval shall not be unreasonably withheld. In cases of force majeure or acts beyond the Company's control approval shall be granted. The Company shall provide, at a minimum, daily restoration status reports.

(b) Prior to attempting to terminate or cancel this franchise pursuant to this section, the Mayor or his designee, or the Urban County Council shall make a written demand that the Company do or comply with any such provision, rule, order or determination. If the alleged violation of Section 14(a), by the Company continues for a period of thirty (30) days following such written demand without written proof that the corrective action has been taken or is being actively and expeditiously pursued, Lexington may place its request for termination of the franchise as early as the next regular Council meeting agenda. Lexington shall cause to be served upon Company, at least ten (10) days prior to the date of such Council meeting, a written notice of intent to request such termination and the time and place of the meeting, legal notice of which shall be published in accordance with any applicable laws.

(b) If the violation, found in Section 14(a) of this Ordinance, by the Company continues for a period of thirty (30) days following such written demand without written proof that the corrective action has been taken or is being actively and expeditiously pursued, Lexington

may place its request for termination of the franchise as early as the next regular Council meeting agenda. The Government shall cause to be served upon Company, at least ten (10) days prior to the date of such Council meeting, a written notice of intent to request such termination and the time and place of the meeting, legal notice of which shall be in accordance with any applicable laws.

(1) The Council shall consider the request of the Government and shall hear any person interested therein, and shall determine in its reasonable discretion, whether or not any alleged violation by the Company occurred or was with just cause.

(2) If such violation by the Company is found to have been with just cause, the Council shall direct the Company to comply therewith within such time and manner and upon such terms and conditions as are just and reasonable.

(3) If the Council determines such violation by the Company was without just cause, then the Council may, by resolution or ordinance, declare that the franchise of the Company shall be terminated and forfeited unless there is compliance by the Company within such period as the Council may fix.

Section 15 - The Company shall provide Lexington at least sixty (60) days advance written notice of the foreclosure or other judicial sale of all or a substantial part of the Company's Facilities, or upon the termination of any lease covering all or a substantial part of its Facilities, and such notification shall be treated as a notification that an assignment of the franchise has taken place, and the provisions of Section 11 of this Ordinance, governing the consent of the Council to such assignment, shall apply.

Section 16 – (a) The Council shall have the right to cancel this franchise thirty (30) days after the appointment of a receiver, or trustee, to take over and conduct the business of the Company, whether in receivership, reorganization, bankruptcy, or other action or proceeding,

unless such receivership or trusteeship shall have been vacated prior to the expiration of said thirty (30) days, unless:

(1) Within thirty (30) days after his election of appointment, such receiver or trustee shall have fully complied with all the provisions of this Ordinance and remedied all defaults thereunder; and,

(2) Such receiver or trustee, within said thirty (30) days shall have executed an agreement, duly approved by the court having jurisdiction in the premises, whereby such receiver or trustee assumes and agrees to be bound by each and every provision of this Ordinance and the franchise granted to the Company.

(b) The Company shall have the right to cancel this franchise upon any act of bankruptcy, receivership, reorganization, application for the appointment of a receiver, or any other initiation of insolvency proceedings on behalf of, or against, Lexington. Notwithstanding the foregoing, and subject to an order of an appointed trustee or receiver, Lexington does not waive the ability to claim that the Company is still required to pay Lexington a franchise fee in order to maintain its System or Facilities in the Rights-of-way.

Section 17 - It shall be the duty of the Mayor or his designee as soon as practicable after the passage of this Ordinance to offer for sale at public auction said franchise and privilege. In the event that additional interested bidders are identified or express an interest in obtaining a franchise after this initial offering, the additional offering and advertisement to accommodate such bidders is hereby authorized. Said franchise and privilege shall be sold to the highest and best bidder or bidders at a time and place fixed by the Mayor after he or she has given due notice thereof by advertisement or publication as required by law.

Section 18 - Bids and proposals for the purchase and acquisition of the franchise and privileges hereby created shall be in writing and shall be delivered to the Mayor or his designee

upon the date and at the time fixed by him or her in said publication or advertisement for receiving same. Thereafter, the Mayor shall report and submit to the Urban County Council, at the time of its next regular meeting or as soon as practicable thereafter, said bids and proposals for its approval. The Urban County Council reserves the right, for and on behalf of Lexington, to reject any and all bids for said franchise and privileges; and, in case the bids reported by the Mayor shall be rejected by the Urban County Council, it may direct, by resolution or ordinance, said franchise and privilege to be again offered for sale, from time to time, until a satisfactory bid therefore shall be received and approved.

(a) Each bid shall be accompanied by a nonrefundable payment to Lexington in the amount of five hundred dollars (\$500.00) to cover its cost of advertising and other administrative expenses incurred.

(b) In addition, any bid submitted by an entity or person not already owning within the territorial limits of Fayette County a plant, equipment, and/or Facilities sufficient to render the service required by this Ordinance must be accompanied by cash or a certified check drawn on a bank of the Commonwealth of Kentucky, or a national bank, equal to five percent (5%) of the fair estimated cost of the system required to render the service, which check or cash shall be forfeited to the Government in case the bid should be accepted and the bidder should fail, for thirty (30) days after the confirmation of the sale, to pay the price and to give a good and sufficient bond in a sum equal to one-fourth ($1/4$) of the fair estimated cost of the system to be erected, conditioned that it shall be enforceable in case the purchaser should fail, within sixty (60) days, to establish and begin rendering the service in the manner set forth in this Ordinance. Bids shall include such documentation as is necessary to support the bidder's determination of the fair estimated cost of the system required to render the service. Lexington reserves the right to

review any of bidder's supporting documentation which justifies bidder's determination of said estimated cost.

Section 19 - (a) In consideration for the granting of the franchise the Company agrees to pay the franchise fee as provided herein which shall automatically be established in an amount of three percent (3%) of the gross annual revenues received by the Company for the direct sale, distribution, and delivery of natural gas provided by the Company within Fayette County and rendered on its bills (excluding nonrecurring charges as defined in Chapter 807 of the Kentucky Administrative Regulations Section 5:006, now or as hereafter amended) unless Lexington establishes the franchise fee in a different amount pursuant to this section. Lexington reserves the right at any time, and upon reasonable notice, during the effective period of the franchise to be awarded hereby to impose upon the Company a franchise fee in an amount not to exceed five percent (5%), inclusive of the permitting fees provided in subsection 19(c), below, of the gross annual revenues as defined herein. At a minimum, the franchise fee is intended to apply to gross revenues related to those services which include the franchise fee as part of the tariff filed with the Public Service Commission as of the date of the adoption of this Ordinance, and the Company expressly agrees that it will continue to pay franchise fees on the gross revenues derived from these services for the duration of this franchise. The Company will also assess and pay the franchise fee on any such gross revenues from revised, amended, or additional tariffs (except for nonrecurring charges in Fayette County) unless Lexington specifically indicates that it does not want the fee to apply, and subject to any necessary approval by the Public Service Commission. Calculations of amounts payable hereunder and payments shall commence with the first billing period following tariff approval by the Kentucky Public Service Commission. The Company is otherwise required to continue submitting payments to Lexington under the terms of its existing tariff and/or franchise until such time as this tariff approval is obtained.

(b) The parties acknowledge and agree that the natural gas supplied by certain large volume suppliers is not currently included as part of the gross revenues to which the franchise fee is applied. In the event that Lexington determines during the franchise period that it wishes to pursue the collection of the franchise fee from these suppliers through the Company, it will notify the Company, in advance, of the methodology and procedures for such collection, and be subject to any necessary approval of the Public Service Commission.

(c) Pursuant to Section 17C-22 of the Code, as may be amended, the Company is also required to pay Lexington an additional amount intended to adequately compensate Lexington for its permitting and inspection of the Company's construction activities in the Rights-of-way. This amount is to be paid separately to Lexington at the time and under the terms as set forth in Chapter 17C of the Code. These permitting fees shall be in addition to the above franchise fee. These permitting fees may be calculated as an appropriate percentage of gross revenues at the option of the Company and remitted to Lexington quarterly. Notwithstanding the foregoing, the Company may elect to pay for its permit fees upon application for each respective permit upon approval of the person specified in Chapter 17C of the Code. These permitting fees are subject to change during the term of the franchise based upon an audit of the actual cost of permitting for Lexington, or a change in the amount of the respective permitting fees found in Section 17C-22 of the Code. In the event of such a change, the Company shall be provided at least sixty (60) days advance written notice.

(d) No later than ten (10) working days after final acceptance of its bid by Lexington, or any subsequent notification of any change in the amount of the fees in this Section 19, the Company shall file an application or tariff with the Kentucky Public Service Commission to provide for prompt and satisfactory cost recovery of the amount(s) payable under this Ordinance and any franchise awarded pursuant to its terms for any amounts for which it desires recovery. The

Company shall provide Lexington with copies of any tariffs it files with the Kentucky Public Service Commission related to the franchise in order to satisfy the obligations created herein.

(e) If, after a period of sixty (60) days from the filing of the Company's above application, the Kentucky Public Service Commission shall have made no final determination concerning the prompt and satisfactory recovery of amounts payable by the Company under this Section of the Ordinance, then the Company's obligation to pay the amount specified in Section 19(a) of this Ordinance shall be suspended, provided the Company shall first give Lexington ten (10) days written notice of its intention to suspend payment pending the decision of the said Commission. In the event of suspension of the Company's obligation as herein provided, Lexington shall have the option to terminate this franchise within thirty (30) days of receipt of said written notification from the Company. Notwithstanding the above, any Company that had a previously existing franchise with Lexington shall continue to pay the fees established pursuant to its previous franchise.

Section 20 - (a) Payment of any amount due under this Ordinance shall be made monthly, within thirty (30) days of the end of the preceding calendar month. Upon request, and provided the Company has the capability to do so without additional cost, Company shall deposit such payments electronically to an account specified by Lexington. In the event of suspension of the Company's obligation pursuant to Section 19(e) herein, said suspension shall not have application to any amount due hereunder for the preceding calendar month, and the gross income received by the Company during any such suspension period shall be excluded from the Company's annual gross revenues for the purpose of calculating amounts due under Section 19 (a) herein.

(b) No acceptance of any franchise fee payment by Lexington shall be construed as an accord and satisfaction that the amount paid is in fact the correct amount nor

shall acceptance be deemed a release to any claim Lexington may have for future or additional sums pursuant to this Ordinance. Lexington shall have the right to inspect the Company's income, financial, and records relating to gross revenues in order to audit, and to re-compute any amounts determined to be payable under this Ordinance. The Company shall respond to a reasonable request for information related to obtaining audit information within ten (10) business days unless agreed otherwise by the parties. This provision shall survive the term of any franchise agreement awarded pursuant to this Ordinance for a period of one (1) year. Any additional amount due to Lexington as a result of the audit shall be paid within ten (10) days following written notice to the Company by Lexington which notice shall include a copy of the audit report. If as a result of such audit or review Lexington determines that the Company has underpaid its franchise fee by five percent (5%) or more for any six (6) month period then in addition to making full payment of the relevant obligation it shall reimburse Lexington for all of the reasonable costs associated with the audit or review. If such audit or review is performed in connection with the granting of a new franchise, and extension of the terms of this franchise, a sale or transfer of control of the Company, or a substantive modification of the terms to, or an assignment of this franchise, the Company shall reimburse Lexington for all of the reasonable costs associated with the audit or review including all out-of-pocket costs for attorneys, accountants and other consultants.

(c) In the event that any franchise payment or recomputed amount is not made on or before the applicable dates heretofore specified, interest shall be charged from such date at the annual rate of eight percent (8%). Overpayments discovered by Lexington or the Company shall be an adjustment on the next monthly payment at an annual rate of interest of eight percent (8%).

(d) With respect to its billing of Lexington, Company agrees to the following:

- (1) Work with Lexington, without legal obligation, to improve electronic data sharing of billing information;
- (2) Provide a monthly excel spreadsheet sent electronically for the purposes of energy management. The file shall contain the account number, address, billing month, consumption volume and total cost of service for each account billed to Lexington; and
- (3) Upon request, an explanation of any and all billing adjustments or credits including the account(s) impacted and any and all late payments.

Section 21 – Bids offered for purchase of this franchise shall state the bidder's acceptance of the conditions set forth in this Ordinance. If any bid shall include an offer of payment over and above the terms of the franchise, then a certified check for said amount, payable to the Lexington-Fayette Urban County Government, shall be deposited with the Government. This amount shall be in addition to the provision for payments contained in Sections 18 and 19 of this Ordinance, which shall be considered as a condition of this franchise. Any check deposited by an unsuccessful bidder shall be returned when the Urban County Council shall have accepted the bid or bids, which in its judgment is or are the highest and best.

Section 22 – Any violation by the Company, its vendee, Lessee, or successor of the provisions of this franchise or any material portions thereof, or the failure promptly to perform any of the provisions thereof, shall be cause for the forfeiture of any franchise awarded pursuant to this Ordinance and all rights hereunder after written notice to the Company and continuation of such violations, failure or default, as set forth in Section 14 of this Ordinance.

Section 23 – This Ordinance and any franchise awarded pursuant to it shall be governed by the laws of the Commonwealth of Kentucky, both as to interpretation and performance. The venue for any litigation related to this Ordinance or a franchise shall be in the court of

competent jurisdiction in Fayette County, Kentucky.

Section 24 - This Ordinance and any franchise awarded pursuant to it does not create a contractual relationship with or right of action in favor of a third party against either Lexington or the Company.

Section 25 - If any section, sentence, clause or phrase of the Ordinance is held unconstitutional or otherwise invalid, such infirmity shall not affect the validity of the remaining Ordinance.

Section 26 - The franchise created by this Ordinance shall become effective when the Urban County Council accepts the bid(s) for it.

Section 27 - This Ordinance shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

MAYOR

ATTEST:

CLERK OF URBAN COUNTY COUNCIL

PUBLISHED:

00382513




Lexington-Fayette Urban County Government
OFFICE OF THE MAYOR

Jim Gray
Mayor

MEMORANDUM

TO: Jim Gray, Mayor
Urban County Council

FROM: Kevin Atkins, Chief Development Officer 
Mayor's Office

DATE: March 7, 2013

SUBJECT: Red Mile Tax Increment Financing (TIF) Development Agreement

This is a request to approve the Red Mile Development Area Tax Increment Financing (TIF) Master Development Agreement. The Red Mile Tax Increment Financing (TIF) District was established by Ordinance No. 47-2010 and amended by Ordinance No. 27-2012.

The agreement covers the spending of the incremental revenues that are to be generated by the project. The agreement is between Lexington-Fayette Urban County Government, Lexington-Fayette Urban County Government Department of Finance and The Lexington Trot Breeders Association LLC.

FOLLOW MAYOR GRAY:

www.facebook.com/JimGrayLexKY www.twitter.com/JimGrayLexKY

**Neighborhood Development Funds
March 19, 2013
Work Session**

Amount	Recipient	Purpose
\$ 600.00	Lansdowne Elementary School PTA, Inc. 336 Redding Road Lexington, KY 40517 Mary Beth Huffman	To provide funding for reading instruction materials
\$ 725.00	Northside Neighborhood Association P.O. Box 622 Lexington, KY 40588-0622 Win Meeker	To provide funds for the semi-annual Historic Homes and Gardens Tours



General Government Committee

March 5th, 2013

Summary and Motions

Chair Steve Kay called the meeting to order at 11:00am. Committee Members present were VM Linda Gorton, Chris Ford, Shevawn Akers, Julian Beard, Jenny Scutchfield, George Myers, Harry Clarke and Ed Lane. Kevin Stinnett attended as a non-voting member.

1. Approval of Summary

Motion by Akers to approve the summary. Seconded by Lane.

Motion by Gorton to amend the motion to add Diane Lawless and Julian Beard to the meeting attendees listing. Seconded by Ford. Motion passed without dissent.

Akers motion passed without dissent.

2. Amendment of Section 4.104 of the Council Rules

Glenda George from the Law Department came to the podium to present. She said that she made all of the changes that were requested at the last General Government Committee meeting.

Motion to approve the amendments to Section 4.104 of the Council Rules by Clarke. Seconded by Lane.

Gorton expressed concerns about transparency since the items listed under Legislative Review would not be part of the permanent record. She said that the reason they give items two readings is so they become a part of the official record. She said that the links from Legistar are not part of the official record. Gorton said that she may need to vote no.

Beard asked George if it was state law that ordinances have two readings. George said that the Susan Lamb, the Council Clerk, would have to answer that. Beard also expressed concern about change orders and said he was not ready to support the amendments.

Stinnett said that the process to amend Section 4.104 began four years ago to make things more efficient, but feels that these changes will merely add another item to the Work Session agenda under Legislative Review, making the process less efficient. He said that he believes that price

contracts and change orders need to stay on the docket. He said that he thinks this process will make things less transparent. Stinnett said that he would like to keep the process the way it is.

Beard asked Lamb about transparency. Lamb said that with the advent of Legistar, the work of the Council has become very transparent and noted that members of the public must access Legistar through an internet connection. She said that the Legistar system is very user friendly.

Ford asked about the items that would fall under the Legislative Review. He suggested putting them under one resolution like personnel actions. George said that if they are going to put them on the docket, it would be better to leave things as they are.

Akers asked why the Council has spent four years working on this when it appears that none of the Council supports it.

Lane said that he introduced the idea when the economy was more robust. He said there was also an issue with advertising. The whole idea was to save money, speed up the meetings and focus more time on the important issues before Council. He said that since then, the economy has slowed and there are not as many items coming forward for the docket.

Lane suggested removing sections b, c, and j.

Myers said that even with donations it is important to read them twice so that citizens have a trail to follow. He reminded Council Members about the helicopter that was donated to the LFUCG. He said that there were future costs associated with accepting it. Myers also mentioned that it helps to see which companies are being awarded contracts and donating items.

Motion by Beard to table the issue for a period not to exceed one year. Seconded by Gorton. Motion failed 3-5. Kay, Akers, Clarke, Lane and Ford voted nay.

Myers said that Work Sessions are for work and that it is important to allow constituents the opportunity to attend or watch the Council meetings on Thursday evenings.

Motion by Ford to amend Clarke's motion to strike under Legislative Review, sections b, c, and j. Seconded by Lane. Motion passed 6-2. Beard and Myers voted nay.

Motion by Myers to amend to strike sections a, e and i. Motion died for a lack of a second.

George reminded Committee members that the Urban County Council shall review and discuss each item listed on the Work Session agenda under Legislative Review and can refer it to a Council committee, refer it back to the administration for additional information, can place it on the docket, or can take no action.

Amended motion passed 5-3. Beard, Myers, and Gorton voted nay.

3. Website Linking Policy

Scott Shapiro came to the podium to present. He said that the CAO can now add or remove a link. Also, the changes will allow for-profit entities that are co-sponsoring an event to be linked from www.lexingtonky.gov.

Gorton asked about linking to for-profit entities. Shapiro said that Keith Horn and Myers both had concerns about this. The links can go right to an advertisement and Shapiro said that that type of link is not what he wants to see. Jerry Hancock from the Division of Parks and Recreation gets sponsorships by using links to the for-profit entities. Gorton said that she would like to see logos instead of links. Shapiro said that he would also like the logo instead of the link.

Myers asked about the section entitled “External Website Building.” Myers said that if the policy passes, the LFUCG webmaster would no longer be able to build websites for others, like in the instance of the Friends of the Skatepark group. Shapiro said yes, the LFUCG would stop building those types of sites. However, he said they could still be linked. Although he disagreed with the building of external sites for entities that the LFUCG has an agreement with, Myers said that overall he thinks the policy is great.

Beard asked about logos. Shapiro said that the logos would be on event pages. If an entity sponsors an event with the LFUCG, the logo could be a link.

Shapiro said that he would work on the final point and get the policy completed. Kay confirmed that they could remove the issue from Committee.

Myers asked Shapiro again about the LFUCG creating web pages for entities. Myers said that we could get a good return on investment. Shapiro said that the issue may be beyond the scope of the CAO policy. Shapiro said that his question would be when the website would be built; before the money was raised or after?

Myers said that the entity would have to have a signed agreement with the LFUCG. Shapiro said that it was his understanding that there was not wide support on the Council for creating these websites.

Hamilton said that she will go back and take a look to see what has been done in the past. She said she is interested in finding out if there is middle ground.

4. CAO Policy #3 and Fleet Right Sizing Update

Jamshid Baradaran, the Director of Fleet Services, came to the podium and said that he was going to discuss CAO Policy #3 proposed additions/enhancements, the GPS System Implementation (Phase 1), the proposed fleet CIP Funding model, and operational cost reduction initiatives.

He presented a powerpoint presentation to illustrate the LFUCG fleet distribution per department. He said that a large percentage of the light fleet are in Public Safety (Police cruisers). Furthermore, refuse trucks make up the largest percentage of the LFUCG heavy fleet.

Baradaran presented the proposed changes to CAO Policy #3. He said that they are identifying vehicles and are trying to match those vehicles with the specific needs of divisions. He also mentioned alternative fuel usage.

Baradaran then presented an update on the GPS System Implementation and said that the evaluation of the system options has been completed. He said that they are currently evaluating the State's price contract to identify the most feasible option for implementation. The estimated program cost has been included in the Division's proposed FY2014 budget.

Baradaran said that he is proposing a 10-year transition plan reducing the current reliance on bond funds for fleet CIP to an internal revolving funding source. He has assumed a 5% cost escalation factor in his equation.

Baradaran presented a graph illustrating the impact of eliminating the 'home fleet' on Police Fleet operation expenses.

5. Items in Committee

Motion by Gorton to remove the resolution to amend 4.104 of the Council Rules from the items referred list. Seconded by Lane. Motion passed without dissent.

Motion by Lane to remove the website linking policy from the items referred list. Seconded by Ford. Motion passed without dissent.

CAO Policy #3 Vehicle Use and Assignment/Fleet Right Sizing, Lease agreements and PSA with Metro Employees Credit Union, and Quorum will be on the April agenda.

Motion by Gorton to adjourn. Seconded by Myers. Motion passed without dissent.

Submitted by Jenifer Benningfield, Council Administrative Specialist

Franchises

Council Work Session

March 19, 2013

- 2 different utility franchise ordinances recommended for approval – natural gas and electric
- 3 existing electric franchisees - Kentucky Utilities, Blue Grass Electric, Clark Energy
- 2 existing gas franchisees - Columbia Natural Gas and Delta Natural Gas

- Once the ordinances are adopted by Council, they are advertised for bid.
- Anticipate all current franchisees will bid.
- Bids should be back in front of Council for final approval shortly after Council Spring recess.

- ***The Public Service Commission (PSC) has exclusive jurisdiction over utility rates and services.*** Cable television is not considered a utility by the PSC, and is instead regulated at the federal and local (limited) level.
- The PSC also dictates the service areas for each utility.

- A utility is required to have jurisdictional (local government) consent in order to place its facilities within the public rights-of-way or on public property.

- A franchise agreement is the legal mechanism for granting the utility the use of the public right-of-way. Franchises are:
 - non-exclusive
 - ***advertised and bid out as an ordinance/resolution (negotiated in advance)***
 - 20 years or less in duration (including extensions)
 - Uniform as to each respective type of utility

- Lexington is compensated through a franchise fee applied to certain defined gross revenues related to the utility's provision of services within Fayette County. Telecommunications and cable utilities are excluded from paying this fee this pursuant to the state telecommunications tax law.
 - the franchise fee is a separate line item on the bill
 - current fee on franchises is 3% (plus permitting cost at option of utility)

- Lexington adopted a comprehensive regulatory scheme pertaining to public-right-of-way regulation and permitting (Chapter 17C of the Code) in 2002 which also applies to franchisees. This has been incorporated by reference into each franchise agreement entered into since it was adopted.

- Franchise fee remains at 3% for now.
Council can raise the fee at any time to an amount not to exceed 5% (has to go to PSC, normally takes approximately 45-75 days to go into effect)

- Fee language includes additional protection to make sure existing revenue sources continue to be included as part of the franchise fee
- In most instances if a new regulated service related to the use of Fayette County's public rights-of-way was created, the franchise fee would apply at the option of Lexington

- Franchise for 5 years with the ability of LFUCG to extend for up to 2 additional periods of 5 years each
- Utilities to appear before Council and provide information related to franchise upon request
- Payments to be made monthly (unless existing utility system will not support it)

PPACA: LFUCG IMPACT ANALYSIS



benefit Insurance
Marketing
Balanced Solutions. Trusted Advice.

PPACA: Individual/Employee Mandate

Key Provisions Impacting Employees/Individuals

Individual Mandate	Starting in 2014, individuals must purchase qualifying health coverage or be subject to a tax penalty.								
Access to Coverage	Starting in 2014, all individuals will have the option to purchase health coverage from a state or federally run insurance exchange.								
Health Plan Options	Coverage offered on the insurance exchanges will be one of four plan designs with varying actuarial values as follows: <table><tr><td>Platinum</td><td>90%</td></tr><tr><td>Gold</td><td>80%</td></tr><tr><td>Silver</td><td>70%</td></tr><tr><td>Bronze</td><td>60%</td></tr></table>	Platinum	90%	Gold	80%	Silver	70%	Bronze	60%
Platinum	90%								
Gold	80%								
Silver	70%								
Bronze	60%								
Premium Subsidy	Individuals who have a household income less than 400% of the Federal Poverty Level will be eligible for a premium subsidy if they purchase health coverage from the insurance exchange and their employer does not offer “qualified” and “affordable” coverage.								

PPACA: Employer Mandate

Key Provisions Impacting Employers

Employer Mandate	Employers with 50+ full time equivalent employees must offer qualifying health coverage or pay an annual, non-deductible penalty of \$2,000 per employee (in excess of 30 employees).
Minimum Value “Qualified”	<p>Qualifying health plans must provide minimum value. To meet this requirement, a health plan must have an actuarial value of at least 60%.</p> <p>An employer's health plan is considered “affordable” if the cost of single coverage for the least expensive “qualified” plan does not exceed 9.5% of an employee's W2 earnings. This is regardless of which plan or coverage type is elected.</p>
Plan Affordability	<p>Employers will be subject to an annual non-deductible penalty of \$3,000 for each employee that:</p> <ol style="list-style-type: none">1) cannot "afford" the employer's health coverage, and2) buys coverage through the insurance exchange, and3) receives a premium subsidy from the exchange.

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PPACA: “Qualified Plan” Scoring for LFUCG

Analysis of Current Plan(s)		Exchange Plans	
Do the current plan(s) offer minimum essential benefits?		Current Plans	
YES			
		Platinum	90%
		Gold	80%
		Silver	70%
		Bronze (minimum value)	60%
		PPO 1	87%
		PPO 2	76%
		HSA 1	82%
		HSA 2	75%

* Key assumptions and future projections based on actuarial tools developed by Reden & Anders, Verisight and HHS.

* Analysis does not factor on-site clinic or on-site pharmacy benefits.

* Plan values include HSA contributions made by LFUCG.

PPACA: Affordability Analysis

Analysis of Current Plan(s)

Does the employer meet the affordability mandate for all employees?

YES

(benefits pool eligible)

Current Plans (affordability calculation only applies to the least expensive plan option offered)	Annual cost of single coverage (Based on non-bargaining tobacco rates)	Minimum compensation for health plan affordability	
		Annual	Hourly
PPO 1	\$2,562	\$26,970	\$12.97
PPO 2	\$552	\$5,812	\$2.79
HSA 1	\$243	\$2,557	\$1.23
HSA 2	\$0	\$0	\$0
Current Workforce (LFUCG Benefits Eligible)	Comp Ranges		# of EEs
	Less than \$20,000		102
	\$20,000 - \$24,999		35
	\$25,000 - \$29,999		208
	\$30,000 - \$34,999		452
	\$35,000 - \$39,999		433
Greater than \$40,000			1,549
			62

* Affordability is based on the least expensive qualified plan, regardless of employee election.

PPACA: “Affordability” Impact to Employees

Projection of Future Costs

Employee Eligibility for Premium Subsidies

Federal Poverty Level – 400%				
Household Size	1	2	3	4
2013	\$45,400	\$61,496	\$77,588	\$93,684
Projected 2014 (assumes annual increase of 1.6%)	\$46,132	\$62,484	\$78,840	\$95,192
% of workforce projected to qualify for premium subsidies		LFUCG offers a qualified and affordable option for each employee receiving a benefits pool. Coverage may not be affordable for those employees without a benefits pool.		

* Key assumptions and future projections based on actuarial tools developed by Reden & Anders and Verisight.

PPACA: Exchange Subsidized Premiums

Projection of Future Costs

How many
employees
will qualify
for a
Premium
Subsidy?

Potentially
only those
with no
benefit pool.

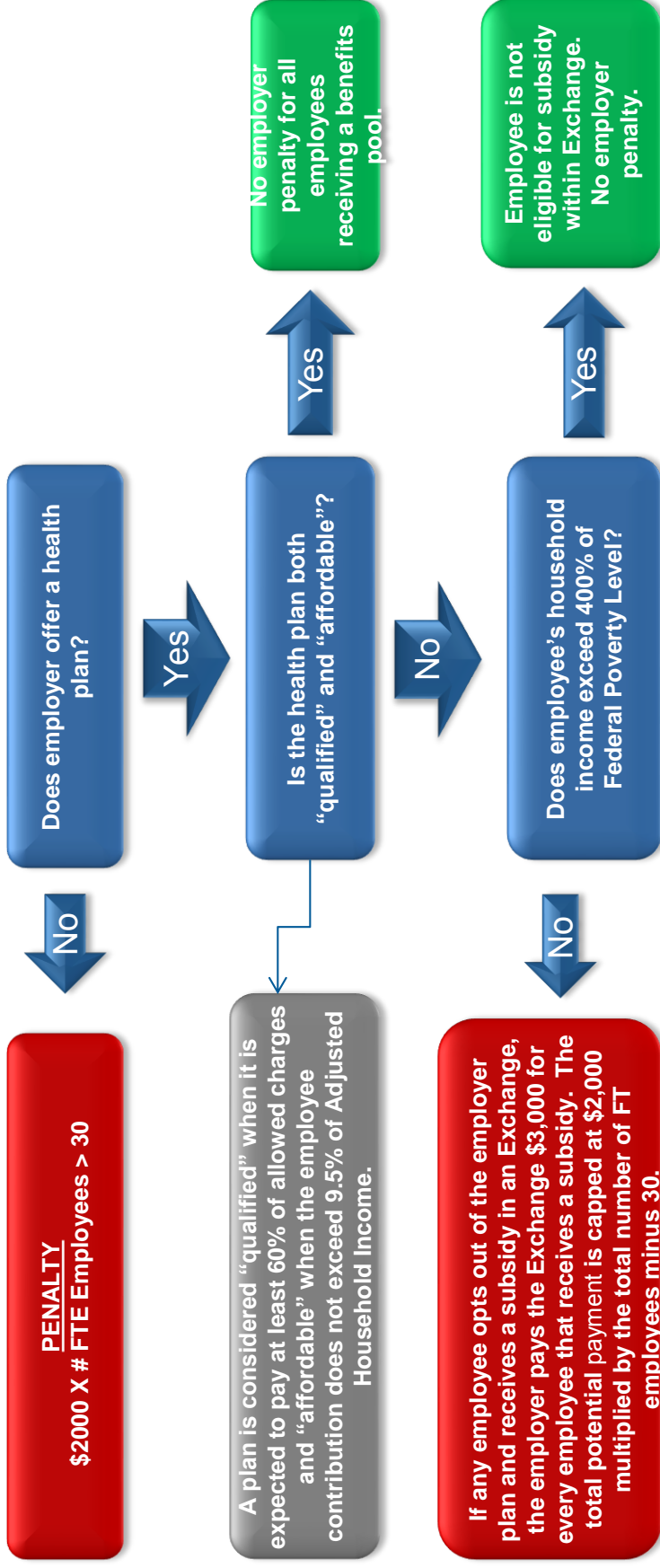
	Household Income Levels	% of Fed Poverty Level (proj 2014)	Exchange Premium (Silver)			Current Annual EE cost ("HSA 2" plan)
			% income	\$ after tax (20% tax rate assumed)	\$ pre-tax	
Single	\$17,300	150%	4.00%	\$692	\$865	\$0
	\$23,066	200%	6.30%	\$1,453	\$1,816	
	\$28,833	250%	8.05%	\$2,321	\$2,901	
	\$34,599	300%	9.50%	\$3,287	\$4,109	
Family (4)	\$35,697	150%	4.00%	\$1,428	\$1,785	\$3,165
	\$47,596	200%	6.30%	\$2,999	\$3,748	
	\$59,495	250%	8.05%	\$4,789	\$5,987	
	\$71,394	300%	9.50%	\$6,782	\$8,478	

*Plan cost is based on non-bargaining tobacco rates .

*HSA 2 is a 75% actuarial value plan.

Employer Mandate Flowchart

(Applies to Employers with > 50 Full Time Employees)



Persons in Family	400% of Federal Poverty Level
1	\$43,320
2	\$58,280
3	\$73,240
4	\$88,200

PPACA: Eligibility Impact to Planning/Costs

Key Provisions Eligibility

Full Time Employees

Under PPACA, anyone working 30+ hours weekly on average during a standard measurement period is considered be a full time employee and must be made eligible for employer sponsored health insurance. No eligible employee must be required to wait more than 90 days for coverage eligibility.

Counting Employees

LFUCG must continually evaluate all employee's individual hours worked during what is called the "accounting period". This is a timeframe of up to 90 days for which you must evaluate hours worked per employee during your "measurement period" (any 3 to 12 month period leading up to the accounting period). Any employee averaging 30+ hours per week during the measurement period, must be offered health insurance during the "stability period". This is the timeframe beginning after the accounting period has ended and for a length of time equal to the measurement period. This method of counting employees is a simultaneous and continuous process year over year. If an employer chooses, they may use different measurement & stability periods for different classes of employees (i.e. hourly, salary, collective & non-collective bargaining)

PPACA: Eligibility Impact to Planning/Cost

Key Provisions Eligibility

Current Eligibility

Financial Implications

Based on the census from March (one month):

- 7 employees are working over 30 hours per week and not eligible for benefits
- 106 employees are working less than 30 hours and are eligible for benefits
- 41 employees are working less than 30 hours and are not eligible for health insurance (This is allowable under PPACA)

LFUCG currently has some employees working 30+ hours per week who are not eligible for benefits. These occurrences present the potential for \$2,000 penalties for each employee not offered coverage who should be eligible under PPACA. LFUCG has some employees who are benefits eligible and do not receive a benefits pool. This is a potential risk for a \$3,000 fine if coverage is unaffordable and the employee elects subsidized coverage through the exchange.

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PPACA: Benefit Plan Design Impact

Key Provisions Plan Design

Benefit Changes

LFUCG's plans are currently scored as "affordable" and "qualified". Therefore, no changes are necessary to accommodate these provisions.

For 2012 and 2013, benefit plans were designed to accommodate updates for mandated PPACA coverage. Minimum essential benefits, women's health, and 100% wellness benefits, among other provisions, have been added to maintain compliance with PPACA.

PPACA: Related Employer Fees

Key Provisions Taxes/Fees

Comparative Effectiveness Fee
\$10,804
Reinsurance Fee
\$340,326 - \$411,632

<p>Paid under PPACA to support federally-sponsored research into the clinical effectiveness, risks, and benefits of medical treatments, services, drugs and medical devices.</p> <p>\$2 Per Member Per Year</p>
<p>Paid under PPACA to stabilize rates for high risk individual health insurance policyholders. This will be collected from 2014 through 2016. The Federal Government's fee has been proposed from \$5.25-\$6.35 per member per month.</p>

PPACA: Notices / Reporting

March 1, 2013 (INITIAL DATE, EXTENDED TO THE FALL)

Employer Notification due describing State Exchange

- Availability to individuals
- Description of services
- Exchange contact information
- Possible tax credit (if employer plan < 60% of actuarial value) and coverage purchased through the exchange

January 1, 2014 (Self Funded Plans)

Report (from insurers or self funded plans) that provide minimum essential coverage:

- # of months during year that employee had “minimum essential” coverage
- Name, address, tax ID # for each enrollee
- Dates of coverage for each
- Identify any employees who purchased coverage through exchange
- Name, address & EIN of employer
- Portion of premium paid by employer

PPACA: Notices / Reporting

January 1, 2014 (Employer)

Required information (to IRS):

- Name, address, EIN of employer sponsoring plan
- Certification of “minimum value” coverage
- Waiting period
- Period (# months) coverage offered
- Monthly premium of low cost option for each tier
- Employer’s share of cost
- Plan option for which employer pays largest portion of cost
- Portion of cost employer pays by tier (low cost option)
- # of full time employees by month
- Name, address, tax ID for each full time employee
- # of months each full time employee covered under plan
- Name, address, & contact information for submitting employer

Penalty: \$50 for each “missed” employee (max \$100,000)

Employer can enter into agreement with claim payor to coordinate above reporting

Questions/Observations

