

**Commonwealth of Kentucky  
Before the Public Service Commission**

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY POWER )  
COMPANY FOR (1) A GENERAL ADJUSTMENT OF ITS RATES )  
FOR ELECTRIC SERVICE; (2) AN ORDER APPROVING ITS )  
2017 ENVIRONMENTAL COMPLIANCE PLAN; (3) AN ORDER )  
APPROVING ITS TARIFFS AND RIDERS; (4) AN ORDER )  
APPROVING ACCOUNTING PRACTICES TO ESTABLISH )  
REGULATORY ASSETS AND LIABILITIES; AND (5) AN ORDER )  
GRANTING ALL OTHER REQUIRED APPROVALS AND RELIEF )

Case No.  
2017-00179

**KENTUCKY LEAGUE OF CITIES  
SUPPLEMENT TO MOTION TO INTERVENE**

Comes now the Kentucky League of Cities (“KLC”) and pursuant to Chairman Schmidt’s request made at the July 24 hearing held at the office of the Public Service Commission (“the Commission”), supplement’s its Motion to Intervene with additional information.

During the hearing on July 24<sup>th</sup>, a line of questioning explored whether the KLC Board of Directors or the Executive Committee had voted to approve intervention into the case at hand. Following testimony by KLC witness Cooper, counsel for KLC communicated to the Commission their understanding that the Executive Committee had specifically approved intervention in this case in advance of the filing. After further inquiry, that proved to be false. As demonstrated below, in a previous meeting the KLC Board of Directors passed a broad motion approving intervention into rate cases before the Commission. Only following a Commission Order granting Intervenor status does the Executive Board then take up the issue of approving expenditure of funds for specific cases.

At the KLC Board of Directors meeting held on December 16, 2016 the board considered KLC's involvement in rate cases before the Commission.<sup>1</sup> As the minutes of this meeting demonstrate, the board voted unanimously to move forward with intervening in rate cases before the Commission.<sup>2</sup> Subsequently, KLC moved to intervene in the pending Kentucky Utilities, Co. ("KU") rate case, Case No. 2016-00370.<sup>3</sup> That motion was then granted by the Commission.<sup>4</sup> Following intervention by KLC in the KU rate case, the KLC Executive Board met on February 8, 2017 and unanimously approved the expenditures related to the KU rate case.<sup>5</sup>

Consistent with the previous direction provided by the Board of Directors, KLC moved to intervene in the current case on July 12, 2017. No discussion was held at the June meeting of the Board of Directors regarding intervention in the matter at hand.<sup>6</sup> While the Executive Board is likely to consider the financial impact of intervention at its next meeting, that has yet to take place. Thus, the actions taken by KLC in this instance to intervene are consistent with the KLC Board of Directors December 2016 mandate and the procedures KLC followed in the recent KU rate case.

The assertion by counsel for KLC that the Executive Board had voted to approve intervention in this instance is entirely the fault of counsel, caused by a misunderstanding of the KLC process and procedures regarding rate case intervention. Counsel in no way intended to mislead the Commission regarding KLC's procedures, and endeavors herein to provide as much transparency to those procedures as possible.

---

<sup>1</sup> See Exhibit 1.

<sup>2</sup> Id. at Item 7.

<sup>3</sup> KLC Motion to Intervene (Dec. 12, 2016); Exhibit 2.

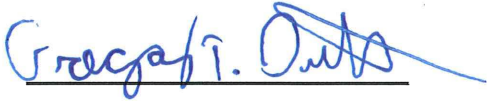
<sup>4</sup> Order (Jan. 11, 2017); Exhibit 3.

<sup>5</sup> KLC Executive Board Minutes of Regular Meeting February 8, 2017; Exhibit 4.

<sup>6</sup> KLC Board of Directors Regular Meeting, Draft Meeting Minutes (June 22, 2017); Exhibit 5.

WHEREFORE, the Kentucky League of Cities renews its motion seeking from the Commission an Order granting status as an intervenor party in this action pursuant to 807 KAR 5:001, Section 4(11).

Respectfully submitted,



Gregory T. Dutton  
Goldberg Simpson, LLC  
9301 Dayflower Street  
Prospect, Kentucky 40059  
Telephone: 502-589-4440  
[gdupton@goldbergsimpson.com](mailto:gdupton@goldbergsimpson.com)  
*Counsel for the Kentucky League of Cities*

**OFFICERS**

President: Mayor Roddy Harrison, City of Williamsburg  
First Vice President: Mayor Claude Christensen, City of Sadieville  
Second Vice President: Mayor Jim Barnes, City of Richmond  
Immediate Past President: Mayor Susan Barto, City of Lyndon

**EXECUTIVE STAFF**

Executive Director/CEO: Jonathan Steiner  
Deputy Executive Director, KLC: J.D. Chaney  
Deputy Executive Director, KLCIS: Doug Goforth  
Chief Member Services Officer: Robin Cooper  
Chief Financial Officer: Dawn Harlow  
Chief Administrative Officer: Martha Cosby

## Kentucky League of Cities Board of Directors Meeting Special Meeting / Conference Call

**December 16, 2016**

2:00 p.m. EST

KLC Lexington Office

100 East Vine Street, Suite 800

Lexington, KY 40507

**MEMBERS PARTICIPATING:** Mr. Kevin Atkins, Mayor Steve Austin, Mayor Daniel Bell, City Manager Donovan Blackburn, Mayor Ed Burtner, Mayor Sherry Carran, Mayor Claude Christensen, City Attorney Scott Crabtree, Mayor James Craft, Mayor Bill Dieruf, Councilmember Marty Fulkerson, Mayor James Hamberg, Mayor Roddy Harrison, Mayor Mike Hughes, Chief Steve Kyle, Councilmember Susan Lamb, Mayor Willard McBurney, Mayor Paul Meier, Mayor Donald Pay, Mayor Harold Rainwater, Mayor Troy Rudder, City Manager Marlon Sams, Mayor Paul Sandefur, Mayor Rick Skinner, City Administrator John Thomas, Mayor Brian Traugott, Chief Wayne Turner, City Clerk Crissy Upton, Mayor Martin Voiers, City Administrator Tim Williams, Mayor Gary Williamson, Mr. Wendell Wright and Mayor Jan Yonts.

**MEMBERS ABSENT:** City Clerk Missy Andress, Mayor Jim Barnes, Mayor Susan Barto, City Clerk/Treasurer Debbie Batliner, Mayor David Cartmell, Mayor Chuck Charles, Mayor George Cheatham, Mr. Dennis Crist, Mayor Jeffrey Edwards, Mayor Gregory Fischer, Mayor Edward Girdler, Mayor Thomas Hardesty, Mr. Andrew Hartley, Councilmember Stan Holmes, Mayor David Jackson, Mayor Gayle Kaler, Mayor Bill Kelley, Mayor Philip King, Mr. Robert Martin, Mayor David Prater Jr., Ms. Barbara Reed, Mayor Rochetti-Cantrell, Mayor Jenny Sewell, Ms. Larisa Sims, Commissioner Pam Smith-Wright, Mayor Les Stapleton, Mayor Mike Weaver, Mayor Diane Whalen and Mayor Bruce Wilkerson.

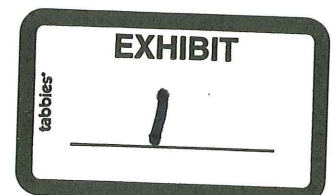
**GUESTS PARTICIPATING:** Sara Massey and Cathy Morris.

**STAFF PARTICIPATING:** Bryanna Carroll, J.D. Chaney, Joseph Coleman, Tad Long, Elizabeth Schepens and Jonathan Steiner.

**CONTRACT STAFF PARTICIPATING:** Carl Breeding and Rusty Cress.

KLC President and Sadieville Mayor Claude Christensen called the meeting to order at 2:01 p.m. EST.

The roll was called and it was determined that a quorum was present.



Mayor Christensen and Mr. Jonathan Steiner welcomed Board members to the meeting.

### **Item 2: KLC Board of Directors Membership Changes**

Mayor Claude Christensen welcomed Radcliff Councilmember Stan Holmes, Prestonsburg Mayor Les Stapleton and Lexington Chief Development Officer Kevin Atkins to the Board of Directors.

Mayor Christensen also thanked Covington Mayor Sherry Carran, Ashland Mayor Chuck Charles and Paducah Mayor Gayle Kaler for their service to the Board of Directors.

### **Item 3: Approval of the Minutes from the October 4, 2016 Meeting**

Mr. Crabtree moved to approve the minutes from the October 4, 2016 Board meeting. Mayor Austin seconded. *The motion passed unanimously.*

### **Item 4: Consideration of Resolution 2016-08 amending the KLC Board of Directors Regular Meeting Schedule**

Mayor Dieruf Moved to adopt Resolution No. 2016-08, as follows:

**WHEREAS**, the bylaws of the Kentucky League of Cities require the Board of Directors to have at least two (2) meetings each year; and

**WHEREAS**, the Kentucky League of Cities Board of Directors established a regular meeting schedule for the 2017 calendar year in Resolution 2016-07 at its October 4, 2016 meeting;

**WHEREAS**, it is necessary to amend the regular meeting schedule to change venues for the City Day Board of Directors meeting on February 8, 2017 because of a scheduling conflict at the Frankfort Convention Center;

**NOW, THEREFORE, IT IS RESOLVED** that the Kentucky League of Cities Board of Directors adopts the following revised schedule of regular meetings for the 2017 calendar year:

February 8, 2017

9:00 a.m. EST

Thomas D. Clark Center for Kentucky History

Brown Forman Room

100 West Broadway

Frankfort, KY 40601

June 22, 2017

1:00 p.m. EDT

Hilton Garden Inn



110 Grandstand Drive  
Georgetown, KY

October 3, 2017

2:00 p.m. EDT

Northern Kentucky Convention Center  
Meeting Rooms 1-3  
One West Rivercenter Blvd, Covington

Mayor Pay seconded. *The motion passed unanimously.*

#### **Item 5: Update on General Assembly and Major Legislative Issues**

Ms. Carroll provided the Board with an update on CERS separation and pension spiking legislation.

Mr. Chaney provided the Board with an update on Community Development Funding.

Mayor Austin moved that the KLC Board support Community Development Funding with language that would grandfather in the requirement that 100% of the funds collected from a restaurant tax be turned over to the tourism commissions in cities and requires that tourism commissions receive consent from the city before spending any of the funds. Mayor Meier seconded. The motion passed unanimously.

#### **Item 6: Consideration of Kentuckians for Better Transportation Coalition Proposal on Increased Road Funding**

Mr. Chaney discussed the proposal from the Kentuckians for Better Transportation Coalition that would increase the total amount of money in the state road fund. The proposal does not address the inequities in the road funding formula distribution.

Mr. Williams moved to oppose the Kentuckians for Better Transportation Coalition proposal unless the proposal changes to address the road funding formula distribution. Mr. Thomas seconded. *The motion passed unanimously.*

#### **Item 7: Consideration of KLC's involvement in PSC rate intervention cases**

Mr. Chaney discussed KLC's involvement in PSC rate intervention cases.

Mayor Pay moved to support KLC moving forward in intervening in PSC rate cases. Mayor Voiers. *The motion passed unanimously.*

#### **Item 8: Consideration of KLC position on pre-filed and other potential legislation in the 2017 Regular Session of the Kentucky General Assembly**

BR 75 Hate Crimes (Rep. Bratcher)

Mayor Austin moved to support BR 75. Mayor Burtner seconded. *The motion passed unanimously.*

BR 81 Spa Definition (Rep. Jerry Miller)

Mr. Crabtree moved to support BR 81. Mayor Harrison seconded. *The motion failed.*

Voting Yes: Mr. Atkins, Mr. Blackburn, Mr. Crabtree, Mayor Dieruf, Mayor Harrison, Mayor Pay, Mayor Rudder, Mr. Thomas, Mayor Traugott and Mr. Williams.

Voting No: Mayor Austin, Mayor Bell, Mayor Burtner, Mayor Carran, Mayor Christensen, Chief Kyle, Councilmember Lamb, Mayor Meier, Mr. Sams, Mayor Skinner, Chief Turner, Ms. Upton, Mayor Voiers, Mayor Williamson and Mayor Yonts.

Mayor Voiers moved to remain neutral on BR 81. Mayor Yonts seconded. *The motion passed unanimously.*

BR 89 Railroad Companies (Rep. Dossett)

Mayor Austin moved to support BR 89. Mayor Voiers seconded. *The motion passed unanimously.*

BR 111 Operator's License Testing (Senator Schickel)

Mr. Thomas moved to support BR 111. Mr. Crabtree seconded. *The motion passed unanimously.*

BR 112 Administrative Regulations (Rep. Imes)

Mayor Meier moved to support BR 112. Mayor Bell seconded. *The motion passed unanimously.*

BR 118 Criminal Histories of Job Applicants (Rep. Brown)

Councilmember Lamb moved to support BR 118 with the caveat that firefighters are also included in the exclusion. Mayor Yonts seconded. *The motion passed unanimously.*

BR 124 Public Procurement (Rep. Donohue)

Mr. Thomas moved to oppose BR 124. Mayor Voiers seconded. *The motion passed unanimously.*

BR 147 Sex Offender Registrants (Rep. King)

Mayor Burtner moved to oppose BR 147 and ask that staff work with Rep. King to amend the language for absolute prohibition of sex offenders on the playground. Mayor Skinner seconded. *The motion passed unanimously.*

BR 152 Pawnbrokers Daily Transaction Records (Rep. King)

Mayor Pay moved to support BR 152. Chief Turner seconded. *The motion passed unanimously.*

BR 155 Pesticide Application Notice Requirements (Rep. Fischer)

Mr. Crabtree moved to keep BR 155 under study. Mayor Voiers seconded. *The motion passed unanimously.*

BR 172 Firearms Regulation (Senator Thomas)

Mayor Austin moved to remain neutral on BR 172. Councilmember Lamb seconded. *The motion passed. Voting No: Mr. Thomas*

BR 178 Licensing Fees for the Sale of Alcoholic Beverages (Senator Danny Carroll)

Mr. Thomas moved to oppose BR 178. Mayor Austin seconded. *The motion passed unanimously.*

BR 179 Law Enforcement and Firefighters Foundation Programs (Senator Danny Carroll)

Mayor Voiers moved to support BR 179. Chief Turner seconded. *The motion passed unanimously.*

BR 180 Tracking of Drug Convictions (Senator Danny Carroll)

Mayor Burtner moved to support BR 180. Chief Turner seconded. *The motion passed unanimously.*

BR 201 Controlled Substances (Rep. Keene)

Mayor Burtner moved to support BR 201. Chief Turner seconded. *The motion passed unanimously.*

BR 210 Controlled Substances (Rep. Fischer)

Mayor Burtner moved to support BR 210. Mayor Voiers seconded. *The motion passed unanimously.*

BR 215 Crimes and Punishments (Senator Schickel)

Chief Turner moved to support BR 215. Mayor Austin seconded. *The motion passed unanimously.*

BR 222 Railroad Companies (Rep. Dossett)

Mr. Chaney discussed BR 222. KLC supports BR 222.

BR 225 Promise Zone Tax Incentives (Rep. York)

Mayor Voiers moved to support BR 238. Mr. Thomas seconded. *The motion passed unanimously.*

BR 238 Motor Vehicle Property Tax Rates (Rep. Dossett)

Mayor Burtner moved to support BR 238. Mayor Austin seconded. *The motion passed unanimously.*



BR 246 & BR 260 Disclosure of Public Retirement Information (Rep. Imes and Senator McDaniel, respectively)

Mr. Thomas moved to support BR 246 and BR 260. Mr. Crabtree seconded. *The motion passed unanimously.*

BR 250 Interlocal Agreements (Rep. Riggs)

Mr. Thomas moved to support BR 250. Mayor Burtner seconded. *The motion passed unanimously.*

BR 296 Allocation of Severance Tax Revenue to Local Government (Rep. Gooch)

Mayor Burtner moved to support BR 296. Mayor Austin seconded. *The motion passed unanimously.*

BR 300 Supplements Paid to Police Officers and Firefighters (Rep. Meredith)

Mayor Austin moved to support BR 300 on the condition that administrative reimbursement be included for local governments. Chief Turner seconded. *The motion passed unanimously.*

BR 318 Tax Credits for Airport Noise Mitigation (Rep. Donohue)

Mayor Dieruf moved to support BR 318. Mayor Pay seconded. *The motion passed unanimously.*

BR 322 Planning and Zoning in Consolidated Local Governments (Rep. Wayne)

Mayor Dieruf moved to keep BR 322 under study. Mayor Voiers seconded. *The motion passed unanimously.*

BR 332 Planning and Zoning (Rep. Jerry Miller)

Mayor Dieruf moved to support BR 332. Mayor Meier seconded. *The motion passed unanimously.*

BR 348 Pension Spiking (Rep. Riggs)

Mayor Meier moved to support BR 348. Mr. Crabtree seconded. *The motion passed unanimously.*

BR 372 Area Development Districts (Rep. Westrom)

Mayor Burtner moved to keep BR 372 under study. Mayor Voiers seconded. *The motion passed unanimously.*

BR 412 Criminal Attempted Murder (Rep. Gerald Watkins)

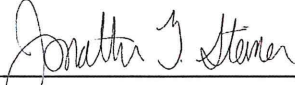
Chief Kyle moved to support BR 412. Mayor Dieruf seconded. *The motion passed unanimously.*



**Item 9: Adjournment. Next Meeting – February 8, 2017 at 9:00 a.m. EST, in Frankfort at City Day/City Night**

The next Board of Directors meeting will be at the City Day/City Night event in Frankfort on February 8, 2017 at 9:00 a.m. Mayor Christensen adjourned the meeting at 3:51 p.m. EST.

  
\_\_\_\_\_  
Claude Christensen, President

  
\_\_\_\_\_  
Jonathan Steiner, Executive Director/CEO

**Commonwealth of Kentucky  
Before the Public Service Commission**

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY )  
UTILITIES COMPANY FOR AN ADJUSTMENT )  
OF ITS ELECTRIC RATES AND FOR CERTIFICATES )  
OF PUBLIC CONVENIENCE AND NECESSITY )

Case No.  
2016- 00370

**KENTUCKY LEAGUE OF CITIES  
MOTION TO INTERVENE**

Comes now the Kentucky League of Cities (“KLC”) and pursuant to 807 KAR 5:001, Section 4(11) requests that it be granted intervenor status in the above-captioned proceeding. In support thereof, KLC states as follows:

1. KLC is a nonprofit membership association serving more than 380 Kentucky cities as well as municipal agencies.
2. Members of KLC receiving service from KU, and thus having a stake in the outcome of this case include, but are not limited to, the Cities of Middlesboro, Williamsburg, Corbin, London, Somerset, Columbia, Richmond, Winchester, Mt. Sterling, Flemingsburg, Maysville, Versailles, and Paducah. These cities are representative of the overall membership of KLC.
3. KLC has a special interest in this case that cannot be represented by any other party. While Lexington has previously been granted Intervenor status, KLC’s membership includes a diversity of cities in terms of size, population, infrastructure and geographic location within the Commonwealth. The interests of these cities cannot adequately be represented by Lexington or any other party.



4. The KU street light and traffic light tariffs impact cities throughout the KU territory. As KLC represents the customers paying the majority of revenue generated under these tariffs, KLC and its membership has a particular interest in the rates charged under these tariffs.
5. Proposed changes to rate allocation methods will have a great impact upon KLC's membership's costs and policy decisions. The full extent of that impact cannot be determined without the opportunity to participate fully in this case.
6. KLC's participation in this case is likely to present issues and develop facts that will assist the Commission in fully considering the matter and will not unduly complicate or disrupt the proceeding. KLC intends to participate in every aspect of the case, including offering testimony on the impact of the proposed rate increase on KLC's membership.
7. The attorneys authorized to represent Louisville Metro in this matter and take service of all documents are:

Gregory T. Dutton  
Goldberg Simpson, LLC  
9301 Dayflower St.  
Louisville, KY 40059  
Tel: 502-589-4440  
[GDutton@goldbergsimpson.com](mailto:GDutton@goldbergsimpson.com)

Laura Milam Ross  
Kentucky League of Cities  
100 East Vine St. Ste. 800  
Lexington, KY 40507  
Tel: 800-876-4552  
[lross@klc.org](mailto:lross@klc.org)

WHEREFORE, the Kentucky League of Cities moves the Commission to issue an Order granting status as an intervenor party in this action pursuant to 807 KAR 5:001, Section 4(11).

Respectfully submitted,

Gregory T. Dutton

Gregory T. Dutton  
Goldberg Simpson, LLC  
9301 Dayflower Street  
Prospect, Kentucky 40059  
Telephone: 502-589-4440  
[gutton@goldbergsimpson.com](mailto:gutton@goldbergsimpson.com)

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY )  
UTILITIES COMPANY FOR AN ADJUSTMENT OF ) CASE NO.  
ITS ELECTRIC RATES AND FOR CERTIFICATES ) 2016-00370  
OF PUBLIC CONVENIENCE AND NECESSITY )

ORDER

This matter is before the Commission upon the motion of the Kentucky League of Cities ("KLC") requesting intervention in this proceeding. In support of its motion, KLC states that it is a non-profit membership organization serving more than 380 Kentucky cities as well as municipal agencies. KLC identified the following members as receiving service from Kentucky Utilities Company ("KU"): Middlesboro, Williamsburg, Corbin, London, Somerset, Columbia, Richmond, Winchester, Mt. Sterling, Flemingsburg, Maysville, Versailles, and Paducah. KLC states that it has a special interest in this proceeding because KU's lighting tariffs impact cities throughout KU's territory and KLC and its members have a particular interest in the rates charged under these tariffs. KLC also states that the proposed changes to rate allocation methods will have a great impact upon its members' costs and policy decisions. Citing the diversity of its memberships' size, population, infrastructure, and geographic location, KLC avers that the interests of its members cannot be adequately represented by any other party to this proceeding. Lastly, KLC asserts that its intervention is likely to present issues and develop facts that will assist the Commission in fully considering this matter without unduly complicating or disrupting the proceedings.



On December 29, 2016, KU filed a response objecting to KLC request to intervene. KU contends that KLC's motion fails to demonstrate a special interest in this proceeding that is not otherwise adequately represented by other parties and further fails to show that KLC will identify any relevant issues or develop relevant facts that will assist the Commission in the resolution of this matter without unduly complicating and disrupting the proceeding. KU argues that KLC failed to provide an unqualified list of its members taking service from KU that KLC would be representing in this matter. KU also argues that KLC has not identified a special interest that is not already represented, given that the city of Lexington is an intervenor in this matter. KU further points out that it is not proposing any changes to its Lighting Energy Service rate, which encompasses certain street lighting equipment and facilities.

On January 3, 2017, KLC filed a reply in support of its motion to intervene. With respect to its member cities that KLC will be representing in this matter, KLC states that it represents all KLC member cities receiving service from KU, except for the city of Lexington, and specifically identifies the cities of Middlesboro, Williamsburg, Corbin, London, Somerset, Columbia, Richmond, Winchester, Mt. Sterling, Flemingsburg, Maysville, Versailles, and Paducah as those KLC members that it will be representing herein. KLC contends that under KU's proposed loss-of-load probability methodology, Lighting Energy Service and Traffic Energy Service tariffs would generate the two highest rates of return relative to the other KU rate schedules. KLC points out that those two rates of return are greatly in excess of the total system rate of return under the loss-of-load probability method. Lastly, KLC maintains that its participation will assist the Commission as KLC intends to address numerous aspects of KU's

application, including the proposed rates of return, the proposed revenue increase, and the proposed cost-of-service study; and that KLC will address those issues through formal direct testimony and discovery.

Having reviewed the pleadings and being otherwise sufficiently advised, the Commission finds that KLC has established that it has a special interest in this proceeding that is not otherwise adequately represented by another party to this proceeding. The Commission also finds that KLC intervention is likely to present issues and develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Accordingly, we find that KLC should be granted full intervention in this proceeding.

IT IS HEREBY ORDERED that:

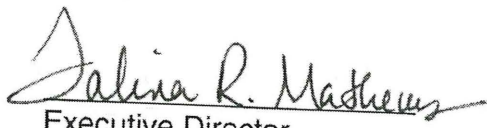
1. The motion of KLC to intervene is granted.
2. KLC shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.
3. KLC shall comply with all provisions of the Commission's regulations, 807 KAR 5:001, Section 8, related to the service and electronic filing of documents.
4. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of entry of this Order, KLC shall file a written statement with the Commission that:
  - a. Certifies that it, or its agent, possesses the facilities to receive electronic transmissions; and
  - b. Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding should be served.



By the Commission

ENTERED  
JAN 11 2017  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2016-00370

\*Andrea C Brown  
Lexington-Fayette Urban County Government  
Department Of Law  
200 East Main Street  
Lexington, KENTUCKY 40507

\*Cheryl Winn  
Waters Law Group, PLLC  
12802 Townepark Way, Suite 200  
Louisville, KENTUCKY 40243

\*Jody Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Honorable Allyson K Sturgeon  
Senior Corporate Attorney  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Honorable David J. Barberie  
Managing Attorney  
Lexington-Fayette Urban County Government  
Department Of Law  
200 East Main Street  
Lexington, KENTUCKY 40507

\*Janice Theriot  
Zielke Law Firm PLLC  
1250 Meidinger Tower  
462 South Fourth Avenue  
Louisville, KENTUCKY 40202

\*Honorable Iris G Skidmore  
415 W. Main Street  
Suite 2  
Frankfort, KENTUCKY 40601

\*Don C A Parker  
Spilman Thomas & Battle, PLLC  
1100 Brent Creek Blvd., Suite 101  
Mechanicsburg, PENNSYLVANIA 17050

\*Honorable Kurt J Boehm  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Barry Alan Naum  
Spilman Thomas & Battle, PLLC  
1100 Brent Creek Blvd., Suite 101  
Mechanicsburg, PENNSYLVANIA 17050

\*Gregory T Dutton  
Goldberg Simpson LLC  
9301 Dayflower Street  
Louisville, KENTUCKY 40059

\*Honorable Kendrick R Riggs  
Attorney at Law  
Stoll Keenon Ogden, PLLC  
2000 PNC Plaza  
500 W Jefferson Street  
Louisville, KENTUCKY 40202-2828

\*Carrie M Harris  
Spilman Thomas & Battle, PLLC  
1100 Brent Creek Blvd., Suite 101  
Mechanicsburg, PENNSYLVANIA 17050

\*Gardner F Gillespie  
Sheppard Mullin Richter & Hampton LLP  
1300 I Street NW  
11th Floor East  
Washington, DISTRICT OF COLUMBIA 20005

\*Kent Chandler  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Joe F Childers  
Joe F. Childers & Associates  
300 Lexington Building  
201 West Short Street  
Lexington, KENTUCKY 40507

\*James W Gardner  
Sturgill, Turner, Barker & Moloney, PLLC  
333 West Vine Street  
Suite 1400  
Lexington, KENTUCKY 40507

\*Lawrence W Cook  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Carrie A Ross  
Sheppard Mullin Richter & Hampton LLP  
1300 I Street NW  
11th Floor East  
Washington, DISTRICT OF COLUMBIA 20005

\*Janet M Graham  
Commissioner of Law  
Lexington-Fayette Urban County Government  
Department Of Law  
200 East Main Street  
Lexington, KENTUCKY 40507

\*Laurence J Zielke  
Zielke Law Firm PLLC  
1250 Meidinger Tower  
462 South Fourth Avenue  
Louisville, KENTUCKY 40202

\*Honorable Michael L Kurtz  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Paul Werner  
Sheppard Mullin Richter & Hampton LLP  
1300 I Street NW  
11th Floor East  
Washington, DISTRICT OF COLUMBIA 20005

\*Rebecca W Goodman  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Honorable Robert C Moore  
Attorney At Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

\*Robert Conroy  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Kentucky Utilities Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010

\*M. Todd Osterloh  
Sturgill, Turner, Barker & Moloney, PLLC  
333 West Vine Street  
Suite 1400  
Lexington, KENTUCKY 40507

**KENTUCKY LEAGUE OF CITIES, INC.  
EXECUTIVE BOARD  
MINUTES OF REGULAR MEETING  
February 8, 2017**

**Frankfort Convention Center  
Cumberland River Conference Room  
405 Mero Street  
Frankfort, KY 40601  
3:00 P.M. EST**

**Members Present:** Mayor Steve Austin, Mayor Jim Barnes, Mayor Dan Bell, Mayor Claude Christensen, Mayor Bill Dieruf, Councilmember Marty Fulkerson, Mayor Eddie Girdler, Mayor Roddy Harrison, Mayor David Jackson, Mayor Teresa Rochetti-Cantrell, Commissioner Pamela Smith-Wright, Mr. Jonathan Steiner, Mayor Brian Traugott, Mayor Martin Voiers and Mr. Tim Williams

**Members Absent:** Mr. Scott Crabtree, Mayor Bill Kelley and Mayor Troy Rudder

**Staff Present:** JD Chaney, Doug Goforth, Robin Cooper, Dawn Harlow, Martha Cosby, Robyn Miller, Chris Johnson and Eleanor Barbour

**Guests Present:** Shellie May, Commissioner Cary Vowels, Mayor Ed Burtner, Councilmember Sindicat Dunn and Mayor David Cartmell

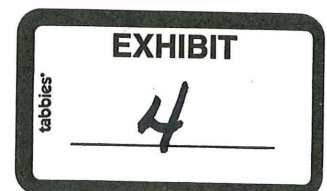
**Call to Order & Approval of Minutes:** The regular meeting of the Kentucky League of Cities Executive Board was called to order by Mayor Claude Christensen, Chair, at 3:01 p.m. EST. Secretary Robyn Miller called the roll and announced that a quorum was present. The board members reviewed the minutes from the December 9, 2016 Executive Board meeting. A **motion** was made by Mayor Jim Barnes and **seconded** by Mayor Steve Austin to approve the minutes as distributed. **Motion carried unanimously.**

**Executive Director's Update:** Mr. Jon Steiner provided an update on four new items that are not included in the 2016-17 budget involving KLC's legal and legislative efforts that he wanted to share with the board as they are investments to help our members now and in the future. 1) An actuary needs to be engaged to assist KLC with legislative efforts to separate CERS from the pension system which is one of KLC's key legislative priorities. KACO has been approached to split this cost of this engagement. 2) An outside law firm with expertise in utility rate cases has been engaged to assist KLC with the Kentucky Utilities rate case currently pending with the PSC. KLC plans to invoice cities that this helps and ask for voluntary contributions to this legal effort in order to recoup some of the costs. 3) A Washington DC Fly-In is planned for later this spring to better connect with Kentucky's federal legislative representatives. Members of a new KLC federal relations committee comprised of approximately 25 Kentucky city officials has been invited to participate. Only the KLC officers and staff expenses will be paid from KLC funds. Any other city officials attending will be responsible for their own expenses. 4) KLC is in the process of filling the vacant legislative communications position previously held by Tyler Campbell in order to help bolster KLC's presence on social media and online. After discussion, a **motion** was made by Mayor Austin and **seconded** by Commissioner Pamela Smith-Wright to approve the expenditures presented by Mr. Steiner and to move forward with those initiatives. **Motion carried unanimously.**

Mr. Steiner also updated the board on the recent elimination of the KLC grant writer position. Future grant writing needs should be directed to staff members Bobbie Bryant or Tad Long.

**Contracts Discussion:** Mr. JD Chaney discussed the engagement letter from Goldberg Simpson relating to the KU rate case as Mr. Steiner had previously discussed and as presented in the board packet. After discussion, a **motion** was made by Mr. Tim Williams and **seconded** by Councilmember Marty Fulkerson to accept the recommendation of the Budget and Audit Committee and approve the engagement of Goldberg Simpson as presented. **Motion carried unanimously.**

Ms. Martha Cosby reviewed the information relating to a Request for Proposal and bids received for building improvements on the 6<sup>th</sup> floor of the KLC building. After discussion, a **motion** was made by Mayor Jim Barnes and **seconded** by Mayor Roddy



Harrison to accept the recommendation of the Budget and Audit Committee and accept the bid from Thomiszer Design and Construction, LLC in the amount of \$66,589.00 as presented. Motion carried unanimously.

Mr. Steiner informed the board that negotiations with LexPark for KLC to purchase the drive-through parcel on High Street have ended with no sale.

**Financial Update:** Ms. Dawn Harlow, CFO, reviewed the financial report and building report for KLC as of 12/31/16 as presented in the board packet. After review and questions by the committee, a motion was made by Commissioner Pamela Smith-Wright and seconded by Mayor Roddy Harrison to accept the recommendation of the Budget and Audit Committee to approve the financial and building report. Motion carried unanimously.

**Nominating Report:** Mayor Christensen announced the Nominating Committee as presented in the board packet. The 2017 Nominating Committee will be Mayor Claude Christenson, Chair; Mayor Roddy Harrison, KLC Immediate Past President; Ms. Susan Barto, KLC Past President; Mayor Rick Skinner and Mayor Michael Hughes, KLC Board Members, and Mr. Jon Steiner, KLC Executive Director.

**Announcement of Secretarial Appointment:** Mr. Steiner announced that KLC Corporate Counsel Robyn Miller will serve as Secretary for the KLC Executive Board for 2017.

**Regular Meeting Dates:** Mayor Christensen reviewed the upcoming regular meeting dates for 2017 as included on the Agenda.

**Other Business:** Mayor Christensen welcomed Mayor Martin Voiers to his first KLC Executive Board meeting. Ms. Miller requested the board members to complete and sign the annual financial disclosure and conflict of interest forms that were distributed in their board packets. Ms. Eleanor Barbour will be following up with any board members who are absent from the meeting to obtain those forms. Mr. Doug Goforth provided an update on the KSBIT settlement. Mr. Robin Cooper answered questions about the historical attendance numbers at past KLC annual conferences.

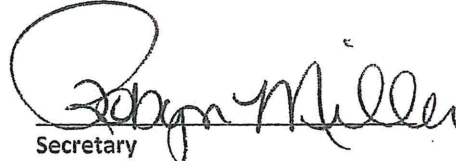
**Adjournment:** There being no further business, a motion was made by Mayor Bill Dieruf and seconded by Commissioner Pamela Smith-Wright to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 4:00 p.m. EST.



Claude Christensen

President



Robyn Miller

Secretary



**Kentucky League of Cities Board of Directors  
Regular Meeting  
Thursday, June 22, 2017  
1:00 p.m. EDT  
Hilton Garden Inn  
Georgetown, KY**

**MEMBERS PARTICIPATING:** Mr. Kevin Atkins, Mayor Steve Austin, Mayor Jim Barnes, Mayor Ed Burtner, Mayor David Cartmell, Mayor George Cheatham, Mayor Claude Christensen, City Attorney Scott Crabtree, Mr. Dennis Crist, Mayor Bill Dieruf, Mayor Rita Dotson, Mayor Jeffrey Edwards, Councilmember Marty Fulkerson, Mayor Matt Ginn, Mayor Thomas Hardesty, Mayor Roddy Harrison, City Attorney Andrew Hartley, Councilmember Stan Holmes, Mayor Mike Hughes, Mayor David Jackson, Chief Steve Kyle, Ms. Sara Massey, Mayor Willard McBurney, Mayor Paul Meier, Ms. Cathy Morris, Mayor Tracy Neice, Mayor David Prater, Mayor Teresa Rochetti-Cantrell, Mayor Troy Rudder, Mr. Marlon Sams, Mayor Paul Sandefur, Mayor Jenny Sewell, Ms. Larisa Sims, Mayor Rick Skinner, Mayor Les Stapleton, Mr. John Thomas, Mayor Brian Traugott, Chief Wayne Turner, Mayor Martin Voiers, Mayor Mike Weaver, Mayor Diane Whalen, Mayor Bruce Wilkerson, City Administrator Tim Williams, Mayor Gary Williamson, and Mayor Jan Yonts.

**MEMBERS ABSENT:** Mayor Dan Bell, Mayor James Craft, Mayor Eddie Girdler, Mayor James Hamberg, Mayor Carter Hendricks, Mayor Bill Kelley, Mayor Phillip King, Councilmember Susan Lamb, Mr. Robert Martin, Mayor Don Pay, Mayor Harold Rainwater, Ms. Barbara Reed, Commissioner Pamela Smith-Wright, City Clerk Crissy Upton and Mr. Wendell Wright.

**STAFF PARTICIPATING:** Jonathan Steiner, J.D. Chaney, Bryanna Carroll, Joseph Coleman, Doug Goforth, Michele Hill, Tad Long and Suzanne Reed.

**CONTRACT STAFF PARTICIPATING:** Bert May, Rusty Cress and Nancy Yelton.

**GUESTS PARTICIPATING:** Annette Dupont-Ewing, Mayor Tom Prather.

KLC President and Sadieville Mayor Claude Christensen called the meeting to order at 1:00 p.m. EDT.

The roll was called and it was determined that a quorum was present.

Mayor Christensen welcomed Board members to the meeting and announced that City Manager Donovan Blackburn and City Clerk/Treasurer Debbie Batliner have taken different jobs and are no longer on the Board of Directors. Barbara Reed, representative of the Kentucky Occupational License Association (KOLA) will be replaced by Scott Hall. He also thanked KLC staff for putting the meeting together.





Georgetown Mayor Tom Prather welcomed Board members to the City of Georgetown.

Mr. Steiner welcomed Board members, discussed the new KLC Insurance Services brochure, and introduced new KLC staff member Governmental Affairs Communications Specialist Michele Hill.

### **Item 1: Approval of the Minutes from the March 6, 2017 Board Meeting**

Mayor Dieruf moved to approve the minutes from the March 6, 2017 Board Meeting. Mr. Crabtree seconded. *The motion passed unanimously.*

### **Item 2: 2017 Legislative Wrap-up and Summary**

Mr. Chaney discussed some of the major pieces of legislation that passed during the 2017 Regular Session of the General Assembly. Those included the repeal of prevailing wage, passage of right-to-work legislation, and the fix for pension spiking bills.

Mr. Chaney also discussed the telecommunications tax lawsuit that the Kentucky Supreme Court recently ruled on. In 2011, KLC joined the cities of Florence, Greensburg, Mayfield and Winchester to file a lawsuit in Franklin Circuit Court challenging the constitutionality of the 2005 Multichannel Video Programming and Communications Services Tax (the Telecom Tax). As enacted, this statute prohibited cities from exercising the constitutional power to charge franchise fees on telecommunications companies for the privilege of using city rights-of-way. KLC and the cities lost in Circuit Court, won at the Court of Appeals, and won at the Supreme Court. The latter ruled that cities can (1) charge franchise fees locally or (2) stay in the state system. The deadline for a motion for reconsideration is July 6. The Supreme Court has remanded the case to Circuit Court for summary judgment.

### **Item 3: Approval of 2017 Legislative Awards**

Mayor Cartmell moved to approve the following for 2017 Friend of Kentucky Cities awards:

Senator Joe Bowen  
Senator Danny Carroll  
Senator Paul Hornback  
Senator Chris McDaniel  
Senator Damon Thayer  
Senator Whitney Westerfield

Speaker of the House Jeff Hoover  
Representative Robert Benvenuti  
Representative Jim Gooch  
Representative Adam Koenig  
Representative Michael Meredith  
Representative Jerry Miller  
Representative Kim Moser  
Representative Steven Rudy

Mayor Jackson seconded. *The motion passed unanimously.*



Mr. Crabtree moved to name Bellevue Police Chief Wayne Turner as the 2017 City Advocate of the Year. Mayor Dieruf seconded. *The motion passed unanimously.*

#### **Item 4: Update of the KLC Federal Issues Committee**

Mayor Barnes discussed starting the KLC Federal Issues Committee this year, conducting the KLC D.C. Fly-In, and encouraged Board members to connect with members of Kentucky's congressional delegation. Mayor Rochetti-Cantrell talked about meeting all eight of the congressmen and senators and was very impressed with the trip. Mr. Steiner said that KLC will do a similar trip next spring. Mayor Christensen said that he thought the trip was mutually beneficial: it improved KLC's status with the congressional delegation while it helped broaden the members' scope. He also thought that meeting with the National League of Cities will yield positive results.

#### **Guest Presenter: Annette Dupont-Ewing**

Ms. Dupont-Ewing discussed legislation that would allow 11 city-owned electric utilities to form a joint action agency, which would enable them to enter into the wholesale market for electricity. Ms. Dupont-Ewing said that the current practice of purchasing electricity from Kentucky Utilities increases the costs for municipal utility customers. She indicated that this action, if approved, would save \$2 million over 10 years. She requested that the Board set this issue as a KLC priority for the 2018 Regular Session. Mayor Jackson moved to support the concept of the joint action agency for municipal electric utilities and place it on the legislative agenda for prioritization. Mayor Dieruf seconded. After verifying there would be no impact on rural cooperatives or other customers, *the motion passed unanimously.*

Mayor Christensen recessed the meeting at 2:15 p.m.

Mayor Christensen called the meeting back to order at 2:30 p.m. He introduced two officials of the City of Sadieville who were in attendance: City Clerk/Treasurer Sandra Whelan and Commissioner Carol Strother. Mr. Chaney recognized KLC staff members who coordinated the meeting.

#### **Item 5: Discussion of Standing Legislative Issues**

##### **Drug Abuse**

Mr. Crabtree moved to continue KLC's support of legislation that proactively addresses drug abuse and its consequences. Mayor Dieruf seconded. *The motion passed unanimously.*

##### **Constables**

Mr. Atkins moved to continue KLC's support of legislation that eliminates the position of constable; makes substantial modifications to the existing statutory duties assigned to constables to eliminate peace officer powers from the position; authorizes county governments to enact local ordinances that limit the roles, powers and authority of constables



within each respective county; and/or permits city governments to enact local ordinances that would prohibit the use of peace officer powers by constables within the corporate limits of any city enacting such an ordinance. Mr. Crabtree seconded. *The motion passed. Voting No: Mr. Sams.*

#### Local Government Regulation of the Carrying of Guns by Employees

Mayor Dieruf moved to continue KLC's support of legislation that would permit local governments to (1) allow an organized law enforcement agency to enact and enforce regulations pertaining to firearms, ammunition and firearm accessories issued to or used by peace officers of the agency during the course of their official duties; and (2) adopt and enforce regulations or prohibitions on the carrying of firearms and ammunition by an employee of the local government during the course of the employee's official duties with the local government. Mr. Crabtree seconded. *The motion passed unanimously.*

#### Statewide Smoking Ban Law

Mr. Crabtree moved to continue KLC's support of legislation that implements a statewide smoking ban if (1) local governments would have the ability to opt-out and (2) any city or county that has already enacted a smoking ban ordinance to be considered as already opted-out, but to remove this issue from the agenda for prioritization. Mayor Dieruf seconded. *The motion passed unanimously.*

#### City and County Occupational License Taxes

Mr. Crabtree moved to continue having KLC staff work collaboratively with KACo but that KLC should oppose any effort to make permanent the suspension legislation that was enacted in the last hours of the 2014 and 2016 sessions. Councilmember Holmes seconded. *The motion passed unanimously.*

#### Newspaper Publication Reforms

Mayor Dieruf moved to continue KLC's support of legislation that provides an optional online alternative for newspaper publication and oppose any legislation that imposes new unfunded mandates for cities to post legal notices online without equal or greater reductions in the existing state mandates requiring the same information to be published in newspapers at a cost to cities. Mayor Voiers seconded. *The motion passed unanimously.*

#### Police and Fire Incentive Pay

Mayor Meier moved to continue KLC's support of legislation that codifies the increase in police and fire incentive pay to \$4000 with the caveat that the legislation must include a reimbursement to employers for the additional costs associated with administering the increased incentive pay amount. Mayor Dieruf seconded. *The motion passed unanimously.*



## **Item 6: Discussion of Previously Considered Legislative Issues**

### Revenue Diversification

Mayor Dieruf moved to maintain strong, unqualified opposition to centralized tax collection. Councilmember Holmes seconded. *The motion passed unanimously.*

Mr. Crabtree moved to authorize KLC staff to resubmit to the Governor's Office KLC Board of Directors Resolution 2017-02 regarding centralized collection and administration of revenues from the imposition of any local taxes. Mayor Jackson seconded. *The motion passed unanimously.*

Mayor Dieruf moved to oppose any legislation to sunset or eliminate any local taxes until a replacement tax mechanism is law. Mr. Crabtree seconded. *The motion passed unanimously.*

Mayor Barnes moved to continue support of the expansion of the restaurant tax if: (1) the cities enacting a restaurant tax could not levy an occupational license tax on the net profits or gross receipts of restaurants; (2) cities could retain a maximum of 75 percent of the revenues generated from the restaurant tax for quality of life expenditures, and a minimum of 25 percent of the revenues generated would go to local tourism commissions; and (3) "grandfather" cities that had previously imposed the tax to require that historical revenues would still be provided to tourism commissions. Mr. Crabtree seconded. *The motion passed unanimously.*

### State Road Funding Formulas

Mayor Whalen moved to continue support of 2016 legislation to restructure the road funding formulas to provide a more fair allocation to local governments with higher traffic areas and to oppose efforts to increase revenues for transportation projects without addressing the split of new revenues. Councilmember Fulkerson seconded. *The motion passed. Voting No: Mr. Williams.*

### Pension Reform

Mr. Crabtree moved to continue support of legislation to separate the County Employees Retirement System (CERS) from the Kentucky Retirement Systems (KRS) and to pass KLC Board of Directors Resolution 2017-03:

**RESOLUTION 2017-03**  
**RESOLUTION OF THE BOARD OF DIRECTORS**  
**KENTUCKY LEAGUE OF CITIES, INC.**  
**June 22, 2017**

**WHEREAS**, stability of the County Employees Retirement System is a top priority for Kentucky cities;



**WHEREAS**, the County Employees Retirement System is currently funded at 62 percent, a higher funded ratio than it was prior to passage of SB2;

**WHEREAS**, the Kentucky Employees Retirement System is the worst funded system in the U.S. and was noted by R.V. Kuhns, Inc. as being set to undergo financial hurdles of “persistent funding shortfalls, elevated contribution levels, unsustainable payout ratios and in the worst-case scenario, the potential for the complete depletion of the asset base”;

**WHEREAS**, total assets of the County Employees Retirement System are about \$12 billion, 73 percent of the total Kentucky Retirement Systems’ assets;

**WHEREAS**, administrative costs for the Kentucky Retirement Systems have increased 245 percent since 2000, and the County Employees Retirement System pays 63 percent of those costs;

**WHEREAS**, separation of the County Employees Retirement System would result in the creation of a new nine-member board whose sole responsibility would be the management of the County Employees Retirement System;

**WHEREAS**, the current 17-member Kentucky Retirement Systems Board of Trustees has only six seats for County Employees Retirement System representatives, and the Kentucky Retirement Systems Board of Trustees Investment Committee has no representative from the County Employees Retirement System;

**WHEREAS**, separation of the County Employees Retirement System from the Kentucky Retirement Systems would mean local control of local pensions and would ensure the needs of the County Employees Retirement System are met so it can continue its current path of growth for years to come;

**NOW, THEREFORE, BE IT RESOLVED** that the Kentucky League of Cities Board of Directors strongly supports the separation of the County Employees Retirement System from the Kentucky Retirement Systems.

Mayor Dieruf seconded. *The motion passed unanimously.*

Mayor Dieruf moved to pass a series of KLC Board of Directors resolutions (numbered 2017-04 through 2017-17) for each of the senators who cosponsored SB 226, which would have separated CERS from KRS:

**RESOLUTION 2017-04**  
**RESOLUTION OF THE BOARD OF DIRECTORS**  
**KENTUCKY LEAGUE OF CITIES, INC.**  
**June 22, 2017**



**WHEREAS**, stability of the County Employees Retirement System is a top priority for Kentucky cities;

**WHEREAS**, the County Employees Retirement System covers more than 230,000 city, county, school, police and fire employees across the state;

**WHEREAS**, Senator Joe Bowen introduced SB 226 during the 2017 legislative session, calling for the separation of the County Employees Retirement System from the Kentucky Retirement Systems;

**WHEREAS**, the current 17-member Kentucky Retirement Systems Board of Trustees has only six seats for County Employees Retirement System representatives, and the Kentucky Retirement Systems Board of Trustees Investment Committee has no representative from the County Employees Retirement System;

**WHEREAS**, separation of the County Employees Retirement System would result in the creation of a new nine-member board whose sole responsibility would be the management of the County Employees Retirement System;

**WHEREAS**, separation of the County Employees Retirement System from the Kentucky Retirement Systems would mean local control of local pensions and would ensure the needs of the County Employees Retirement System are met so it can continue its current path of growth for years to come;

**WHEREAS**, Senator Joe Bowen has continued to show support and advocate for the separation of the County Employees Retirement System from the Kentucky Retirement Systems;

**NOW, THEREFORE, BE IT RESOLVED** that the Kentucky League of Cities Board of Directors expresses its most high gratitude to Senator Joe Bowen for his commitment to SB 226 and the separation of the County Employees Retirement System from the Kentucky Retirement Systems.

**RESOLUTION 2017-05**  
**RESOLUTION OF THE BOARD OF DIRECTORS**  
**KENTUCKY LEAGUE OF CITIES, INC.**  
**June 22, 2017**

**WHEREAS**, stability of the County Employees Retirement System is a top priority for Kentucky cities;

**WHEREAS**, the County Employees Retirement System covers more than 230,000 city, county, school, police and fire employees across the state;



**WHEREAS**, Senator Christian McDaniel cosponsored SB 226 during the 2017 legislative session, calling for the separation of the County Employees Retirement System from the Kentucky Retirement Systems;

**WHEREAS**, the current 17-member Kentucky Retirement Systems Board of Trustees has only six seats for County Employees Retirement System representatives, and the Kentucky Retirement Systems Board of Trustees Investment Committee has no representative from the County Employees Retirement System;

**WHEREAS**, separation of the County Employees Retirement System would result in the creation of a new nine-member board whose sole responsibility would be the management of the County Employees Retirement System;

**WHEREAS**, separation of the County Employees Retirement System from the Kentucky Retirement Systems would mean local control of local pensions and would ensure the needs of the County Employees Retirement System are met so it can continue its current path of growth for years to come;

**NOW, THEREFORE, BE IT RESOLVED** that the Kentucky League of Cities Board of Directors thanks Senator Christian McDaniel for his commitment to SB 226 and the separation of the County Employees Retirement System from the Kentucky Retirement Systems.

Resolutions 2017-05 through 2017-17 are identical except for the names. The resolutions are for each for the following:

- |                                   |                                       |
|-----------------------------------|---------------------------------------|
| Senator Joe Bowen (2017-04)       | Senator Stan Humphries (2017-11)      |
| Senator Chris McDaniel (2017-05)  | Senator John Schickel (2017-12)       |
| Senator Ralph Alvarado (2017-06)  | Senator Wil Schroder (2017-13)        |
| Senator Danny Carroll (2017-07)   | Senator Stephen West (2017-14)        |
| Senator C.B. Embry, Jr. (2017-08) | Senator Whitney Westerfield (2017-15) |
| Senator Rick Girdler (2017-09)    | Senator Mike Wilson (2017-16)         |
| Senator David Givens (2017-10)    | Senator Max Wise (2017-17)            |

Mr. Crabtree seconded. *The motion passed unanimously.*

Mayor Burtner expressed concern that the recent Governmental Accounting Standards Board (GASB) rule change to put a share of the pension liability on city financial statements does not apply to county governments in Kentucky. Mr. Chaney said that KLC will meet with the Office of the Auditor of Public Accounts to learn more.

#### Alcohol Licensure and Regulatory License Fee Equity

Mayor Hughes moved to continue support of legislation that would harmonize city license types with the license available at the state level and permit all cities to impose an alcohol regulatory fee. Mr. Crabtree seconded. *The motion passed unanimously.*

#### Garnishment, Attachment and Execution of City Funds and Property

Mr. Crabtree moved to continue support of legislation that would prohibit the funds and property of a city government from being subject to garnishment and other forms of attachment following a civil judgement that is not covered by insurance. Mayor Dieruf seconded. *The motion passed unanimously.*

#### Expansion of Local Government Investment Options

Mr. Crabtree moved to continue support of legislation that would expand the state statute that governs the investment requirements for city funds. Mayor Dieruf seconded. *The motion passed unanimously.*

#### Return-to-Work – Temporary Disability/Workers’ Compensation Reform

Mr. Crabtree moved to continue support of legislation that would (1) allow partial payments of temporary total disability benefits to be offset by wages paid to an employee by an employer in consideration of work performed by an employee who has returned to work in a light duty or other alternative job position during a period of temporary total disability and (2) address the Kentucky Supreme Court’s invalidation of workers’ compensation benefits stopping at Medicare-eligible age. Mayor Dieruf seconded. *The motion passed unanimously.*

#### Drones

Mr. Williams moved to continue support of legislation that protects critical infrastructure and remain neutral on legislation that would have codified the rule that evidence gathered by drones without a lawful warrant could not be used in a criminal proceeding. Mayor Voiers seconded. *The motion passed unanimously.*

#### Unfunded Mandates

Mayor Dieruf moved to continue support of legislation that would codify a prohibition against unfunded mandates. Mr. Crabtree seconded. *The motion passed unanimously.*

#### Classification Reform 2.0

Mayor Dieruf moved to continue support of legislation that would eliminate (1) inequities among cities based on population or based on the old classification system and (2) unneeded laws because of the impact of home rule authority. Mr. Crabtree seconded. *The motion passed unanimously.*

#### Golf Carts on City Streets

Mr. Crabtree moved to continue support of legislation that would provide clarification in the law to make it possible for golf carts to comply with state and federal law. Mayor Dieruf seconded. *The motion passed unanimously.*

#### Treatment and Disclosure of Police Body-Worn Camera Footage as a Public Record

Mayor Dieruf moved to continue support of legislation that would limit the disclosure of body-worn camera footage to limited circumstances and only permit disclosure in nonpublic locations if requested by individuals subject to the video. Mr. Crabtree seconded. *The motion passed unanimously.* Chief Kyle suggested including code enforcement officers in any potential legislation.

#### Annexation Law Modifications

Mayor Rochetti-Cantrell moved to continue support of legislation that would amend the law to permit a city to file election challenges if illegal votes were cast in the elections and to impose a statute of limitations on legal challenges after annexations are completed and would set out a statute of limitations for challenging annexations. Mr. Crabtree seconded. *The motion passed unanimously.*

#### Personal Liability of City Officers/Employees for Expenditure of Tax Revenues Other than as Stated in the Ordinance Levying the Tax

Mayor Dieruf moved to monitor this issue pending the outcome of a potential Kentucky Supreme Court ruling and to remove this issue from the agenda for prioritization. Councilmember Fulkerson seconded. *The motion passed unanimously.*

#### Public Service Commission Rules on Wholesale Water Transactions

Mayor Harrison moved to continue support of a regulatory change or legislation to provide for a period of escrow during the time of the appeal so that the process would not be used as a delay tactic and/or the city would not lose funds during the time of the appeal. Mayor Hardesty seconded. *The motion passed unanimously.*

Mayor Christensen recessed the meeting at 4:15 p.m.

Mayor Christensen called the meeting back to order at 4:27 p.m.

#### **Item 7: Economic Development Agenda**

Mayor Traugott discussed the work of the KLC Economic Development Committee and moved to continue the economic development agenda with the addition of workforce development. Mr. Atkins seconded. *The motion passed unanimously.*

#### **Item 8: Discussion of New Legislative Issues**

##### Amendment to Kentucky Wage and Hour Law to Apply Federal Fair Labor Standards Act Overtime Exemptions to Police and Fire Employees

The 207(k) exemption in the Fair Labor Standards Act (FLSA) allows public employers to figure overtime compensation for law enforcement and fire employees on the basis of work

periods longer than the one-week work periods that apply to all other employees. Because this overtime exemption is not part of Kentucky law, it is unavailable for use by Kentucky's public employers. A member city has requested that the Board of Directors consider adding this proposal to its 2018 legislative agenda. Mayor Dieruf moved to table (postpone indefinitely) the consideration of this issue. Mr. Crabtree seconded. *The motion passed unanimously.*

#### Rehired Firefighters Pension Contribution Exemption

A fire chief from a member city has requested that the KLC Board of Directors pursue an amendment to the law to permit rehired retired firefighters to be treated in the same way as police officers. Mayor Dieruf moved to exclude this issue from the legislative agenda. Mr. Crabtree seconded. *The motion passed unanimously.*

#### Firefighter and Paramedic Training

Mayor Dieruf moved to have KLC staff work with fire departments, the Kentucky Fire Commission, and the Kentucky Board of Emergency Medical Services to see if the changes in regulations are necessary to improve the situation. Mayor Cartmell seconded. *The motion passed unanimously.*

#### City Audit Exemptions and Penalties

A mayor of a small member city has requested that the KLC Board of Directors vote to expand the current exemptions for city audits that permit cities with populations of less than 1,000 to have audits performed only every other year and to look at raising the complete exemption for cities that either take in or expend less than \$75,000 per year. Mayor Dieruf moved to (1) have KLC staff work with the Auditor of Public Accounts to review methods of allowing smaller cities to do audits similar to how they were done before classification reform passed and (2) exclude it from the legislative agenda. Mr. Crabtree seconded. *The motion passed. Voting No: Mayor Burtner.*

#### 911 Services Board

In May, Governor Bevin issued an executive order disbanding the Board as it was constituted in the legislation and removed all local officials from the oversight board. Instead, he created an advisory board with no oversight authority. Mr. Crabtree moved to (1) oppose legislative ratification of the Governor's action without local representation and (2) draft a letter to the Governor's Office to that effect. Mayor Dieruf seconded. *The motion passed unanimously.*

#### Cost of Living Adjustments in Legacy Pension Plans

Two member cities have requested support of legislation to permit city governments maintaining legacy pension plans to consider annual cost of living adjustments (COLAs) to beneficiaries under these plans either using the social security COLA or the COLA as determined by the Department for Local Government under KRS 64.527 for the purposes of potential adjustments to the compensation of local elected officials. The total increase would



be limited to a maximum of five percent. Mayor Dieruf moved to support this issue but to exclude it from the legislative agenda. Mr. Crabtree seconded. *The motion passed unanimously.*

#### Marsy's Law – Constitutional Rights for Crime Victims

Marsy's Law would amend the constitution to provide crime victims with an equivalent level of legal protection as those who are accused and convicted. Mr. Crabtree moved to support the constitutional amendment with changes regarding victims' "reasonable" rights and clarifying that the amendment does not create any cause of action for compensation or damages against city governments, their officials or their employees. Mayor Dieruf seconded. *The motion passed unanimously.*

#### Controlling Utility Costs

Mr. Crabtree moved to have KLC staff look into legislation to control utility, especially electricity, costs. Mayor Dieruf seconded. *The motion passed unanimously.* Mayor Cheatham, Mayor Harrison and Mayor Prater volunteered to be involved in this issue.

#### Veterans Issues

Mayor Dieruf moved to create an ad hoc Veterans Affairs Committee to address veterans-related issues and name Mayor Weaver as chair. Mr. Crabtree seconded. *The motion passed unanimously.* Mayor Burtner, Mayor Ginn and Chief Kyle volunteered to be involved with the committee.

#### Pass-Through Requirements

Mayor Stapleton suggested that the KLC Board and staff should proactively target laws that require the funds to go to the county government, with only a portion passed through to the cities in the county.

#### Miscellaneous Property Tax Issues

Mayor Dieruf suggested that KLC staff look into the tax-exempt status of veterans' posts and how third-party tax bill collections might have to share money upon foreclosure.

#### **Adjournment**

Mayor Hughes moved to adjourn the meeting. Mayor Cartmell seconded. *The motion passed unanimously.*

Mayor Christensen adjourned the meeting at 5:32 p.m.