

Lexington-Fayette Urban County Government

*200 E. Main St
Lexington, KY 40507*



Tuesday, May 15, 2012

3:00 PM

Packet

Council Chamber

Urban County Council Work Session

**URBAN COUNTY COUNCIL
SCHEDULE OF MEETINGS
May 14 – May 21, 2012**

Monday, May 14

Itinerant Merchant Task Force Meeting 1:00 pm
Conference Room-7th Floor Phoenix Building

ZOTA Work Group 1:30 pm
Conference Room-5th Floor Government Center

Tuesday, May 15

Corridors Commission 9:00 am
Conference Room-5th Floor Government Center

Harboring of Animals in Non-Agricultural Zones 10:30 am
Conference Room-5th Floor Government Center

Environmental Quality Committee 11:00 am
Council Chambers-2nd Floor Government Center

Budget COW – Links Report Out 1:00 pm
Council Chambers-2nd Floor Government Center

Council Work Session 3:00 pm
Council Chambers-2nd Floor Government Center

Wednesday, May 16

Courthouse Area Design Overlay Zone Review Board 2:00 pm
Council Chambers-2nd Floor Government Center

Town & Gown Commission Meeting 4:00 pm
Maxwell Street Presbyterian Church

Thursday, May 17

Budget COW – Links Report Out 3:00 pm
Council Chambers-2nd Floor Government Center

Quarterly COW 4:30 pm
Conference Room-5th Floor Government Center

Council Meeting 6:00 pm
Council Chambers-2nd Floor Government Center

Friday, May 18

No Meetings

Monday, May 21

No Meetings

URBAN COUNTY COUNCIL

WORK SESSION SUMMARY

TABLE OF MOTIONS

May 8th, 2012

All Council Members were present.

Motion by Lane to approve moving the General Assembly update between items IV and V on the agenda. Seconded by Myers. The motion passed without dissent.

I. Docket Approval

Motion by Gorton to approve the Docket. Seconded by Myers. The motion passed without dissent.

Motion by Blues to place on the docket for the May 10, 2012 meeting, first reading of Ordinance amending Section 2-87 (a) of the Code of Ordinances related to the Masterson Station Park Advisory Board to include a member from the Masterson Station Neighborhood Association. Seconded by Henson. The motion passed without dissent.

II. Summary Approval

Motion by Gorton to approve the Summary. Seconded by Beard. The motion passed without dissent.

III. Budget Amendments

Motion by Gorton to approve the Budget Amendments. Seconded by Ellinger. The motion passed without dissent.

IV. New Business

Motion by Gorton to approve the New Business. Seconded by Ellinger. The motion passed without dissent.

V. Continuing Business/Presentations

Motion by Lawless to place on the docket for the May 10, 2012 meeting, the Horses Running at Large ordinance as passed by the Public Safety Committee. Seconded by Gorton. The motion passed without dissent.

Motion by Martin to refer the Fire and EMS Task Force issue back into the Public Safety Committee so they can explore the wisdom of 3 vs. 2 on an Emergency Care Unit. Lane seconded the motion. The motion failed 7-8.

VI. Council Reports

Motion by Lawless to place on the docket for the May 10, 2012 meeting, a resolution amending the Residential Parking Permit Program for the 400 block of South Upper Street, from 7:00am to 5:00pm Monday through Friday; to 24 hours per day restriction 7 days per week; and waiving the provisions relating to the mechanics of designating residential parking permit areas adopted by Resolution NO. 168-90 and amended by resolutions NOS. 450-91 and 433-2006. Seconded by Blues. The motion passed without dissent.

VII. Mayor's Report

Motion by Blues to approve Mayor's Report. Seconded by Kay. The motion passed without dissent.

Motion by Ellinger to adjourn at 5:16pm. Seconded by Myers. The motion passed without dissent.

- I. Public Comment - Issues on Agenda**
- II. Requested Rezoning/ Docket Approval - Yes**
- III. Approval of Summary - Yes p. 1 - 2**
- IV. Budget Amendments - Yes p. 8**
- V. New Business - Yes p. 10 - 32**
- VI. Continuing Business/ Presentations - Yes**
 - a** Neighborhood Development Funds - May 15, 2012 p. 33
 - b** Planning and Public Works Committee Summary May 8 2012 p. 34 - 36
 - c** Police and Fire Pension Presentation - May 15, 2012 p. 37 - 55
- VII. Council Reports**
- VIII. Mayor's Report - Yes**
- IX. Public Comment - Issues Not on Agenda**
- X. Adjournment**

Administrative Synopsis - New Business Items

- a** **0481-12** Authorization to amend Section 4 of Ordinance No. 37-2012, correcting one typographical error. (L481-12) (Walters/Graham)
This is a request to amend Section 4 of Ordinance No. 37-2012, correcting one typographical error. There is no budgetary impact. p. 15
- b** **0488-12** Authorization to enter into a two year contract for natural gas supplied under Columbia Gas of Kentucky's Delivery Service tariff as long as the price does not exceed NYMEX plus \$.35Dth. (L488-12) (Ballard/Mason)
This is a request to enter into a two year contract beginning August 1, 2012, for natural gas supplied under Columbia Gas of Kentucky's Delivery Service tariff as long as the price does not exceed NYMEX plus \$.35Dth. The fiscal impact for FY2013 will be \$240,000. Funds are budgeted. p. 11
- c** **0503-12** Authorization to execute agreements with the Kentucky Office of Homeland Security for various Public Safety projects under the 2011 State Homeland Security Grant Program. (L503-12) (Gooding/Mason)
This is a request to execute agreements with the Kentucky Office of Homeland Security for various Public Safety projects under the 2011 State Homeland Security Grant Program, extending the performance period through December 31, 2012. There is no budgetary impact. p. 12
- d** **0504-12** Authorization to execute agreement with Kentucky Office of Homeland Security for extension of performance period for the Metropolitan Medical Response System Project. (L504-12) (Gooding/Mason)
This is a request to execute agreement with Kentucky Office of Homeland Security for extension of performance period for the Metropolitan Medical Response System Project, extending the performance period through December 31, 2012. There is no budgetary impact. p. 13
- e** **0505-12** Authorization to execute Eighth Contract Amendment with AmeriNational Community Services, Inc. for loan servicing for the HOME and Community Development Block Grant (CDBG) Housing Rehabilitation and Homeownership Programs. (L505-12) (Gooding/Moloney)

This is a request to execute Eighth Contract Amendment with AmeriNational Community Services, Inc. for loan servicing for the HOME and CDBG Housing Rehabilitation and Homeownership Programs, extending the contract through June 30, 2014. Loan servicing fees are not expected to exceed \$60,000 for the two (2) year period. \$30,000 is budgeted for FY 2013. p. 14

- f** **0507-12** Authorization to execute agreement with Kentucky Office of Homeland Security for extension of performance period for the Metropolitan Medical Response System Project through December 31, 2012. (L507-12) (Gooding/Mason)
This is a request to execute agreement with Kentucky Office of Homeland Security for extension of performance period for the Metropolitan Medical Response System Project through December 31, 2012. There is no budgetary impact. p. 15
- g** **0509-12** Authorization to execute Amendment to Agreement with the Kentucky Transportation Cabinet for the Newtown Pike Landscaping Project, extending period of performance through June 30, 2013. (L509-12) (Gooding)
This is a request to execute Amendment to Agreement with the Kentucky Transportation Cabinet for the Newtown Pike Landscaping Project, extending period of performance through June 30, 2013. There is no budgetary impact. p. 16
- h** **0510-12** Authorization to execute Amendment to Agreement with the Kentucky Transportation Cabinet for the Safe Routes to School Project, providing for an extended performance period. (L510-12) (Gooding/Moloney)
This is a request to execute an Amendment to Agreement with the Kentucky Transportation Cabinet for the Safe Routes to School Project, providing for an extended performance period through June 30, 2013. There is no budgetary impact. p. 17
- i** **0511-12** Authorization for the Division of Planning to accept a gift of seven publications from Walter W. May. (L511-12) (King/Paulsen)
This is a request to authorize the Division of Planning to accept a gift of seven publications from Walter W. May for the Division's resource library. p. 18
- j** **0513-12** Authorization to approve Change Order No. 1 (final) to Contract with ABR Construction, Inc. for the Lexington Mall Sanitary Sewer Trunk Realignment. (L513-12) (Martin/Moloney)

This is a request to approve Change Order No. 1 (final) to Contract with ABR Construction, Inc. for the Lexington Mall Sanitary Sewer Trunk Realignment that will increase the sum of the contract by \$6,028.06. This brings the total contract amount to \$561,459.71. Funds are budgeted. p. 19 - 22

- k** **0514-12** Authorization to approve an agreement with the United States Geological Survey for the continued operation and maintenance of existing stream flow and rain gauges for the period July 1, 2012 through June 30, 2013. (L514-12) (Martin/Moloney)
This is a request to approve an agreement with the United States Geological Survey for the continued operation and maintenance of existing stream flow and rain gauges for the period July 1, 2012 through June 30, 2013. Funding for this year's agreement for \$115,740.00 is budgeted. p. 23
- l** **0515-12** Authorization to approve Contract Modification No. 1 to the Lexington Distillery District Public Improvements Project Feasibility Study. (L515-12) (Rayan/Moloney)
This is a request to approve Contract Modification No. 1 in the amount of \$83,202 to the Lexington Distillery District Public Improvements Project Feasibility Study. The new contract amount will be \$501,202. Funds are budgeted. p. 24 - 27
- m** **0516-12** Authorization to execute Development Agreement with Fayette County Local Development Corporation, conveying properties acquired by the LFUCG under the Neighborhood Stabilization Program. (L516-12) (Gooding/Moloney)
This is a request to execute Development Agreement with Fayette County Local Development Corporation, conveying two (2) properties located at 440 and 445 Chestnut St., acquired by the LFUCG under the Neighborhood Stabilization Program. There is no budgetary impact. p. 28
- n** **0518-12** Authorization to amend Section 21-5 of the Code of Ordinances abolishing one (1) position of HCM Manager Enterprise Solutions (Grade 119E) and creating one (1) position of Information Systems Service Level Manager (Grade 121E) in the Division of Enterprise Solutions. (L518-12) (Walters/Moloney)
This is a request to amend Section 21-5 of the Code of Ordinances abolishing one (1) position of HCM Manager Enterprise Solutions (Grade 119E) and creating one (1) position of Information Systems Service Level Manager (Grade 121E) in the Division of Enterprise Solutions. The total anticipated annual impact/salary and benefits is \$14,355.53. p. 29

- o** **0519-12** Authorization to enter into contracts with Thomson West for on-line legal research, CLEAR legal research, and book publications. (L519-12) (Graham)
 This is a request to enter into contracts with Thomson West for on-line legal research, CLEAR legal research (a people search tool), and book publications. The total annual impact is \$30,000. The impact for this FY is \$3,000 and funds are budgeted. p. 30 - 31

- p** **0523-12** Authorization to approve a contract with Buy Rite Technologies, Inc. for reverse auction services. (L523-12) (Slatin/Driskell)
 This is a request to approve a contract with Buy Rite Technologies, Inc. for reverse auction services. There will be no fees or charges incurred by the LFUCG as a result of this contract. p. 32

BUDGET AMENDMENT REQUEST LIST

JOURNAL	60193	DIVISION	Finance	Fund Name	General Fund
				Fund Impact	195,661.00
					195,661.00

To adjust the FY 2012 Lexington Public Library appropriation based on the state certification of property assessments and the Fayette County Sheriff's property tax settlement audit which summaries actual assessments and collections.

JOURNAL	60194-95	DIVISION	Traffic Engineering	Fund Name	General Fund
				Fund Impact	347.92
					347.92CR
					.00

To provide funds to pay Sprint cellphone bill by recognizing reimbursement received for this purpose.

JOURNAL	60294-95	DIVISION	Historic Preservation	Fund Name	Donation Fund
				Fund Impact	28,565.00
					22,730.00CR
					5,835.00

To budget funds donated for the repair of the historic Skuller's Clock project. Balance of revenue was donated in a prior year and is now in fund balance for this project.

JOURNAL	45493R	DIVISION	Grants and Special Programs	Fund Name	US Dept of Interior
				Fund Impact	20,000.00
					20,000.00CR
					.00

To remove funds for Historic Preservation – FY 2011 grant. The grant was not received.

JOURNAL	60296	DIVISION	Grants and Special Programs	Fund Name	US Department of Justice
				Fund Impact	3,563.61
					3,563.61CR
					.00

To amend Juvenile Justice Accountability Block Grant 2012 to provide for additional police overtime, food and drug tests.

JOURNAL	TBD	DIVISION	Grants and Special Programs	Fund Name	US Dept Transportation
				Fund Impact	10,000.00
					10,000.00CR
					.00

To remove funds for Collision Reporting Quality Control – FY 2012 grant. The grant was not received.

JOURNAL	60196-97	DIVISION	Environmental Policy	Fund Name	Water Quality Fund
				Fund Impact	3,760.00
					3,760.00
					.00

To provide funds for Lilly purchase/adjustment by recognizing revenues received for this purpose.

BUDGET AMENDMENT REQUEST SUMMARY

Fund	1101	General Service District Fund	195,661.00
Fund	1103	Donation Fund	5,835.00
Fund	3130	US Department of Interior	.00
Fund	3140	US Department of Justice	.00
Fund	3160	US Department of Transportation	.00
Fund	4051	Water Quality Mangement Fund	.00



Lexington-Fayette Urban County Government
DIVISION OF HUMAN RESOURCES

Jim Gray
Mayor

Janet Graham
Commissioner

M E M O R A N D U M

TO: Jim Gray, Mayor
Richard Moloney, Chief Administrative Officer
Council Members

FROM: _____
Tamara Walters, Acting Director
Division of Human Resources

DATE: May 1, 2012

SUBJECT: **Error Correction—Amend Ordinance No. 37-2012**

The attached action amends Section 4 of Ordinance No. 37-2012, correcting one typographical error.

Section 4 currently reads: *That the following subsection line numbers of Section 21-5(2) of the Code of Ordinances be and hereby are amended to read as follows:*

850.115 1 103 107N Staff Assistant

Section 4 should be amended to read: *That the following subsection line numbers of Section 21-5(2) of the Code of Ordinances be and hereby are amended to read as follows:*

850.115 2 103 107N Staff Assistant

There is no fiscal impact associated with this action.

If you have questions or need additional information, please contact Daniel H. Fischer at 258-3030.

Log # 12-0046



Lexington-Fayette Urban County Government
DEPARTMENT OF PUBLIC SAFETY

Jim Gray
Mayor

Clay Mason
Commissioner

To: Richard Moloney, CAO
Mayor Jim Gray
Councilmembers

From: Rodney Ballard, Director 
Division of Community Corrections

Date: May 2, 2012

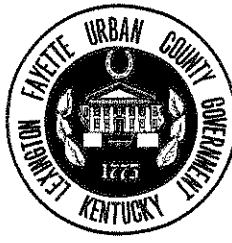
Subject: Approval of Natural Gas Purchase for Community Corrections

Requesting approval to enter into a two year contract with the lowest responsive bidder for natural gas supplied under Columbia Gas of Kentucky's Delivery Service tariff as long as the price does not exceed NYMEX plus \$.35Dth. Under the DS tariff rate, LFUCG solicits bids from approved suppliers through Fellon McCord, its consultant on natural gas pricing. This process is the most cost effective way to procure natural gas for the detention center. Currently, the detention center is under contract with Constellation New Energy Gas for a term ending July 31, 2012.

The offers obtained through this process are only valid for 24 hours and the price and term of the offer are set forth in the terms of the bid. Upon approval of the bid, the LFUCG will enter into a two year contract with the lowest responsive bidder beginning August 1, 2012.

The fiscal impact for FY2013 will be \$240,000. Funds are budgeted in 1101-505401-5411-72102.

cc: Clay Mason, Commissioner
Department of Public Safety



Mayor Jim Gray

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

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: MAY 3, 2012

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO EXECUTE
AGREEMENTS WITH THE KENTUCKY OFFICE OF HOMELAND
SECURITY FOR VARIOUS PUBLIC SAFETY PROJECTS UNDER THE
2011 STATE HOMELAND SECURITY GRANT PROGRAM

On December 1, 2011 (Resolution No. 548-2011), Council approved acceptance of federal funds from the Kentucky Office of Homeland Security under the Fiscal Year 2011 Homeland Security Grant Program for the following projects.

- Division of Fire and Emergency Services: Special Operations, Hazardous Materials and Technical Rescue Equipment:
- Division of Fire and Emergency Services for specialized training class for HazMat units throughout the state.
- Division of Police: Hazardous Devices Unit—for upgrades to the eight-year old Andros F-6 robot and the three-year old Andros HD-1 robot. .
- Division of Police: Hazardous Devices Unit—Training Grant: for delivery of a course in Dynamic Entry to bomb technicians and tactical officers from the Kentucky Explosive Incident Response Task Force (KEIRTF).

These projects have expiration dates of June 30, 2012. The Kentucky Office of Homeland Security has offered the LFUCG modifications to all four agreements extending the performance period through December 31, 2012. No other changes are proposed.

Council authorization to execute agreements with Kentucky Office of Homeland Security for extension of performance period for these projects is hereby requested.


Irene Gooding, Director

Xc: Clay Mason, Commissioner, Department of Public Safety

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

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

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: MAY 5, 2012

SUBJECT: AUTHORIZATION TO EXECUTE AGREEMENT WITH KENTUCKY
OFFICE OF HOMELAND SECURITY FOR EXTENSION OF
PERFORMANCE PERIOD FOR THE METROPOLITAN MEDICAL
RESPONSE SYSTEM PROJECT

On December 1, 2011 (Resolution No. 546-2011), Council authorized Mayor to accept award of federal funds from Kentucky Office of Homeland Security in the amount of \$267,609 for continuation of the Metropolitan Medical Response System (MMRS). This program provides funding and support to jurisdictions to develop plans, conduct training and exercises, and to acquire pharmaceuticals and equipment to achieve the capability necessary to respond to a mass casualty event. One of the MMRS program's priorities is to assist with the integration of first responder, medical treatment, public health and emergency management components of a community. These are federal funds that originate from the Federal Emergency Management Agency in the U.S. Department of Homeland Security. The period of performance expires June 30, 2012.

Kentucky Office of Homeland Security has offered LFUCG a modification to the agreement extending the period of performance through December 31, 2012. No other changes are proposed.

Council authorization to execute agreement with Kentucky Office of Homeland Security for extension of performance period of the Metropolitan Medical Response System project is hereby requested.



Irene Gooding, Director

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

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

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

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: MAY 4, 2012

SUBJECT: REQUEST COUNCIL AUTHORIZATION TO EXECUTE EIGHTH
CONTRACT AMENDMENT WITH AMERINATIONAL COMMUNITY
SERVICES, INC. FOR LOAN SERVICING FOR THE HOME AND
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) HOUSING
REHABILITATION AND HOME OWNERSHIP PROGRAMS

The Division of Grants and Special Programs recommends the execution of a eighth contract amendment to extend the contract period with AmeriNational Community Services, Inc. for loan servicing for the HOME and CDBG housing rehabilitation and homeownership programs. The original contract was entered into on August 29, 2002. This amendment extends the contract through June 30, 2014. Loan servicing fees for the two year period are not expected to exceed \$60,000.

The contract fees remain the same at \$30 per loan for the initial set-up and \$9.35 per loan per month fee for servicing the loans. The government currently maintains a portfolio of approximately 310 loans. The contractor will be responsible for maintaining each individual account and all related tasks, such as escrowing for taxes and insurance as applicable, paying property taxes, paying insurance premiums, providing year-end tax data and 1098's, etc.

Sufficient funds will be budgeted in fund 3120-160201-0001-71299, Projects CDBG_2013, CDBG_2014, HOME_2013 and HOME_2014. Council authorization to execute the amendment is requested.

Irene Gooding
Director

XC: Richard Moloney, Chief Administrative Officer

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

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

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: MAY 4, 2012

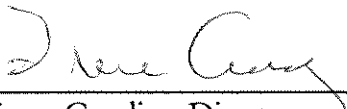
SUBJECT: AUTHORIZATION TO EXECUTE AGREEMENT WITH KENTUCKY
OFFICE OF HOMELAND SECURITY FOR EXTENSION OF
PERFORMANCE PERIOD FOR THE METROPOLITAN MEDICAL
RESPONSE SYSTEM PROJECT THROUGH DECEMBER 31, 2012

On November 18, 2010 (Ordinance No. 206-2010), Council authorized Mayor to accept award of federal funds from Kentucky Office of Homeland Security in the amount of \$307,896.50 for continuation of the Metropolitan Medical Response System (MMRS). This program provides funding and support to jurisdictions to develop plans, conduct training and exercises, and to acquire pharmaceuticals and equipment to achieve the capability necessary to respond to a mass casualty event. One of the MMRS program's priorities is to assist with the integration of first responder, medical treatment, public health and emergency management components of a community. These are federal funds that originate from the Federal Emergency Management Agency in the U.S. Department of Homeland Security.

On January 26, 2012 (Resolution No. 24-2012), Council authorized execution of an agreement extending the performance period of this project through May 31, 2012.

Kentucky Office of Homeland Security has offered LFUCG a modification to the agreement extending the period of performance through December 31, 2012. No other changes are proposed.

Council authorization to execute agreement with Kentucky Office of Homeland Security for extension of performance period of the Metropolitan Medical Response System project is hereby requested.



Irene Gooding, Director

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

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

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

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: MAY 4, 2012

SUBJECT REQUEST COUNCIL AUTHORIZATION TO EXECUTE
AMENDMENT TO AGREEMENT WITH KENTUCKY
TRANSPORTATION CABINET FOR THE NEWTOWN PIKE
LANDSCAPING PROJECT

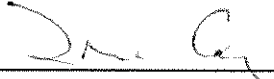
On May 8, 2008 (Ordinance No. 96-2008), Urban County Council approved the acceptance of federal funds from the Kentucky Transportation Cabinet for the Newtown Pike Landscaping Project. The project provides for planting of trees, shrubs, ornamental grasses, and perennials and installation of banner poles along Newtown Pike from Main Street to I-75. .

The source of federal funds is the Transportation Enhancement Program, a required set-aside from the Surface Transportation Program, authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in the U.S. Department of Transportation.

On May 26, 2011 (Resolution No. 192-2011), Council approved execution of an amendment to the agreement modifying the scope of work and extending the project through June 30, 2012.

The Kentucky Transportation Cabinet has offered the LFUCG an amendment extending the period of performance through June 30, 2013.

Council authorization to execute the Amendment to the Agreement is hereby requested.



Irene Gooding, Acting Director

Xc: Stacey Maynard, Council Administrator

HORSE CAPITAL OF THE WORLD



Mayor Jim Gray

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

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: MAY 4, 2012

SUBJECT REQUEST COUNCIL AUTHORIZATION TO EXECUTE
AMENDMENT TO AGREEMENT WITH THE KENTUCKY
TRANSPORTATION CABINET FOR THE SAFE ROUTES TO SCHOOL
PROJECT, PROVIDING FOR AN EXTENDED PERFORMANCE
PERIOD

On June 22, 2006 (Ordinance No. 184-2006), Council approved acceptance of federal funds from the Kentucky Transportation Cabinet for a Safe Routes to School pilot program. This project included the development of a partnership among the LFUCG, Fayette County Public Schools, and the Fayette County Health Department to encourage children to bike and walk to school.

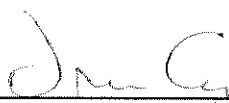
The source of federal funds (\$64,000) is the Transportation Enhancement Program, as authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Match of \$16,000 is currently budgeted. Total cost is \$80,000.

On April 8, 2010 (Resolution No. 183-2010), Council approved execution of Amendment to Agreement extending period of performance through June 30, 2011.

On June 9, 2011 (Resolution No. 223-2011), Council approved execution of Amendment to Agreement extending period of performance through June 30, 2012.

The Kentucky Transportation Cabinet has offered the LFUCG an Amendment to the Agreement extending this project through June 30, 2013. KYTC requires execution of a Resolution approving the Amendment.

Council authorization to execute the Amendment to Agreement is hereby requested.



Irene Gooding, Director

XC: Richard Moloney, Acting Commissioner of the Department of Environmental Quality
and Public Works

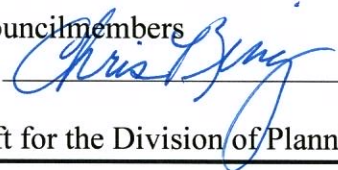


LEXINGTON - FAYETTE URBAN COUNTY GOVERNMENT
Department of Planning, Preservation & Development
Division of Planning

Jim Gray
Mayor

Derek J. Paulsen, Ph.D.
Commissioner

MEMORANDUM

TO: Mayor Jim Gray & Urban County Councilmembers
 FROM: Chris King, Director 
 DATE: May 4, 2012
 RE: Request for Permission to Accept Gift for the Division of Planning

Local attorney and former Planning Commission Chair Walter W. May has offered to donate seven planning related books and publications to the Division of Planning's resource library.

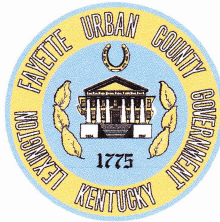
- Great Streets (Jacobs)
- Cities Back from the Edge (Gratz and Mintz)
- 20th Century Sprawl (Gutfreund)
- Sustainability and Cities (Newman & Kenworthy)
- Visions for a New American Dream (Nelessen)
- A Better Place to Live (Langdon)
- "New Development, Traditional Patterns" (Planning Commissioner's Journal, authorized reprint)

These materials will provide additional resource materials for our professional staff and any other LFUCG agencies that might benefit from the information within them.

I request Council approval of our acceptance of these offered gifts.

C: Derek Paulsen, Commissioner

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

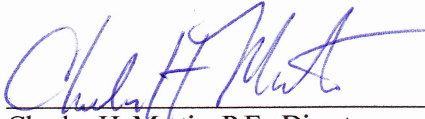


Lexington-Fayette Urban County Government
DEPARTMENT OF ENVIRONMENTAL QUALITY AND PUBLIC WORKS

Jim Gray
Mayor

Richard Moloney
Acting Commissioner

To: Mayor Jim Gray
Urban County Council

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

Date: May 3, 2012

Subject: Change Order # 1 (Final) Lexington Mall Sanitary Sewer Trunk Realignment.

The Division of Water Quality requests approval of Change Order #1 (final) with ABR Construction Inc. for the Lexington Mall Sanitary Sewer Trunk Realignment. The original amount of this project was \$555,431.65. Change Order #1 is for \$6,028.06. Change Order #1 gives a revised total contract amount of \$561,459.71. The sum of this Change Order amounts to 1% of the original contract amount.

Description of Change Order

1. Additional trench rock removal.
Add \$26,919.00
2. Over excavate trench due to unsuitable soil and stabilize with stone and tensar fabric.
Add \$23,871.27
3. Modify manhole (WH7_276) to meet field conditions and additional bypass pumping because original manhole could not be accessed.
Add \$5,280.29
4. Relocate 6" waterline near manhole (WH7_98)
Add \$4,258.67
5. Remove unsuitable soil in area of manhole (WH7_98A) and backfill with stone.
Add \$2,928.72
6. Delete 18,081sf of asphalt paving.
Deduct \$41,405.49
7. Delete 150lf of asphalt curb.
Deduct \$1,500.00
8. Delete 2,332sf of seed, straw, and sod.
Deduct \$1,049.40
9. Delete relocation of 12" waterline.
Deduct \$13,275.00

Total Cost of Change Order #1: \$ 6,028.06



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

Jim Gray
Mayor

Richard Moloney
Acting Commissioner

Change Order

Change Order No.1 (Final)
Lexington Mall Sanitary Sewer Trunk Realignment
Lexington Fayette-Urban County Government
Division of Water Quality

Owner: Lexington Fayette-Urban County Government
200 East Main Street
Lexington KY, 40507

Contractor: ABR Construction Inc.
555 West Fourth Street
Lexington KY, 40508

SUMMARY OF INFORMATION

Date of Change Order:	05/03/2012
Date of Contract:	04/28/2011
Date of Notice to Proceed:	07/11/2011
Date of Contract Completion:	12/12/2011
Change in Contract Time (Calendar Days):	0
Original Contract Amount:	\$555,431.65
Previous Change Order Total:	\$0
Current Contract Amount:	\$555,431.65
Change Order # 1 Amount:	\$6,028.06
New Contract Amount Including Change Orders:	\$561,459.71
Percent of Change from Original Contract Amount:	1%



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

Jim Gray
Mayor

Richard Moloney
Acting Commissioner

CONTRACT HISTORY FORM

Contractor: ABR Construction Inc.

Project Name: Lexington Mall Sanitary Sewer Trunk Realignment

Contract Number and Date: # 166-2011

Responsible LFUCG Division: Division of Water Quality

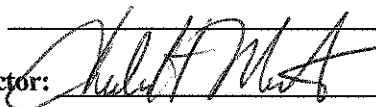
CHANGE ORDER DETAILS

<u>Summary of previous Change Orders to Date</u>	<u>Dollar Amount</u>
A. Original Contract Amount:	<u>\$555,431.65</u>
B. Cumulative Amount of Previous Change Orders:	<u>\$0</u>
C. Total Contract Amount Prior to this Change Order:	<u>\$555,431.65</u>
<u>Current Change Order</u>	
D. Amount of this Change Order:	<u>\$6,028.06</u>
E. New Contract Amount Including this Change Order:	<u>\$561,459.71</u>

SIGNATURE LINES

Project Manager: 

Reviewed By: _____

Division Director:  5/7/12



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

Jim Gray
Mayor

Richard Moloney
Acting Commissioner

Change Order Signature Sheet

Change Order # 1 (Final)
Contract # 166-2011
Add \$6,028.06

Lexington Mall Sanitary Sewer Trunk Realignment
Lexington Fayette-Urban County Government
Division of Water Quality

SIGNATURES TO CHANGE ORDER ACCEPTED

Date: 4/25/2012

By: [Signature]
Christian Ach, ABR Construction

RECOMMENDED

Lexington Fayette-Urban County Government

Date: 5-13-2012

By: [Signature]
Rick Day, Construction Manager

REVIEWED

Lexington Fayette-Urban County Government

Date: 5-7-12

By: [Signature]
Charles Martin, Division Director

APPROVED

Lexington Fayette-Urban County Government

Date: _____

By: _____
Jim Gray, Mayor



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

Jim Gray
Mayor

Richard Moloney
Acting Commissioner

To: Jim Gray, Mayor
Urban County Council

From: Gregory S. Lubeck, P.E., CFM
Municipal Engineer Senior

Date: May 1, 2012

RE: USGS Gage Network Agreement

With this memorandum is an agreement between the Lexington-Fayette Urban County Government and the United States Geological Survey for the continued operation and maintenance of existing stream flow and rain gauges. These gauges were installed in 1997 by the USGS, and this agreement will assure necessary maintenance for the period July 1, 2012 through June 30, 2013.

The USGS will provide complete maintenance and collect all data. Any station that fails to operate or is damaged will be repaired by USGS at no cost to LFUCG. Each station will be checked and calibrated monthly by USGS. All data is retrieved via satellite and is made available to us. This program is ongoing and will require annual funding for proper performance. Funding for this year's agreement for \$115,740.00 is budgeted in 4051-303204-3363-71205.

The additional amount in this agreement is for the relocation of five of the gages to allow the data collected by them to be used by the MS4 Program Management Consultant to better correlate monitoring results with storm events, and also to conduct six (6) months of additional water quality parameter monitoring at the North Elkhorn gage at Winchester Rd. In 2011, the water quality parameters were monitored for six months, with good results. This additional six months monitoring will result in a full years' data, which will help fulfill a condition of LFUCG's MS4 permit.

Approved by:

Charles Martin, P.E.
Director of Water Quality

C: Cassie Felty
File



Lexington-Fayette Urban County Government
DEPARTMENT OF PUBLIC WORKS & DEVELOPMENT

Jim Gray
Mayor

Richard Moloney
Acting Commissioner

MEMORANDUM

To: Mayor Jim Gray
Urban County Council

From: Bob Bayert, P.E.
Engineering Section Manager

Date: May 7, 2012

Re: Lexington Distillery District Public Improvements Project

The Division of Engineering is requesting approval for Contract Modification No. 1, in the amount of \$83,202.00, to the contract for the referenced project. The original contract provides for the Feasibility Study and Topographic Survey, as approved by Resolution No. 304-2011, in the amount of \$418,000. The new contract amount would then be \$501,202.00. Funding for this project is in account 2600-303101-3001-91714.

The Feasibility Study contract was set up to perform the environmental review in two phases: the preliminary overview being in the original scope of services, but the detailed field investigation to be added by contract amendment once viable preliminary alternatives were developed. This approach was utilized as a means to limit the extent of field investigation required. Now, in pursuing fulfillment of NEPA requirements, so as to maintain eligibility for future federal funds, we ask that this additional environmental work be added to the contract, at the above stated cost of \$83,202.00.

Recommended by:

Robert A. Bayert, P.E.
Engineering Section Manager

Approved by:

Marwan A. Rayan, P.E.
Urban County Engineer

C: Richard Moloney; Susan Bush

2012.P588.411.LDDIP_CO#1

CONTRACT HISTORY FORMProject Name: Lexington Distillery District Public Improvement ProjectContractor: Strand Associates, Inc.Contract Number and Date: 84-2011 July 12, 2011Responsible LFUCG Division: Engineering**CONTRACT AND CHANGE ORDER DETAILS**A. Original Contract Amount: \$ 418,000.00Next Lowest Bid Amount:
N/A

B. Amount of Selected Alternate or Phase: \$ _____

C. Cumulative Amount of All Previous Alternates or Phases: \$ 418,000.00D. Amended Contract Amount: \$ 418,000.00E. Cumulative Amount of All Previous Change Orders: \$ 0.00 0.0%
(Line E / Line D)F. Amount of This Change Order: \$ 83,202.00 19.9%
(Line F / Line D)G. Total Contract Amount: \$ 501,202.00**SIGNATURES**

Project Manager:

Robert A. BryantDate: 5/7/12

Reviewed by:

M. A. [Signature]Date: 5/7/12

Division Director:

M. A. [Signature]Date: 5/7/12

JUSTIFICATION FOR CHANGE

PROJECT: Lexington Distillery District Improvements

0515-12

CONTRACT NO. 84-2011

CONTRACT MODIFICATION NO.: 1

1. Necessity for change: Provide detailed field investigations as part of environmental review
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



Mayor Jim Gray

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

TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL

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

DATE: MAY 7, 2012

SUBJECT: Request Council authorization to execute Development Agreement with Fayette County Local Development Corporation, conveying properties acquired by the LFUCG under the Neighborhood Stabilization Program

On June 25, 2009 (Ordinance No. 123-2009), Council approved the acceptance of federal funds from the Kentucky Department for Local Government under the Neighborhood Stabilization Program for operation of a Land banking project. This included the acquisition, disposal, and maintenance of distressed homes and demolition of blighted structures. The source of funds was the U.S. Department of Housing and Urban Development. Funds for this program were appropriated by Congress in the Housing and Economic Recovery Act of 2008.

In October 2011, the Division of Grants and Special Programs issued a request for applications from entities interested in new construction and rehabilitation of existing single family residential units in low-income census tracts for rental and homeownership for low- and moderate-income households. Fayette County Local Development Corporation (Lexington-Fayette County Urban League) expressed an interest in acquiring two of the properties for construction for rental housing units for low-income households. These properties are located at 440 and 445 Chestnut Street. Properties will be conveyed to Fayette County Local Development Corporation for as low as \$1.00; however, the Kentucky Department for Local Government ultimately determines sales prices for properties. All net proceeds from sale of properties must be returned to the Kentucky Department for Local Government.

Council authorization to execute Development Agreement and to convey two properties located at 440 and 445 Chestnut Street to Fayette County Local Development Corporation is hereby requested.


Irene Gooding, Director

Xc: Richard Moloney, Chief Administrative Officer

HORSE CAPITAL OF THE WORLD



Lexington-Fayette Urban County Government
DIVISION OF HUMAN RESOURCES

Jim Gray
Mayor

Janet Graham
Commissioner

M E M O R A N D U M

TO: Jim Gray, Mayor
Richard Moloney, Chief Administrative Officer
Council Members

FROM: _____
Tamara Walters, Acting Director
Division of Human Resources

DATE: May 7, 2012

RE: Abolish/Create Positions – Division of Enterprise Solutions

The attached action amends Section 21-5 of the Code of Ordinances abolishing one (1) position of HCM Manager Enterprise Solutions (Grade 119E) and creating one (1) position of Information Systems Service Level Manager (Grade 121E) in the Division of Enterprise Solutions, effective upon passage of Council.

This position will be responsible for establishing policies and procedures, assigning and managing LFUCG-wide responsibilities of business and IT functions to comply with state, local and federal level regulatory compliance standards and to insure the LFUCG's systems remain functional and pass yearly audits. This position will also oversee business continuity and disaster recovery plans for PeopleSoft.

The fiscal impact for this position has been included as a late item in the FY 13 proposed budget.

Name	Position Title	Annual Salary Before	Annual Salary After	Annual Increase/(Decrease)
Vacant	HCM Manager Enterprise Solutions (budgeted amount)	\$61,237.28	\$0	\$(61,238.28)
Vacant	Information Systems Service Level Manager	\$0	\$71,220.24	\$71,220.24
Total Anticipated Annual Impact/ Salary and Benefits \$14,335.53				

If you have questions or need additional information, please contact Daniel H. Fischer at 258-3030.

Attachment

cc: Chad Cottle, Director – Division of Enterprise Solutions
12-0047



Lexington-Fayette Urban County Government
DEPARTMENT OF LAW

Jim Gray
Mayor

Janet M. Graham
Commissioner

TO: Jim Gray, Mayor
Urban County Councilmembers

FROM: Department of Law

DATE: May 7, 2012

RE: Westlaw On-line Legal Research Contract

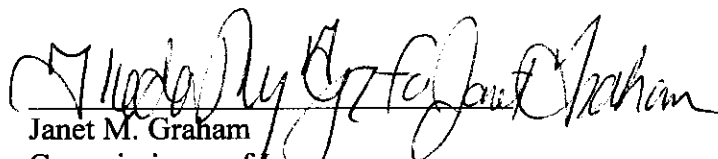
The Department of Law is requesting approval to amend its contract with Thomson West ["West"] for on-line legal research. The current contract price for on-line research is \$2641.32 monthly subject to a 2% increase at the beginning of each fiscal year. We are in the third year of this contract and it is up for renewal. The renegotiated contract price is a *decrease* from what we are currently paying Westlaw.

The renegotiated price will immediately decrease to \$1604.00 per month for five months with CLEAR at \$357.00 per month. Total monthly costs for five months will be \$1,961.00 per month. The Westlawnext platform will commence in lieu of Westlaw at the end of the five months at \$1,965.00 per month with CLEAR remaining at \$357.00. This will make our monthly total \$2,322.00, subject to 2% increases each fiscal year.

It is the general consensus of the Law Department that the West on line legal research is far superior to Lexis, the other legal online service provider. West is more recognized by and familiar to the Courts and Judges. West offers more legal research resources (that are recognized as the best resources on various topics) than Lexis. We were, however, able to use Lexis to leverage a better deal from West. West was willing to negotiate prior to the end of the current contract to keep our business. West is the larger of the two companies and offers a program called "CLEAR", a people search tool (which the Police Department also utilizes). The new contract with West will include CLEAR, which will improve Law's ability to locate people for service in lawsuits. After five months, West will move us to the Westlawnext platform which is an enhanced research tool.

In addition, this contract allows us to receive any book publications from West at a 50% discount. We have stopped the majority of all paper publications with a few exceptions. In addition, a non-availability of funding clause was incorporated into the agreement.

Although more expensive than Lexis, West, as indicated above, has the better product for the Law Department. Accordingly, I request your approval of these contracts.


Janet M. Graham
Commissioner of Law

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Lexington-Fayette Urban County Government
DEPARTMENT OF FINANCE & ADMINISTRATION

Jim Gray
Mayor

Jane C. Driskell
Commissioner

TO: Mayor Jim Gray

FROM: Todd Slatin, Acting Director
Division of Central Purchasing

DATE: May 8, 2012

RE: Contract with Buy Rite Technologies, Inc. for Reverse Auction Services

The Division of Central Purchasing issued RFP #10-2012 - Reverse Auction Services to establish a contract with a provider for reverse auction services. A selection committee evaluated the proposals received and recommended Buy Rite Technologies, Inc. as they offered the best overall proposal including the lowest rate to suppliers. There will be no fees or charges incurred by the Lexington-Fayette Urban County Government as a result of this contract.

I am requesting approval of the attached contract for these services.

Please contact me if you have any questions or need additional information.

cc: Jane Driskell, Commissioner of Finance & Administration

**Neighborhood Development Funds
May 15, 2012
Work Session**

Amount	Recipient	Purpose
\$ 2,000.00	Budget Amendment	Funding for sidewalk program.
	Division of Code Enforcement	
	1101-505803-0001-78104	
	David Jarvis	

Planning and Public Works Committee
May 8th, 2012
Summary and Motions

Chair Farmer called the meeting to order at 1:00pm. Council Members present were CM Ellinger, VM Gorton, CM Kay, CM Ford, CM Blues, CM Lawless, CM Beard, and CM Martin. CM Henson arrived during the discussion of Item 1.

Downtown Traffic Management and Revitalization Study

Chris King presented an update on the 2-way street study that is on the May 10th, 2012 docket for first reading. King told Committee members that Stantec had been awarded the contract and would begin their work immediately once the Council passes the resolution. The study will assess the ability of the Downtown Lexington street system to accommodate current and future year traffic conditions with all existing one-way streets converted to two-way operation. Stantec will undertake the following activities throughout the 12-14 month study:

- Traffic Model Development
- Existing Conditions Analysis
- Future Travel Demand
- Alternatives Identification and Evaluation
- Community Involvement

King told Council Members that LFUCG had been awarded a grant and the project cost is \$465,000. Stantec will provide information, data, and updates throughout the process.

There was a discussion about what two-way streets will do to traffic flow, pedestrian safety, commute times and downtown business activity. King said that two-way streets will calm and slow traffic. Numerous Council Members expressed the need to make Lexington's downtown more livable. King noted that downtown Lexington is the core for government, law, banking, and some residential living.

King spoke about the Newtown Pike extension and the possible renovations to Rupp Arena and their importance in the study. King also said that the Mayor will appoint the Policy Advisory Group and Council Members expressed the importance of having representatives from the neighborhoods actively participating in that group.

King told Committee members that the downturn in the economy hurt downtown housing, but said that based on National studies; empty nesters and young professionals want a walkable, livable downtown.

Martin asked King about the impact of two-way streets on traffic congestion. He mentioned making left turns and the number of delivery trucks that currently stop on our downtown streets to make their deliveries. He expressed concern about causing long traffic delays. He also mentioned that many cities that have successful two-way street systems have bypasses around them.

Lawless told the Committee that many of her constituents have expressed interest in at least conducting a two-way street study to see how it would impact them. She mentioned the speeding down Main Street during evening hours.

There was a discussion about downtown parking and it being a reason that people do not frequently visit Lexington's downtown.

Farmer asked King if the study would also take the status quo into consideration. King said that yes, there is always the option not to make the conversion to two-way streets. King said that the study will see how Lexington could convert, how much it would cost, and provide pros and cons to converting.

Ultimately, King told the Committee members that many of their questions would be answered upon the completion of the study.

Oliver Lewis Way Project Update

Andrew Grunwald described the next 4 phases of the project:

- Phase I (Redevelopment/Mitigation Area)

Community Land Trust – The KYTC has approved the third installment of payment to the Community Land Trust.

Combined utility and construction costs for the redevelopment are estimated at \$10.5M; funds are programmed but not yet authorized.

- Phase II (Versailles Road to South Broadway)

Should be under construction by the summer of 2014.

Utility costs are estimated at \$5.4M and construction costs at \$16.1M; funds are programmed but not yet authorized.

- Phase III (Scott Street Connector)

Utility costs are estimated at \$3.5M and construction costs at \$8.7M; funds are programmed for beyond 2014.

- Phase IV (Main Street to Versailles Road)

Utility companies continue to work through the KYTC to bury cables. Only one communication cable remains to be buried. (Grunwald said it may be buried now.)

Todds Road Widening Phase II Update

Bob Bayert provided the update. He said that the project will begin on Todds Road near Andover Forest Drive and extends 1.6 miles southeast to the future Polo Club intersection just east of the 1-75 overpass. The project will widen the existing rural 2-lane section of Todds Road to an urban 2-lane section plus a center turn lane, bike lanes, curb, and gutter and sidewalks.

The design plans are approximately 60% complete. The project will be split into 2 phases:

- Phase 2A: Kinbolton Drive/Cypress Point Way to Andover Forest Drive/Forest Hill Drive
- Phase 2B: Polo Club BLVD to Kimbolton Drive/Cypress Point Way

Bayert said that when the design is nearly complete, the right of acquisition process may begin. \$1M is programmed in the Transportation Improvement Program (TIP) in FY2012 for right of way acquisition. Approximately \$12M is programmed in the TIP in FY2013 for utility relocation. Finally, construction funding, which is currently estimated at \$10M is beyond FY2014 in the TIP.

Items Referred to Committee

Farmer reviewed the items in committee. No action was taken.

Motion by Farmer to adjourn at 2:10pm. Seconded by Gorton. The motion passed without dissent.

Respectfully submitted by Jenifer Benningfield, Council Administrative Specialist

Policemen's and Firefighters' Retirement Fund (PFRF)

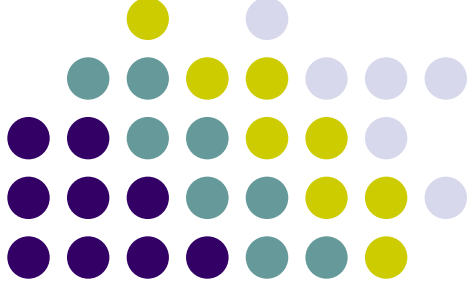
May 15, 2012

Presentation to the Urban County Council Work Session

Doug Martin

10th District Councilmember

Lexington-Fayette Urban County Council



Unfunded Actuarial Accrued Liability

Date	UAAL	Outstanding Pension Debt	UAAL + Pension Debt	UAAL Medical Benefits ¹	Total
7/1/97	\$61,099,855		\$61,099,855		
7/1/00	\$79,082,844		\$79,082,844		
7/1/02	\$107,673,881		\$107,673,881		
7/1/04	\$137,702,278		\$137,702,278		
7/1/06	\$221,490,170		\$221,490,170		
7/1/07	\$230,227,624		\$230,227,624		
7/1/08	\$246,624,318		\$246,624,318	\$181,181,934	\$427,806,252
7/1/09	\$258,078,308		\$258,078,308		
7/1/10	\$221,880,771	\$103,605,000	\$325,485,771	\$211,706,877	\$537,192,648
7/1/11	\$257,781,662	\$100,095,000	\$357,876,662	\$226,969,349 ²	\$584,846,011 ³
Increase 1997 - 2010	322%		486%		

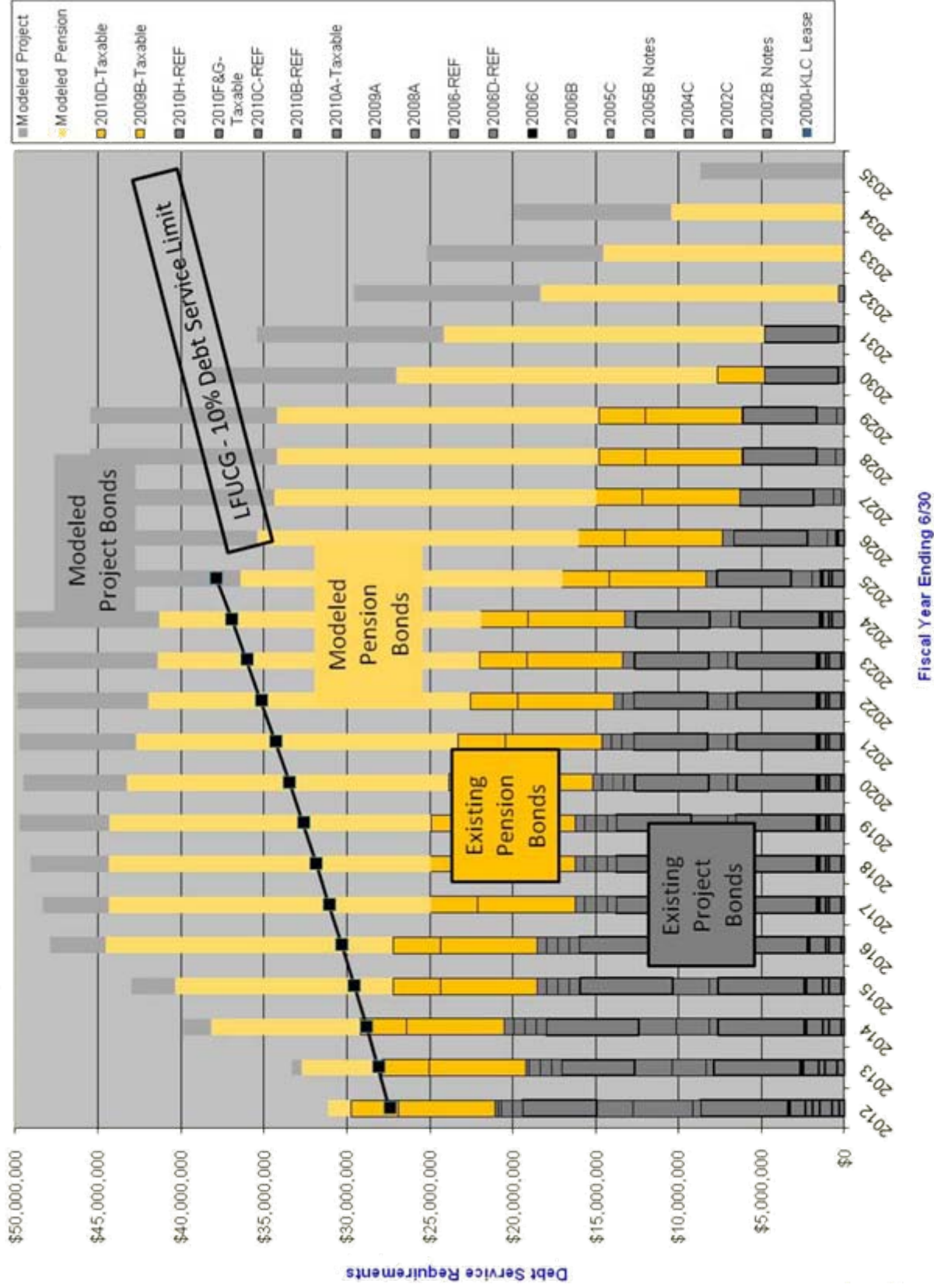
Source: LFUCG Comprehensive Annual Financial Reports

¹Includes County Employees Pension Fund (CEPF), a closed pension plan for non-public safety LFUCG employees. There are currently no active members of this plan. In FY 2010, 97% of the cost of this benefit was paid to retirees and beneficiaries in the PFRF, with 3% paid to CEPF participants.

²2011 Medical UAAL is an estimation based on historical growth of about \$15 million per year. Other Post Employment Benefits (OPEB) Valuations (i.e. retiree medical benefits) are only completed every other year. Changes to the employee medical premiums made in FY 2012 may have an impact on the OPEB liability.

³The total liability includes an estimation of the OPEB liability described in note 2.

Projected Pension Bond Debt



Source: LFUCG Finance and Administration **Note:** Projections do not include any future shortfalls in the police & fire pension fund or OPEB.

Doug Martin, 10th District Councilmember

LFUCG Pension Contributions

Fiscal Year	Annual Required Contribution (ARC)	LFUCG Contribution	Difference	% of ARC Contributed	Percent Funded
2011	28,216,938	14,408,809	(13,808,129)	51.1%	66%
2010	30,665,280	49,469,806	18,804,526	161.3%	69.40%
2009	28,689,989	84,023,573	55,333,584	292.9%	63.10%
2008	26,980,795	18,791,796	(8,188,999)	69.6%	62.90%
2007	17,541,055	16,506,722	(1,034,333)	94.1%	63.30%
2006	12,691,844	14,114,178	1,422,334	111.2%	62.80%
2005	17,048,783	11,689,068	(5,359,715)	68.6%	68.30%
2004	17,048,783	10,244,350	(6,804,433)	60.1%	70.50%
2003	14,314,388	10,027,620	(4,286,768)	70.1%	66.10%
2002	14,314,388	9,604,845	(4,709,543)	67.1%	73.00%
2001	12,078,971	9,222,902	(2,856,069)	76.4%	77.60%
2000	12,078,971	7,980,585	(4,098,386)	66.1%	77.70%
1999	9,895,934	6,781,764	(3,114,170)	68.5%	83.60%
1998	9,341,031	5,907,023	(3,434,008)	63.2%	85.30%
1997	9,917,990	5,363,231	(4,554,759)	54.1%	77.90%
1996	11,733,278	4,749,667	(6,983,611)	40.5%	70.80%
1995	8,742,268	4,548,367	(4,193,901)	52.0%	61.00%
1994	8,004,887	4,419,000	(3,585,887)	55.2%	68.10%
1993	8,030,940	4,445,456	(3,585,484)	55.4%	68.10%
1992	8,030,940	4,183,002	(3,847,938)	52.1%	
1991	6,751,640	3,963,083	(2,788,557)	58.7%	
Total	283,902,155	286,036,038	2,133,883	81.9%	70.53%

Source: LFUCG Comprehensive Annual Financial Reports 1993-2011 **Note:** Annual Required Contribution (ARC) and percent funded are based on various assumption made by actuarial consultants retained by the Police & Fire Pension Board. The assumptions may vary year to year. ARC is based on a 3% COLA. Current assumed rate of return is 8%.

Doug Martin, 10th District Councilmember

Actuarial Assumptions

	Assumed Rate of Return
LFUCG Police and Fire Pension Fund (previous assumed rate of return)	8.00%
LFUCG Police and Fire Pension Fund (as of May 9, 2012)	7.50%
CERS	7.75%
Kentucky Retirement System	7.75%
State Police Retirement System	7.75%
Kentucky Teachers Retirement System	7.50%

Source: Cavanaugh McDonald Consulting LLC; Actuarial Studies; Kentucky Retirement System

Note: In March 2011, Callan Associates, the PFRF investment advisors, based their Asset Liability Study on a 7% rate of return, and advised the PFRF Board that an 8% rate of return was unrealistic. The Police and Fire Pension Board adopted a 7.5% assumed rate of return on May 9, 2012.

Doug Martin, 10th District Councilmember

PFRF Actual Rates of Return

	1995	1996	1997	1998	1999	2000
Rate of Return	25.51%	12.73%	23.90%	13.73%	3.61%	12.60%

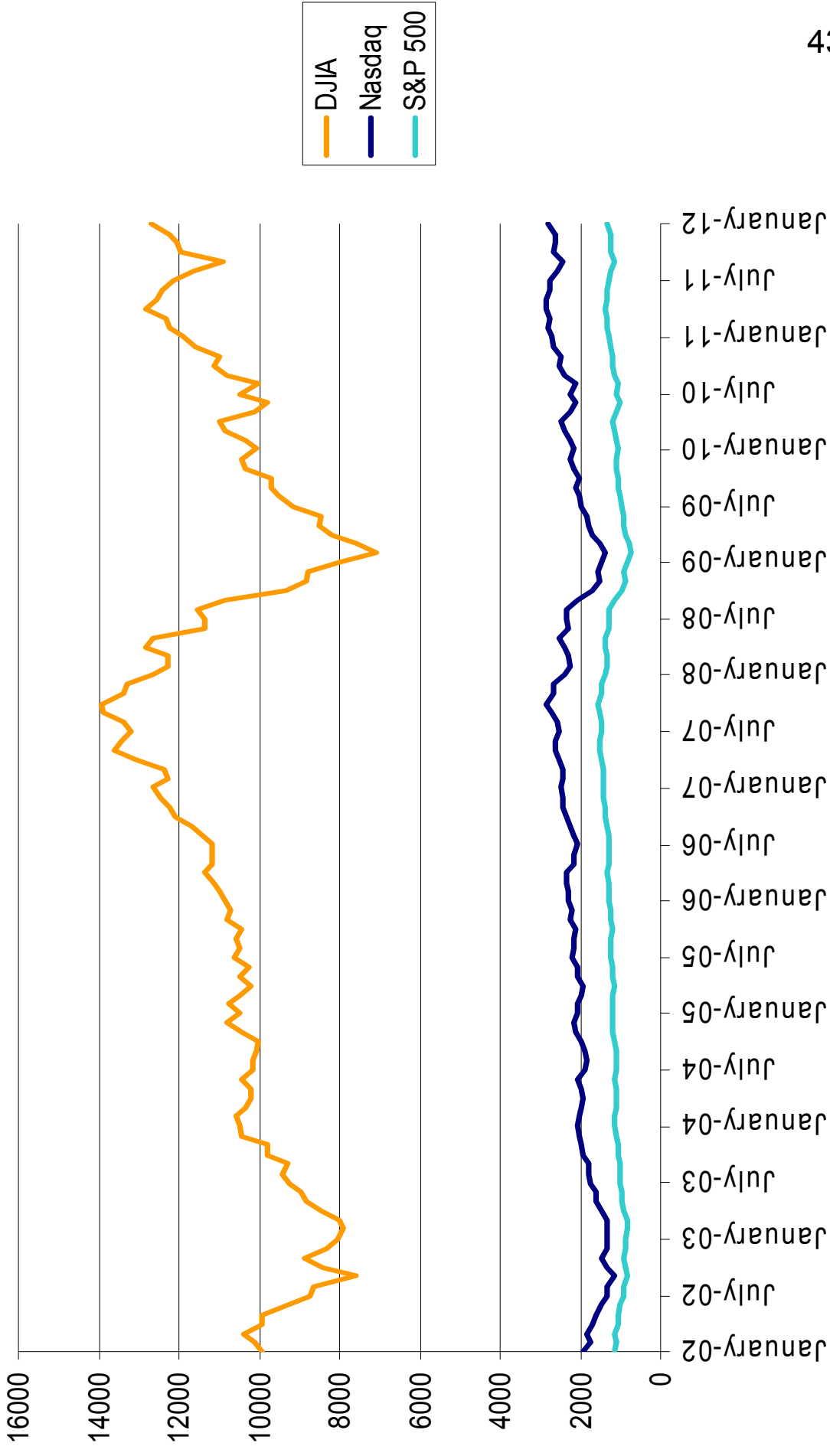
	2001	2002	2003	2004	2005	2006
Rate of Return	2.73%	-5.33%	22.33%	15.48%	8.27%	9.48%

	2007	2008	2009	2010	2011
Rate of Return	9.83%	-26.84%	14.65%	14.14%	2.59%

	Last 5 Years	Last 10 Years	Last 17 Years
Average Rate of Return	1.53%	5.51%	8.63%

Source: Callan Associates. 5, 10, and 17 year averages calculated using geometric mean.

Market Returns



Source: Yahoo! Finance
Note: Calculated using monthly adjusted closing figures for each index.

Doug Martin, 10th District Councilmember

GASB Pension Accounting Changes

- The Governmental Accounting Standards Board (GASB) is finalizing new accounting rules for pension funds that will likely lead to increased annual government payments:
 - Government balance sheets must include present value of unfunded pension liabilities.
 - Funding projections must use different discount rates for each type of pension fund asset, and also include borrowing costs.
 - Unfunded pension liabilities will be amortized over fewer years so that pension benefits will be funded before retirement.
 - GASB will address funding of retiree medical benefits (OPEB) in future accounting rule changes.

Source: GASB

Legislative Changes Contributing to the Pension Shortfall

- The minimum retirement age was reduced from 50 to 46 in 1994, and then eliminated entirely in 2002.
- Cost of living increases were mandated for retirees, ranging from 2 to 5 percent annually.
- 75 percent salary cap on benefits to retirees was eliminated.

Source: 2008 LFUCG Police and Fire Pension Fund Task Force

Comparing Retirement Benefits

Lexington Police & Fire Pension Fund

County Employees Retirement System

- Retire at any age with 20 years of service. Members may retire with 16 years of service by purchasing 4 years of “ghost time” .

- Retire at any age with 25 years of service, age 60 with 5 years, and age 50 with 15 years (benefit reductions apply).

- 2.5% per year of service.

- 2.5% per year of service for 25 years of service or more.
2.25% for 20 to 25, 1.5% for 10 to 20, and 1.3% for less than 10.

- 2-5% COLA, set by board.

- 1.5% COLA

- Employees contribute 11% of pay.

- Employees contribute 8% of pay for pension, 1% for retirement health benefits.

Source: 2008 LFUCG Police and Fire Pension Fund Task Force

Doug Martin, 10th District Councilmember

Public Safety Salary Increases

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police	1.2%	3.6%	3.2%	23.8%	8.3%	8.3%	9.7%	4.1%	2.5%	3.4%
Fire	1.0%	3.5%	3.0%	30.0%	6.6%	8.2%	7.3%	3.0%	3.1%	2.5%

Note: Collective bargaining for public safety employees was passed by the state legislature in 2004.

Source: LFUCG Division of Human Resources, Legislative Research Commission

Public Safety Budget Increases

	Police	Fire and Emergency Services	Community Corrections	Total Police, Fire & Corrections	Total General Fund Budget	Public Safety % of General Fund
2002	\$34,711,890	\$32,276,400	\$20,172,180	\$87,160,470	\$203,497,460	43%
2003	\$36,063,690	\$33,072,310	\$21,399,390	\$90,535,390	\$209,878,620	43%
2004	\$37,327,400	\$33,616,620	\$22,095,190	\$93,039,210	\$208,503,520	45%
2005	\$41,790,050	\$38,327,710	\$26,053,180	\$106,170,940	\$219,917,190	48%
2006	\$49,632,580	\$47,806,850	\$29,366,800	\$126,806,230	\$253,505,850	50%
2007	\$52,764,800	\$49,525,340	\$29,697,350	\$131,987,490	\$258,774,340	51%
2008	\$57,419,880	\$54,579,620	\$30,626,670	\$142,626,170	\$282,700,500	50%
2009	\$54,518,250	\$52,251,160	\$30,466,250	\$137,235,660	\$275,170,360	50%
2010	\$56,530,560	\$54,379,270	\$30,786,380	\$141,696,210	\$280,059,550	51%
2011	\$59,566,470	\$54,961,985	\$31,496,918	\$146,025,373	\$274,481,370	53%
2012	\$55,442,203	\$51,781,678	\$30,459,961	\$137,683,842	\$273,244,140	50%
Difference 2002-2012	\$20,730,313	\$19,505,278	\$10,287,781	\$50,523,372	\$69,746,680	Public Safety % of General Fund Growth
Percentage Increase 2002-2012	60%	60%	51%	58%	34%	72%

Source: LFUCG Adopted Budgets 2002-2012.

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Disability

Yr	Occupational	Non-Occupational	Service	Total	Disability Percentage
1992	12	1	20	33	39.39%
1993	11	0	25	36	30.56%
1994	16	0	23	39	41.03%
1995	8	0	46	54	14.81%
1996	6	1	29	36	19.44%
1997	5	0	20	25	20.00%
1998	5	0	30	35	14.29%
1999	9	0	14	23	39.13%
2000	5	0	27	32	15.63%
2001	14	1	20	35	42.86%
2002	13	0	34	47	27.66%
2003	22	0	14	36	61.11%
2004	27	0	27	54	50.00%
2005	16	0	11	27	59.26%
2006	6	0	6	12	50.00%
2007	10	1	4	15	73.33%
2008	11	0	16	27	40.74%
2009	11	0	23	34	32.35%
2010	17	1	23	41	43.90%
2011	17	1	24	42	42.86%
Total	263	9	457	729	37.31%

Source: Police and Fire Pension Board **Note:** A large number of fire retirements occurred in January 2012.

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Average Public Safety Pensions

2011 Service Retirements	
Average Pension of 2011 Retiree	\$53,754.58
Estimated Payments Over Lifetime	\$2,557,396.49
Estimated Present Value at Retirement	\$1,178,263.31

2011 Disability Retirements	
Average Pension of 2011 Retiree	\$53,790.29
Estimated Payments Over Lifetime	\$2,559,095.41
Estimated Present Value at Retirement	\$1,179,046.05

- “Payments Over Lifetime” assumes the pension will be paid to a retiree for 30 years, with an annual COLA of 3%.
- “Present Value at Retirement” assumes a remaining lifespan of 30 years, with a 5% investment rate of return, and 3% COLA.

Source: Average pensions provided by the Police and Fire Pension Fund Board.

Paying Pension & Medical Liability:

Exercise - What would it cost to pay?

Borrowed Amount	\$584,846,011.00
Assumed Interest Rate	5%
Years to Maturity	20 years
Annual Payment	\$46,929,557.23
Total Payments	\$938,591,144.66

Note: Borrowed amount covers retiree medical benefits liability and pension liability. The medical liability includes retirees in the County Employees Pension Fund (CEPF), a closed pension plan for non-public safety LFUCG employees. There are currently no active members of this plan. In FY 2010, 97% of the cost of this benefit was paid to retirees and beneficiaries in the PFRF, with 3% paid to CEPF participants. Future medical benefits cannot be bonded. Payments and interest calculated using level debt service payment method.

Funding Pension & Medical Benefits: Property Tax Increase Scenario

LFUCG Public Safety Property Tax Increase Scenario		
Approximate Fayette Co. Total Taxable Value	Public Safety Tax Scenario Rate (per \$100 of value)	Estimated Public Safety Scenario Tax Revenue
\$22,780,000,000	.2103	\$46,948,213

LFUCG Property Taxes	
Current General Services Rate	0.0800
Public Safety Tax Scenario Rate	0.2103
Total LFUCG Rate	0.2903

Source: LFUCG Ad Valorem Tax Rates on Real Property, Fayette PVA.

Note: Assumes 98% collection rate. LFUCG collects eight cents per \$100 of value for general services, five cents of the general services rate is allocated to the Lexington Public Library by law, the remaining three cents goes to the LFUCG General Fund.

Funding Pension & Medical Benefits: Property Tax Increase Scenario

Description	Current Rate	New Rate
State	0.1220	0.1220
School	0.6520	0.6520
General Service	0.0800	0.0800
Public Safety Tax Scenario	0.0000	0.2103
Extension	0.0032	0.0032
Soil and Water	0.0004	0.0004
Health Department	0.0280	0.0280
LexTran	0.0600	0.0600
Full Urban Services	0.1735	0.1735
Total	1.1191	1.3294

18.8 % Increase

Property Value	Current Property Tax	New Property Tax	Increase
\$100,000.00	\$1,119.10	\$1,329.40	\$210.30
\$250,000.00	\$2,797.75	\$3,323.50	\$525.75
\$500,000.00	\$5,595.50	\$6,647.00	\$1,051.50
\$1,000,000.00	\$11,191.00	\$13,294.00	\$2,103.00

Source: LFUCG Ad Valorem Tax Rates on Real Property
Note: Rates shown for full urban services (Tax District 1).

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Closing Thoughts

- Since 2008, our total pension shortfall, including outstanding bond debt and medical benefits, has grown by \$157 million dollars, or about \$52 million per year.
- Payments required for minimum obligations, new shortfalls, and amortization of past shortfalls :
 - \$28 million annual required contribution
 - \$52 million in total annual shortfall growth
 - \$47 million payments on current shortfall
 - \$127 million in total annual payments**

Conclusion:

Pension bonding and taxes alone will not solve our pension crisis. Reductions in pension and medical benefits will be necessary.