

Lexington-Fayette Urban County Government

*200 E. Main St
Lexington, KY 40507*



Tuesday, December 1, 2015

3:00 PM

Packet

Council Chamber

Urban County Council Work Session

**Urban County Council
Schedule of Meetings
November 30 – December 7, 2015**

Monday, November 30

No Meetings

Tuesday, December 1

Design Excellence Subcommittee.....10:30 am
Conference Room – 5th Floor Government Center

Ethics Ordinance Review Subcommittee.....11:00 am
Caucus Room – 2nd Floor Government Center

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

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

Wednesday, December 2

No Meetings

Thursday, December 3

Eastside Branch Library Tour for Council Members.....10:00 am
New Location on Palumbo Drive

Workshop: Town Branch Commons.....4:30 pm
Caucus Room – 2nd Floor Government Center

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

Friday, December 4

Senior Services Commission.....8:30 am
Bluegrass Area Development District – 699 Perimeter Drive

Monday, December 7

No Meetings

**Lexington-Fayette Urban County Council
Work Session Agenda
December 1, 2015**

- I. Public Comment - Issues on Agenda**
- II. Requested Rezoning/ Docket Approval – Yes**
- III. Approval of Summary – Yes**
 - a** Table of Motions, November 17, 2015 Work Session, p. 1-3
- IV. Budget Amendments – Yes, p. 4-6**
- V. New Business – Yes, p. 7-48**
- VI. Continuing Business/ Presentations**
 - a** Neighborhood Development Funds, December 1, 2015, p. 49
 - b** Committee Summary: Budget, Finance & Economic Development, October 27, 2015, p. 50-54
 - c** Presentation: Water Franchise Agreement, p. 55-87
- VII. Council Reports**
- VIII. Mayor's Report – Yes**
- IX. Public Comment - Issues Not on Agenda**
- X. Adjournment**

Administrative Synopsis - New Business Items

- a** **1373-15** Authorization to an agreement with Strategic Materials for transportation and processing of recovered glass from the Material Recovery Facility (LEX-MRF). This program will allow recovered glass materials to be processed and reused in bottle glass, fiberglass, and other alternatives related to Sustainable Materials Management facility and capabilities. The cost will be \$70,000. Funds are budgeted. (L1373-15)(Thurman/Holmes) p. 7
- b** **1376-15** Authorization to enter into a Facility Encroachment Agreement (FEA) with CSX Transportation, Inc. to allow utility construction under CSX owned tracks. A force main will cross under railroad tracks owned by CSX Transportation, Inc. A facility encroachment agreement is required by the company. The cost will be \$5,000. Funds are budgeted. (L1376-15)(Thurman/Holmes) p. 8
- c** **1396-15** Authorization to enter into a lease agreement with Chris Toutant for use of approximately 1,364 S/ft of residential space located at 3990 Raven Run Way in Lexington. Tenant is essential to Park operations and the land shall be used for residential use and no other purpose. There will be revenue from the rental of these properties. (L1396-15)(Conrad/Reed) p. 9
- d** **1397-15** Authorization to enter into a lease agreement with L. Mitch Estepp and Hollis Harvill for use of approximately 1,990 square feet of space & identified as 705 Caden Lane, Lexington, Kentucky. Tenant is essential to Park operations and the premises shall be used for residential occupancy and no other purpose. This will result in revenue to the LFUCG. (L1397-15)(Conrad/Reed) p. 10
- e** **1398-15** Authorization to enter into a lease agreement with Edmon Chaney for use of approximately 2,808 S/ft of residential space located at mailing address 3401 Shamrock Lane in Lexington. Tenant is essential to Park operations and the land shall be used for residential use and no other purpose. This will result in revenue to the LFUCG. (L1398-15)(Conrad/Reed) p. 11
- f** **1399-15** Authorization to enter into a lease agreement with Gary Newman for use of approximately 2,340 S/ft of residential space located at mailing address 3561 Shamrock Lane in Lexington. Tenant is essential to Park operations and the land shall be used for residential use and no other purpose. This will result in revenue to the LFUCG. (L1399-15)(Conrad/Reed) p. 12

- g** **1400-15** Authorization to enter into a lease agreement with Fred Williamson for use of approximately ½ acre of land located at 4051 Richmond Road in Lexington, Kentucky. Tenant is essential to Park operations and the land shall be used for residential use and no other purpose. There will be revenue from the rental of these properties. (L1400-15)(Conrad/Reed) p. 13
- h** **1401-15** Authorization to enter into a lease agreement with Everett Hampton for use of approximately 1,815 square feet of space & identified as 2075 Parkers Mill Road, Lexington, Kentucky. Tenant is essential to Park operations and the premises shall be used for residential occupancy and no other purpose. This will result in revenue for the LFUCG. (L1401-15)(Conrad/Reed) p. 14
- i** **1417-15** Authorization to abolish one (1) classified position of Technical Specialist (Grade 515N), and create one (1) classified position of Systems Analyst (Grade 520E); reclassifying the incumbent within the Division of Computer Services, effective upon passage of Council. Upon the request of the division, and in accordance with Section 21-2 (d) of the Code of Ordinances, the Division of Human Resources conducted a reclassification study on the requested position of Technical Specialist held by Gregory Charles within the Division of Computer Services. The position was analyzed by staff using the whole job rank and factor comparison methods. As a result, a recommendation for the reclassification is described in this action. To illustrate, this has a 12-month future impact cost of \$10,187.64. (L1417-15)(Maxwell/Valicenti) p. 15
- j** **1423-15** Authorization to bid a non-exclusive water franchise and privilege to construct, erect, lay, relay, replace, operate and maintain a waterworks system within the public rights-of-way for an initial period of five years with up to two renewal periods of five years each. There is no budgetary impact. (L1423-15) (Reed/Graham) p. 16
- k** **1424-15** Authorization to execute a facility usage agreement by the LFUCG for the Martin Luther King, Jr. Holiday Memorial Program to be held on Monday, January 18, 2016. The LFUCG provides payment for technical equipment and labor. The Martin Luther King Jr. Holiday Celebration Committee pays the remainder of any costs. The cost of the event to LFUCG will be \$8,700. Funds are budgeted. (L1424-15)(Emmons) p. 17

- l** **1425-15** Authorization to execute a Renewal Agreement with Bluegrass Family Health, Inc. for Prescription Benefit Administrative Services for the period beginning January 1, 2016 through December 31, 2016. This item is necessary to renew our current prescription benefit administrative services contract. There is no budgetary impact. (L1425-15)(Maxwell/Hamilton) p. 18
- m** **1428-15** Authorization to establish a contract with Motorola Solutions - TipSoft and the Lexington-Fayette Urban County Government. The Lexington Police Department will acquire and implement the TipSoft tip system as part of an effort to increase the solvability of reported crimes and increase the opportunities to intervene in situations where a crime can be prevented. The Lexington Police Department will acquire and implement the TipSoft tip system as part of an effort to increase the solvability of reported crimes and increase the opportunities to intervene in situations where a crime can be prevented. The tip system moves our department toward cutting edge and adaptable technology in lieu of traditional phone call tip reporting, by expanding opportunities to the public to use cell phones of all technical capabilities. This system will also merge particular functions in the department that will allow the department to cease using an answering service, saving funds that were previously applied to that service. The cost for this fiscal year is \$5198 (\$4,799 + \$399). Funds are fully budgeted. (L1428-15)(Barnard/Bastin) p. 19
- n** **1429-15** Authorization to establish a Standard Software Maintenance Agreement between New World Systems Corporation (New World) and Lexington-Fayette Urban County Government. This agreement provides standard software maintenance support services provided by New World, upgrades and revision to the software application package. The attached agreement requires the Mayor's signature. This agreement shall remain in effect for a period of three (3) years, from July 1, 2015 through June 30, 2018. The annual cost will be \$134,760. This maintenance agreement is fully budgeted for fiscal year 2016. (L1429-15)(Barnard/Bastin) p. 20
- o** **1434-15** Authorization to execute a Memorandum of Agreement between the Department of Social Services and the University of Kentucky College of Social Work. This MOA will formally establish a cooperative educational practicum program for social work students of the University to be assigned to work with the Department of Social Services' Divisions and Programs. The students will receive supervised field practicum and evaluation. This MOA formalizes the program under which 12 student interns from the UK College of Social Work are currently placed for practicums within the Department, and all future student interns placed with the Department. There is no budgetary impact. (L1434-15)(Ford) p. 21

- p** **1440-15** Authorization to submit an application to the United States Conference of Mayors and The Scotts Miracle-Gro Company's GRO1000 Gardens and Green Spaces Grant Awards Program requesting \$25,000 in cash and \$15,000 in-kind Scotts product for enhancement of the toddler play area at Jacobson Park. There is no budgetary impact. (L1440-15)(Gooding/Reed) p. 22
- q** **1441-15** Authorization to submit application to the U.S. Department of Homeland Security under the 2015 Assistance to Firefighters Grant Program requesting federal funding in the amount of \$391,500 for exhaust extraction system upgrades or replacements for 16 Lexington fire stations. There is no budgetary impact. (L1441-15)(Gooding/Bastin) p. 23
- r** **1442-15** Authorization to execute Purchase of Service Agreements with four Opportunity Grant Initiative (OGI) Organizations: Carnegie Literacy Center, Inc. (\$90,000), God's Pantry Food Bank (\$90,000), Urban League of Lexington-Fayette County (\$90,000), and 16th District PTA (\$10,000). Opportunity Grants are a new initiative designed to better position local government in impacting youth learning and community enrichment challenges throughout Lexington. The grants will focus on partnering with Fayette County Public Schools (FCPS) in addressing the academic Achievement Gap affecting minority and disadvantaged students. Mayor Gray and administration officials propose the initial Opportunity Grant allocation in efforts to join a growing community call for local leadership, in efforts to close the achievement gap. A budget amendment is in process. (L1442-15)(Ford) p. 24
- s** **1448-15** Authorization to approve Credit Bureau Systems, Inc. d/b/a Ambulance Medical Billing as the new entity to provide billing and collection services for Emergency Medical Services performed by LFUCG Division of Fire and Emergency Services. The current contract with the incumbent expires on 12/31/15 and the vendor has decided to cease providing services effective same date. The cost for FY 2016 is \$126,000. Funds are budgeted. (L1448-15)(Cook/O'Mara) p. 25
- t** **1453-15** Authorization to execute amendment to agreement with AIDS Volunteers, Inc. for use of HOME Investment Partnership Funds for support of a Tenant Based Rental Assistance Project. This amendment will extend the performance period through June 30, 2016. There is no budgetary impact. (L1453-15)(Gooding/Hamilton) p. 26

- u** **1460-15** Authorization to execute a Memorandum of Understanding with the Court Appointed Special Advocate, Inc., Fayette Family Courts, the Cabinet for Health and Family Services and the Fayette County Attorney's Office, outlining the relationship among the parties concerning the operation of the Court Appointed Special Advocates Program, at no cost to the Urban County Government. There is no budgetary impact. (L1460-15)(Ford) p. 27
- v** **1465-15** Authorization to execute a "Statement of Compliance" bridge posting requirements for filing with the Kentucky Transportation Cabinet. Each year the Kentucky Department of Highways informs the LFUCG of our bridge weight limit posting needs for the bridges in the National Bridge Inventory in Fayette County. According to the attached memo from Mr. Kelly A. Baker, P.E., Chief District Engineer, one substandard bridge in Fayette County is now in compliance with the "National Bridge Inspection Standards, Bridge Posting Requirement". In order to remain in compliance and be eligible to receive Federal Bridge Rehabilitation or Replacement funds, we must sign and return the attached form as soon as possible. As of October 29, 2015 all bridge posting requirements have been met and were confirmed visually by Traffic Engineering. There is no budgetary impact. (L1465-15)(Bayert/Paulsen) p. 28
- w** **1474-15** Authorization to approve the purchase of a replacement component for the Helixpress #1 Fine Screen and Conveyor assembly in operation at the West Hickman Creek WWTP. The manufacturer, Parkson Corporation is the sole source for the specified component. The quote from Parkson Corporation for this component is \$20,380.00. Funds are budgeted. (L1474-15) (Martin/Holmes) p. 29
- x** **1475-15** Authorization to execute an Assistance Agreement by and between Kentucky Infrastructure Authority and the Lexington-Fayette Urban County Government for a Low-Interest (1.75%) loan, in the amount of \$19,837,063.00, related to the Lower Cane Run Wet Weather Storage Tanks Project. (A14-001) Application was made after receiving authorization from the Urban County Council via Resolution 481-2013. (L1475-15)(Martin/Holmes) p. 30
- y** **1477-15** Authorization to execute a Purchase of Services Agreement with Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc., for the purposes of operating an emergency housing program for two-parent and group families experiencing homelessness. Funds will support access to short-term hotel stays followed by up to 90 days in master leased apartments. Funds will also support staff to provide supportive services for families to help them pursue self-sufficiency. The cost is \$100,000 each year for two years. Funds are budgeted for fiscal year 2016. (L1477-15)(Lanter/Hamilton) p. 31-32

- z** **1479-15** Authorization to create one (1) unclassified position of Recreation Manager (Grade 518E) and create one (1) unclassified position of Recreation Specialist Sr. (Grade 516E) with a term date of three years (expiring November 2018), in the Division of Parks and Recreation, effective the first payroll Monday following passage of Council. Upon the request of division, and in accordance with Section 22-2 (4) of the Code of Ordinances, the Division of Human Resources conducted a classification study on the requested position. The positions were analyzed by staff using the whole job rank and factor comparison methods. As a result, a recommendation for their requested positions is described in this action. This has a 12-month future impact of a cost of \$124,128.51. Funds are budgeted. (L1479-15)(Maxwell/Reed) p. 33
- aa** **1480-15** Authorization to approve the issuance of the \$71,000 to the Fayette County Agricultural Extension Office as a payment in lieu of taxes. This is to correct the mailing of an incorrect rate and a shortfall in collections for the Fayette County Agricultural Extension Office. The Fayette County Clerk's office will reimburse the city for half of the payment. A budget amendment is in process. (L1480-15)(O'Mara) p. 34
- bb** **1481-15** Authorization to abolish one (1) classified position of Police Technician (Grade 513N) create one (1) classified position of Community Program Coordinator (Grade 514N) in the Division of Police, effective upon passage by Council. Upon the request of the division, and in accordance with Section 21-1 (d) of the Code of Ordinances, the Division of Human Resources conducted a classification study on the requested position. As a result, a recommendation for their requested position is described in this action. To illustrate, this has a 12-month future impact of a cost of \$2,341.89. Funds are budgeted. (L1481-15)(Maxwell/Bastin) p. 35
- cc** **1482-15** Authorization to approve the 2016 General Term Orders for the Fayette County Sheriff and the Fayette County Clerk. Every year the Urban County Council approves a calendar year General Term Order (GTO) for the Fayette County Clerk and the Fayette County Sheriff. The GTO is basically an authorization form that summarizes maximum annual expenditures for personnel, operating and capital and is used by the Department of Local Government as a guideline for approval of reimbursement of expenditures. The 2016 GTO's need to be approved in order for the expenditures of these offices to be processed by the Department of Local Government. There is no budgetary impact. (L1482-15)(O'Mara) p. 36
- dd** **1483-15** Authorization to approve change order #2 to the engineering contract with Bell Engineers in the amount of \$879.79 for the Blue Sky Pump Station and Force Main Project. This amendment will add geotechnical analysis and remove rock soundings that were not needed for design of the force main. Funds are budgeted. (L1483-15)(Martin/Holmes) p. 37-39

ee	1484-15	Authorization to create ten (10) classified positions of Safety Officer (Grade 511N) and reallocate two (2) classified positions of Safety Officer (Grade 510N to Grade 511N) and the incumbents in the Division of Police, effective upon passage by Council. Upon the request of the division, and in accordance with Section 21-2 (d) of the Code of Ordinances, the Division of Human Resources conducted a classification study on the position of Safety Officers. As a result, a recommendation for their requested positions as described in this action. To illustrate, this has a 12-month future impact of a cost of \$442,183.37. There is a budget amendment in process for this action. (L1484-15)(Maxwell/Bastin) p. 40
ff	1485-15	Authorization to abolish one (1) classified position of IT Business Relationships Manager (Grade 528E), and create one (1) classified position of Information Systems Business Analyst (Grade 526E) in the Division of Enterprise Solutions, effective upon passage of Council. Upon the request of the division, and in accordance with Section 21-2 (d) of the Code of Ordinances, the Division of Human Resources conducted a classification study on the requested position. As a result, a recommendation for their requested position as described in this action. To illustrate, this has a 12-month future impact of a savings of \$9,049.15. Funds are budgeted. (L1485-15)(Maxwell/Valicenti) p. 41
gg	1486-15	Authorization to approve Change Order #2 to the engineering contract with HDR Engineering, Inc. in the amount of \$4,000.00 for the Wolf Run Pump Station Expansion and Relocation Project. It is required to amend the contract so that compensation for additional work can be administered. Work completed was for additional easement acquisition and additional construction administrative. Funds are budgeted. (L1486-15) (Martin/Holmes) p. 42-44
hh	1500-15	Authorization to submit a grant application to the Kentucky Economic Development Finance Authority for Ashland Inc. in the amount of \$450,000 and authorization to execute all documents including an agreement with Ashland Inc. and to accept the grant funds if approved. Ashland Oil is in the process of developing a new site in Lexington. They have requested state funds to assist with the development of the project. The funds would be used to off-set costs for the new development in Lexington. A budget amendment will be processed if approved. (L1500-15)(Atkins) p. 45
ii	1502-15	Authorization to execute Change Order #2 for the Idle Hour Park Demolition and Football Field Construction project in the amount of \$18,015.00. The change order is required to address unanticipated site issues of an unsuitable soil condition within the area for the parking lot adjacent to the St. Ann entrance to the park. This soil condition will prevent the construction of viable parking lot and access way into the park. Funds are budgeted for the change order. (L1502-15)(Conrad/Reed) p. 46-48

**URBAN COUNTY COUNCIL
WORK SESSION
TABLE OF MOTIONS
November 17, 2015**

Mayor Gray called the meeting to order at 3:03pm. Council Members Kay, Moloney, J. Brown, Akers, Gibbs, Lamb, Farmer, F. Brown, Mossotti, Bledsoe, Henson and Hensley were present. Council Members Stinnett, Evans and Scutchfield were absent.

- I. Public Comment – Issues on Agenda
- II. Requested Rezoning/Docket Approval

Motion by Mossotti to approve the docket for the November 19, 2015 Council meeting. Seconded by Farmer. Motion passed without dissent.

Motion by Lamb to place ordinance #5 on the docket without a public hearing at the request of Council Member Evans. Seconded by Henson. Motion passed without dissent.

Motion by Henson to place ordinance #6 on the docket with a public hearing scheduled for January 12th at 5pm. Seconded by F. Brown. Motion passed without dissent.

Motion by Farmer to place on the docket for the Council Meeting scheduled for November 19, 2015, a resolution authorizing the Mayor, on behalf of the Urban County Government, to execute Change Order No. 28 to the contract with Marilla Design & Construction for the Senior Citizen Center Construction Project, increasing the contract price by the sum of \$41,188.00 from \$10,232,894.37 to \$10,274,082.37. Seconded by Henson. Motion passed without dissent.

Motion by Mossotti to place on the docket for the Council Meeting scheduled for November 19, 2015, a resolution authorizing the Mayor, on behalf of the Urban County Government, to execute Change Order No. 8 to the contract with Churchill McGee, LLC for the Public Safety Operations Center Phase 1B Renovation, increasing the contract price by the sum of \$11,317.33 from \$6,413,828.40 to \$6,425,145.73. Seconded by Akers. Motion passed without dissent.

Motion by Akers to place on the docket for the Council Meeting scheduled for November 19, 2015, a resolution authorizing the Mayor, on behalf of the Urban County Government, to execute Change Order No. 3 to the contract with Schaefer Contracting, LLC for the Masterson Station Park Restroom Building Project, increasing the contract price by the sum of \$5,568.00 from \$183,283.00 to \$188,851.00. Seconded by Bledsoe. Motion passed without dissent.

III. Approval of Summary

Motion by Farmer to approve the November 10, 2015 work session summary. Seconded by Akers. Motion passed without dissent.

IV. Budget Amendments

Motion by Farmer to approve budget amendments. Seconded by Henson. Motion passed without dissent.

V. New Business

Motion by Farmer to approve new business. Seconded by Henson. Motion passed without dissent with Moloney voting no on item R, and F. Brown, Bledsoe and Hensley voting no on item I.

Motion by Lamb to allow Moloney to speak another time. Seconded by F. Brown. Motion passed 11-1. Kay, Farmer, Mossotti, Henson, F. Brown, Lamb, Gibbs, Bledsoe, Moloney, J. Brown and Hensley voted yes. Akers voted no.

VI. Continuing Business/Presentations

Motion by Akers to approve neighborhood development funds. Seconded by Hensley. Motion passed without dissent.

Motion by Farmer to adopt the following service levels and accumulation amounts: Level 1 – Trace to 4" (Rank 1-4 streets); Level 2 – 5" to 8" (Add residential streets); and Level 3 – 8+" (All streets plowed with private contractor support), page 12 of the snow and ice removal plan. Seconded by Kay. Motion passed without dissent.

Motion by Farmer to accept the sidewalk clearing plan as proposed to the Environmental Quality & Public Works committee. Seconded by Gibbs. Motion passed without dissent.

Motion by Farmer to adopt the snow plan as presented to the Environmental Quality & Public Works committee. Seconded by Akers. Motion passed without dissent.

Motion by Farmer to approve as amended the request to move forward with funding the RFP to contract for snow removal in FY2016 for a total of \$288,034 (11 mobilizations). Seconded by Kay. Motion passed without dissent.

Motion by Farmer to amend the motion to include a total funding for FY16 of \$288,034 (11 mobilizations). Seconded by Kay. Motion passed without dissent.

Motion by Farmer to accept the report of the Municipal Separate Storm Sewer System presented to the Environmental Quality & Public Works committee. Seconded by Kay. Motion passed without dissent.

VII. Council Reports

Motion by Mossotti to place into the Environmental Quality & Public Works committee a comprehensive look at our trails (system, inventory, cost, etc.). Seconded by F. Brown. Motion passed without dissent.

Motion by Hensley to refer to the General Government & Social Services committee, the issue of Veteran Affairs. Seconded by Lamb. Motion passed without dissent.

VIII. Mayor's Report

Motion by Kay to approve the Mayor's Report. Seconded by Bledsoe. Motion passed without dissent.

IX. Public Comment – Issues Not on Agenda

X. Adjournment

Motion by Farmer to adjourn at 4:50pm. Seconded by Mossotti. Motion passed without dissent.

**COMMITTEE OF THE WHOLE
BUDGET AMENDMENT REQUEST LIST**

JOURNAL	91196	DIVISION	Office of the CAO	Fund Name	General Fund
				Fund Impact	72,500.00
					72,500.00

To provide funds for professional services to conduct an audit of the Division of Human Resources based on Council vote at the Committee of the Whole, November 5, 2015.

JOURNAL	91473	DIVISION	Information Technology	Fund Name	General Fund
				Fund Impact	200,000.00
					200,000.00

To provide funds for professional services in Information Technology based on Council vote at the Committee of the Whole, November 5, 2015.

JOURNAL	91474	DIVISION	Environmental Services	Fund Name	General Fund
				Fund Impact	76,000.00
					76,000.00

To provide funds for snow removal equipment in Environmental Services based on Council vote at the Committee of the Whole, November 5, 2015.

JOURNAL	91475	DIVISION	Social Services Administration	Fund Name	General Fund
				Fund Impact	280,000.00
					280,000.00

To provide funds for opportunity grants for Carnegie Center, Gods Pantry, Urban League, and National PTA based on Council vote at the Committee of the Whole, November 5, 2015.

JOURNAL	91476	DIVISION	Council Office	Fund Name	General Fund
				Fund Impact	6,374,990.00
					6,374,990.00

To provide funds for various projects from FY 2015 fund balance based on Council vote at the November 5, 2015 Committee of the Whole by establishing a transfer to the General Fund Capital Projects Fund.

JOURNAL	91477-78	DIVISION	Council Office	Fund Name	General Capital Fund
				Fund Impact	6,374,990.00
					6,374,990.00CR
					.00

To provide funds for Council projects, garage repairs, and Idle Hour Park improvements from FY 2015 fund balance based on Council vote at the November 5, 2015 Committee of the Whole by recognizing a transfer from the General Fund.

BUDGET AMENDMENT REQUEST SUMMARY

1101	General Services District Fund	7,003,490.00
1105	General Fund Capital Projects	.00

BUDGET AMENDMENT REQUEST LIST

JOURNAL	91401-02	DIVISION	Police	Fund Name	General Fund
				Fund Impact	202,260.00
					202,260.00CR
					.00

To provide funding for ten Safety Officers for the Division of Police by increasing budget for Net Profits revenue based on increased receipts.

JOURNAL	91417	DIVISION	Government Communication	Fund Name	General Fund
				Fund Impact	17,000.00
					17,000.00CR
					.00

To provide funds for closed captioning services for LFUCG televised meetings by decreasing funds for insurance.

JOURNAL	91455	DIVISION	Grants and Special Projects	Fund Name	General Fund
				Fund Impact	3,065.00
					3,065.00CR
					.00

To budget funds for replacement office chairs by decreasing funds for insurance.

JOURNAL	91499-00	DIVISION	Finance Administration	Fund Name	General Fund
				Fund Impact	71,000.00
					35,500.00CR
					35,500.00

To provide funds for Fayette County Agricultural Extension Office as a payment in lieu of taxes and recognizing revenue from the Fayette County Clerk to offset half of this expense.

JOURNAL	91501	DIVISION	Computer Services	Fund Name	General Fund
				Fund Impact	80,000.00
					80,000.00

To provide funds for improved Wi-Fi in the Government Center to be funded out of FY 2016 budgeted unallocated fund balance.

JOURNAL	91381	DIVISION	Facilities & Fleet Management	Fund Name	General Capital Fund
				Fund Impact	58,035.00
					58,035.00CR
					.00

To provide funds for the purchase of a fiber optic splicing trailer for Traffic Engineering; and to provide funds in other vehicle accounts to reflect current needs.

JOURNAL	91373-74	DIVISION	Grants and Special Projects	Fund Name	US Dept of Transportation
				Fund Impact	52,373.00
					52,373.00CR
					.00

To amend Traffic Safety 2016 grant to reflect actual federal funds awarded.

BUDGET AMENDMENT REQUEST SUMMARY

1101	General Services District Fund	115,500.00
1105	General Fund Capital Projects	.00
3160	US Department of Transportation	.00




Lexington-Fayette Urban County Government
DEPARTMENT OF ENVIRONMENTAL QUALITY AND PUBLIC WORKS

Jim Gray
Mayor

David Holmes
Commissioner

TO: Mayor Jim Gray
Urban County Council

FROM: 
Tracey Thurman, Director
Division of Waste Management

DATE: November 3, 2015

RE: Pricing Agreement Between Lexington-Fayette Urban County Government (LFUCG) on behalf of the LFUCG Division of Waste Management and Strategic Materials

Request: The purpose of this memorandum is to request approval to enter into an agreement with Strategic Materials located in College Park, GA for transportation and processing of recovered glass from the Material Recovery Facility (LEX-MRF).

Authorization to: Approve MOU with Strategic Materials to transport recovered glass.

Why are you requesting? This program will allow recovered glass materials to be processed and reused in bottle glass, fiberglass and other alternatives related to Sustainable Materials Management facility and capabilities. Recovered glass accounts for approximately 12% of the total material shipped each year and is a substantial contributor to the total volume. Unfortunately, there are currently no other known uses for recovered glass in Kentucky or the surrounding states that will accept the volume or specification produced.

Department needs this action completed because: Strategic will accept up to 4,500 tons of recovered glass from the Materials Recovery Facility. Approximately 1/3 of this is generated by and cost will be charged back to Affiliates that bring materials to the facility.

What is the cost in this budget year and future budget years? \$70,000 (dependent upon the volume of materials received)

The cost for this FY is: \$70,000

The cost for future FY is: \$ 70,000 annually

Are the funds budgeted? Yes.

The funds are budgeted or a budget amendment is in process: Budgeted.

Account number: 1115 303505 3571 71299

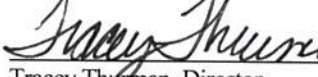


Lexington-Fayette Urban County Government
DEPARTMENT OF ENVIRONMENTAL QUALITY AND PUBLIC WORKS

Jim Gray
Mayor

David L. Holmes
Commissioner

TO: Mayor Jim Gray
Urban County Council

FROM: 
Tracey Thurman, Director
Division of Waste Management

DATE: November 3, 2015

RE: **Facility Encroachment Agreement** Between Lexington-Fayette Urban County Government (LFUCG) and CSX Transportation, Inc. on behalf of the LFUCG Division of Waste Management

Request: The purpose of this memorandum is to request approval to enter into a Facility Encroachment Agreement (FEA) with CSX Transportation, Inc.

Authorization to: Approve FEA to allow utility construction under CSX owned tracks.

Why are you requesting? Force main will cross under railroad tracks owned by CSX Transportation, Inc. A Facility Encroachment Agreement is required by CSX Transportation Inc.

Department needs this action completed because: Mulch operations conducted at Haley Pike Landfill generate a wastewater that requires treatment. Land disposal by spray irrigation has been permitted by the state. A spray irrigation system is being developed, which will require construction of a force main pipeline crossing under CSX railroad tracks.

What is the cost in this budget year and future budget years? \$5,000

The cost for this FY is: \$5,000

The cost for future FY is: \$0

Are the funds budgeted? Yes.

The funds are budgeted or a budget amendment is in process: Budgeted.

Account number: 4121 303102 3063 92211

Attachments: Facility Encroachment Agreement



9
1396-15

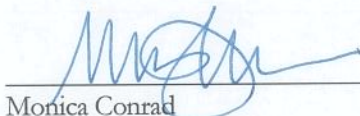
Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICE

Jim Gray
Mayor

Geoff Reed
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Sally Hamilton, CAO
Urban County Council

FROM: 
Monica Conrad
Director of Parks & Recreation

CC: Geoff Reed
Commissioner of General Services

DATE: 09 November 2015

SUBJECT: Council authorization to enter into a residential lease agreement.

Request:

Request Council authorization to enter into a lease agreement with Chris Toutant for use of approximately 1,364 S/ft of residential space located at 3990 Raven Run Way in Lexington, Kentucky.

Why are you requesting?

Tenant is essential to Parks & Recreation operations and the premises shall be used for residential use and no other purpose.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$2,130.00 (Revenue)
The cost for future FY is: \$4,260.00 (Revenue)

Are the funds budgeted? Yes

The funds are budgeted or a budget amendment is in process: Yes
Account number: 1101-011001-0001-42181 (Revenue)

File Number: 1396-15

Director/Commissioner: Monica Conrad, Director of Parks & Recreation



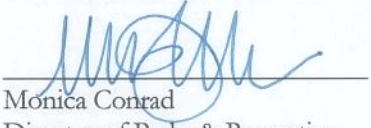
Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICES

Jim Gray
Mayor

Geoff Reed
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Sally Hamilton, CAO
Urban County Council

FROM: 
Monica Conrad
Director of Parks & Recreation

CC: Geoff Reed
Commissioner of General Services

DATE: 09 November 2015

SUBJECT: Council authorization to enter into a residential lease agreement.

Request:

Request Council authorization to enter into a lease agreement with L. Mitch Estepp & Hollis Harvill for use of approximately 1,990 square feet of residential area & identified as 705 Caden Lane in Lexington, Kentucky.

Why are you requesting?

Tenant is essential to Parks & Recreation operations and the premises shall be used for residential use and no other purpose.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$2,340.00 (Revenue)
The cost for future FY is: \$4,680.00 (Revenue)

Are the funds budgeted? Yes

The funds are budgeted or a budget amendment is in process: Yes
Account number: 1101-011001-0001-42181 (Revenue)

File Number: 1397-15

Director/Commissioner: Monica Conrad, Director of Parks & Recreation



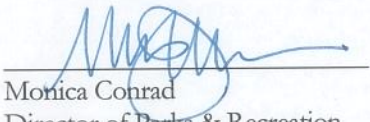
Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICE

Jim Gray
Mayor

Geoff Reed
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Sally Hamilton, CAO
Urban County Council

FROM: 
Monica Conrad
Director of Parks & Recreation

CC: Geoff Reed
Commissioner of General Services

DATE: 09 November 2015

SUBJECT: Council authorization to enter into a residential lease agreement.

Request:

Request Council authorization to enter into a lease agreement with Edmon Chaney for use of approximately 2,808 S/ft of residential space located at the mailing address known as 3401 Shamrock Lane in Lexington, Kentucky.

Why are you requesting?

Tenant is essential to Parks & Recreation operations and the premises shall be used for residential use and no other purpose.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$2,910.00 (Revenue)
The cost for future FY is: \$5,820.00 (Revenue)

Are the funds budgeted? Yes

The funds are budgeted or a budget amendment is in process: Yes
Account number: 1101-011001-0001-42181 (Revenue)

File Number: 1398-15

Director/Commissioner: Monica Conrad, Director of Parks & Recreation



12
1399-15

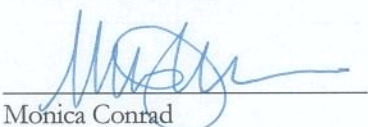
Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICES

Jim Gray
Mayor

Geoff Reed
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Sally Hamilton, CAO
Urban County Council

FROM: 
Monica Conrad
Director of Parks & Recreation

CC: Geoff Reed
Commissioner of General Services

DATE: 09 November 2015

SUBJECT: Council authorization to enter into a residential lease agreement.

Request:

Request Council authorization to enter into a lease agreement with Gary Newman for use of approximately 2,340 S/ft of residential space located at the mailing address known as 3561 Shamrock Lane in Lexington, Kentucky.

Why are you requesting?

Tenant is essential to Parks & Recreation operations and the premises shall be used for residential use and no other purpose.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$3,030.00 (Revenue)
The cost for future FY is: \$6,060.00 (Revenue)

Are the funds budgeted? Yes

The funds are budgeted or a budget amendment is in process: Yes
Account number: 1101-011001-0001-42181 (Revenue)

File Number: 1399-15

Director/Commissioner: Monica Conrad, Director of Parks & Recreation



13
1400-15

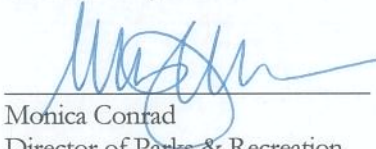
Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICES

Jim Gray
Mayor

Geoff Reed
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Sally Hamilton, CAO
Urban County Council

FROM: 
Monica Conrad
Director of Parks & Recreation

CC: Geoff Reed
Commissioner of General Services

DATE: 09 November 2015

SUBJECT: Council authorization to enter into a residential lease agreement.

Request:

Request Council authorization to enter into a lease agreement with Fred Williamson for use of approximately ½ acre of land located at 4051 Richmond Road in Lexington, Kentucky.

Why are you requesting?

Tenant is essential to Parks & Recreation operations and the land shall be used for residential use and no other purpose.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$1,470.00 (Revenue)
The cost for future FY is: \$2,940.00 (Revenue)

Are the funds budgeted? Yes

The funds are budgeted or a budget amendment is in process: Yes
Account number: 1101-011001-0001-42181 (Revenue)

File Number: 1400-15

Director/Commissioner: Monica Conrad, Director of Parks & Recreation



14
1401-15

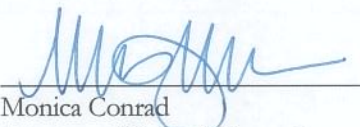
Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICES

Jim Gray
Mayor

Geoff Reed
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Sally Hamilton, CAO
Urban County Council

FROM: 
Monica Conrad
Director of Parks & Recreation

CC: Geoff Reed
Commissioner of General Services

DATE: 09 November 2015

SUBJECT: Council authorization to enter into a residential lease agreement.

Request:

Request Council authorization to enter into a lease agreement with Everett Hampton for use of approximately 1,815 square feet of residential area & identified as 2075 Parkers Mill Road in Lexington, Kentucky.

Why are you requesting?

Tenant is essential to Parks & Recreation operations and the premises shall be used for residential use and no other purpose.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$1,380.00 (Revenue)
The cost for future FY is: \$2,760.00 (Revenue)

Are the funds budgeted? Yes

The funds are budgeted or a budget amendment is in process: Yes
Account number: 1101-011001-0001-42181 (Revenue)

File Number: 1401-15

Director/Commissioner: Monica Conrad, Director of Parks & Recreation




Lexington-Fayette Urban County Government
DIVISION OF HUMAN RESOURCES

Jim Gray
Mayor

Sally Hamilton
Chief Administrative Officer

MEMORANDUM

TO: Jim Gray, Mayor
Sally Hamilton, Chief Administrative Officer
Council Members

FROM: 
John Maxwell, Director
Division of Human Resources

DATE: November 5, 2015

SUBJECT: **Reclassification of Technical Specialist - Division of Computer Services**

Request:

The attached is requesting authorization to abolish one (1) classified position of Technical Specialist (Grade 515N), and create one (1) classified position of Systems Analyst (Grade 520E); reclassifying the incumbent within the Division of Computer Services, effective upon passage of Council.

Why are you requesting:

Upon the request of the division, and in accordance with Section 21-2 (d) of the Code of Ordinances, the Division of Human Resources conducted a reclassification study on the requested position of Technical Specialist held by Gregory Charles within the Division of Computer Services. The position was analyzed by staff using the whole job rank and factor comparison methods. As a result, a recommendation for the reclassification is described in this action.

What is the cost in this budget year and future budget year?

To illustrate, this has a 12-month future impact of a cost of \$10,187.64.

Position Title	Annual Salary Before	Annual Salary After	Annual Increase/Decrease
Technical Specialist	\$50,993.28	\$0	(\$50,993.28)
Systems Analyst	\$0	\$59,153.12	\$59,153.12
Total Annual Impact/ Salary and Benefits \$10,187.64			

File Number:

1417-15

Director/Commissioner: John Maxwell/Sally Hamilton

If you have questions or need additional information, please contact Alisha Lyle at (859) 258-3957.



Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICES

Jim Gray
Mayor

Geoffrey Reed
Commissioner

To: Jim Gray, Mayor
Councilmembers

From: Geoff Reed
Geoff Reed, General Services Commissioner

Date: December 1, 2015

Subject: Water Franchise Ordinance

Request

The Department of General Services requests an Ordinance creating and establishing for bid, a non-exclusive water franchise. A copy of the proposed Ordinance, which was recently presented in a Council workshop, is attached.

Why are you requesting?

This action is requested because the existing water franchises with Kentucky-American Water Company and Spears Water Company have expired and Council approval is needed in order to advertise for a new water franchise(s).

What is the cost in this budget year and future budget years?

\$0

Are the funds budgeted?

NA

File Number: 1423-15



Lexington-Fayette Urban County Government
CHIEF ADMINISTRATIVE OFFICE

Jim Gray
Mayor

Sally Hamilton
CAO

TO: Mayor Jim Gray
Sally Hamilton, chief Administrative Officer
Urban County Council Members
FROM: Lori Rowland Houlihan, Director of Arts & cultural Affairs

CC:

DATE: November 10, 2015

SUBJECT: Authorization of Lease Agreement for 2016 Martin Luther King Day Celebration

Request

Authorization to: Approve the rental agreement with the Lexington Center Corporation for the 2016 MLK Day celebration..

Why are you requesting?

Department needs this action completed because: The city budgets this event every year as a special project of the Mayor's office.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$8,700.

The cost for future FY is: \$0

Are the funds budgeted?

The funds are budgeted or a budget amendment is in process: This expense is fully budgeted in the Special Projects budget.

Account number: 134201-1426

File Number: 142415

Director/Commissioner: Jamie Emmons, Chief of Staff




Lexington-Fayette Urban County Government
DIVISION OF HUMAN RESOURCES

Jim Gray
Mayor

Sally Hamilton
Chief Administrative Officer

M E M O R A N D U M

TO: Jim Gray, Mayor
Sally Hamilton, Chief Administrative Officer
Council Members

FROM: 
John Maxwell, Director
Division of Human Resources

DATE: November 10, 2015

RE: **Renewal Agreement Prescription Benefit—Bluegrass Family Health**

Request:

The attached action authorizes the Mayor to execute a Renewal Agreement with Bluegrass Family Health, Inc. for Prescription Benefit Administrative Services for the period beginning January 1, 2016 through December 31, 2016.

Are funds budgeted?

There is no budgetary impact for this action.

If you have questions or need additional information, please contact Alisha Lyle at 258-3957.

File Number:
1425-15

Director/Commissioner:
John Maxwell/Sally Hamilton




Lexington-Fayette Urban County Government
CHIEF ADMINISTRATIVE OFFICE

Jim Gray
Mayor

Sally Hamilton
CAO

TO: Mayor Jim Gray
Urban County Council



FROM: Chief Mark Barnard
Lexington Police Department

CC: Commissioner Ronnie Bastin
Department of Public Safety

DATE: November 10, 2015

SUBJECT: Motorola Solutions - TipSoft

Request

Authorization to establish a contract with Motorola Solutions – TipSoft and the Lexington-Fayette Urban County Government. The Lexington Police Department will acquire and implement the TipSoft tip system as part of an effort to increase the solvability of reported crimes and increase the opportunities to intervene in situations where a crime can be prevented.

Why are you requesting?

The Lexington Police Department will acquire and implement the TipSoft tip system as part of an effort to increase the solvability of reported crimes and increase the opportunities to intervene in situations where a crime can be prevented. The tip system moves our department toward cutting edge and adaptable technology in lieu of traditional phone call tip reporting, by expanding opportunities to the public to use cell phones of all technical capabilities. This system will also merge particular functions in the department that will allow the department to cease using an answering service, saving funds that were previously applied to that service.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$5198 (\$4,799 + \$399)

The cost for future FY is: N/A

Are the funds budgeted?

Funds are budgeted – Acct # 1101-505501-5511-71299

File Number: - 1428-15

Director/Commissioner: Mark Barnard, Chief
Lexington Police Department

MB/rmh



Lexington-Fayette Urban County Government
CHIEF ADMINISTRATIVE OFFICE

Jim Gray
Mayor

Sally Hamilton
CAO

TO: Mayor Jim Gray
Urban County Council

FROM: Chief Mark Barnard
Lexington Police Department

CC: Commissioner Ronnie Bastin
Department of Public Safety

DATE: November 10, 2015

SUBJECT: New World Systems Corporation – Standard Software Maintenance Agreement

Request

Authorization to enter into a Standard Software Maintenance Agreement between New World Systems Corporation (New World) and Lexington-Fayette Urban County Government.

Why are you requesting?

This agreement provides standard software maintenance support services provided by New World, upgrades and revision to the software application package. The attached agreement requires the Mayor's signature. This agreement shall remain in effect for a period of three (3) years, from July 1, 2015 through June 30, 2018.

Please return the original signed agreement to the Chief's Office to acquire additional signature.

What is the cost in this budget year and future budget years?

The cost for this FY is: July 1, 2015 – June 30, 2016 - \$134,760

The cost for future FY is: July 1, 2016 – June 30, 2017 - \$134,760

The cost for future FY is: July 1, 2017 – June 30, 2018 - \$134,760

Are the funds budgeted?

Funds are fully budgeted

Police – 1101-505502-5527-76102 - \$100,645

E911 – 4204-505602-0001-76102 - \$ 34,115

File Number: - 1429-15

Director/Commissioner: Mark Barnard, Chief
Lexington Police Department

MB/rmh




Lexington-Fayette Urban County Government
DEPARTMENT OF SOCIAL SERVICES

Jim Gray
Mayor

Chris Ford
Commissioner

TO: Mayor Jim Gray
Honorable Members, Urban County Council

FROM: 
Chris Ford, Commissioner of Social Services

DATE: November 12, 2015

SUBJECT: Memorandum of Agreement with UK College of Social Work

Request:

Request Council Authorization for the Mayor to execute a Memorandum of Agreement between the Department of Social Services and the University of Kentucky College of Social Work.

Purpose:

This Memorandum of Agreement will formally establish a cooperative educational practicum program for social work students of the University to be assigned to work with the Department of Social Services' Divisions and Programs. The students will receive supervised field practicum and evaluation. This MOA formalizes the program under which 12 student interns from the UK College of Social Work are currently placed for practicums within the Department, and all future student interns placed with the Department.

Budgetary Implication:

There is no fiscal impact associated with this MOA.

Are the funds budgeted?

There is no fiscal impact associated with this MOA.

File Number: 1434-15

Director/Commissioner: Chris Ford



Lexington-Fayette Urban County Government
DIVISION OF GRANTS AND SPECIAL PROGRAMS

Jim Gray
Mayor

Sally Hamilton
CAO

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: November 12, 2015

SUBJECT Grant Application for GRO1000 Gardens and Green Spaces Award

Request:

Request Council authorization to submit an application requesting to the United States Conference of Mayors and The Scotts Miracle-Gro Company's GRO1000 Gardens and Green Spaces Grant Awards Program for \$25,000 in cash and \$15,000 in-kind Scotts product for enhancement of the toddler play area at Jacobson Park

Why are you requesting?

The Division of Parks and Recreation has prepared an application requesting funding from the United States Conference of Mayors and the Scotts Miracle-Gro Company under the 2016 GRO1000 Gardens and Green Spaces Grant Awards Program. If approved, LFUCG will receive \$25,000 in cash in-kind products valued at \$15,000 from the Scotts Company over a three-year period. If approved, funds and products will be used to enhance the toddler play area at Jacobson Park. No matching funds are required.

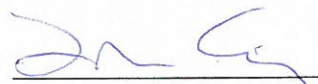
What is the cost in this budget year and future budget years?

If approved, cost will be \$25,000 in FY 2016, \$7,500 in FY 2017, and \$7,500 in FY 2018.

Are the funds budgeted: Funds are not yet budgeted. If the grant budget is approved, a budget amendment will be initiated.

File Number: 1440-15

Director/Commissioner: Conrad/Reid


Irene Gooding, Director



Lexington-Fayette Urban County Government
DIVISION OF GRANTS AND SPECIAL PROGRAMS

Jim Gray
Mayor

Sally Hamilton
CAO

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

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

DATE: NOVEMBER 12, 2015

SUBJECT: Submission of grant application to the U.S. Department of Homeland Security under the 2015 Assistance to Firefighters Grant Program for Division of Fire and Emergency Services

Request:

Request Council authorization to submit application to the U.S. Department of Homeland Security under the 2015 Assistance to Firefighters Grant Program requesting federal funding in the amount of \$391,500 for exhaust extraction system upgrades or replacements for 16 Lexington fire stations.

Why are you requesting?

The purpose of this project is to upgrade or replace exhaust extraction systems (EES) in 16 fire stations with the objective of reducing the exposure of firefighters to diesel exhaust. EES removes highly toxic carcinogenic pollutants from the bays of the fire stations by capturing diesel exhaust at the source, which will eliminate exhaust pollutants from the bays and the living and sleeping quarters of the fire stations. Reducing the exposure of firefighters to diesel exhaust is one of the national fire service's highest priorities with the goal of reducing short-term and long-term disabilities and shortened life spans caused by respiratory illnesses.


What is the cost in this budget year and future budget years?

Total project costs is \$435,000. If grant application is approved, federal funds in the amount of \$391,500 will be available, requiring a grant match of \$43,500.

Are funds budgeted: Grant match is budgeted in fund 1101-505702-5717-78201

File Number: 1441-15

Director/Commissioner: Jackson/Bastin



Irene Gooding, Director

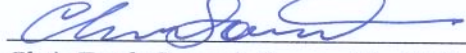


Lexington-Fayette Urban County Government
DEPARTMENT OF SOCIAL SERVICES

Jim Gray
Mayor

Chris Ford
Commissioner

TO: Mayor Jim Gray
Honorable Members, Urban County Council

FROM: 
Chris Ford, Commissioner of Social Services

DATE: November 19, 2015

SUBJECT: Purchase of Service Agreements with Opportunity Grant Initiative Organizations

Request:

Request approval for the Lexington-Fayette Urban County Government to enter into Purchase of Service Agreements with four Opportunity Grant Initiative (OGI) Organizations.

Purpose:

Opportunity Grants are a new initiative designed to better position local government in impacting youth learning and community enrichment challenges throughout Lexington. The grants will focus on partnering with Fayette County Public Schools (FCPS) in addressing the academic Achievement Gap affecting minority and disadvantaged students. Mayor Gray and administration officials propose the initial Opportunity Grant allocation in efforts to join a growing community call for local leadership, in efforts to close the achievement gap.

Budgetary Implication:

Funds totaling \$280,000 to support the OGI have been reallocated from the FY2015 Fund Balance Budget. These organizations, as well as the level of funding budgeted for each, are as follows:

<u>Agency Name</u>	<u>Funding Level</u>	<u>DeptID</u>
Carnegie Literacy Center, Inc.	\$90,000	900608
God's Pantry Food Bank	\$90,000	900323
Urban League of Lexington-Fayette County	\$90,000	900206
16 th District PTA (Fayette County)	\$10,000	900360

Are the funds budgeted?

Budget Amendment is in progress.

File Number: 1447-15

Director/Commissioner: Chris Ford



Lexington-Fayette Urban County Government
DEPARTMENT OF FINANCE

Jim Gray
Mayor

William O'Mara
Commissioner

TO: Mayor Jim Gray
Sally Hamilton, CAO
Urban County Council Members

FROM: Rusty Cook, Director Division of Revenue *RC*
Brian Wood, Battalion Chief Division of Emergency Services

CC: William O'Mara, Commissioner of Finance
Ronnie Bastin, Commissioner of Public Safety

DATE: November 13, 2015

SUBJECT: Ambulance Medical Billing Service Agreement

Request

Authorization to: accept Credit Bureau Systems, Inc. d/b/a Ambulance Medical Billing as the new entity to provide billing and collection services for Emergency Medical Services performed by LFUCG Division of Fire and Emergency Services.

Why are you requesting?

Department needs this action completed because: the current contract with incumbent (SDI) expires December 31, 2015 and this vendor has decided to cease providing services effective same date.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$ 126,000.00

The cost for future FY is: 4.6% per month of net collections received during the initial term and during any additional terms.

Are the funds budgeted?

The funds are budgeted: for the monthly fee.

Account number: 1101-202601-0001-71202



Lexington-Fayette Urban County Government
DIVISION OF GRANTS AND SPECIAL PROGRAMS

Jim Gray
Mayor

Sally Hamilton
CAO

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: November 16, 2015

SUBJECT: Amendment to Agreement with AIDS Volunteers, Inc.

Request: Request Council authorization to execute amendment to agreement with AIDS Volunteers, Inc. for use of HOME Investment Partnership Funds for support of a Tenant Based Rental Assistance Project

Why are you requesting?

On June 25, 2013 (Ordinance # 175-2013), Council approved execution of an agreement with AIDS Volunteers, Inc., providing an allocation of \$52,800 in Home Investment Partnerships Program funds, in accordance with the 2013 Consolidated Plan, for operation of a Tenant Based Rental Assistance Program for persons of very low-income.

An amendment to agreement providing for an extension of the performance period through June 30, 2016 is hereby proposed. No additional funds are needed.

What is the cost in this budget year and future budget years?

None – these funds have already been allocated.

Are the funds budgeted? Yes

File Number: 1453-15

Director/Commissioner: Gooding/Hamilton



Irene Gooding, Director




Lexington-Fayette Urban County Government
DEPARTMENT OF SOCIAL SERVICES

Jim Gray
Mayor

Chris Ford
Commissioner

TO: Mayor Jim Gray
Honorable Members, Urban County Council

FROM: 
Chris Ford, Commissioner of Social Services

DATE: November 16, 2015

SUBJECT: Memorandum of Understanding with CASA

Request:

Request Council Authorization for the Mayor to execute a Memorandum of Understanding between the Department of Social Services and the Court Appointed Special Advocate, Inc., Family County Courts, the Cabinet for Health and Family Services, and the Fayette County Attorney's Office.

Purpose:

This Memorandum of Understanding will outline the relationship among the Department of Social Services and the Court Appointed Special Advocate, Inc., Family County Courts, the Cabinet for Health and Family Services, and the Fayette County Attorney's Office concerning the operation of the Court Appointed Special Advocates Program.

Budgetary Implication:

There is no fiscal impact associated with this MOU.

Are the funds budgeted?

There is no fiscal impact associated with this MOU.

File Number: 1460-15

Director/Commissioner: Chris Ford



LEXINGTON - FAYETTE URBAN COUNTY GOVERNMENT
 Department of Planning, Preservation & Development
 Division of Engineering

Jim Gray
 Mayor

Derek J. Paulsen, Ph.D.
 Commissioner

TO: JIM GRAY, MAYOR
 URBAN COUNTY COUNCIL

FROM: *R. A. Bayert*
 ROBERT A. BAYERT, P.E., URBAN COUNTY ENGINEER-Acting

DATE: NOVEMBER 17, 2015

SUBJECT: Bridge Posting Requirements -2015

Request:

We are requesting that the Mayor and Council authorize the signing of the attached "Statement of Compliance" bridge posting requirements for filing with the Kentucky Transportation Cabinet.

Why are you requesting?

Each year the Kentucky Department of Highways informs the LFUCG of our bridge weight limit posting needs for the bridges in the National Bridge Inventory in Fayette County. According to the attached memo from Mr. Kelly A. Baker, P.E., Chief District Engineer, one substandard bridge in Fayette County was found to be improperly posted. This posting has been corrected and the LFUCG is now in compliance with the "National Bridge Inspection Standards, Bridge Posting Requirement". In order to remain in compliance and be eligible to receive Federal Bridge Rehabilitation or Replacement funds, we must sign and return the attached form as soon as possible.

As of October 29, 2015 all bridge posting requirements have been met and were confirmed visually by Traffic Engineering. A copy of LFUCG Division of Traffic Engineering, posting inventory is included for review.

What is the cost in this budget year and future budget years? There is no cost to the LFUCG.

Are the funds budgeted: N/A

File Number: 1465-15

Director/Commissioner: Bayert/Paulsen

15.1000.116.Bridge Posting Requirements11-17-15.doc

H O R S E C A P I T A L O F T H E W O R L D

101 East Vine Street, Suite 400

Lexington, KY 40507

(859) 258-3410

FAX (859) 258-3458

www.lexingtonky.gov



Lexington-Fayette Urban County Government
DEPARTMENT OF PUBLIC WORKS & ENVIRONMENTAL QUALITY

Jim Gray
Mayor

David Holmes
Commissioner

To: Mayor Jim Gray
Lexington Fayette Urban County Council

From: 
Charles H. Martin, P.E., Director
Division of Water Quality

Date: November 17, 2015

Subject: Recommendation for Replacement of Equipment at the West Hickman Creek WWTP

Request

The purpose of this memorandum is to request approval for the purchase of replacement component for the Helixpress #1 Fine Screen and Conveyor assembly in operation at the West Hickman Creek WWTP. The manufacturer, Parkson Corporation is the sole source for the specified component.

Purpose of Request

Replacement of the existing unit is necessitated due to numerous prior "spot repairs-welds" to said equipment that have resulted in "metal fatigue" for the existing unit which therefore renders said equipment unsuitable for another "spot repair-weld" and thereby warranting the need for said unit replacement.

Replace and repair Cost in FY16

The quote from Parkson Corporation for this component is \$20,380.00. This amount is inclusive of the component and estimated freight charge(s).

Are Funds Budgeted

Funds are budgeted in: 4002-303403-0001-91017

Martin/Holmes




Lexington-Fayette Urban County Government
DEPARTMENT OF ENVIRONMENTAL QUALITY AND PUBLIC WORKS

Jim Gray
Mayor

David L. Holmes
Commissioner

To: Mayor Jim Gray
Urban County Council

From: 
Charles H. Martin, P.E.
Director, Division of Water Quality

Date: November 17, 2015

Re: Request for Authorization to Enter into an Assistance Agreement by and between Kentucky Infrastructure Authority and the Lexington-Fayette Urban County Government for a Low-Interest (1.75%) Loan Related to the Lower Cane Run Wet Weather Storage Tanks Project (A14-001)

The purpose of this memorandum is to request authorization to enter into an Assistance Agreement by and between Kentucky Infrastructure Authority and the Lexington-Fayette Urban County Government. This agreement will allow the LFUCG to accept a low-interest (1.75%) loan through the Federally Assisted Wastewater Revolving Loan Fund Program, Fund A in the amount of \$19,837,063.00 related to the Lower Cane Run Wet Weather Storage Tanks Project.

Application was made after receiving authorization from the Urban County Council via Resolution 481-2013.



Lexington-Fayette Urban County Government
CHIEF ADMINISTRATIVE OFFICE

Jim Gray
Mayor

Sally Hamilton
CAO

TO: Mayor Jim Gray
Urban County Council

FROM: Charlie Lanter, Director, Office of Homelessness Prevention & Intervention

CC: Sally Hamilton, CAO

DATE: November 18, 2015

SUBJECT: Agreement with Community Action Council to operate Emergency Family Housing Program

Request

Authorization to: Execute a Purchase of Services Agreement with Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties (CAC) for the purposes of CAC operating an Emergency Family Housing program to provide shelter and supportive services for two-parent families and group families experiencing homelessness.

Why are you requesting?

Department needs this action completed because:

The Homelessness Prevention & Intervention Board has allocated \$100,000 annually for two years to facilitate startup of an emergency housing program for two-parent and group families experiencing homelessness. This project would begin to address a significant gap in Lexington's homeless shelter infrastructure which has left families sleeping in cars, doubling up in unsafe living situations, or sleeping in other places not meant for human habitation. The project would provide emergency housing in hotels and then move families into one of several master leased apartments where they would be able to stay for up to 90 days while working with project staff to exit to permanent housing.

This agreement will fund the first two years of startup and operation for the project and requires CAC to apply for emergency shelter funding from the Office of Homelessness in 2016 to shift operations to a more long-term funding stream.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$100,000 from the Innovative & Sustainable Solutions to Homelessness Fund

The cost for future FY is: \$100,000 in next Fiscal Year from Innovative & Sustainable Solutions to Homelessness Fund

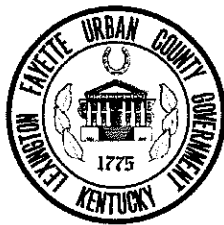
Are the funds budgeted?

The funds are budgeted or a budget amendment is in process: YES

Account number: 1145-155003-0001-78112

File Number: 1477-15

Director/Commissioner: Sally Hamilton, CAO



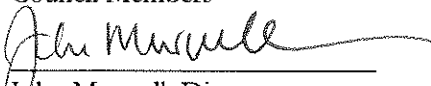
Lexington-Fayette Urban County Government
DIVISION OF HUMAN RESOURCES

Jim Gray
Mayor

Sally Hamilton
Chief Administrative Officer

M E M O R A N D U M

TO: Jim Gray, Mayor
Sally Hamilton, Chief Administrative Officer
Council Members

FROM: 
John Maxwell, Director
Division of Human Resources

DATE: November 16, 2015

SUBJECT: Create positions – Division of Parks and Recreation

Request:

The attached is requesting authorization to create one (1) unclassified position of Recreation Manager (Grade 518E) and create one (1) unclassified position of Recreation Specialist Sr. (Grade 516E) with a term date of three years (expiring November 2018), in the Division of Parks and Recreation, effective the first payroll Monday following passage of Council.

Why are you requesting?

Upon the request of division, and in accordance with Section 22-2 (4) of the Code of Ordinances, the Division of Human Resources conducted a classification study on the requested position. The studies were conducted according to standard procedures using the Job Analysis Questionnaires (JAQs) and position audits. The positions were analyzed by staff using the whole job rank and factor comparison methods. As a result, a recommendation for their requested positions is described in this action.

What is the cost in the budget year and future budget year?

This has a 12-month future impact of a cost of \$124,128.51.

Position Title	Annual Salary Before	Annual Salary After	Annual Increase/Decrease
Recreation Manager	\$0	\$47,853.73	\$47,853.73
Recreation Specialist Sr.	\$0	\$43,405.44	\$43,405.44
Total Annual Impact/ Salary and Benefits \$124,128.51			

Are funds budgeted?

Funds are budgeted.

File Number:

1479-15



Lexington-Fayette Urban County Government
DEPARTMENT OF FINANCE

Jim Gray
Mayor

William O'Mara
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Urban County Councilmembers

FROM: William O'Mara, Commissioner
Department of Finance

DATE: November 19, 2015

RE: Payment in lieu of taxes (PILOT) for the Fayette County Agricultural Extension Office

The 2015 tax bills were mailed reflecting an incorrect rate for the Fayette County Agricultural Extension Office. The rate on the tax bill is \$.0005 lower than the amount recommended by the Agricultural Extension Board of Directors and adopted by the Lexington-Fayette Urban County Council. The difference in tax rate is estimated to result in a funding shortfall to the Agricultural Extension Office in tax collections of \$11,000.

Due to the significant cost of issuing corrected tax bills, the confusion to the taxpayer, and the modest tax liability to an individual taxpayer (\$1.00 for a \$200,000 home), it is recommended a payment in lieu of taxes (PILOT) from Lexington-Fayette Urban County Government be approved in the amount of \$71,000. One half of this amount will be funded by the Fayette County Clerk.

This payment will result in the same amount of tax revenue to the Agricultural Extension Office as if the corrected tax bills were issued and collected.

Please approve the issuance of the \$71,000 to the Fayette County Agricultural Extension office as a payment in lieu of taxes. The Fayette County Clerk's office will reimburse the city for half of the payment.

A Budget Amendment will be processed to accommodate this action.

If you have questions or need additional information, please feel free to contact me.

WO/lyb
Attachment



Lexington-Fayette Urban County Government
DIVISION OF HUMAN RESOURCES

Jim Gray
Mayor

Sally Hamilton
Chief Administrative Officer

M E M O R A N D U M

TO: Jim Gray, Mayor
Sally Hamilton, Chief Administrative Officer
Council Members

FROM: *John Maxwell by Jm Maltus*
John Maxwell, Director
Division of Human Resources

DATE: November 19, 2015

SUBJECT: Abolish/Create positions – Division of Police

Request:

The attached action is requesting authorization to abolish one (1) classified position of Police Technician (Grade 513N) create one (1) classified position of Community Program Coordinator (Grade 514N) in the Division of Police, effective upon passage by Council.

Why are you requesting?

Upon the request of the division, and in accordance with Section 21-2 (d) of the Code of Ordinances, the Division of Human Resources conducted a classification study on the requested position. The position was analyzed by staff using the whole job rank and factor comparison methods. As a result, a recommendation for their requested position is described in this action.

What is the cost in this budget year and future budget years?

To illustrate, this has a 12-month future impact of a cost of \$2,341.89.

Position Title	Annual Salary Before	Annual Salary After	Annual Increase/Decrease
Police Technician	(\$37,493.66)	\$0	(\$37,493.66)
Community Program Coordinator	\$0	\$39,369.41	\$39,369.41
Total Annual Impact/ Salary and Benefits \$2,341.89			

Are the funds budgeted?

Funds are budgeted.

File Number:

1481-15

Director/Commissioner: John Maxwell/Sally Hamilton

If you have questions or need additional information, please contact Alisha Lyle at 258-3957.



Lexington-Fayette Urban County Government
DEPARTMENT OF FINANCE

Jim Gray
Mayor

William O'Mara
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Members, Urban County Council

FROM: William O'Mara, Commissioner
Department of Finance

DATE: November 19, 2015

SUBJECT: Fayette County Sheriff and Fayette County Clerk 2016 General Term Orders

Every year the Urban County Council approves a calendar year General Term Order (GTO) for the Fayette County Clerk and the Fayette County Sheriff. The GTO is basically an authorization form that summarizes maximum annual expenditures for personnel, operating and capital and is used by the Department of Local Government as a guideline for approval of reimbursement of expenditures. The 2016 GTO's need to be approved in order for the expenditures of these offices to be processed by the Department of Local Government. The following table summarizes the revised budget outlined in the GTO's.

		2016 GTO – Sheriff		2016 GTO – Co. Clerk
Receipts		\$ 10,350,000.00		\$ 5,700,000.00
Surplus		\$ 350,000.00		\$ 300,000.00
Total Funds Available		<u>\$ 10,700,000.00</u>		<u>\$ 6,000,000.00</u>
Personnel		\$ 9,053,279.00		\$ 4,870,000.00
Operating		\$ 1,300,000.00		\$ 600,000.00
Equipment		\$ 346,721.00		\$ 530,000.00
Total Expenditures		<u>\$ 10,700,000.00</u>		<u>\$ 6,000,000.00</u>

I request that a resolution approving these General Term Orders for 2016 be placed on the Council docket for approval.

\lyb
Attachments



Lexington-Fayette Urban County Government
DEPARTMENT OF ENVIRONMENTAL QUALITY AND PUBLIC WORKS

Jim Gray
Mayor

David Holmes
Commissioner

TO: Mayor Jim Gray
Urban County Council

FROM: Charles Martin, PE *Chm*
Director Division of Water Quality

DATE: November 17, 2015

SUBJECT: Change Order 2 (Final) - Blue Sky Pump Station and Force Main
Additional Geotechnical Analysis and Decrease in Rock Soundings
Contract Number 242-2012

Request

The purpose of this memorandum is to request approval of change order #2 to the engineering contract with Bell Engineers in the amount of \$879.79 for the Blue Sky Pump Station and Force Main Project.

Purpose of Request

This amendment will increase the contract by \$2,127.79 for additional geotechnical analysis of fill brought into the lagoon and will decrease the contract by \$1,248.00 for rock soundings that were not needed for design of the force main. The net increase in the contract will be \$879.79 and this will be the final change order.

Project Cost in FY 2016

The net increase of \$879.79 is the expected expenditure for FY 2016.

Are Funds Budgeted

Funds are fully budgeted in

4003 – 303408 – 3468 – 92811

Budget Reference: 2013

Project: BLUESKYPS_2013

Activity: CONSENT_DE

File Number

242-2012

Director/Commissioner

Martin/Holmes

JUSTIFICATION FOR CHANGE

PROJECT: 1483-15

CONTRACT NO.

CHANGE ORDER:

1. Necessity for change:

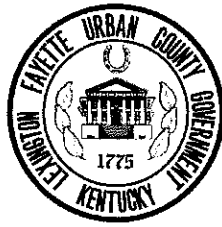
2. Is proposed change an alternate bid? ___Yes XNo
3. Will proposed change alter the physical size of the project? ___Yes XNo
If "Yes", explain.

4. Effect of this change on other prime contractors: N/A

5. Has consent of surety been obtained? ___Yes XNot Necessary
6. Will this change affect expiration or extent of insurance coverage? ___Yes XNo
If "Yes", will the policies be extended? ___Yes ___No
7. Effect on operation and maintenance costs: N/A

8. Effect on contract completion date: N/A

Mayor_____
Date



Lexington-Fayette Urban County Government
DIVISION OF HUMAN RESOURCES

Jim Gray
Mayor

Sally Hamilton
Chief Administrative Officer

M E M O R A N D U M

TO: Jim Gray, Mayor
Sally Hamilton, Chief Administrative Officer
Council Members

FROM: *John Maxwell by Jmorrattus*
John Maxwell, Director
Division of Human Resources

DATE: November 19, 2015

SUBJECT: Create positions – Division of Police

Request:

The attached action is requesting authorization to create ten (10) classified positions of Safety Officer (Grade 511N) and reallocate two (2) classified positions of Safety Officer (Grade 510N) to (Grade 511N) and the incumbents in the Division of Police, effective upon passage by Council.

Why are you requesting?

Upon the request of the division, and in accordance with Section 21-2 (d) of the Code of Ordinances, the Division of Human Resources conducted a classification study on the position of Safety Officers. The positions were analyzed by staff using the whole job rank and factor comparison methods. As a result, a recommendation for their requested positions as described in this action.

What is the cost in this budget year and future budget years?

To illustrate, this has a 12-month future impact of a cost of \$442,183.37.

Position Title	Annual Salary Before	Annual Salary After	Annual Increase/Decrease
Safety Officer (10 new)	\$0	\$340,088.30	\$340,088.30
Safety Officer (Stepter) Reallocate	\$40,233.44	\$43,049.76	\$2,816.32
Safety Officer (Rayford) Reallocate	\$42,806.40	\$45,803.68	\$2,997.28
Total Annual Impact/ Salary and Benefits \$442,183.37			

Are the funds budgeted?

There is a budget amendment in process for this action.

File Number:

1484-15

Director/Commissioner: John Maxwell/Sally Hamilton



Lexington-Fayette Urban County Government
DIVISION OF HUMAN RESOURCES

Jim Gray
Mayor

Sally Hamilton
Chief Administrative Officer

MEMORANDUM

TO: Jim Gray, Mayor
Sally Hamilton, Chief Administrative Officer
Council Members

FROM: *John Maxwell by Memorandum*
John Maxwell, Director
Division of Human Resources

DATE: November 19, 2015

SUBJECT: Abolish/Create Position—Division of Enterprise Solutions

Request:

The attached is requesting authorization to abolish one (1) classified position of IT Business Relationships Manager (Grade 528E), and create one (1) classified position of Information Systems Business Analyst (Grade 526E) in the Division of Enterprise Solutions, effective upon passage of Council.

Why are you requesting:

Upon the request of the division, and in accordance with Section 21-2 (d) of the Code of Ordinances, the Division of Human Resources conducted a classification study on the requested position. The position was analyzed by staff using the whole job rank and factor comparison methods. As a result, a recommendation for their requested position as described in this action.

What is the cost in this budget year and future budget year?

To illustrate, this has a 12-month future impact of a savings of \$9,049.15.

Position Title	Annual Salary Before	Annual Salary After	Annual Increase/Decrease
IT Business Relationships Manager	(\$77,949.66)	\$0	(\$77,949.66)
Information Systems Business Analyst	\$0	\$70,701.70	\$70,701.70
Total Annual Impact/ Salary and Benefits (\$9,049.15)			

Are funds budgeted?

Funds are budgeted.

File Number:

1485-15

Director/Commissioner: John Maxwell/Sally Hamilton

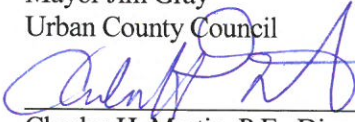


Lexington-Fayette Urban County Government
DEPARTMENT OF ENVIRONMENTAL QUALITY AND PUBLIC WORKS

Jim Gray
Mayor

David L. Holmes
Commissioner

TO: Mayor Jim Gray
Urban County Council

FROM: 
Charles H. Martin, P.E., Director
Division of Water Quality

DATE: November 18, 2015

SUBJECT: Change Order # 2 for the Wolf Run Pump Station Expansion and Relocation project
Resolution No. 453-2009

Request

The purpose of this memorandum is to request approval of Change Order #2 to the LFUCG contract with HDR Engineering, Inc., for the Wolf Run Pump Station Expansion and Relocation Project.

Purpose of Request

To amend the contract so that compensation for addition work can be administered. Work completed was for additional easement acquisition and additional construction administration efforts.

Project Cost in FY15

The change order cost request is \$4,000.

Are Funds Budgeted

Funds are budgeted in 4003-303408-3468-92811 Project:WRPUMPSTA_2011 and Activity: CONSENT_DE.

File Number:

Resolution#453-2009

Director/Commissioner:

Martin/Holmes

JUSTIFICATION FOR CHANGE

PROJECT: Wolf Run PS/FM

1486-15

CONTRACT NO. Resolution#453-2009

CHANGE ORDER: 2

1. Necessity for change: Additional construction administration services due to Contract B construction time extension and additional easement services.
2. Is proposed change an alternate bid? ___Yes ___X No
3. Will proposed change alter the physical size of the project? ___Yes ___X No
If "Yes", explain.
4. Effect of this change on other prime contractors: N/A
5. Has consent of surety been obtained? ___Yes ___X Not Necessary
6. Will this change affect expiration or extent of insurance coverage? ___Yes ___X No
If "Yes", will the policies be extended? ___Yes ___No
7. Effect on operation and maintenance costs: N/A
8. Effect on contract completion date: N/A

Mayor_____
Date

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT CONTRACT CHANGE ORDER Page 1 of 2		Date:	November 19, 2015
		Project:	Wolf Run PS/FM
		Location:	<i>Water Quality</i>
		Contract No.	Resolution#453-2009
		Original Contract Amt.	\$368,550.00
		Cumulative Amount of Previous Change Orders	\$66,500.00
		Percent Change - Previous Change Orders	18.04%
		Total Contract Amount Prior to this Change Order	\$435,050.00
		Change Order No.	1
You are hereby requested to comply with the following changes from the contract plans and specification;			
Current Change Order			
Item No.	Description of changes-quantities, unit prices, change in completion date, etc.	Decrease in contract price	Increase in contract price
1	Construction Administration and easements		\$4,000.00
	Total decrease	\$0.00	
	Total increase		\$4,000.00
	Net Amount of this Change Order	\$4,000.00	
	New Contract Amount Including this Change Order	\$439,050.00	
	Percent Change - This Change Order		0.91%
	Percent Change - All Change Orders		19.13%
The time provided for the completion in the contract and all provisions of the contract will apply hereto.			
Recommended by <u><i>L. Mullins - Williams</i></u> (Proj. Engr.) Date <u>11-19-15</u>			
Accepted by <u><i>[Signature]</i></u> (Design Engineer) Date <u>11/19/15</u>			
Approved by <u><i>[Signature]</i></u> (Director) Date <u>11-19-15</u>			
Approved by _____ (Commissioner) Date _____			
Approved by _____ (Mayor or CAO) Date _____			



Lexington-Fayette Urban County Government
DEPARTMENT OF PLANNING, PRESERVATION & DEVELOPMENT
DIVISION OF ENGINEERING

Jim Gray
Mayor

Derek J. Paulsen, Ph.D.
Commissioner

TO: Jim Gray, Mayor

FROM: Kevin Atkins, Chief Development Officer 

DATE: November 20, 2015

SUBJECT: Kentucky Economic Development Finance Authority Grant Funds Ashland Oil in the amount of \$450,000

Request:

Authorization to: submit a grant application to the Kentucky Economic Development Finance Authority for Ashland Oil in the amount of \$450,000 and authorization to execute all documents including an agreement with Ashland Oil and to accept the grant funds if approved.

Why are you requesting?

Ashland Oil is in the process of developing a new site in Lexington. They have requested state funds to assist with the development of the project. The funds would be used to off-set costs for the new development in Lexington.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$450,000 if approved

The cost for future FY is: None.

Are the funds budgeted? N/A

The funds are budgeted or a budget amendment is in process: If approved, a budget amendment will be processed.

Account number: N/A

File Number: N/A

Director/Commissioner: Kevin Atkins



Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICES

Jim Gray
Mayor

Geoff Reed
Commissioner, General Services

MEMORANDUM

TO: Jim Gray, Mayor
Sally Hamilton, CAO
Urban County Council Members

FROM: *M. Conrad by D.N.F.*
Monica Conrad, Director
Parks and Recreation

RE: Change Order #2

DATE: November 23, 2015

Request

This is a request for Council approval of Change Order #2 for Idle Hour Park Demolition and Football Field Construction project in the amount of \$18,015.00.

Why are you requesting?

Department needs this action completed because:

Change Order is required to address unanticipated site issue of an unsuitable soil condition within the area for the parking lot adjacent to the St. Ann entrance to the park. This soil condition will prevent the construction of viable parking lot and access way into the park.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$18,015.00

The cost for future FY is: 0

Are the funds budgeted? Yes

The funds are budgeted or a budget amendment is in process: Budgeted

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT CONTRACT CHANGE ORDER Page 1 of 2		Date:	November 4, 2015
To: LAGCO Excavating Inc. 1490 Sunshine Lane Lexington, KY 40505		Project:	Demolition & Football Field Construction
		Location:	Idle Hour Park
		Contract No.	154-2013
		Original Contract Amt.	\$366,541.00
		Cumulative Amount of Previous Change Orders	\$194,152.00
		Percent Change - Previous Change Orders	52.97%
		Total Contract Amount Prior to this Change Order	\$560,693.00
		Change Order No.	2
You are hereby requested to comply with the following changes from the contract plans and specification;			
Current Change Order			
Item No.	Description of changes-quantities, unit prices, change in completion date, etc.	Decrease in contract price	Increase in contract price
1	Remove 10 inches of unsuitable soil		\$920.00
2	Haul off unsuitable soils		\$3,220.00
3	Break up existing buried asphalt		\$1,800.00
4	Import and place 10" of DGA base		\$12,075.00
	Total decrease	\$0.00	
	Total increase		\$18,015.00
	Net Amount of this Change Order	\$18,015.00	
	New Contract Amount Including this Change Order	\$578,708.00	
	Percent Change - This Change Order		3.11%
	Percent Change - All Change Orders		57.88%
The time provided for the completion in the contract and all provisions of the contract will apply hereto.			
Recommended by <u>Anthony B. Williams</u> (Proj. Mngr.) Date <u>11/4/15</u>			
Accepted by <u>Stanley C. Carr</u> (Contractor) Date <u>11-12-15</u>			
Approved by <u>W. S. G. J. P. Pub</u> (Director) Date <u>11-12-15</u>			
Approved by _____ (Commissioner) Date _____			
Approved by _____ (Mayor or CAO) Date _____			

Page 2 of 2	
JUSTIFICATION FOR CHANGE	PROJECT: Idle Hour Park Demolition & Football Field const. CONTRACT NO. 154-2013 CHANGE ORDER: 002
<ol style="list-style-type: none"> 1. Necessity for change: 2. Is proposed change an alternate bid? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 3. Will proposed change alter the physical size of the project? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If "Yes", explain. 4. Effect of this change on other prime contractors: N/A 5. Has consent of surety been obtained? Yes <input checked="" type="checkbox"/> Not Necessary <input type="checkbox"/> 6. Will this change affect expiration or extent of insurance coverage? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If "Yes", will the policies be extended? Yes <input type="checkbox"/> No <input type="checkbox"/> 7. Effect on operation and maintenance costs: N/A 8. Effect on contract completion date: None 	
<div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> <div>_____ Mayor</div> <div>_____ Date</div> </div>	

**Neighborhood Development Funds
December 1, 2015
Work Session**

Amount	Recipient	Purpose
\$ 700.00	Police Athletics/Activities League of Lex., Inc. 1625 Russell Cave Road Lexington, KY 40505 Connie Rayford	To provide support for National Mentoring Month activities at the Lyric in January 2016.
\$ 1,050.00	Girls on the Run, Central KY Organization PO Box 23328 Lexington, KY 40502 Heidi Guckenberger	To provide support for programming and scholarship opportunities.
\$ 500.00	Police Athletics/Activities League of Lex., Inc. 1625 Russell Cave Road Lexington, KY 40505 Connie Rayford	To provide support for the annual fundraising gala.
\$ 500.00	Cardinal Valley NA, Inc. PO Box 8776 Lexington, KY 40533 Lane Boldman	To help fund a community development sign project and operating funds for the association.



Budget, Finance & Economic Development

October 27, 2015

Summary and Motions

Chair Stinnett called the meeting to order at 1:01 p.m. Committee Members Kay, Lamb, Farmer, Scutchfield, F. Brown, Mossotti, Bledsoe, and Hensley were in attendance. Committee Member Moloney was absent. Council Members Evans, J. Brown and Gibbs were also in attendance.

I. September 22, 2015 Committee Summary

A motion was made by Farmer to approve the September 22, 2015 Budget, Finance & Economic Development Committee, second by F. Brown. The motion passed without dissent.

II. September Financials General Fund

Commissioner Bill O'Mara gave a presentation of the September General Fund. Rusty Cook, Director of Revenue, gave a presentation of the top four revenue streams.

Kay inquired about an increase in Revenue from September to October and Cook replied that he will report an answer back to Council.

Melissa Lueker gave an update of Revenue.

Mossotti inquired about the negative \$504,069 variance in Franchise Fees. Cook replied they increased their budget, and noted they are seeing benefit from the electric rate fee increase and that the other utilities are flat. Mossotti inquired if the City is meeting its goals for the franchise fees and Cook replied that they are, but they had more aggressive plan for 2015.

Bledsoe inquired about the increase in property sales. Lueker stated it is difficult to budget for this item because they never know what they may sell in a given year. Bledsoe stated she would like to know what items had been sold and Lueker stated she will send this information to her.

III. Monthly Budget Report Other Funds

There was no discussion on the item.

IV. Contingency Fund

Tyler Scott, from Finance, gave a presentation of the Contingency Fund.

Farmer inquired if it is unusual to cap these funds. Scott stated their research shows it is split 50%-50% and noted a cap of around 10% is common. Farmer also inquired why FY 2010 data

was used. Scott stated it was the year in which the funds were considered for use. Farmer inquired about the “reasonable adjustment of the budget” requirement. Scott stated it is a provision to identify areas of the budget to be adjusted before using the Contingency Fund.

F. Brown inquired about the \$4.6M and if this is a recommendation from Administration. Scott stated it is and that the number would bring the fund to its 10% goal within the current fiscal year. O’Mara informed that their research shows that the current terms were too restrictive and stated they would like for Council to revisit the ordinance. F. Brown stated he disagrees with the recommendation and believes a new ordinance is needed.

Stinnett inquired about the difference in interest rates for AAA and an AA1 rating. O’Mara stated the difference between AA and AA+ it is about a half of a percentage difference.

Bledsoe inquired what it takes to move from an AA to an AAA rating. O’Mara replied that those discussions are not public, but noted that several factors are considered including pension obligations.

Farmer stated he would like to see additional language added to the ordinance that would provide a rolling General Fund balance as a 10% minimum and to change the methodology for calculating the contribution based on a 10% minimum.

F. Brown stated he feels the intention of the motion is good, but it is a “piecemeal” approach. He stated the discussion should be placed into Committee and there needs to be conversation about other areas of need, such as paving and infrastructure, that do not have dedicated funding.

Kay stated he would like to see the cap at 10% as a maximum and does not support the motion.

Hensley stated he would support a motion to cap at a 10% minimum, noting he feels the amount is not proportionate compared to the state’s contingency fund.

Mossotti stated she would like to see consistency in the yearly contribution and feels this will need to be discussed at some point going forward.

Scutchfield asked for clarification about the 10% number in the motion. Farmer stated they can decide at a later point to add to the fund.

In response to a question from Bledsoe, O’Mara stated the bonding agencies look at a City’s goal, and if there is movement towards that goal, in addition to total liquidity and the overall growth of cash flow.

Kay reiterated that the General Funds are much larger than the Contingency Fund and that bond rating agencies look at all funds as a whole, noting the size of the Contingency Fund is not as significant, in that case.

A motion was made by Farmer to add additional language to the ordinance that would provide a rolling General Fund balance of a 10% minimum and to change the methodology for figuring the contribution based on the 10%, seconded by F. Brown. The motion failed by a 8-1 vote. (Nay: Bledsoe, F. Brown, Kay, Mossotti, Stinnett, Scutchfield, Lamb, and Hensley Yay: Farmer)

A motion was made by Farmer to have language drafted that would change the access requirement from a calculation test to Council approval, seconded by Hensley. The motion passed without dissent.

V. FY 15 Fund Balance

Bill O'Mara, Commissioner of Finance, gave a presentation of the FY 15 Fund Balance.

In response to a question about the CAFR from Stinnett, O'Mara replied they would like to proceed by Council's wishes.

F. Brown inquired about the Qualified Energy Bond and O'Mara informed it is a required reserve. There was discussion about the line for the 27th Payroll and O'Mara informed that it occurs every 7 years. In addition, F. Brown stated he is not supportive of the Additional 2015 Calculation for the Contingency Fund. At F. Brown's inquiry, O'Mara stated the Health Insurance total was recommended by advisors for unexpected expenses. There was further discussion about the Unassigned Fund Balance.

Bledsoe inquired if there is a target for the Litigation Fund. O'Mara stated it is a discussion each year and is dependent on the number of current suits.

Stinnett requested clarification of the intention for the Unassigned Fund Balance amount. O'Mara stated he has recommended the Unassigned Fund Balance be sufficient to cover whatever the budgeted Fund Balance is, noting \$2.5M rolled purchase orders and \$500,000 for unanticipated expenses, noting it is very similar to last year.

Lamb inquired if the \$4.6 M is approved if they still intend to have monthly increases to the Contingency Fund. O'Mara stated the current ordinance requires them to add \$50,000 per month and they will continue to do that unless Council amends the ordinance.

Farmer inquired if Council were to remove the \$4.6 M if it would become part of the Non-Recurring uses Assignments, which Stinnett affirmed.

Stinnett stated he is not in support of the amendment to the motion, and that he feels it is important to reach the 10% goal they have worked towards and have discussion about the ordinance.

Mossotti stated once the \$4.6M is spent it is gone and noted concerns that it cannot be used as the Contingency Fund is currently set up. Stinnett noted the upcoming discussion to change the trigger for use of the fund in December.

F. Brown stated his agreement with Mossotti's comment.

Kay stated changing the use of the fund does not mean it will have to be spent.

F. Brown read some prepared remarks in favor of a plan to fund paving and his reasons for not supporting the Recommended Additional Contingency Fund.

Mossotti inquired about the \$11.5M for Litigation Reserve and there was discussion. David Barberie, from Law, stated they could provide more information during a Closed Session.

Lamb inquired about the additional 2015 Calculation and if this is in the ordinance. O'Mara stated that by Ordinance they track the changes to the Fund Balance.

A motion was made by Kay to Approve As Amended accept all items as recommended by the administration for Fund Balance consideration as follows: 1) Additional 2015 Calculation to Economic Contingency fund \$1,052,932, 2) Recommended additional contingency \$2,300,000, 3) Litigation Reserve \$11,500,000, 4) Health Insurance Reserve \$3 million, 5) Unassigned fund balance \$4,273,341 and 6) non-recurring uses and assignments \$4,700,000., seconded by Bledsoe. The motion passed with a 8 - 1 vote. (Yay: Bledsoe, Kay, Mossotti, Stinnett, Scutchfield, Farmer, Lamb, Hensley Nay: F. Brown)

A motion was made by Kay to amend to delete the additional \$4.6 Million addition to Economic Contingency fund, seconded by F. Brown. The motion failed with a 4 - 5 vote. (Yay: F. Brown, Kay, Mossotti, Farmer Nay: Bledsoe, Stinnett, Scutchfield, Lamb, Hensley)

A motion was made by Lamb to amend half of the \$4.6 M (\$2.3M), seconded by Farmer. The motion passed with a 5-4 vote. (Yay: Kay, Mossotti, Scutchfield, Farmer, Lamb Nay: Bledsoe, F. Brown, Stinnett, Hensley)

A motion was made by Farmer to approve report out the Fund Balance portion at Work Session today, seconded by Bledsoe. The motion passed with an 8 - 1 vote. (Yay: Bledsoe, Kay, Mossotti, Stinnett, Scutchfield, Farmer, Lamb, Hensley Nay: F. Brown)

VI. Items Referred

A motion was made by F. Brown to remove Solid Waste User Fee Structure from Committee, seconded by Farmer. The motion passed without dissent.

A motion was made by F. Brown to remove the Quarterly Development Reports from Committee, seconded by Lamb. The motion passed without dissent.

A motion was made by Bledsoe to remove World Trade Center: Data on Business Assisted/Others from Committee, seconded by Farmer. The motion passed without dissent.

A motion was made by F. Brown to adjourn, seconded by Bledsoe. The motion passed without dissent.

The meeting was adjourned at 2:35 p.m.

D.S. 10.27.2015



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These materials and the opinions, statements and conclusions set forth herein are solely those of the law firm of Miller Wells, PLLC and should not be attributed or imputed to the Lexington Fayette Urban County Government or any representatives thereof.

ORDINANCE NO. _____-2015

AN ORDINANCE CREATING AND ESTABLISHING FOR BID A NON-EXCLUSIVE WATER FRANCHISE AND PRIVILEGE TO CONSTRUCT, ERECT, LAY, RELAY, REPLACE, OPERATE AND MAINTAIN A WATERWORKS SYSTEM 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 construct, erect, lay, relay, replace, operate and maintain a waterworks system, embracing mains, pipelines, valves and valve boxes, hydrants, meters and meter boxes, service pipe and appurtenances, and any and all other facilities, appliances, apparatus and equipment necessary, used or useable, in the operation of a waterworks system for the purpose of supplying and to supply water to the inhabitants of Fayette County for domestic, commercial, industrial and other purposes within the right-of-ways through, upon, over, along and under bridges, viaducts, sidewalks, public places and on the main public roads and highways, streets, avenues and roads of the Lexington-Fayette Urban County Government (hereinafter, the "Rights-of-way") and together also with the right to transport water through its mains and pipelines to any other mains or pipelines, laid or to be laid, which are or may be connected therewith, 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 legislative body of Lexington is known in the Code as the Urban County Council and shall be referred to herein as the "Council." Unless otherwise defined herein, 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 embracing mains, pipelines, valves and valve boxes, hydrants, meters and meter boxes, service pipe and appurtenances, and any and all other facilities, appliances, apparatus and equipment necessary, used or useable, now existing or hereafter installed, in the operation of a waterworks system, in, along and under the Rights-of-way within the corporate boundaries of Lexington as such boundaries 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 the operation of a waterworks system. The quality of water to be furnished by the Company and the operating conditions affecting its quality shall be in accordance with the Safe Drinking Water Act, 42 U.S.C. §300f *et seq.* and the requirements and regulations of (i) the United States Environmental Protection Agency or any legally constituted federal body designated as its successor in jurisdiction, (ii) the Kentucky Natural Resources and Environmental Protection Cabinet, Division of Water or any legally constituted state body designated as its successor in jurisdiction, and (iii) the Public Service Commission or any legally constituted state body designated its successor in jurisdiction. The conditions and requirements of service to the inhabitants of Lexington and the rates to be charged by the Company for such service shall be in accordance with the lawful rules, regulations and orders of the Public Service Commission or its successor. 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;

(c) All materials, equipment and Facilities used or installed under this franchise shall be of good quality and in compliance with industry standards. 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 as soon as practicable under the circumstances or as otherwise provided under the Code; 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 Rights-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 and Zoning Ordinance pertaining to government or public construction and/or work in Rights-of-way, specifically including Section 17C of the Code, as it may be amended in the future.

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. The performance guarantee 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 Lexington require the total cumulative amount of such performance guarantee to 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 and its officials, boards, members, agents and employees (“Lexington Indemnitees”), consistent with the indemnification and hold harmless provisions as set forth in Section 17C-17 of the Code, as it may be amended in the future. The obligation to defend, indemnify, and hold harmless does not include defending, indemnifying, and holding harmless the Lexington Indemnitees for their own negligent acts. The Company shall not unreasonably or unnecessarily obstruct roads or other public places or Right-of-ways and during the progress of any of its works shall exercise due care in the protection of the public from accident or injury.

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 shall maintain in full force and effect a commercial general liability insurance policy consistent with the insurance provisions set forth in Section 17C-16 of the Code, as it may be amended in the future.

Section 10 – (a) Lexington, through its Mayor or his or her 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 located within the Rights-of-way owned or used in part or in whole by the Company in its operating and maintaining the System under this franchise. In like manner, Lexington's above-mentioned officers and assistants may at all reasonable times and under reasonable conditions with prior notice, inspect, and subject to reasonable confidentiality measures requested by the Company, examine or verify all or any of the accounts, books, records, contracts, documents or papers of the Company relating to Gross Revenues 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 reasonable confidentiality measures requested by the Company.

(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 concurrently 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 the 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 advance 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 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 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.

Section 12 - (a) If, after the Company is provided the opportunity to appear and present evidence before Lexington's Chief Administrative Officer or his or her 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 by the Chief Administrative Officer or his or her designee shall be in writing and provide

the basis for the decision. Such determination shall be the final administrative decision and may be appealed to a court of competent jurisdiction.

(1) For the failure to complete any construction project contracted to be finished by no later than the ending term of any franchise awarded pursuant to this Ordinance or any extension of that franchise and it is not completed by that time, Lexington shall have the right, upon ten (10) days' notice to the Company, to impose a penalty of 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 – The Company shall make all reasonable efforts to prevent interruptions of service in Fayette County and when such interruptions occur shall endeavor to reestablish service with the shortest possible delay consistent with the safety of its customers, employees, and the general public. 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 the 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 or due to a 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 an interruption in 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. Upon request, the Company shall provide 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 Council shall make a written demand that the Company do or comply with any such provision, rule, order or determination. If a violation described in Section 14(a) 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.

(c) If a violation described in Section 14(a) of this Ordinance 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 the 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) Lexington shall have the right to cancel this franchise within 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 or her 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 or her 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 Council, at the time of its next regular meeting or as soon as practicable thereafter, said bids and proposals for its approval. The 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 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 Revenues" as defined herein. 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 Revenues as defined herein. At a minimum, the franchise fee is intended to apply to Gross Revenues received by the Company for water services provided within Fayette County 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 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 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) "Gross Revenues," for purposes of this Ordinance, shall include all revenues received from customers in Fayette County from the sale of water, service charges based upon the size of facilities, municipal fire connections and hydrants, private fire connections and hydrants, temporary service connections for construction purposes, reconnection charges, returned check charges, service line inspection fees, and bulk sales to customers in Fayette County.

(c) Pursuant to Section 17C-22 of the Code, as it may be amended in the future, 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. The Company is otherwise required to continue submitting payments to the Government under the terms of its existing tariff(s) and/or franchise until such time as any necessary approvals are obtained.

(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, the 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, the 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 that shall contain the account number, address, billing month, consumption volume and total cost of service for each account billed to Lexington.

(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 19 and 20 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 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 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:

SUMMARY OF MEETINGS WITH INTERESTED PARTIES

January 21, 2015 – Meeting with Working Group: On January 21, we had an initial meeting with the working group in order to address any concerns members had and discuss possibilities to develop third party interest in the Lexington water franchise. Those opportunities were later pursued but failed to materialize. We also outlined a process for gathering information from various city departments in order to improve the operations and interaction with Kentucky American Water Company in the event they became the eventual successful bidder for the franchise.

February 5, 2015 – Meeting with Working Group: On February 25, we met with the working group to update members on the issues discussed in the previous meeting and discuss ongoing negotiations with Kentucky American Water Company. We reviewed a number of negotiating sessions we had participated in with Kentucky American’s outside legal counsel as well as its general counsel.

February 11, 2015 – Meeting with Captain Lengal of the Fire Department: On February 11, we interviewed Capt. Lengal to evaluate any concerns he had with the water franchise or Kentucky American Water Company in general. Capt. Lengal indicated that he would like to see every hydrant tested annually, and that Kentucky American had changed their testing schedule, making this concern particularly timely.

April 23, 2015 – Meeting with Charles Martin (Director of Division of Air and Water Quality, LFUCG): On April 23, we interviewed Mr Martin to evaluate any concerns he had with the water franchise or Kentucky American Water Company in general. Mr. Doe indicated that he was concerned about Kentucky American’s de-chlorination procedures, fire hydrant access, maintenance of streets relating to winter mane breaks, and developing a program for recovery of funds related to Kentucky American’s damage of city property.

April 23, 2015 – Meeting with Bill O’Mara (Commissioner, Finance and Administration Department, LFUCG): On 4/23/15, we interviewed Mr. O’Mara to evaluate any concerns he had with the water franchise or Kentucky American Water Company in general. Mr. O’Mara indicated that he had been working on increasing the city’s capacity to effectuate shut-offs for delinquent payors, and that he was concerned about chapter 17 compliance and the price of data through Kentucky American.

April 23, 2015 – Meeting with Geoff Reed (Commissioner of General Services, LFUCG), Rick Caldwell, and Jamshid Baradaran (Director of Facilities and Fleet, LFUCG): On April 23, 2015, we interviewed Mssrs. Reed, Caldwell, and Baradaran evaluate any concerns they had with the water franchise or Kentucky American Water Company in general. They indicated that

they had been having issues with Kentucky American while putting in fiber-optic cable underneath Richmond Road, and wished the water company had a better knowledge of the location of their own water lines. The three also noted that a leak had gone unnoticed by the company for a significant period at the Phoenix Building, and wished Kentucky American would tighten their monitoring software to notice leaks more quickly. They also expressed a desire for greater communication regarding water level changes at the Jacobsen Park reservoir.

April 23, 2015 – Meeting with David Holmes (Commissioner of Environmental Quality and Public Works, LFUCG): On April 23, 2015, we interviewed Mr. Holmes to evaluate any concerns he had with the water franchise or Kentucky American Water Company in general. Mr. Holmes indicated that he was relatively happy with Kentucky American as a corporate citizen, but noted that there were people with whom he worked who should be contacted.

June 3, 2015 – Meeting with Janet Graham (Commissioner of Law, LFUCG): On June 3, we interviewed Ms. Graham to evaluate any concerns she had with the franchise agreement itself, as drafted, and any potential tangential issues which could and/or should be addressed through separate agreements. Ms. Graham provided insight and changes were made as a result.

July 9, 2015 – Meeting with Working Group: On July 9, we met with the small working group to address both the draft franchise ordinance and means to effectuate Kentucky-American-specific wishes derived from prior meetings with city officials.

October 1, 2015 – Meeting with Working Group: On October 1, we met with the working group to discuss concerns that had been raised, including Kentucky American's expansion throughout the state and the resulting rate increases within Fayette County.



BASICS OF THE PUBLIC SERVICE COMMISSION

The Kentucky Public Service Commission is a three member administrative body with quasi-legislative and quasi-judicial duties and powers regulating over 1,500 utilities. It is funded by an assessment paid by all utilities under the Commission's jurisdiction based on a utility's annual gross intrastate revenues. The Commission, created by the Acts of the 1934 General Assembly, the current version of which forms Chapter 278 of the Kentucky Revised Statutes (KRS), performs its regulatory functions through issuance of written orders, following adjudicative and rulemaking procedures outlined in Chapter 278 and administrative regulations promulgated by the Commission in Chapter 807 of the Kentucky Administrative Regulations (KAR).

Currently, the Commission regulates the intrastate rates and services of investor-owned electric, natural gas, telephone, water and sewage utilities, customer-owned electric and telephone cooperatives, water districts and associations, and certain aspects of gas pipelines.

The Public Service Commission is responsible for, among other things:

- Rate increase or reduction.
- Expansion or reduction of utility service boundaries.
- Construction and operation of utility facilities.
- Meter accuracy.
- Operating conditions of a utility.

- Management audits.
- Valuation of utility property.
- Natural gas and coal purchasing practices.
- Issuance or assumption of securities by a utility.
- Consumer complaints.
- Compliance with service and safety regulations.

KRS § 96.010**96.010 Sale of public utility franchises by cities**

(1) At least eighteen (18) months before the expiration of any franchise acquired under or prior to the present Constitution, the legislative body of each city shall provide for the sale of a new franchise to the highest and best bidder on terms that are fair and reasonable to the city, to the purchaser of the franchise and to the patrons of the utility. The terms shall specify the quality of service to be rendered and, in cities of the first class, the price that shall be charged for the service.

(2) If there is no public necessity for the kind of public utility in question and if the city desires to discontinue entirely the kind of service in question, or if, in the case of cities other than those of the first class, the city owns or desires to own and operate a municipal plant to render the required service, this section shall not apply.

HISTORY: 1942 c 208, § 1, eff. 10-1-42; KS 2741m-1, 3037d-1, 3037d-4, 3037d-6

KRS § 96.020**96.020 Deposit to accompany bid; bidder to give bond**

(1) Each person desiring to bid for the franchise offered for sale under KRS 96.010 shall first deposit, with the proper officer of the city, cash or a certified check equal to five percent (5%) of the fair estimated cost of the plant required to render the service. The deposit shall be forfeited to the city in case the bid is accepted and the bidder fails, for thirty (30) days after the confirmation of the sale, to pay the price bid and to give a sufficient bond in a sum equal to one-fourth (1/4) of the fair estimated cost of the plant to be erected. The bond shall be conditioned to be enforceable in case the person giving it fails, within a reasonable time, to establish a suitable plant for rendering the service and begin rendering the service in the manner set forth in the terms of the sale.

(2) This section shall not apply to a person already owning, in a city other than a city of the first class, a plant and equipment sufficient to render the service required under the franchise.

HISTORY: 1942 c 208, § 1, eff. 10-1-42; KS 2741m-2, 3037d-4

KRS § 96.030**96.030 Exclusive franchise not to be granted by consolidated local government or city of the first class**

No exclusive privilege shall be acquired through the sale of a franchise under KRS 96.010 by a consolidated local government or a city of the first class. The sale of a franchise to one (1) person by a consolidated local government or a city of the first class shall not prevent a subsequent sale of a similar franchise to another person.

HISTORY: 2002 c 346, § 106, eff. 7-15-02; 1942 c 208, § 1, eff. 10-1-42; KS 3037d-5, 3037d-6

KRS § 96.040**96.040 City of the first class or consolidated local government may purchase public utility plant**

(1) If a city of the first class or a consolidated local government desires to own or operate a utility being operated under a franchise, and the city or consolidated local government takes the necessary steps within two (2) years before the expiration of the franchise, and offers to purchase, at a fair valuation, the plant of the company which is then rendering the service, the city or consolidated local government shall be under no obligation to sell, renew, or continue the franchise.

(2) The fair valuation of the plant shall be determined by three (3) persons; one (1) to be selected by the city or consolidated local government, one (1) to be selected by the owners of the plant, and the third to be selected by these two (2). The plant shall be valued as a going concern, but no allowance shall be made for future growth.

HISTORY: 2002 c 346, § 107, eff. 7-15-02; 1942 c 208, § 1, eff. 10-1-42; KS 3037d-2, 3037d-3, 3037d-6

KRS § 96.040, KY ST § 96.040

KRS § 96.045**96.045 Rights of existing facilities**

(1) No municipality, in which there is located an existing electric, water or gas public utility plant or facility shall construct or cause to be constructed any similar utility plant or any similar public utility facility duplicating such existing plant or facility or to obtain or acquire any similar public utility plant or facility other than by the purchase of the existing plant or facility or by the acquisition of such existing plant or facility by the exercise of the power of eminent domain.

(2) “Municipality” means any county, city, town, village and municipal corporation of any and every class in the Commonwealth of Kentucky, and any board, commission or agency thereof.

(3) All laws and parts of laws in conflict herewith to the extent of such conflict are repealed.

HISTORY: 1958 c 92, § 1 to 3, eff. 6-19-58



Summary Of Additional Consideration To Be Received From Kentucky American

In addition to the consideration set forth in the franchise agreement, Kentucky American Water Company has agreed to enter into a letter agreement concerning a number of ancillary issues, all of which provide additional value to the City. Those items include:

- With respect to the Town Branch Commons park, KAWC is will to provide reasonable input and assistance in the form of engineering and related planning services, subject to the provisions of KRS 278.170(1) and KRS 278.035 (which limit preferential treatment by utilities for cities, among others).
- KAWC is willing to use mobile technology when flushing the primary water lines with water so as to assure that water discharge does not exceed the permitted chlorine concentration levels as specified by the Clean Water Act, and has offered to allow City personnel to accompany and monitor KAWC's employees when water lines are being flushed to see the process in person and answer any questions the City may have.
- KAWC is amenable to reimbursing the City for certain expenditures related to water main breaks during the winter months on roads cleared by the City, if the parties can reach agreement on the circumstances that would give rise to reimbursement and how the reimbursable costs would be tracked.
- As it concerns communication and coordination related to Jacobsen Park, KAWC is willing to provide more advance notice of significant planned changes in the reservoir level. This should alleviate situations such as that which occurred last summer, when Kentucky American allowed the water level in the Jacobsen Park reservoir to drop so significantly that the docks had to be closed.
- Best practices with respect to fire hydrant maintenance and inspection requires a minimum of at least an annual inspection of every hydrant. The importance of such inspections cannot be understated; were a hydrant to fail to operate properly at the time of an emergency, the lack of available water could put citizens and their property at serious risk of

substantial harm. Accordingly, KAWC has agreed to make sure they are inspecting every hydrant at least annually.

- KAWC is working with the City's Revenue Department on amending the agreement to address various changes in the sewer shut-off coordination procedures. At this point, the working details are being discussed among the parties, with an amended agreement to follow. KAWC will prepare and distribute a draft of the agreement once there is accord on the major terms.