Ford, Chair
Akers, Vice Chair
Ellinger
Kay
Lawless
Stinnett
Scutchfield
Myers
Beard
Lane

A G E N D A
Social Services & Community Development Committee
October 21, 2014
11:00 A.M.

1. **Committee Summary** (1-6)
2. **Partner Agency Funding Process (FY16) / Change Name of Program** (7-12)
3. **BGADD Membership, Audit Response – Homecare Program Match** (13-38)
4. **Workforce Investment & Training – Interlocal Agreement** (39-55)
5. **Items Referred to Committee** (56)

"The social services and community development committee, to which shall be referred matters relating to the department of social services and its divisions, and any related partner agencies and the division of community development, related partner agencies, and other matters relating to community development and economic development"
-Council Rules & Procedures, Section 2.102(2)

2014 Meeting Schedule (all meetings at 11:00 AM)

Feb 25	May 27	Sept 23
Mar 18	Jun 17	Oct 21
Apr 22	Aug 26	Dec 2

Social Services & Community Development Committee
September 23, 2014 Summary

CM Ford called the meeting to order at 11:00 AM. CMs Ford, Ellinger, Kay, Stinnett, Scutchfield, Myers, and Beard were present. CMs Akers, Lawless, and Lane were absent. CM Clark was also in attendance.

Committee Summary

<u>On a motion by CM Beard, second CM Ellinger, the summary of the August 26, 2014 Social Services & Community Development Committee meeting was approved unanimously.</u>

Workforce Investment & Training – Interlocal Agreement

CM Ford introduced the item, and reviewed the information provided in the committee packet.

Kevin Atkins provided background information, and introduced Judge Executive John Wilson (Garrard County) and Mayor Ed Burtner (City of Winchester). He stated that the Law Department and the Administration are in the process of reviewing the proposed Amended Interlocal Cooperative Agreement ("Amended Agreement") for compliance with current and pending workforce legislation.

Mayor Burtner stated that the Amended Agreement contains significant improvements in comparison with the existing Agreement. He stated that the Amended Agreement removes some of the powers of the Chief Local Elected Official (CLEO). Under the current Agreement and legislation, the CLEO may designate the fiscal agent or the grant subrecipient. The CLEO also has the authority to approve the WIB budget, appointments to the WIB, and the work plan of the WIB. As part of the Amended Agreement, those duties are transferred to the Chief Elected Officials of each member county.

Mayor Burtner stated that the Amended Agreement has been approved by Beth Brinly, Kentucky Commissioner of Workforce Investment and the sixteen fiscal courts of the Bluegrass ADD. Commissioner Brinly initially imposed a July 15 deadline for approval of the Agreement, but has since extended the deadline to October 15, 2014.

Mayor Burtner referred to LFUCG Resolution 213-2014, which requested the Chief Elected Official of the Bluegrass WIB take the necessary steps to identify and retain a new fiscal and administrative agent independent of the BGADD beginning July 1, 2014. Mayor Burtner stated that he did not know this item was being considered by the LFUCG prior to its approval. He was asked to make a two-year appointment beginning July 1, 2014, but designated the Bluegrass Area Development District as the fiscal agent for a six month period of time. He stated that a six month appointment was chosen to provide a probationary period to allow for issues to be addressed.

<u>Motion by CM Ellinger, seconded by CM Myers, to provide 10 additional minutes for Mayor Burtner's presentation. Motion passed without dissent.</u>

Mayor Burtner stated that the Auditor's report included 8 findings regarding the BGADD, and some related to the WIB. He stated that Commissioner Brinley has retained professional staff to identify disallowed costs. He reiterated that the proposed Amended Interlocal Cooperative Agreement is an improvement in comparison with the existing Agreement, and institutes a democratic process that requires the Chief Local Officials for each county to be engaged in the process as a governing board.

Charles Payne stated concerns with the Amended Agreement. He stated that the governing board only meets twice annually, and an executive committee meets in the interim periods. He stated that the executive committee required only four votes for quorum, removing 13 voices from the process.

Mr. Payne stated that the Amended Agreement appears to be a consolidation of power, and stated examples of same.

<u>Motion by CM Myers, seconded by CM Kay, to provide Mr. Payne with 10 additional minutes. Motion passed without dissent.</u>

Mr. Payne presented seven potential amendments to the Agreement to address concerns:

1. All services that are mandated to be procured by the workforce innovation and opportunity act must be procured. This includes one-stop and youth services.
2. The WIB director and staff must not be under the supervision of the fiscal agent, the service provider, or the grant subrecipient.
3. The fiscal agent must not be allowed to also be the service provider, and vice-versa.
4. Responsibilities granted to the local workforce board or the CLEO must not be granted to the fiscal agent, service provider or designated grant subrecipient.
5. Budgetary control must not be bestowed upon the fiscal agent, service provider or the grant subrecipient.
6. The fiscal agent must be procured and agreed upon by the CLEO, the governing board and the WIB.
7. All decisions made by the governing board must be made by unanimous decision and never delegated to a smaller committee where regional policy could be voted upon by as few as four persons.

Mr. Payne stated that these recommendations have been successful in other states, and would make significant improvements to the Amended Agreement.

Daryl Smith, Chairman of the Bluegrass Workforce Investment Board, thanked the Council and Mayor Gray for putting forth a Resolution for the independence of the WIB. He stated that the WIB has asked for a procurement process to be utilized for the selection of a fiscal agent, and asked that the CLEO recuse himself, as the Auditor's report identified a conflict of interest in any matter related to the WIB and the BGADD.

Mr. Smith stated that the WIB is seeking their full rights under federal law, and is taking steps to be an effective agency.

CM Myers asked Mr. Smith if he was in favor of the seven points Mr. Payne presented. Mr. Smith stated that a fiscal agent should not be a program provider, and he provided examples related to conflicts of interest. He provided examples of states where fiscal agents are chosen through a competitive procurement process, and provided additional information.

CM Myers asked Mr. Payne if he intended for votes (reference item 7) to be unanimous, and suggested a supermajority vote. Mr. Payne stated that a simple- or supermajority vote would be a reasonable compromise.

CM Ford referenced the existing Agreement in the packet, and stated that the LFUCG had great hesitation in signing that agreement, even before the release of the state auditor's report. He stated that Lexington is the final signature required for the proposed Amended Agreement, and asked for deadline information. In response, Judge Wilson stated that any local government can terminate their participation in the Agreement at any time.

Judge Wilson stated that, under the current agreement, the highest elected officer at the BGADD is automatically the WIB's CLEO. The Amended Agreement allows the 17 local officials to make these decisions. He explained that a working committee of five members of the WIB drafted the Amended Agreement with assistance from Commissioner Brinly. The Amended Agreement creates a dispute resolution process, as well as a process to address disallowed costs. He stated that Mr. Payne's seven areas of concern will be addressed in a Memorandum of Understanding, which will be adopted subsequent to the execution of the Amended Agreement.

Judge Wilson stated that mandated procurement processes will be followed. He reiterated that 16 of the member counties as well as Commissioner Brinly have signed off on the Amended Agreement.

CM Ford asked if federal law dictates the language in the existing agreement related to selection of the CLEO. Jon Gay, attorney for the BGADD, stated that federal law states that the Chief Local Elected Officials, by Agreement, can set forth how the duties and responsibilities are carried out, which includes the designation of a fiscal agent or subrecipient.

The current Agreement states that the highest ranking elected official of the BGADD shall serve as the CLEO. The Amended Agreement includes a process for the member counties to elect a CLEO. He stated that the current agreement is compliant with the current federal law, but the current law allows each region to determine how the CLEO will be selected. Mayor Burtner provided additional information, and stated that current policy is that the highest ranking elected official who is an officer of the BGADD is, by default, the CLEO. The Amended Agreement would make this selection a democratic process.

CM Myers asked Mr. Gay if the current agreement could be modified to address the CLEO issue by vote without adoption of a new agreement. Mr. Gay responded that the current agreement could be amended. He stated that these items are addressed in the proposed Amended Agreement.

CM Myers asked if approval of the Amended Agreement would preclude the LFUCG from addressing issues with the WIB. Mr. Gay responded that signing the agreement would empower the LFCUG to be represented. CM Myers stated that many of the issues identified in the Auditor's report occurred without knowledge of the Board; he stated concerns that the process proposed in the Amended Agreement would be unsuccessful. Mr. Gay stated that the Amended Agreement requires the 17 member counties of the WIB to choose the CLEO, and that discussion is not guided by the BGADD. The member counties will also guide the decisions that address Mr. Payne's comments.

In response to a question from CM Myers, Mr. Gay stated that the proposed Amended Agreement allows the fiscal agent to be separate from the BGADD. Mr. Smith disagreed, and stated that Mr. Burtner has petitioned Commissioner Brinly to extend the BGADD's designation as subrecipient and fiscal agent to one year. He also stated that efforts were taking place to extend the BGADD's designation for the full two year period. He recommended that Council contact Commissioner Brinly to discuss the agreement.

Mr. Smith stated that the Amended Agreement contains some requirements for the governing board and the fiscal agent that are contrary to the contrary to the Workforce Investment Act. He provided specific examples.

In response to a question from CM Myers, Mayor Burtner confirmed that he has requested a six month extension of the BGADD as subrecipient and fiscal agent. He provided additional clarification regarding the extension.

In response to a question from CM Kay, CM Ford stated that the proposed Amended Agreement is being reviewed by the LFUCG, and the information being presented in this meeting is informational. He further stated that Council authorization is required for the Mayor to execute the Amended Agreement. Mr. Kay asked if there is a deadline for executing the Amended Agreement. Mayor Burtner responded that the deadline has been extended to October 15, 2014.

Mr. Atkins reported that the LFUCG has asked the U.S. Department of Labor to review the proposed Amended Agreement. In response to a question from CM Kay, he stated that the request was made in late August 2014, and the response to that request would be shared with the Council upon receipt.

CM Kay suggested that Council staff work with the Administration to provide a briefing to Council when this item comes back before the committee.

In response to a question from CM Myers, Mr. Atkins stated that Mr. Smith's concerns and Mr. Payne's concerns would be included in the request for review from the U.S. Department of Labor.

Partner Agency Funding Process (FY16)

Commissioner Mills presented the proposed amendments to the FY16 Social Services Partner Agency process. She stated that the name of the process is recommended to be changed to Extended Social Resource (ESR) Grants.

CM Kay clarified that the LFUCG is funding programs, but does not object to the name change.

CM Scutchfield stated the importance of the quarterly and annual reporting component of the program.

Commissioner Mills reviewed existing requirements that will remain in place: Applicants must attend a pre-application meeting, must have a current 501(c)(3) status and a GoodGiving.net profile, and the total request from any agency cannot exceed 20 percent of their prior year actual expenditures. Applicants must meet the deadline, providing for a one week staff review period. She reviewed the six funding categories that will remain in place from prior years.

Commissioner Mills reviewed the application scoring and award protocol, and stated that bonus points will be provided for programs responsive to the Need Study. Applications for programs that are currently (FY15) funded will also receive bonus points if they meet or exceed FY15 outcome requirements.

Commissioner Mills recommended that the total amount of funding available to partner agencies be set at one percent of the total General Fund budget. This funding amount would be a guideline presented at the preapplication meeting. She also recommended that funding for emergency shelter programs be moved to the Office of Homelessness Prevention and Intervention for administration.

CM Kay stated that he favored separating emergency shelter grants from the remainder of the partner agency grants. In response to a question from CM Kay, Commissioner Mills clarified that a set amount of funding would be moved to the Office of Homelessness Prevention and Intervention for distribution.

CM Clarke stated agreement with setting aside one percent of the General Fund for partner agency funding. He stated that there should be discussion regarding potential budget conflicts as the process moves forward. He is in favor of separating emergency shelter funding. In response to a question from CM Clarke, CM Ford stated that the issue of relocating the Office of Homelessness Prevention and Intervention is in committee, and will be addressed in the future.

CM Scutchfield asked if separating funds for emergency shelters would create requests to separate other need categories. Commissioner Mills clarified that the other need categories are represented within the Department of Social Services.

CM Ford asked Commissioner Mills to review all action items at the conclusion of her presentation.

Commissioner Mills recommended that applications be accepted on a biannual basis. Awards would be the same amount for both years of the application cycle, and program funds must be expended by the end of each fiscal year. Programs will have the opportunity to amend goals and outcomes in year two of funding. She stated that the total amount of funding would be announced in the Mayor's budget address, but specific program awards would not be announced at that time. Specific program awards will be announced prior to finalizing the budget.

Commissioner Mills recommended placing a cap on the number of program applications an agency can submit. She also recommended that agencies cannot apply for both Partners for Youth grassroots grants as well as LFUCG partner agency funding for a single program.

CM Scutchfield asked if collaboration between agencies will be encouraged, and stated the need to identify all LFUCG funding sources for the program. Commissioner Mills responded that the former is addressed later in the presentation, and applications must provide information regarding the latter in their application.

CM Kay stated that clarification is needed regarding encouraging innovative programming.

Commissioner Mills recommended that the Department of Social Services review letters of intent from potential applicants to identify issues, and provided examples. She stated that programs should provide a direct impact on the need category. She stated that the Department of Social Services is developing program requirements to encourage collaborative grants. Finally, she recommended that the Council Link be internal to the LFUCG only, and not consider requests from partner agencies.

CM Ford thanked Commissioner Mills, and stated that the committee would take action on these items during the committee's October 21, 2014 meeting.

The meeting adjourned at 12:58 PM.

Department of Social Services

FY16 Social Services Extended Social Resource (ESR) Program

(formerly the Partner Agency Program)

Process Revisions

Social Services & Community Development Committee

October 21, 2014

Committee Decisions needed today

1. The total target amount to be awarded to all programs.
   - FY 15 was 1% of total LFUCG budget
   - Amount MUST be announced at pre-application meeting on November 19th

2. Funds for Emergency Shelter would be taken from the ESR total and managed by the Office of Homeless Prevention and Intervention
   - Separate application and scoring processes
   - Four agencies currently funded that meet definition: Arbor Youth Services, HOPE Center, Greenhouse 17, Salvation Army
   - Amount is currently 22% of total ESR funds

3. A specific program cannot be awarded grant funds with BOTH Partners for Youth and ESR for the same program.

4. Applications will be accepted on a biannual basis; scoring process and allocation awards for two years

Committee Decisions needed today, continued

5. Instead of broken out by Agency, a total lump sum amount of funding for ESR programs will be included in Mayor's budget address in early April.

6. Set a cap on the maximum amount for which any one program can apply and/or a cap on the number of programs that any single agency may submit.

7. ESR applicants will submit a letter of intent with brief program description by December 15th, well before the application deadline and prior to funding deliberations. The LFUCG Department of Social Services may reject an application at this stage.
   - Determination of acceptance of full application will be based on a predetermined checklist of application requirements to be reviewed by group comprised of the Commissioner of Social Services, Administrative Officer, one Social Services Division Director, and one member of Social Services advisory board

Committee Decisions needed today, continued

8. Allow agencies to file a collaborative application for a single program. If allowed, should bonus points be awarded for collaborative applications?

9. Council Budget Link will be held with the Department of Social Services Commissioner and the ESR funding work group members rather than individual agencies.

Tentative FY16 Schedule

- **November 19th, 2014– Mandatory Preapplication Meeting**
- **December 15th, 2014—Mandatory Letter of Intent due**
- **March 1, 2014 (Tentative) – Application Deadline**
- **March/April 2015 – Review Committees Meet (Presentations & Scoring)**
- **April/May 2015 – Partner Agency Funding Allocation Workgroup Meets**
- **May 2015 – Recommendations presented to Social Services & Community Development Committee**
- **May 2015 – Funding Recommendations to Budgeting/Council**

Questions?

Lexington-Fayette Urban County Council

TO: Chris Ford, Councilmember
District 1

FROM: Craig Bencz
Research Analyst

DATE: October 15, 2014

This is in response to your recent request for information regarding the Kentucky State Homecare Program as it relates to the LFUCG. More specifically, you requested information in support of the Council Budget Link recommendation to separate the Homecare Program match from the annual payment of the LFUCG's annual dues to the Bluegrass Area Development District ("BGADD").

Background

The Kentucky State Homecare Program was established in 1982 by the Kentucky General Assembly to provide basic services to the frail elderly (age 60 or older) with "functional disabilities or chronic health/social problems".[i] The program is administered through the BGADD, and seeks to prevent avoidable institutionalization through provision of the following services:

- Home management, including shopping, laundry, meal preparation, and routine household care;
- Personal care;
- Home delivered meals Monday through Friday;
- Respite care;
- Escort to doctor and other essential services; and
- Chore assistance with house cleaning and minor home repairs.

Homecare service fees are graduated based on income using a sliding fee scale, and referrals can be made by anyone, including health care professionals.

Funding History

The LFUCG has received funding for the Homecare Program for at least 20 years. The LFUCG provides matching funds – typically 9% to 10% of the overall budget for Fayette County Homecare – which are paid to the BGADD to satisfy the required regional match to the State.

Historically, the LFUCG has funded the Homecare match through a Purchase of Service Agreement ("PSA") that combines our annual contribution to the BGADD with the Homecare match. Funding details for the past three fiscal years are included in the following table:

	FY15	**FY14**	**FY13**
BGADD Dues	$38,450	$34,850	$34,850
Homecare Match	$48,610	$40,260	$40,260
Total*	**$87,060**	**$75,110**	**$75,110**

*Acct. 1101-900302-0001-71101

Council Budget Link Recommendation

The FY15 General Services and Finance & Social Services Budget Links each made the following recommendation:

> *The link thought it was appropriate for the Council to discuss the membership options of the BGADD. One option would be to separate the PSA into 2 separate agreements; the first for the dues, and the second for the Homecare match.*

This recommendation resulted from the delay in adoption of the FY14 PSA, which was not adopted until May 22, 2014 (a 10 month delay). Separating these agreements would ensure that Homecare match funds can be allocated in a timely manner.

Council may also consider placing future funds for the Homecare match in the Department of Social Services budget (606101) to provide further separation between BGADD dues and Homecare funds. The PSA for FY15 was approved by Council on July 8, 2014, and funded the local contribution as well as Homecare match funds. Accordingly, any action that Council takes regarding this matter would be implemented in the FY16 annual budget.

If, after reviewing this memo and attached materials, you have any questions, comments or need clarification, please don't hesitate to contact me.

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Craig Bencz
Research Analyst

[i] Bluegrass Area Development District, http://www.bgadd.org/aging_homecare.htm

R-266-2014
c 102-2014

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the 22nd day of ~~July~~ May, ~~2013~~ 2014, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky created pursuant to KRS Chapter 67A ("Government"), 200 East Main Street, Lexington, Kentucky 40507, on behalf of the Mayor's Office of Economic Development, ("MOED") and the **BLUEGRASS AREA DEVELOPMENT DISTRICT** ("Organization"), with offices located at 699 Perimeter Drive, Lexington, Kentucky 40517.

WITNESSETH

That for and in consideration of the mutual promises and covenants herein expressed, the Government and the Organization agree as follows:

1. Government hereby retains Organization for the period beginning on July 1, 2013, and continuing for a period of twelve (12) months from that date unless within that period Government gives the Organization thirty (30) days written notice of termination of this Agreement in which case this Agreement shall terminate thirty (30) days from the date notice is given to the Organization.

2. Government shall pay the Organization the sum of **Seventy-Five Thousand One Hundred Ten Dollars ($75,110.00)** for the services required by this Agreement, said services being further described in Exhibit "A" which is attached hereto and incorporated herein by reference as if fully stated herein, one fourth (1/4th) of which shall be payable each quarter, within ten (10) days after receipt of the report required in Paragraph 6 herein.

3. In the event of termination of this Agreement by Government as provided for in Paragraph 1 above, Organization shall be entitled to that portion of total compensation due under this Agreement, as the service rendered bears to the total service required hereunder.

4. Organization shall provide all duties and services under this Agreement faithfully and satisfactorily at the time, place and duration prescribed herein. Compensation paid pursuant to this Agreement shall be used exclusively for the purposes set forth herein and for no other purpose. Any alteration or modification in the nature of such services or duties constitutes and amendment to this Agreement and must be in writing signed by both parties. Organization shall keep itself fully informed of all national and state laws and all municipal ordinances and regulations in any manner affecting the work or performance of this Agreement, and shall at all times observe and comply with such laws, ordinances and regulations, whether or not such laws, ordinances or regulations are mentioned herein and shall indemnify Government, its officers, agents and employees against any claim or liability arising from and based on Organization's violation of any such laws, ordinances or regulations.

5. Organization represents that it has filed any federal, state or local income tax returns required by law in the legally prescribed time and manner. This Agreement shall not become effective unless and until copies of all of the executed originals of the aforementioned tax returns filed for the Organization's most recent or current tax year are registered by the Organization in the MOED, and the Organization shall not be compensated unless and until such registration has taken place.

6. The Organization shall, at the end of each quarter and by no later than the 10th working day of the succeeding quarter, on such forms as the MOED shall provide, submit to the MOED: a report containing, for each of the services enumerated in Exhibit A which were provided in the preceding quarter (a) a description of the service provided, including the quantity and quality of the service provided, and (b) the personnel costs, administrative costs, fixed costs, and any other direct or indirect costs in providing the service; (c) the information requested in and submitted on the form attached hereto as Exhibit B and incorporated herein by reference (or a similar form created by the Government); and (d) an invoice requesting compensation for the services provided during the preceding quarter. Any and all provisions of this Agreement to the contrary notwithstanding, the compensation of Organization for each quarter of the Agreement shall not be paid unless and until Organization submits the quarterly report and invoice required hereunder. In addition, Organization shall be required to present a progress report as to its activities a minimum of two (2) times per fiscal year before the Urban County Council's Economic Development Committee, or as otherwise instructed by the Government.

7. Books of accounts shall be kept by the Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of the Organization. The books of accounts, together with all bonds, notes, bills, letters and other writings belonging to the Organization, shall be maintained at the principal place of business of the Organization as set forth in this Agreement. Government shall have free and complete access to the books, papers and affairs of the

Organization relating to the LFUCG funds provided hereunder at all reasonable times, and if it desires, it may have said books and papers of the Organization audited and examined by auditors, accountants or attorneys. Any examination shall be at the expense of the Government.

8. Government may designate such persons as may be necessary to monitor and evaluate the services rendered hereunder by the Organization. The Government, its agents and employees, shall, at all times, have unrestricted access to all places where or in which the services required hereunder are being carried on and conducted. Inspection and monitoring of the work by these authorities shall in no manner be presumed to relieve in any degree the responsibility or obligations of Organization, or to constitute Organization an agent of the Government.

9. Organization shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color, creed, national origin, sex, age, sexual orientation or gender identity, or handicap, shall promote equal employment through a positive, continuing program of equal employment, and shall cause each of its subcontracting agencies to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

10. Organization shall adopt a written sexual harassment policy, which shall, at a minimum, contain a statement of current law; a list of prohibited behaviors; a complaint process; and a procedure which provides for a confidential investigation of all complaints. The policy shall be given to all employees and clients and shall be posted at all locations

where Organization conducts business. The policy shall be submitted to the MOED for review within thirty (30) days of the execution of this Agreement.

11. The Organization agrees that all revenue and expenditures shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not revenue and expenditures during the year audited have conformed to state and local law and regulation. A copy of this audit shall be submitted to the MOED within 10 days of completion.

12. Organization agrees that it shall apply all funds received by it from the Urban County Government in accordance with the following investment policy guidelines:

A. Objectives--Capital preservation with surety of income. Reasonable competitive income consistent with high investment quality and purpose of funds. All investments shall conform with state and local law and regulations and these Policies.

B. Investment Funds Management--The governing board may elect to either:

(1) manage its investments through its executive director where the size or complexity of funds to be managed is deemed by the board to be within the training, expertise and/or available time capacity of the executive director and the operating staff;

-or-

(2) utilize the professional investment management facilities of a local bank trust department acting in a fiduciary capacity within the same approved investment policies and federal, state, local and trust laws and regulations. The trust department may utilize its regular short-term 100% U.S. Treasury Fund for daily funds investment. The election of option 1 or 2 should be made consistent with the relative cost incurred and in the case of option 2 the cost shall be competitive among local trust departments.

C. Investment Policies--Safety and Prudence.

(1) Short-term liquidity funds shall be invested in "riskless" investments, i.e., deposits in Kentucky commercial banks or savings and loan associations that are fully federally insured or deposits collateralized by U.S. Treasury securities with a current market value of at least 100%, or in direct obligations of U.S. Treasury securities.

Investments shall be diversified according to maturity in order to meet projected cash flow needs.

Collateral pledged to secure uninsured deposits shall be held at a federal reserve bank with the receipt providing absolute control by the agency.

(2) Retirement funds, endowment funds, long-term capital reserve funds and any other special funds may be held and invested by a local bank trust department under investment objectives and diversification in accordance with the individual nature of the funds and pursuant to the "prudent man" investment rule as well as general trust law.

(3) All investments shall be reviewed monthly by a finance or investment committee of the agency.

(4) Local brokerage firms may hold and invest funds provided that investments are located within Kentucky and are fully insured.

D. Audit--All investments shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not investments during the year audited have conformed with state and local law and regulation and with the approved investment policies.

13. This instrument contains the entire agreement between the parties, and no statement, promises or inducements made by either party or agent of either party that is not contained in this written Agreement shall be valid and binding; and this Agreement may not be enlarged, modified or altered except in writing signed by the parties and endorsed hereon.

14. Notice - Any written notice required by the Agreement shall be delivered by certified mail, return receipt requested, to the following:

For Organization: Bluegrass Area Development District
699 Perimeter Drive
Lexington, Kentucky 40517
Attention: Executive Director

For Government: Lexington-Fayette Urban County Government
Kevin Atkins, Chief Development Officer
200 East Main Street
Lexington, Kentucky 40507

IN WITNESS WHEREOF, the parties have executed this Agreement at Lexington, Kentucky, the day and year first above written.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: [signature]
JIM GRAY, MAYOR

ATTEST:

[signature]
~~Susan Lamb~~ Meredith Nelson
Clerk of the Urban County Council

BLUEGRASS AREA DEVELOPMENT DISTRICT

BY: [signature]
DAVID DUTTLINGER
INTERIM EXECUTIVE DIRECTOR

ATTEST:

Jacqueline Vaughn
WITNESS/DATE: 9/4/13

EXHIBIT "A"

Lexington/Fayette Urban County Government

Addendum for Services

Bluegrass Area Development District

Scope of Work

Local Contribution

During fiscal year 2014 the BGADD will use these funds to promote regional solutions to local issues. The LFUCG's contribution of $34,850.00 is commingled with contributions from other member governments to create a unique fund. The resulting fund is used to match state and federal grants and to pay expenses deemed necessary by the BGADD Board of Directors for which no state/federal grant monies are available. The BGADD uses this fund to support the overall operating costs of providing a forum for member governments to come together to explore solutions to issues of regional significance. The contribution rate was set in 1972 to be 13¢ per capita. All member governments, except LFUCG, contribute annually at that rate,

Senior Services

During fiscal year 2014 the BGADD will use $40,260.00 as portion of a regional match to state HOMECARE funds. The HOMECARE funds are contracted to Bluegrass Community Action Partnership for home delivered meals in Fayette County and to Lifeline who provided in-home services to keep elderly in their homes.

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Mayor's Office of Economic Development

Quarterly Economic Development Agency Report

Agency:
Fiscal Year:
Quarter:
Total Agency Budget (Current FY):
LFUCG Funding (Current FY):

Activities Summary

Please provide a summary of your agency's activities for the preceding quarter. Please include economic development announcements, workshops held, RFPs issued, and any other activities.

Economic Development Metrics

Please provide your economic development metrics for the preceding quarter in Lexington-Fayette County. Please add any additional metrics that your organization tracks to the table below.

	Q1	Q2	Q3	Q4	YTD
Clients Served					
Client Meetings					
Consultant Meetings					
Direct Jobs Created					
Businesses Started					
Indirect Jobs Created					
Induced Jobs Created					
Funding Recieved					
Capital Investment					
Workshops/Training					
Workshops/Training Attendance					
Total Economic Impact					

Job Creation Metrics

Please provide your job creation metrics in Lexington-Fayette County in the preceding quarter. Please add any additional metrics that your organization tracks to the table below.

	Q1	Q2	Q3	Q4	YTD
Direct Jobs - Average Wage					
Direct Jobs - Median Wage					
LFUCG Payroll Revenue Generated					
FCPS Payroll Revenue Generated					

Incentives

Please provide information regarding any local incentives your organization worked on that were approved by the Lexington-Fayette Urban County Council in the preceding quarter.

	Q1	Q2	Q3	Q4	YTD
Number of Companies Receiving Local Incentives					
Jobs Created					
Total Projected New Revenue (Over 10 years)					
Maximum Value of Incentive (Over 10 years)					

Net Projected New Revenue (Over 10 Years)					

Expenses

Please provide your expenditure of LFUCG funding for the preceding quarter. Please fill in any programs which have expenses that do not fall under the other categories.

		Q1	Q2	Q3	Q4	YTD
Personnel	Salaries					
	Taxes and Benefits					
	Professional Services					
Operating	Advertising, Marketing & Promotion					
	Dues & Subscriptions					
	Travel & Entertainment					
	Rent – Office					
	Utilities					
	Telephone					
	Building Maintenance & Supplies					
	Rent – Equipment					
	Office Supplies, Equipment & Furnishings					
	Postage					
	Professional Development & Training					
	Taxes & Insurance					
	Interest & Fees					
	Miscellaneous					
Programs						
Capital	Land & Buildings					
	Vehicles & Equipment					
Total	Personnel					
	Operating					
	Programs					
	Capital					
	Total Quarterly Expenses					

Please provide a description below of any categories with large variances quarter-to-quarter and any categories with quarterly expenses greater than 5% of your annual LFUCG allocation for this fiscal year.

Please attach any additional documents that support or expand upon the information reported above.

Contract 154-2014

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the 8th day of July, 2014, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky created pursuant to KRS Chapter 67A ("Government"), 200 East Main Street, Lexington, Kentucky 40507, on behalf of the Mayor's Office of Economic Development, ("MOED") and the **BLUEGRASS AREA DEVELOPMENT DISTRICT** ("Organization"), with offices located at 699 Perimeter Drive, Lexington, Kentucky 40517.

WITNESSETH

That for and in consideration of the mutual promises and covenants herein expressed, the Government and the Organization agree as follows:

1. Government hereby retains Organization for the period beginning on July 1, 2014, and continuing for a period of twelve (12) months from that date unless within that period Government gives the Organization thirty (30) days written notice of termination of this Agreement in which case this Agreement shall terminate thirty (30) days from the date notice is given to the Organization.

2. Government shall pay the Organization the sum of **Eighty-Seven Thousand Sixty Dollars ($87,060.00)** for the services required by this Agreement, said services being further described in Exhibit "A" which is attached hereto and incorporated herein by reference as if fully stated herein, one fourth (1/4th) of which shall be payable each quarter, within 10 days after receipt of the report required in Paragraph 6 herein, July to June, inclusive. The different payment types may be paid separately at the discretion of the Government.

3. In the event of termination of this Agreement by Government as provided for in Paragraph 1 above, Organization shall be entitled to that portion of total compensation due under this Agreement, as the service rendered bears to the total service required hereunder.

4. Organization shall provide all duties and services under this Agreement faithfully and satisfactorily at the time, place and duration prescribed herein. Compensation paid pursuant to this Agreement shall be used exclusively for the purposes set forth herein and for no other purpose. Any alteration or modification in the nature of such services or duties constitutes and amendment to this Agreement and must be in writing signed by both parties. Organization shall keep itself fully informed of all national and state laws and all municipal ordinances and regulations in any manner affecting the work or performance of this Agreement, and shall at all times observe and comply with such laws, ordinances and regulations, whether or not such laws, ordinances or regulations are mentioned herein and shall indemnify Government, its officers, agents and employees against any claim or liability arising from and based on Organization's violation of any such laws, ordinances or regulations.

5. Organization represents that it has filed any federal, state or local income tax returns required by law in the legally prescribed time and manner. This Agreement shall not become effective unless and until copies of all of the executed originals of the aforementioned tax returns filed for the Organization's most recent or current tax year are registered by the Organization in the MOED, and the Organization shall not be compensated unless and until such registration has taken place.

6. The Organization shall, at the end of each quarter and by no later than the 10th working day of the succeeding quarter, on such forms as the MOED shall provide, submit to the MOED: a report containing, for each of the services enumerated in Exhibit A which were provided in the preceding quarter (a) a description of the service provided, including the costs of providing services and the quantity and quality of the service provided, and (b) the additional information requested in and submitted on the form attached hereto as Exhibit B and incorporated herein by reference (or a similar form created and provided to Organization by the Government); and (c) an invoice requesting compensation for the services provided during the preceding quarter. Any and all provisions of this Agreement to the contrary notwithstanding, the compensation of Organization for each quarter of the Agreement shall not be paid unless and until Organization submits the satisfactorily completed quarterly report and invoice required hereunder. In addition, Organization shall be required to present a progress report as to its activities a minimum of two (2) times per fiscal year before the Urban County Council's Economic Development Committee, or as otherwise instructed by the Government.

7. Books of accounts shall be kept by the Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of the Organization. The books of accounts, together with all bonds, notes, bills, letters and other writings belonging to the Organization, shall be maintained at the principal place of business of the Organization as set forth in this Agreement. Government shall have free and complete access to the books, papers and affairs of the Organization relating to the LFUCG funds provided hereunder at all reasonable times, and

if it desires, it may have said books and papers of the Organization audited and examined by auditors, accountants or attorneys. Any examination shall be at the expense of the Government.

8. Government may designate such persons as may be necessary to monitor and evaluate the services rendered hereunder by the Organization. The Government, its agents and employees, shall, at all times, have unrestricted access to all places where or in which the services required hereunder are being carried on and conducted. Inspection and monitoring of the work by these authorities shall in no manner be presumed to relieve in any degree the responsibility or obligations of Organization, or to constitute Organization an agent of the Government.

9. Organization shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color, creed, national origin, sex, age, sexual orientation or gender identity, or handicap, shall promote equal employment through a positive, continuing program of equal employment, and shall cause each of its subcontracting agencies to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

10. Organization shall adopt a written sexual harassment policy, which shall, at a minimum, contain a statement of current law; a list of prohibited behaviors; a complaint process; and a procedure which provides for a confidential investigation of all complaints. The policy shall be given to all employees and clients and shall be posted at all locations where Organization conducts business. The policy shall be submitted to the MOED for review within thirty (30) days of the execution of this Agreement.

11. The Organization agrees that all revenue and expenditures shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not revenue and expenditures during the year audited have conformed to state and local law and regulation. A copy of this audit shall be submitted to the MOED within 10 days of completion.

12. Organization agrees that it shall apply all funds received by it from the Urban County Government in accordance with the following investment policy guidelines:

A. Objectives--Capital preservation with surety of income. Reasonable competitive income consistent with high investment quality and purpose of funds. All investments shall conform with state and local law and regulations and these Policies.

B. Investment Funds Management--The governing board may elect to either:

(1) manage its investments through its executive director where the size or complexity of funds to be managed is deemed by the board to be within the training, expertise and/or available time capacity of the executive director and the operating staff;

-or-

(2) utilize the professional investment management facilities of a local bank trust department acting in a fiduciary capacity within the same approved investment policies and federal, state, local and trust laws and regulations. The trust department may utilize its regular short-term 100% U.S. Treasury Fund for daily funds investment. The election of option 1 or 2 should be made consistent with the relative cost incurred and in the case of option 2 the cost shall be competitive among local trust departments.

C. Investment Policies--Safety and Prudence.

(1) Short-term liquidity funds shall be invested in "riskless" investments, i.e., deposits in Kentucky commercial banks or savings and loan associations that are fully federally insured or

deposits collateralized by U.S. Treasury securities with a current market value of at least 100%, or in direct obligations of U.S. Treasury securities.

Investments shall be diversified according to maturity in order to meet projected cash flow needs.

Collateral pledged to secure uninsured deposits shall be held at a federal reserve bank with the receipt providing absolute control by the agency.

(2) Retirement funds, endowment funds, long-term capital reserve funds and any other special funds may be held and invested by a local bank trust department under investment objectives and diversification in accordance with the individual nature of the funds and pursuant to the "prudent man" investment rule as well as general trust law.

(3) All investments shall be reviewed monthly by a finance or investment committee of the agency.

(4) Local brokerage firms may hold and invest funds provided that investments are located within Kentucky and are fully insured.

D. Audit--All investments shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not investments during the year audited have conformed with state and local law and regulation and with the approved investment policies.

13. This instrument contains the entire agreement between the parties, and no statement, promises or inducements made by either party or agent of either party that is not contained in this written Agreement shall be valid and binding; and this Agreement may not be enlarged, modified or altered except in writing signed by the parties and endorsed hereon.

14. Notice - Any written notice required by the Agreement shall be delivered by certified mail, return receipt requested, to the following:

For Organization: Bluegrass Area Development District
699 Perimeter Drive
Lexington, Kentucky 40517
Attention: Executive Director

For Government: Lexington-Fayette Urban County Government
Kevin Atkins, Chief Development Officer
200 East Main Street
Lexington, Kentucky 40507

IN WITNESS WHEREOF, the parties have executed this Agreement at Lexington, Kentucky, the day and year first above written.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: ______________________
JIM GRAY, MAYOR

ATTEST:

____
Meredith Nelson
Clerk of the Urban County Council

BLUEGRASS AREA DEVELOPMENT DISTRICT

BY: ______________________
DAVID DUTTLINGER
EXECUTIVE DIRECTOR

ATTEST:

____
WITNESS/DATE: 7/17/14

EXHIBIT "A"

Lexington/Fayette Urban County Government

Addendum for Services

Bluegrass Area Development District

Scope of Work

Local Contribution

During fiscal year 2015 the Bluegrass Area Development District (BGADD) will use these funds to promote regional solutions to local issues. The Lexington-Fayette Urban County Government (LFUCG) contribution of $ 38,450 (based on thirteen cents per capita of estimated population of 295,803) is commingled with contributions from other member governments to create a unique fund. The resulting fund is used to match state and federal grants and to pay expenses deemed necessary by the BGADD Board of Directors for which no state/federal grant monies are available. The BGADD uses this fund to support the overall operating costs of providing a forum for member governments to come together to explore solutions to issues of regional significance. The contribution rate was set in 1972 to be thirteen cents per capita. All member government contribute annually at that rate.

Senior Services

During fiscal year 2015 the BGADD will use $48,610 as a portion of a regional match to state HOMECARE funds. The HOMECARE funds are contracted to Bluegrass Community Action Partnership for home delivered meals in Fayette County and to Lifeline who provided in-home services to keep elderly in their homes.

EXHIBIT "B"

Lexington/Fayette Urban County Government

Addendum for Services

Bluegrass Area Development District

Lexington-Fayette Urban County Government
Economic Development Partner Agency Quarterly Report
Fiscal Year 2015

Economic Development Partner Agency:
Bluegrass Area Development District

____
Date

Outcome Evaluation

Using the Addendum "A" to the Bluegrass Area Development District's Purchase of Service Agreement, please demonstrate progress towards stated goals and initiatives.

NOTE: If there have been changes to your LFUCG funded program(s) necessitating amendment of your approved outcomes, please contract Kevin Atkins, Chief Development Officer, 859-258-3110 (or email at katkins@lexingtonky.gov) to discuss the proposed amendments.

State Funds **Describe any State Funding BGADD has assisted on/worked with LFUCG in applying for/obtaining during the quarter. How does this effort compare to FY13 & FY14 at this same point in the fiscal year?**

Federal Funds **Describe any Federal Funding BGADD has assisted on/worked with LFUCG in applying for/obtaining during the quarter. How does this effort compare to FY13 & FY14 at this same point in the fiscal year?**

Regional Significance

Describe regional issues BGADD has assisted on/worked and their relevance to LFUCG

Senior Services

Please provide details on the 1) Number of Fayette County residents served under the HOMECARE program during the quarter 2) The type of services provided to the residents 3) What is the percentage of people you are serving who are able to keep living at home 4) How does the Fayette County percentage compare to the percentage in Bluegrass ADD region? *<u>PEASE ANSWER EACH QUESTION ABOVE AS A SEPARATE BULLET POINT NOTED BY THE NUMBER INDICATED ABOVE</u>*

Kentucky State Auditor Report

Please provide a *specific* update for the recent quarter of efforts to address and correct the issues addressed in the 2014 special audit by the Kentucky State Auditor of Public Accounts. Please also indicate if any new issues have arisen as part of the efforts to address the points in the Auditor's report.

Certification

As the Chief Executive Officer (or equivalent) of this agency, I certify that the information provided in this Quarterly Report is true and complete to the best of my knowledge and belief.

I further agree that funds received from LFUCG will be used for the purposes for which they were requested and approved, and that the agency will comply with the requirements set forth in the application and the approved Purchase of Service Agreement and Addendum.

____

Printed Name

____

Signature

____

Title

____

Date

THIS REPORT AND REQUIRED ATTACHMENT(S) ARE DUE BY:

1ST QUARTER:
OCTOBER 14, 2014

2ND QUARTER:
JANUARY 14, 2015

3RD QUARTER:
APRIL 14, 2015

4TH QUARTER:
JULY 14, 2015

THIS REPORT SHOULD BE COMPLETED AND SUBMITTED ALONG WITH QUARTERLY FUNDING REQUEST INVOICE ELECTRONICALLY TO:

KEVIN ATKINS
CHIEF DEVELOPMENT OFFICER
KATKINS@LEXINGTONKY.GOV

Bluegrass Area Development District

699 Perimeter Dr. • Lexington, Kentucky 40517-4120
Phone: (859) 269-8021 • Fax: (859) 269-7917
WWW.BGADD.ORG
ANDERSON•BOURBON•BOYLE•CLARK•ESTILL•FAYETTE•FRANKLIN•GARRARD•HARRISON•JESSAMINE•LINCOLN•MADISON• MERCER•NICHOLAS•POWELL•SCOTT•WOODFORD

July 11, 2013

Commissioner Beth Mills
200 East Main St.
Lexington, KY 40507

RE: Fayette County Homecare Program

Dear Commissioner Mills,

In light of the recent decision by LFUCG to withhold their funding to the Bluegrass ADD, I wanted to share with you how many seniors we reach with the assistance of the LFUCG funding. As you know our Homecare Program provides in-home supports to the frailest elderly in Fayette County.

Our overall budget for Fayette County Homecare during fiscal year 2013 was $440,816.00. LFUCG provided $40,260.00 to be used toward our required match to the state. With these funds we were able to serve:

- 11,817 meals to home bound elderly in Fayette County
- 40 unduplicated home bound elderly in Fayette County received those meals
- 103 unduplicated home bound elderly in Fayette County received in-home supportive services such as; Personal Care, Homemaking, Respite, Chore, Escort, Home Repair, and emergency life alert systems

These match funds are necessary in order for the Bluegrass Area Agency on Aging & Independent Living to maintain this level of services to the home bound seniors in Fayette County.

I appreciate any support for the Homecare Program to maintain the LFUCG match funds.

Sincerely,

Celeste Collins, BSW
Director, Bluegrass AAAIL

	Current Budget Year			Continuation			New or Expanded Service		
	1 2013 Actual	2 2014 Original	3 2014 YTD Actual	4 2015 Request	5 2015 Mayor's	6 2015 Council	7 2015 Request	8 2015 Mayor's	9 2015 Council

Fund 1101 GENERAL SERVICES DISTRICT Department 900302 Bluegrass Area Dev District

Adopted Budget Control Levels

	1	2	3	4	5	6	7	8	9
Personnel									
Operating	75,110	75,110		87,060	87,060	87,060			
Transfers									
Capital									
Total	75,110	75,110		87,060	87,060	87,060			

Budget Detail (Information Only)

Fund 1101 GENERAL SERVICES DISTRICT Department 900302 Bluegrass Area Dev District Section 0001 Unallocated Subsection

Account	1	2	3	4	5	6	7	8	9
71101 Outside Agency Services	75,110	75,110		87,060	87,060	87,060			
Section 0001 Total	75,110	75,110		87,060	87,060	87,060			
Department 900302 Total	75,110	75,110		87,060	87,060	87,060			

Office of
Chris Ford
1st District Councilman

MEMORANDUM

To: Social Services & Community Development Committee

From: Chris Ford, Committee Chairman

Date: October 16, 2014

Re: **Proposed Resolution**
Workforce Investment – Amended Interlocal Agreement

Our Social Services & Community Development Committee has been studying the issues of Workforce Development & Job Training since the fall 2012. Our activity and deliberations have included many presentations. In summary, I have attached an abbreviated timeline summarizing Council and Government related activities impacting workforce development policy.

Our examination of workforce related matters have centered on the relationship between the Bluegrass Workforce Investment Board (BGWIB) and the Bluegrass Area Development District (BGADD). During this time we have observed, and been witness to, contentious interactions between these two organizations. This programmatic dysfunction has further complicated and hampered progress for workforce development and job training in Lexington.

Despite the leadership of the Mayor's Office and the Urban County Council, I believe our attempts to bring needed reforms and transparency at Bluegrass ADD have not materialized in a fashion that best serves Fayette County residents and central Kentucky businesses.

As such, please allow me to introduce a resolution recommending that Mayor Gray NOT sign or execute the amended WIA Interlocal Agreement, as proposed by officials with the Bluegrass Area Development District. Furthermore, I recommend that LFUCG now focus our attentions on declaring a new workforce investment area to serve the distinct training and employment needs of Lexington residents.

Thanks for your consideration & support. I look forward to discussion at Tuesday's committee meeting. As always, feel free to advise if I can provide additional information in the interim.

Workforce Development & Training – Timeline

Lexington Fayette Urban County Government
Summary by: Office of Councilmember Chris Ford

January 2012	Bluegrass ADD acquires property at Trent Blvd (8th Council District) for proposed Workforce Initiative
Nov. 2012	Council Social Services Committee – The issue of Workforce Development and Training introduced
March 2013	Attorney General issues legal opinion on Bluegrass ADD limitation of authority in local programming
June 2013	**Resolution # 268-2013** **LFUCG signs Interlocal Agreement for BGWIB** ***Note: after 3-plus year consideration***
July 2013	Mayor Gray calls for state auditor Adam Edelen to investigate the Bluegrass ADD
July 2013	**Council votes to withhold FY14 Annual Dues to Bluegrass ADD = $75,110. Funding restored & PSA executed May 2014**
March 2014	Auditor Edelen issues audit findings on Bluegrass ADD, including issues related to Workforce Investment Act program
April 2014	**Resolution # 213-2014** **Council endorses Bluegrass WIB fiscal agent independence from Bluegrass ADD**
June 2014	Bluegrass WIB fiscal agent agreement w/ Bluegrass ADD expires *6 month extension granted by KY Education & Workforce Development Cabinet*
July 2014	Bluegrass ADD proposes Amended WIA Interlocal Agreement
July 2014	Warren County leads exodus from Barren River WIB (joined by Allen County, Logan County, and Simpson County)
July 2014	Congress Passes and President Signs Workforce Innovation and Opportunity Act (new Federal Law supersedes existing Workforce Investment Act, implementation to begin summer 2015)
August 2014	**Resolution # 512-2014** **Amend FY15 PSA Business & Education Network (Commerce Lex.) – Workforce Analysis**

RESOLUTION NO. ______ - 2014

A RESOLUTION OF THE LEXINGTON-FAYETTE URBAN COUNTY COUNCIL RELATED TO THE BLUEGRASS WORKFORCE INVESTMENT AREA, RECOMMENDING THAT THE MAYOR NOT SIGN THE PROPOSED AMENDED INTERLOCAL COOPERATIVE AGREEMENT AND RECOMMENDING THAT THE URBAN COUNTY GOVERNMENT TAKE THE NECESSARY STEPS TO HAVE LEXINGTON-FAYETTE COUNTY AREA DECLARED A WORKFORCE INVESTMENT AREA.

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

Whereas, on March 4, 2014, the Commonwealth of Kentucky Auditor of Public Accounts released findings of a recent examination of the Bluegrass Area Development District which identified serious deficiencies in the oversight of the operations of the Bluegrass Area Development District, including a lack of policies and procedures to govern the District, excessive and/or unnecessary expenditures by the District, potential non-compliance with state and federal requirements by the District, a failure by the District to report possible criminal acts to law enforcement, and the lack of proper oversight of the District; and

Whereas, the findings of the Commonwealth of Kentucky Auditor of Public Accounts revealed several existing and potential conflicts of interests with the current structured relationship between the Bluegrass Workforce Investment Board and the Bluegrass Area Development District; and

Whereas, by Resolution Number 213-2014, passed by the Urban County Council on April 24, 2014, this Council requested that the Chief Elected Official of the Bluegrass Workforce Investment Area identify and retain a fiscal and administrative agent for the Bluegrass Workforce Investment Board other than the Bluegrass Area Development District; and

Whereas, there seems to be a reluctance on the part of the chief elected official to remove the Bluegrass Area Development District as the fiscal agent; and

Whereas, there continues to be a dysfunction and disconnect between the chief elected official, the Bluegrass Workforce Investment Board and the Bluegrass Area Development District; and

Whereas, the proposed Amended Interlocal Cooperative Agreement does not resolve the issues related to operation of the Bluegrass Workforce Investment Board; and

Whereas, Commerce Lexington / Business & Education Network has been engaged to conduct a workforce analysis for Lexington-Fayette County; and

Whereas, we, the elected representatives of the people of Lexington-Fayette County, continue to be dissatisfied with the relationships among the parties involved and the services provided to Lexington-Fayette County.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That the Lexington-Fayette Urban County Council hereby recommends that the Mayor not sign the proposed Amended Interlocal Cooperative Agreement.

Section 2 – That the Lexington-Fayette Urban County Council hereby recommends that the Lexington-Fayette Urban County Government take the steps necessary to have Lexington-Fayette County Area declared a workforce investment area.

Section 3 – That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

____
MAYOR

ATTEST:

____
CLERK OF URBAN COUNTY COUNCIL

X:\Cases\SOCIAL\11-CC0181\LEG\00458434.DOC

Amended Interlocal Cooperative Agreement

Among

The Kentucky Counties of Anderson, Bourbon, Boyle, Clark, Estill, Fayette, Franklin, Garrard, Harrison, Jessamine, Lincoln, Madison, Mercer, Nicholas, Powell, Scott, and Woodford

This Amended Interlocal Cooperative Agreement (this "Agreement") is by and among the aforementioned, all bodies corporate and politic of the Commonwealth of Kentucky, (hereinafter collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, the Kentucky Interlocal Cooperation Act (the "State Act"), KRS 65.210 through 65.300, permits local governmental units ("Parties") to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and to thereby provide services and facilities in manner and form that will best accord with geographic, economic, population and other factors which influence the needs and development of local communities; and

WHEREAS, the Governor of the Commonwealth of Kentucky, pursuant to the Workforce Investment Act of 1998 as such Act may be amended, (the "Act") has the authority to designate the geographic area encompassing the above named Kentucky counties as a Workforce Investment Area ("WIA"); and

WHEREAS, the Parties recognize the serious and complex problems resulting from unemployment and low wages among their citizens; and

WHEREAS, increased workforce development problems and solutions transcend traditional governmental boundaries; and

WHEREAS, a productive workforce investment system can most effectively be created and expanded in partnership with the private sector; and

WHEREAS, the Parties wish to realign and increase the effectiveness of the area's workforce investment system, its Local Workforce Investment Board ("WIB") and its fiscal agent; and

WHEREAS, the Parties, pursuant to the provisions of the Act, desire to enter into this Agreement in order to provide for the formation of the WIB and provide for the roles and responsibilities of the Local Elected Officials, the Chief Local Elected Official, and the Subrecipient of grant funds, as such terms shall be defined herein, all to be consistent with the requirements of the Act and State Law; and

WHEREAS, the Parties desire to replace the current Interlocal Cooperative Agreement, with this Amended and Restated Interlocal Cooperative Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and understandings contained herein, the Parties agree as follows:

1. Effective Date. The effective date of this Agreement shall become valid upon its approval by the Department of Local Government of the Commonwealth of Kentucky ("DLG") pursuant to KRS 65.260 and the Education and Workforce Development Cabinet ("EWDC") pursuant to KRS 65.300. In complying with the State Act, after its approval by the DLG and EWDC, a copy of this Agreement shall be duly recorded in the respective Offices of the County Court Clerks of each County which is a party hereto.

2. Governing Board.

A. A Governing Board is made up of the Mayor of Lexington and the County Judge Executive of each of the 16 other counties in the Bluegrass Workforce Investment Area (the "LEOs). The Governing Board shall have the following duties and responsibilities:

- Designate a fiscal agent and grant subrecipient that shall be responsible for the WIA grant funds (the "Subrecipient"). Such designation shall be made biannually at least One Hundred and Twenty (120) days prior to the receipt of grants by the local WIA. The designation shall be by a majority vote of the Governing Board. If the designation is for a non-governmental or private non-profit entity, excluding entities organized under 26 U.S.C. 501(c)(1), then the Governing Board may designate by procurement.;
- Elect a chief local elected official, who shall serve as the Chair of the Governing Board (the "CLEO");
- Establish an Executive Committee made up of the CLEO, who shall serve as the Chair of the Executive Committee, plus six (6) additional members of the Governing Board. The Executive Committee is authorized to perform each and every Governing Board action except the designation of the Subrecipient, the CLEO election and other actions expressly reserved for the full Governing Board;
- Perform all other duties and functions assigned to consortiums of local elected officials by the Act, successor legislation or by implementing Federal or State rules or policies.

B. Subject to the provisions of the Act and its implementing regulations, the Governing Board or its Executive Committee shall engage in discussion with the WIB to reach agreement with respect to the following:

- The content of the workforce plan for the area, including modifications thereto;
- The content of the WIA strategic plan for the area, including modifications thereto;

- One-Stop Career Center chartering and certification;
- Contract awards and the selection of service providers; and
- Acceptance and the resolution of audit and monitoring findings.

C. To the extent that the Governing Board would have any authority under the Act or Regulations, should the Governing Board or its Executive Committee fail to agree to any plan, policy or procedure proposed by the WIB, that particular action, plan, policy or procedure shall not be effective unless and until a mutually acceptable solution is agreed to by both the Governing Board or its Executive Committee and the WIB.

D. As required by the Act and its implementing regulations, the Governing Board or its Executive Committee shall discuss, review and approve or disapprove the WIB's annual budget, including modifications thereto.

4. Governing Board and Executive Committee Decisions. Each of the Governing Board and Executive Committee members shall have one vote. The Governing Board members may each select one alternate who shall have all the powers and rights of the Governing Board member who selected the alternate, who shall also be a local elected official as defined by the Act, and who shall also count towards a quorum when that Board member is absent. A quorum consists of not less than nine (9) members. Decisions require approval by a majority vote of a quorum. The Governing Board may adopt bylaws consistent with this Agreement.

5. Governing Board Chair. The Governing Board Chair/CLEO shall sign documents as authorized by and on behalf of the Governing Board or its Executive Committee. The Board Chair/CLEO shall serve until a successor is elected or until resignation. The Governing Board may elect other officers as it sees fit, including a Vice Chair who may act as the CLEO when the Chair/CLEO is unavailable or as authorized by the Chair, the Governing Board or its Executive Committee.

6. Governing Board Meetings. The Governing Board shall meet at least biannually and at such other times as are deemed necessary. Meetings may be called by the CLEO, by the Executive Committee or by any three Local Elected Officials by providing 24 hours written notice to all Governing Board members and to any alternates. Meeting notices shall contain the time, place, and agenda for all meetings and otherwise comply with Kentucky's Open Meetings Act.

7. Workforce Investment Board Appointments.

A. All WIB members shall be appointed in accordance with the criteria established between the Governor and the Kentucky Workforce Investment Board ("KWIB") in accordance with the Act or its successor.

B. At the option of the Governing Board or its Executive Committee, the Governing Board shall seek consent from the Governor to immediately implement the WIB constitution requirements of the Workforce Innovation and Opportunity Act. In the event such consent is obtained, the following requirements shall apply:

a. A majority of WIB members shall be private sector business representatives. Local business organizations or trade associations shall nominate representatives who are business owners, chief executives or operating officers, or who have “optimum policy making or hiring authority,” in compliance with the Act. WIB appointments shall be authorized by the Governing Board or its Executive Committee and shall be made by the CLEO.
b. At least 20% of the Board’s members must come from organized labor or from nonprofits that engage in employment and training. These members shall be union representatives or executive directors of nonprofit agencies.
c. The WIB shall also include: 1) an Adult Education and Literacy member ; 2) a higher education member; 3) a local economic/community development director; 4) a top State employment service manager; and 5) a top vocational rehabilitation manager. The two education representatives must be nominated by their peers.

C. In the event that the Governing Board or its Executive Committee does not seek to immediately implement the WIB requirements under the Workforce Innovation and Opportunity Act, the following shall apply: a majority of WIB members shall be private sector business representatives, pursuant to the Act and its implementing regulations. WIB appointments shall be authorized by the Governing Board or its Executive Committee and shall be made by the CLEO. Efforts shall be made to ensure that key business sectors are represented and, to the extent possible, that there is WIB member who either lives or works in each of the seventeen Counties.

D. Subject to 29 U.S.C. Section 2832(c)(2) and (3), as amended, replaced or modified, and its implementing regulations, WIB appointments shall be for staggered three-year terms and shall continue until a successor is appointed either prior to or after the end of the appointment term.

8. <u>WIB And Subrecipient Duties And Responsibilities</u>.

A. Subrecipient responsibilities shall include:

- Informing the WIB on a regular basis of the progress in achieving strategic goals and objectives;
- Delivering an annual report to the WIB on the activities and the state of the area’s workforce system;

- Acting as the local workforce area's grant subrecipient and fiscal agent;
- Regularly attending WIB, Governing Board and Executive Committee meetings;
- Managing budget and procurement activities;
- Employing and evaluating the area's Workforce Director, subject to approval of a budget line item agreed to by the WIB and the Governing Board or its Executive Committee. The Subrecipient shall evaluate the Workforce Director on annual basis, and shall provide the evaluation to the WIB and the Governing Board or its Executive Committee; and
- Adopting policies necessary to ensure accountability and compliance with Federal, State and local laws, rules and grant terms and agreements, including but not limited to this Agreement.

B. The WIB shall have all responsibilities delegated to it in the WIA and its implementing regulations. Subject to the written memorandum of agreement by and between the Governing Board or its Executive Committee and the WIB, and provided not contrary to any provision in the WIA or its implementing regulations or the successor act, these responsibilities shall include:

- Developing the area's Regional Workforce Strategic Plan;
- Appointing committees to oversee work necessary to accomplish each goal in the strategic plan;
- Establishing standards for and overseeing the area's workforce system, subject to the terms of a "Memorandum of Understanding" executed with partner agencies;
- Performing duties as required by the Act, the Commonwealth of Kentucky, Federal and State grant agreements, other applicable Federal, State and local laws, rules and agreements and this Agreement; and
- Entering into an agreement with both the Subrecipient and the Governing Board or its Executive Committee, which shall further delineate the respective responsibilities of the Subrecipient, the Governing Board or its Executive Committee and the Subrecipient. The agreement shall include the following dispute resolution procedure: "In the event that the WIB, the Governing Board or its Executive Committee or the Subrecipient disagree, an attempt shall be made by the WIB Chair and the CLEO to informally resolve the issue. If informal resolution is unsuccessful, three Governing Board Executive Committee members other than the CLEO and three WIB officers shall meet and shall resolve the issue by majority vote. The meeting shall be chaired by a representative of the Department of Workforce Investment. If a resolution cannot be reached, the matter shall be referred to a mediator selected by the Department of Workforce Development and the parties shall in good faith attend mediation to resolve any dispute."

C. In order to protect the objective oversight responsibilities of the WIB, the WIB may only engage in the direct delivery of services with the consent of the Governor and the

Governing Board to engage in core and intensive services and otherwise complies with the Act, as amended, which consent may be withdrawn by the Governor or the current Governing Board or its Executive Committee at any time. The WIB may hire staff if the WIB believes that such staff is necessary for oversight purposes, subject to the Governing Board or its Executive Committee's approval of the budget line item for such staff.

9. Liability. The local jurisdictions of each LEO shall always remain liable for misuse of funds. In the event liability for the misuse of funds, the following priorities for recouping those funds shall apply:

A. First Priority: Subrecipient shall attempt to recover funds from the contractor, agent or third party causing the liability;

B. Second Priority: Subrecipient shall attempt to recover funds from an insurance carrier or bond issuer;

C. Third Priority: Subrecipient shall attempt to obtain a waiver of liability or offset liability against current or future grant revenues;

D. Fourth Priority: Subrecipient shall repay the liability from its funds to the extent permitted by law; and

E. Fifth Priority: As a last resort and only to the extent required by the Act, the Parties agree to cover unmet liabilities to the State and Federal governments. The Parties shall share liability to the State and Federal governments in proportion to their respective populations using the most recent census data available on the date the negligent or wrongful acts occurred which gave rise to the unmet liability.

This priority system shall not be construed as an attempt to avoid liability under the Act, its regulations or any agreement between the CLEO and the Commonwealth of Kentucky. Likewise, nothing in this agreement shall be interpreted in a manner that would violate any constitutional or statutory limitation on liability applicable to a Party government, or shall be construed as a waiver of any defense to or limitation on liability to which a Party government or its agents would otherwise be entitled under the constitution or laws of the Commonwealth of Kentucky.

10. Termination.

A. This Agreement shall remain in effect until terminated pursuant to this section. In the event one of the local governmental parties withdraws from this agreement, this agreement shall be null and void with respect to that government. The term "Area" as used in this agreement shall refer only to the geographic boundaries covered by signatory local governments.

B. Subject to state and federal law, any Party may withdraw by notifying the other Parties, Subrecipient and to all appropriate agencies of the Commonwealth of Kentucky in writing of its intent to do so at least one hundred eighty (180) days prior to the end of the WIA program year (June 30th). Withdrawal shall become effective at midnight on the last day of the program year in which notice is given, and shall not affect the participation of the remaining Parties or the validity of this Agreement with respect to the remaining Parties.

C. This agreement completely replaces the previous Interlocal Cooperative Agreement between the Parties. That agreement shall be null and void when this agreement is executed and becomes effective according to Kentucky law.

11. Indemnification. To the extent allowable by the Kentucky Constitution and the Kentucky Revised Statutes, each of the Parties hereto agrees to indemnify and save the other harmless from any claims, liability or damages fees arising out of or resulting from any error, omission or act of negligence on the part of the indemnifying party, its officers, or employees in the performance of this Agreement.

12. Amendments. This Agreement may be amended from time to time by written consent of all the Parties.

13. Signatures. By signing this Agreement, each local elected official certifies that his or her signature has been duly authorized by official action of his or her governmental body. The agreement may be executed in one or more counterparts, each of which, when combined with all other counterparts, will constitute a completely executed agreement.

Signature page follows.

IN TESTIMONY WHEREOF, the Parties, after due adoption of resolutions and/or ordinances authorizing the same, acting by and through its Local Elected Official have executed and delivered this Agreement as of its effective date:

JUDGE EXECUTIVE, ANDERSON COUNTY	DATE
JUDGE EXECUTIVE, BOURBON COUNTY	DATE
JUDGE EXECUTIVE, BOYLE COUNTY	DATE
JUDGE EXECUTIVE, CLARK COUNTY	DATE
JUDGE EXECUTIVE, ESTILL COUNTY	DATE
MAYOR, LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT	DATE
JUDGE EXECUTIVE, FRANKLIN COUNTY	DATE
JUDGE EXECUTIVE, GARRARD COUNTY	DATE
JUDGE EXECUTIVE, HARRISON COUNTY	DATE
JUDGE EXECUTIVE, JESSAMINE COUNTY	DATE
JUDGE EXECUTIVE, LINCOLN COUNTY	DATE
JUDGE EXECUTIVE, MADISON COUNTY	DATE
JUDGE EXECUTIVE, MERCER COUNTY	DATE
JUDGE EXECUTIVE, NICHOLAS COUNTY	DATE
JUDGE EXECUTIVE, POWELL COUNTY	DATE

____

JUDGE EXECUTIVE, SCOTT COUNTY DATE

____

JUDGE EXECUTIVE, WOODFORD COUNTY DATE

REVIEWED AND APPROVED, WITH RESPECT TO COORDINATION AND NONDUPLICATION OF SERVICES, BY:

EDUCATION AND WORKFORCE DEVELOPMENT CABINET

By:______________________________ Date:_________________________
Beth A. Brinly, Commissioner

REVIEWED AND APPROVED BY:

DEPARTMENT FOR LOCAL GOVERNMENT

By:_______________________________ Date:_________________________
Tony Wilder, Commissioner

REVIEWED AND APPROVED, WITH RESPECT TO LEGALITY AND FORM, BY:

By:________________________________ Date:_________________________
Darren Sammons, Staff Attorney

R 268-2013

INTERLOCAL COOPERATIVE AGREEMENT

AMONG

THE KENTUCKY COUNTIES OF ANDERSON, BOURBON, BOYLE, CLARK, ESTILL, FAYETTE, FRANKLIN, GARRARD, HARRISON, JESSAMINE, LINCOLN, MADISON, MERCER, NICHOLAS, POWELL, SCOTT AND WOODFORD

This Interlocal Cooperative Agreement ("Agreement") by and among the aforementioned, all bodies corporate and politic of the Commonwealth of Kentucky.

WITNESSETH:

WHEREAS, the Kentucky Interlocal Cooperation Act herein referred to as the State Act ("State Act"), KRS 65.210 through 65.300, permits local governmental units ("Parties") to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and to thereby provide services and facilities in manner and form that will best accord with geographic, economic, population and other factors which influence the needs and development of local communities; and

WHEREAS, the Governor of the Commonwealth of Kentucky, pursuant to the Workforce Investment Act of 1998, (Federal Act) has the authority to designate the geographic area encompassing the above named Kentucky counties as a Workforce Investment Area ("WIA"); and

WHEREAS, the Parties, consisting of 17 counties, known as the Bluegrass Area Development District (BGADD), pursuant to the provisions of the Federal Act, desire to enter into this Agreement in order to provide for the formation of a Local Workforce Investment Board ("WIB") under Section 117 of the Federal Act, all to be consistent with the requirements of the State Act,

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS AND UNDERSTANDINGS CONTAINED HEREIN, the Parties agree as follows:

1. Effective Date. The effective date of this Agreement shall become valid upon its approval by the legislative bodies of each party. In complying with the State Act, a copy of this Agreement, after its approval by the legislative bodies of each party and due execution pursuant thereto by the Chief Elected Official of each Party, shall be submitted to the Attorney General of the Commonwealth of Kentucky under KRS 65.260, as amended, and shall similarly be duly recorded in the

respective Offices of the County Court Clerks of each County which is a party hereto.

2. Agreement Duration. This Agreement shall endure for a period equal to the period of the Grant or Grants to the Local Workforce Investment Area. The agreement shall continue in effect unless fifty-one percent of the parties shall certify in writing, pursuant to duly adopted resolution or ordinance, that the Agreement shall be terminated, such certification to be delivered to Chairman of the BGADD 180 days prior to the expiration of the then current grant period.

3. Creation. Pursuant to Section 117 of the Federal Act and KRS 65.250 (b) and (c), the parties hereto create a Workforce Investment Board to be known as Bluegrass Workforce Investment Board. Bluegrass WIB shall serve the Workforce Investment Area of the Commonwealth of Kentucky encompassing the Counties of Anderson, Bourbon, Boyle, Clark, Estill, Fayette, Franklin, Garrard, Harrison, Jessamine, Lincoln, Madison, Mercer, Nicholas, Powell, Scott and Woodford.

4. Chief Elected Official. As authorized under Section 101(6)(A)(B) of the Federal Act, the Parties do hereby designate the elected official currently serving as the highest ranking officer on the Bluegrass Area Development District Board of Directors as the Chief Elected Official.

    4.1 WIB Nomination. The Chief Elected Official of each Party shall nominate members from nominations made by business organizations within their jurisdiction, in accordance with Section 117(b)(1) of the Federal Act.

5. WIB Appointments. The Chairman of BGADD shall form a committee to review the nominations and appoint members in accordance with the Federal Act. Appointments must be at least fifty-one percent private sector.

IN TESTIMONY WHEREOF, the Parties, after due adoption of resolutions and/or ordinances authorizing the same, acting by and through its Chief Elected Official have executed and delivered this Agreement as of its effective date:

John Wayne Conway	1-4-11
JUDGE EXECUTIVE, ANDERSON COUNTY	DATE
Donnie R. Foley	12-28-10
JUDGE EXECUTIVE, BOURBON COUNTY	DATE
[illegible]	1-11-11
JUDGE EXECUTIVE, BOYLE COUNTY	DATE
Henry Branham	1/12/2011
JUDGE EXECUTIVE, CLARK COUNTY	DATE

01/18/11

JUDGE EXECUTIVE, ESTILL COUNTY — DATE

6/26/13

MAYOR, LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT — DATE

02-17-2011

JUDGE EXECUTIVE, FRANKLIN COUNTY — DATE

1/18/11

JUDGE EXECUTIVE, GARRARD COUNTY — DATE

1/4/11

JUDGE EXECUTIVE, HARRISON COUNTY — DATE

1/28/2011

JUDGE EXECUTIVE, JESSAMINE COUNTY — DATE

1-25-11

JUDGE EXECUTIVE, LINCOLN COUNTY — DATE

2-16-11

JUDGE EXECUTIVE, MADISON COUNTY — DATE

1-11-11

JUDGE EXECUTIVE, MERCER COUNTY — DATE

1-11-11

JUDGE EXECUTIVE, NICHOLAS COUNTY — DATE

2-16-11

JUDGE EXECUTIVE, POWELL COUNTY — DATE

1-14-2011

JUDGE EXECUTIVE, SCOTT COUNTY — DATE

01-31-2011

JUDGE EXECUTIVE, WOODFORD COUNTY — DATE

Social Services/Community Development Referrals

Item	Referred By	Date Referred	Status
Workforce Investment & Training	Ford	Nov 16, 2012	October 2014
Increasing Commitment to Partner Agency Funding	Myers	April 15, 2014	(TBA)
BGADD Membership, Audit Response	General Services Link	July 10, 2014	October 2014
Change name from Partner Agency to Partner Program Funding	Social Services Link	July 10, 2014	Sept./Oct. 2014
Partner Agency Funding Process	Social Services Link	July 10, 2014	Sept./Oct. 2014
Manage Partner Agency Prescription Programs	Social Services Link	July 10, 2014	(TBA)
Proposed Reorganization of Office of Homelessness Prevention & Intervention to the Department of Social Services	Ford	August 19, 2014	(TBA)