

# **Task Force on Inter-County Cooperation (Senate Bill 133)**



## **Research Report No. 314**

Legislative Research Commission  
Frankfort, Kentucky  
September 18, 2003

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(Senate Bill 133)**

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# **Task Force on Inter-County Cooperation**

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## **FOREWORD**

The Task Force on Inter-County Cooperation was established by the Kentucky General Assembly in 2003. The task force was charged with the responsibility of exploring the possibilities available for encouraging counties to create interlocal agreements. The task force was to also examine ways for Kentucky to provide incentives to the counties to enter into these interlocal agreements. Legislative Research Commission staff prepared this report at the direction of the task force.

The task force co-chairs wish to thank the citizen members of the task force and all the individuals who took the time to attend the task force meetings and provide testimony.

Robert Sherman  
Director

The Capitol  
Frankfort, Kentucky  
September 18, 2003





**Task Force on Inter-County Cooperation**  
**Final Report**  
**September 2003**

SB 133 of the 2003 Regular Session of the General Assembly directed the creation of the Task Force on Inter-County Cooperation. The task force was charged with the responsibility of exploring the possibilities available for encouraging counties to create interlocal agreements that allow economies of scale and cost savings to the local governments for the provision of services. The task force was to also examine ways for Kentucky to provide incentives to the counties to enter into these interlocal agreements. The task force acknowledges that it has limited the scope of its investigations of interlocal agreements to current policy within the Commonwealth in order to present a timely report to the Legislative Research Commission.

The task force met three times and invited and heard comments from representatives from the Kentucky Association of Counties, the Department for Local Government, the Office of the Attorney General, the Kentucky League of Cities, the Office of the Secretary of State, representatives of firefighter associations, the Kentucky Infrastructure Authority, and the Kentucky Council for Area Development Districts. From staff research including a survey of the local governments involved in five interlocal agreements regarding the costs and benefits of the agreements included as Appendix D, and over the course of the meetings, the task force learned the following:

**Interlocal Agreement Process**

Interlocal agreements are permitted in Kentucky under the provisions of KRS 65.210 to 65.300. The process of forming an interlocal agreement begins when two governmental entities craft a document setting out the terms of the agreement. It is forwarded for review by either the Attorney General or the Department for Local Government. Under the provisions of KRS 65.260(3), review is not required for any cooperative agreement that involves only the construction, reconstruction, or maintenance of a city road or bridge as long as a written agreement is approved by each involved local government. Under the provisions of KRS 65.260(4), agreements between school boards and counties are exempt from review.

The Department for Local Government reviews interlocal agreements concerning cities, counties, charter counties, and urban-county governments. The Office of the Attorney General reviews all other interlocal agreements, including agreements involving special districts, consolidated local governments, and all other interlocal agreements that are not exempted under the provisions of KRS 65.260. The Department for Local Government became responsible for reviewing interlocal agreements pertaining to cities, counties, charter counties, and urban-county governments after the 2000 General Assembly passed HB 275 during its regular session.

Once the agreement is approved by either the Department for Local Government or the Attorney General, the local governments may then make the agreement effective.

The reasons are not known for having both the Department for Local Government and the Office of the Attorney General continue to review the interlocal agreements involving special districts and consolidated local governments. However, HB 275 did not, and could not, contemplate the new category of merged government called a consolidated local government, which was created during the same session. Having two entities responsible for reviewing agreements involving local governmental entities can be a point of confusion and delay for local governments wishing to enter into interlocal agreements.

For example, Henry County and the city of New Castle within the county may submit to the Department for Local Government an interlocal agreement to have Henry County Water District Number 1 provide water service to a portion of New Castle. Because Henry County Water District Number 1 is a special district, the Department for Local Government has no statutory authority to review the agreement. Therefore, it must forward the agreement to the Attorney General's office, because the Office of the Attorney General is responsible for reviewing interlocal agreements involving special districts.

There is also confusion regarding the jurisdiction of review between the Attorney General's office and the Department for Local Government in determining which entity should be the reviewer in cases of mixed jurisdiction. As stated earlier, the statutory requirement for jurisdiction is that the Department for Local Government review interlocal agreements involving cities, counties, charter counties, and urban-county governments. Department for Local Government jurisdiction is clear when the interlocal agreement involves only these specific entities, but is less clear when the interlocal agreement involves a local government and a state or federal entity. If consolidated local governments and special districts are included within the jurisdiction of the Department, then a certain amount of confusion will be eliminated. However, this is only a partial solution to the issue regarding jurisdiction; the question of review of agreements involving local governments and nonlocal governmental entities (such as federal, state, and out-of-state) would still remain. If the Department for Local Government is charged with the review of these nonlocal government entities, additional legal research into any bodies of law in addition to the Kentucky Revised Statutes affecting them must be conducted before the agreement can be approved as being lawful.

### **Data on Interlocal Agreements**

Since the Department for Local Government became responsible for reviewing interlocal agreements pertaining to cities, counties, charter counties, and urban-county governments, its staff has maintained a log containing information about the communities involved, the subject, the date received, the date approved or returned without approval, the resubmission date, and the final approval after resubmission of the interlocal agreement. The Department for Local Government reviewed 127 interlocal agreements from 2000 to July 17, 2003. There is no statutory requirement that the Department keep such a log or what information is to be recorded in the log.

According to KRS Chapter 65, all interlocal agreements are to be filed with the Office of the Secretary of State, which estimates that approximately 500 agreements have been filed since the mid-1960s. It is not known how many of those 500 are still active. The Secretary of State’s office maintains a database of the interlocal agreements. An example of the database can be found in Appendix C. The database information includes the agreement number, and name, the date of filing, and the parties to the agreement. Again, there is no statutory requirement that a database be maintained by the Secretary of State. The statutes state simply that the Secretary of State’s office serve as a repository of the agreements.

The types and numbers of interlocal agreements reviewed by the Department for Local Government and the Office of the Attorney General can be seen in Table 1 and in Table 2, respectively. The actual log of the Department for Local Government can be found in Appendix A of this report. While having no formal log, staff of the Office of the Attorney General constructed a chart of agreements recently reviewed. This chart can be found in Appendix B of this report. Both the log and the chart contain the raw data from which LRC staff compiled Table 1 and Table 2.

**Table 1**  
**Interlocal Agreements Reviewed by the Department for Local Government**  
**from July 2000 to July 2003**

<b>Type</b>	<b>Number</b>
Law Enforcement	19
Emergency Dispatch	15
Economic Development	13
Roads	10
Sewers	10
Water and Infrastructure	9
Fire Departments and Equipment	7
Health Care	6
Parks and Recreation	6
Tax Collection	6
Animal Control	4
Housing, Buildings, and Construction	3
Transportation	3
Other	16
<b>Total</b>	<b>127</b>

Source: LRC staff analysis based on Department for Local Government data.

**Table 2**  
**Interlocal Agreements Reviewed by the Office of the Attorney General**  
**2001 to 2003**

<b>Type</b>	<b>Number</b>
Water and Infrastructure	5
Sewers	3
Law Enforcement	2
Parks and Recreation	1
Emergency Dispatch	1
Other	1
<b>Total</b>	<b>13</b>

Source: LRC staff analysis based on data provided by the Office of the Attorney General.

### **Benefits of Executing Interlocal Agreements**

According to testimony received from a task force member, the advantages of local intergovernmental agreements are increased efficiency and reduction of costs, reduced necessity of government restructuring, and similar or expanded levels of service provided among participating local governments. Two anecdotal examples of gains from an agreement were presented by a former mayor of Mt. Sterling in Montgomery County who was invited to appear before the task force. The first was from 1987. A county fire protection district provided fire protection service to the entire county with the exception of the city limits of Mt. Sterling. The city maintained a 15-person, full-time fire department. Through an interlocal agreement, the city contracted with the county fire protection district to provide fire protection services to the city. The city fire station and related equipment was leased to the county for \$1 a year but was still owned by the city in case the city wished to discontinue the interlocal agreement and once again maintain its own fire protection. Because of the proximity of an existing county fire station in relation to the city, combined with the service from the existing city fire station, overall protection to the city was increased through the realization of shorter response times. In addition, more staff and more equipment was gained after the interlocal agreement was executed.

According to the former mayor, the city saved around \$186,000 a year through its interlocal agreement. The mayor arrived at that figure by subtracting the approved contract fee of around \$350,000 a year from the total budget of the city's former fire department. With the infusion of the money from the interlocal agreement, the county fire district was able to hire more employees, purchase more equipment, and begin building more fire stations throughout the county.

As a second example, Mt. Sterling was planning to annex a parcel of unincorporated land in Montgomery County. The city and the county both had a 1 percent payroll tax in effect on the businesses within their respective jurisdiction. The county allowed a tax credit to be applied to persons paying the city tax, so those individuals would not be responsible for paying two payroll taxes. Once the city began annexation proceedings, the county realized that the amount of payroll tax revenue it

would lose from the annexation would be approximately \$100,000 to \$150,000. The county and the city then entered into an interlocal agreement for the collection of the 1 percent payroll tax. The county would be the collection agency and, according to the agreement, the tax revenue would be split so that 40 percent would go to the city of Mt. Sterling and 60 percent to Montgomery County. This split assured that the tax revenues of the time for each local government would be maintained at the current level. Because one local government, namely Montgomery County, began to be the sole collection agency for the payroll tax, collection rates actually increased. In the year before Mt. Sterling entered into the tax collection interlocal agreement, the city collected around \$432,000 from the 1 percent payroll tax. In the first year of the payroll tax collection interlocal agreement, the city's share increased to around \$579,000. The former mayor attributed this increase to the fact that some taxpayers were inappropriately claiming a tax credit. The streamlined tax collection procedure eliminated this shelter and increased the actual revenue.

### **Impediments to Executing Interlocal Agreements**

Interlocal agreements involving a larger area may sometimes be able to provide better services to citizens than a special district. However, according to testimony, some special districts are difficult to dissolve.

General provisions for the dissolution of a special district are found in KRS 65.166. In order to begin the dissolution process, certain criteria must be met: for a period of two years the district must fail to provide the services for which it was established; or the service for which the special district was created is actually being provided by another entity. When either of these criteria is in place, the persons within the boundaries of the district must present to the fiscal court a petition signed by at least 30 percent of the people eligible to create the district. Once the petition is submitted, the fiscal court will meet and have a hearing on the request to dissolve the district. At that point, the fiscal court may dissolve the district if it finds sufficient evidence.

Representatives of the Kentucky Association of Counties indicated that two particular special districts were especially difficult to dissolve: water districts and sewer districts. These special districts have their own dissolution procedures.

According to the provisions of KRS 74.367, three steps must be taken to dissolve a water district.

- 1) Permission must be granted from the Public Service Commission for the discontinuance;
- 2) A petition containing more than 50 percent of the people eligible to create the district must be submitted to the county judge/executive for approval; and
- 3) The county judge/executive holds a hearing and then decides whether to dissolve the water district.

The process to dissolve a sewer district is equally cumbersome. Under the provisions of KRS 220.115, a sewer district may be dissolved by a fiscal court when one of two conditions exists:

- 1) If for a period of two years the sewer district has failed to provide the services for which it was established; or
- 2) If all or a portion of its services may be better provided by another entity.

The fiscal court will then have a hearing on the question of whether or not to dissolve the sewer district. If more than one county is part of this special district, then each will have to go through the same process.

There also are other difficulties in executing an interlocal agreement. Testimony from a task force member indicated that many local governments entering into interlocal agreements can experience difficulties in reaching and maintaining an agreement because of differing political ideologies and community sentiment. Another difficulty facing local governments is the potential of unequal representation among participating units of local government. Yet another difficulty is the perception of a threat to communities' identities and independence. The final difficulty cited by the member was the potential for local elected officials' having their direct control of the provided service reduced.

The desire to not expand programs beyond a particular local government's boundaries can serve as an impediment to the execution of interlocal agreements. The task force heard commentary from a local government representative about the political difficulties facing local government leaders when considering entering into an interlocal agreement. Logan County, Todd County, and Christian County each had water plants that were inadequate for the demand. One community, for reasons undisclosed, was unwilling to participate in the proposed interlocal agreement for a multi-county water system that was located in Guthrie in Todd County. Finally, the community agreed to participate after a change in leadership. Now 13 different entities are served by the \$82 million dollar facility. The costs of participating in the agreement, according to the testimony, are less for each entity than they would be for building and maintaining individual water systems. There can be, as in this case, an adversarial attitude between local governments that can be an impediment to cooperation. The key to forming an interlocal agreement, the local official indicated, was to put this adversarial relationship to the side.

Another impediment to forming interlocal agreements is the fact that current low interest rates allow local governments to acquire funding for various projects without using state or federal funding programs and having to follow the stipulations required for using the money. According to another task force member, as the economic situation changes, so will the participation of local governments in the state and federal programs. But for the present, the ease of obtaining less expensive loans lessens the financial pressure exerted on the local governments and reduces the immediate need for spreading the costs among multiple participants.

### **Financial Incentives for Transportation-oriented Interlocal Agreements**

There is a Joint Local Projects Funding Program within the Transportation Cabinet. In fiscal years 1989-1990 and 1991-1992, a total of \$2.4 million was appropriated from the state budget to provide up to a 50 percent state match of the costs of projects when the counties enter into interlocal agreements to complete projects under

the rural and secondary road program. Although the total number of projects is not known, three projects were mentioned as examples.

Breathitt County and Perry County entered into an interlocal agreement for a road resurfacing project, as did Bullitt County and Spencer County. Garrard County and Madison County entered into an interlocal agreement to replace a failing bridge. According to the representative of the Transportation Cabinet, there is a current, unobligated cash balance of \$141,000 within the fund indicating that of the \$2.4 million total appropriation, \$2,259,000 has been spent or obligated for these rural and secondary road projects.

### **Education and Outreach to Promote Interlocal Agreements**

The Department for Local Government indicated that it offers technical assistance to local governments wishing to execute local agreements. If a local government asks for assistance, the Department is willing to advise on the drafting of the agreement so that it will meet statutory and other legal requirements. The Department has also indicated that its policy is to promote regional cooperation.

The Office of the Attorney General has indicated that it is also willing to help in the initial drafting of an agreement when asked but that it has no outreach program. A representative from the Kentucky Council for Area Development Districts indicated that its primary goal is to help local governments. He indicated that the area development district staff is willing to help in the drafting of the interlocal agreements. A representative from the Kentucky Association of Counties indicated that the Association promotes the use of interlocal agreements at its annual local officials training sessions as well as through the materials it publishes. A representative from the Kentucky League of Cities said that the League also promotes the use of interlocal agreements at educational programs and through its publications.

### **Conclusions**

The statutes on interlocal agreements are flexible and include many types of governments. Improvements to the process include putting all local government forms under the jurisdiction of review of the Department for Local Government. Data kept by individual state government entities about each interlocal agreement is not uniform in subject or type. Requiring a database of all agreements to be kept by at least one state governmental entity will help in all aspects of research as well as in crafting future agreements. A procedural manual published by the Department for Local Government may prove useful in crafting agreements.

Advocate agencies promote the use of interlocal agreements in their training and literature. The extent of this training and promotion was not investigated further by the task force. However, ensuring training and promotion of interlocal agreements and promoting the value of these agreements through service delivery improvements and economies of scale that can be accessed through them can be beneficial. The use of interlocal agreements has been promoted in the past by at least one financial incentive program in the Transportation Cabinet through the Joint Local Projects Funding Program.

Disincentives to executing interlocal agreements can be based on factors other than monetary or service benefits. Some local officials have perceived that joining with other local governments through an interlocal agreement is not a preferred solution to a particular issue. A more thorough and scientific study of the most effective types of interlocal agreements and the reasons for pursuing, or not pursuing an agreement, could prove valuable.

Based on the information gained during the meetings, the task force makes the following recommendations:

- **Transfer the review responsibilities of special district and consolidated local government interlocal agreements from the Attorney General’s office to the Department for Local Government.** By transferring these responsibilities to the Department for Local Government, local governments will submit all their agreements to one entity, decreasing confusion and administrative delay by not having some agreements re-routed to another office for review.
- **Modify KRS 65.260 to clarify that the Department for Local Government has *initial* jurisdiction of review when any party of an interlocal agreement is a city, county, charter county government, urban-county government, consolidated local government, or special district.** There is no clear statutory authority establishing jurisdiction of review when an interlocal agreement has only one party that is a local government under the purview of the Department for Local Government. Establishing clear direction may reduce confusion and administrative delay. If an agreement involves an entity outside the Commonwealth, additional legal review may be necessary to endorse the agreement.
- **Require the Department for Local Government to create a log of interlocal agreements that includes the parties to the agreement and standardized agreement topics; and require notification to the Department of the termination of existing agreements.** By having a registry, local governments interested in forming interlocal agreements can access the text of the agreements for reference. Interested parties will also be able to track the numbers, types, and locations of agreements for statistical purposes.
- **Create, through the Department for Local Government, a publication for local governments to use when forming interlocal agreements.** Local governments will be able to access the expertise of the Department, and the process itself will be set out in a concise manner allowing easier drafting, review, and passage of interlocal agreements.
- **Encourage the Department for Local Government to conduct a single financial study of interlocal agreements that examines the benefits of agreements between cities and counties, counties and counties, and cities and cities, after which studies would be performed by the Department as requested by the General Assembly.** A formal, statistical analysis, while not required, might empirically



demonstrate the financial and service benefits to be gained from entering into these agreements.

- **Encourage the Kentucky League of Cities, the Kentucky Association of Counties, the Kentucky Council for Area Development Districts, and the Department for Local Government to expand the promotion of interlocal agreements through educating local elected officials and publishing literature.** While the number of local governments that are unaware of interlocal agreements is unknown, such efforts at promotion and education could improve utilization of interlocal agreements.
- **Provide, through statute, a simple way for a local government to dissolve an existing special district when it is determined that its services can be better provided through an interlocal agreement.** When it is determined that the service of an existing special district could be provided more efficiently on a larger, multi-county scale, and dissolving the district would be preferable to creating a multi-county special district, a simple way of dissolving the special district could facilitate the use of interlocal agreements.
- **Establish a state program of financial incentives for local governments that enter into interlocal agreements. Specifically, the Transportation Cabinet's inter-county local agreement fund should be continued.** The Commonwealth can play a role in encouraging local governments to enter into interlocal agreements that will ultimately provide financial savings to the local governments as well as enhance the services provided to the citizens. Local governments took advantage of a Transportation Cabinet matching fund for road improvements that required interlocal agreements which demonstrates that such incentives can be successful.



## Appendix A

### Interlocal Agreements Reviewed by the Department for Local Government 2000-2003

Community	Subject	Date Received	Date Returned	Number	Resubmitted	Date Returned	Comments
McCracken/Paducah	E911	21-Jul-00	15-Sep-00	00-0011CA	22-Jan-01	26-Jan-01	Approved
Marshall/Benton	Industrial Development	1-Aug-00	28-Aug-00	00-0021CA	19-Sep-00	9-Oct-00	Approved
Gallatin/Warsaw/Glencoe/Sparta	Planning/Zoning	8/17/2000*	10/9/2000*	00-0031CA*	8-Jan-02	9-Jan-02	Approved
Oldham/LaGrange	Telecommunications	24-Aug-00	9-Oct-00	00-0041CA	20-Oct-00	29-Nov-00	Sent a Resolution, not an Agreement Approved 29-Nov-00
Scott/Stamping Ground	Police	24-Aug-00	10-Oct-00	00-0051CA		24-Oct-00	Missing page, Notified 6-Oct-00, Rejected; Approved
Hopkins/Hopkins City County Planning Com'r Retirement Benefits		5-Sep-00	3-Sep-00	Draft OK'd by 00-0061CA*			Draft OK'd 3-Sep-00
Barren/Glasgow	Animal Shelter	15-Sep-00	11-Oct-00	00-0071CA			Approved
Jessamine/Nicholasville	Real Property	26-Sep-00	31-Oct-00	00-0081CA			Approved
Crescent Springs/Villa Hills	Fire	25-Sep-00	14-Nov-00	00-0091CA	18-Sep-01	19-Sep-01	Rejected 14-Nov-00 Approved
Kenton/Crescent Springs	Police	20-Sep-00	14-Nov-00	00-0101CA			Approved
Rowan/Morehead	Fire	19-Sep-00	14-Nov-00	00-0111CA		7-Feb-01	Rejected 14-Nov-00 Received draft via fax 6-Dec-00 draft approved. Approved.
Campbell/Fort Thomas	Occ. License Fees	20-Sep-00	14-Nov-00	00-0121CA			Called Farris 01-Nov-00, Asked for original signatures, Approved
Lee/Owsley/Wolfe	Regional Jail	9-Oct-00	14-Nov-00	00-0131CA			Approved
Bellevue/Dayton/Ft. Thomas/Highland Height Animal Control		16-Oct-00	20-Nov-00	00-0141CA	19-Feb-02	27-Feb-02	Rejected; draft ok'd 9-APR-01 via phone message to Trefl Approved
Grant/Pendleton/Williamstown	Lake Williamstown Feas	20-Oct-00	25-Oct-00	00-0151CA*	13-Nov-00		Called Adlon 25-Oct-00 Approved 28-Nov-00
CAC Lex/bourbon/harrison/nicholas	HealthCare Facility Bond	26-Oct-00	20-Nov-00	00-0161CA			Approved 20-Nov-00

Mason Co./Maysville	Ambulance Service	30-Oct-00	28-Nov-00	00-017ICA	21-Feb-00	Talked with Secretary 20-Nov-00, Asked for Resolutions Approved 28-Nov-00
Fulton/Hickman	Boat Ramp	3-Nov-00	20-Nov-00	00-018ICA*	5-Feb-01	Talked with Secretary 20-Nov-00 Ok'd draft Approved
Grant/Pendleton/Williamstown	Lake Williamstown Expa	13-Nov-00		00-019ICA		See 00-015ICA
Pendleton/Erlanger/Bellevue/Taylor Mill/Walk	Ethics Authority	15-Nov-00	18-Dec-00	00-020ICA		Left message for Mosqueda 11/28/2000; spoke with her 12/4/0 Approved
Henderson/Union	Health Facilities Loan Pr	21-Nov-00		00-021ICA*	18-Dec-00	Talked with John Merchant 22-Nov-00 and conditionally approved. Approved
Pike/Knot/Floyd/Letcher	Industrial Development /	22-Nov-00	22-Nov-00	00-022ICA	8-Dec-00	Rejected, Sent Andy Crocker an e-mail explaining changes Resubmitted draft 22-Nov-00 draft approved; Approved
Wayne/Clinton/Cumberland	Animal Control	1-Dec-00		00-023ICA*		Spoke with Deputy-Judge Edwards 6-Dec-00 approved draft
Spencer/Taylorsville	Water System	4-Dec-00	6-Dec-00	00-024ICA		Approved
Carter/Elliott	Drug Task Force	7-Dec-00	18-Dec-00	00-025ICA		Spoke with Jessie 8-Dec-00 Amendment present, but no Agmt Approved
Barren/Metcalf/Hart/Glasgow	Building/Electrical Permi	8-Dec-00	11-Dec-00	00-026ICA*		Rejected, sent letter with changes Spoke to Sec. & approved draft changes
Jessamine/Nicholsville/Wilmore/Fire Dist	Emergency Services	26-Sep-00		00-027ICA*		Spoke to Judge on 15-Dec-00 and approved draft
Henderson/Tyson/Henderson/Webster/McLe: Water/Wastewater		15-Dec-00	19-Dec-00	00-028ICA		Spoke to Chris Hoppgood and rejected the agreement.
Campbell/Fort Thomas/Newport	911	23-Jan-01	26-Jan-01	01-001ICA		Approved
Graymoor-Devondale/Ten Broeck	Police Service	19-Jan-01	26-Jan-01	01-002ICA		Approved
Campbell/Bellevue	Disaster 39B	26-Jan-01	26-Jan-01	01-003ICA		Approved

Campbell/Southgate	Disaster 39B	12-Feb-01	21-Feb-01	01-004ICA	29-Jun-01	29-Jun-01	Approved
Campbell/Melbourne	Disaster 39B	12-Feb-01	21-Feb-01	01-005ICA			Approved
Warren/Bowling Green	Critical Response Team	12-Feb-01	21-Feb-01	01-006ICA			Approved
Jefferson/Keeneland	Police Service	5-Feb-01	21-Feb-01	01-007ICA			Approved
Bracken Sheriff/Brooksville	Police Service	5-Feb-01	21-Feb-01	01-008ICA			Approved
Campbell/Fort Thomas	Disaster 39B	16-Feb-01	21-Feb-01	01-009ICA			Approved
Woodford/Versailles	911	28-Feb-01	2-Mar-01	01-010ICA			Trey is to call the Judge to get original signatures Approved
Campbell/Silver Grove	Disaster 39B	26-Feb-01	8-Mar-01	01-011ICA			Approved
Campbell/Cold Spring	Disaster 39B	2-Mar-01	8-Mar-01	01-012ICA			Approved
Bell/Middlesboro	Flood Project	9-Mar-04	12-Mar-04	01-013ICA*			Faxed back with changes 12-Mar-04 See 01-020ICA
Davies/Owensboro	Disaster 39B	16-Mar-01	20-Mar-01	01-014ICA*	29-Jun-01	29-Jun-01	Spoke with Sec. 19-Mar Corr approving draft 3/20/2001; Approved
Spencer/Taylorsville	IDA	26-Mar-01	30-Mar-01	01-015ICA			Spoke w/ Judge 26-Mar Approved draft Approved
Edgewood/Taylor Mill/Ft. Thomas	Vehicle Purchase	6-Apr-01	11-Apr-01	01-016ICA			Approved
Campbell/Woodlawn	Disaster 39B	27-Mar-01	11-Apr-01	01-017ICA			Approved
Auburn/Russellville	CIMA Consolidated Infr	26-Mar-01	10-Apr-01	01-018ICA	12-Apr-01	17-Apr-01	Spoke with Hedges 9-Apr-01 He e-mailed me attach 1 and explained his initials in blanks Rejected. Approved
Wayne/Monticello	911 Dispatch	9-Apr-01	17-Apr-01	01-019ICA			Approved
Bell/Middlesboro	flood abatement	11-Apr-01		01-020ICA*	19-Apr-01	19-Apr-01	Spoke with the Judge 12-Apr-01. Draft OK Not executed' reject
McLean/Calhoun	sewer	3-Apr-01	24-Apr-01	01-021ICA	3-May-01	4-May-01	Left message w/county attorney 12-Apr-01.

Rowan/Lakeview Hts.	snow removal	16-Apr-01	20-Apr-01	01-022ICA	Approved	Agreement illegible. Rejected illegible. 2 Agreements Approved
Ashland/Catlettsburg/Russell/Greenup/Boyd	Enterprise Zone	1-May-01	4-May-01	01-023ICA*	Comments sent via E-mail; Approved	
Graymoor-Devondale/Plantation	Police	1-May-01	2-May-01	01-024ICA	Approved	
Henry/Pleasureville	Police	3-May-01	4-May-01	01-025ICA	Approved	
Jessamine/Nicholasville/Ky. Transportation	C.U.S. 27	8-May-01	9-May-01	01-026ICA*	Returned due to lack of juris.	
Bell/Harlan/Letcher/Knox/Whitley	Industrial Dev. Auth.	9-May-01	11-May-01	01-027ICA	Approved	
Campbellsburg/Eminence	Police	15-May-01		01-028ICA*		
Wayne/Monticello/Mont. Plant Bd.	Telecomm. Bd.	21-May-01	31-May-01	01-029ICA	Approved	
Beattyville/Campton	Water	21-May-01	30-May-01	01-030ICA	8-Jun-01	20-Jun-01
Caldwell/Bright Life Farms	Special Needs Program	4-Jun-01	6-Jun-01	01-031ICA*	Spoke to Greg Pridemore; rejected verbally; need original signatures and no blanks (30-May-01)	
Campbell/Dayton	Disaster/39B	11-Jun-01	19-Jun-01	01-032ICA	Left message for Abner 8-Jun-01	
Paducah/McCracken/Tourist Com'n/Conventi	Convention Center	22-Jun-01	5-Jul-01	01-033ICA	Blanks (20-Jun-01) Approved 9-Jul-01	
Meadow Vale/Rolling Police	Police	6-Jul-01	9-Jul-01	01-034ICA	Rejected, ineligible party	
McCracken/Ballard/Carlisle/Graves/Fulton/Ce	Regional Industrial Auth	3-Jul-01	9-Jul-01	01-035ICA	Approved	
Campbell/Wilder	Disaster/39B	10-Jul-01	13-Jul-01	01-036ICA	Approved	
Campbell/Newport	Disaster/39B	10-Jul-01	13-Jul-01	01-037ICA	Approved	
Shelby Sheriff/Pleasureville	Police	9-Jul-01	11-Jul-01	01-038ICA	10-Sep-01	14-Sep-01
Paducah/Mayfield	Police	11-Jul-01		01-039ICA*	31-Oct-01	5-Nov-01

Barren/Hiseville	Road	13-Jul-01	01-040ICA*		7/12/2001; Approved
Union/Henderson	Coal	16-Jul-01	01-041ICA		spoke with Secretary; Missing the term. Prov. See 01-050
Boone/Campbell/Kenton	Police	16-Jul-01	01-042ICA		Approved
Carrollton/Sparta	Wastewater-Regional	6-Aug-01	01-043ICA*	8-Aug-01	Approved
				9-Aug-01	Draft Ok; Spoke with Secretary 7-Aug-01
Carrollton/Glencoe	Wastewater-Regional	8-Aug-01	01-044ICA		Approved
Carrollton/Owen	Wastewater-Regional	8-Aug-01	01-045ICA		Approved
Carrollton/Carroll	Wastewater-Regional	8-Aug-01	01-046ICA		Approved
Carrollton/Sanders	Wastewater-Regional	8-Aug-01	01-047ICA		Approved
Carrollton/Gallatin	Wastewater-Regional	8-Aug-01	01-048ICA		Approved
Carrollton/Worthville	Wastewater-Regional	8-Aug-01	01-049ICA		Approved
Barren/Hiseville	Road Maintenance	16-Aug-01	01-050ICA		Approved
Clinton/Albany	911	15-Aug-01	01-051ICA	10-Sep-01	Approved
				14-Sep-01	Draft OK 16-Aug-01
Bell/Middlesboro	Flooding	22-Aug-01	01-052ICA		Approved
Warren-Bowling Green	Trimodal Transpark	28-Aug-01	01-053ICA		Approved
Campbell-Alexandria	Disaster-39B	30-Aug-01	01-054ICA		Approved
Kentucky Regional Cable Commission	Cable	13-Sep-01	01-055ICA		Approved
Paducah/McCracken	911	21-Sep-01	01-056ICA		Approved
Christian/Hopkinsville/Crofton/Pembroke	Emergency Operations (	26-Sep-01	01-057ICA		Approved
Campbell/Highland Heights	Disaster-39B	1-Oct-01	01-058ICA		Approved
Floyd/City of Martin	ED/Infrastructure	8-Oct-01	01-059ICA		Approved
Workforce Investment Area		10/10/2001*	01-060ICA	2-Jan-02	Spoke with Atty Oct. 15 and ok'd it;

Knott Water Dist/Southern Water Dist	Water	6-Nov-01	01-061ICA	01-061ICA	Approved
Pulaski/Russell	Fire	6-Nov-01	01-062ICA	01-062ICA	Not for Approval
Shelby/Shelbyville/Simpsonville	E-911	2-Nov-01	01-063ICA	01-063ICA	Approved
Boone/Campbell	Industrial Building Rever	7-Nov-01	01-064ICA	01-064ICA	Approved
Barren/Glasgow/School Districts	Soccer Fields	8-Nov-01	01-065ICA*	01-065ICA*	Rejected verbally; Referred to AG RE: Districts
Lincoln/Stanford	IDA Funding	21-Nov-01	01-066ICA	01-066ICA	Rejected; IDA needs sig. line and AG sign
Rowan/Morehead	39B	6-Dec-01	01-067ICA	01-067ICA	Approved
Knott/Hazard	Water Service	14-Dec-01	01-068ICA	01-068ICA	Approved
Bellevue/Dayton	Fire Dept	13-Dec-01	01-069ICA	01-069ICA	Approved
Northern Ky	Northern Ky Strike Force	7-Jan-02	02-001ICA	02-001ICA	Approved
Floyd/Wayland	Shared Equipment	5-Feb-02	02-002ICA	02-002ICA	Approved
Hardin/Pike/West Buechel	Health Care Facilities	1-Feb-02*	02-003ICA	02-003ICA	19-Feb-02
Henderson/Union/Murray	Health Facilities Loan Pr	27-Feb-02	02-004ICA	02-004ICA	19-Feb-02
Campbell/Crestview	39B	15-Mar-02	02-005ICA	02-005ICA	Approved
Campbell/Alexandria	Fee/Tax Collection	18-Mar-02	02-006ICA	02-006ICA	Approved
Campbell/Southgate	Fee/Tax Collection	18-Mar-02	02-007ICA	02-007ICA	Approved
Campbell/Cold Spring	Fee/Tax Collection	18-Mar-02	02-008ICA	02-008ICA	Approved
Owsley/Booneville	Fire Truck	21-Mar-02	02-009ICA	02-009ICA	Approved
Radcliff/Vine Grove	Rescue Services	21-Mar-02	02-010ICA	02-010ICA	Approved
Lexington/Madison/Jessamine	Valley View Ferry	2-Apr-02*	02-011ICA	02-011ICA	Approved Via Phone
Taylor/Campbellsville	Revenue Sharing/Jail	2-Apr-02	02-012ICA	02-012ICA	Approved
Buckhorn/Perry	Road Maintenance	4-Apr-02	02-013ICA	02-013ICA	Approved



Paducah/Paducah Airport Corporation	Security	2-May-02	2-May-02	02-014ICA	Approved
Boyd/Greenup/Madison/Oldham/Warren	Single Family Residence	11-Jun-02	11-Jun-02	02-015ICA	Approved
Larue/Taylor	Road	13-Jun-02	17-Jun-02	02-016ICA	Approved
Campbell/Fort Thomas/Newport	Public Safety Communic	18-Jun-02	1-Jul-02	02-017ICA	Approved
Owensboro/Utility Commission/Regional Wat	GIS	21-Jun-02	1-Jul-02	02-018ICA	Approved
Simpson/Franklin	Emergency Dispatch Arr	1-Jul-02	2-Jul-02	02-019ICA	Approved
Shelby/Shelbyville/Simpsonville	business license fee	25-Jul-02	2-Aug-02	02-020ICA	Approved
Booneville/Owsley	County Park	27-Aug-02	28-Aug-02	02-021ICA	Approved
Paducah/McCracken	GIS Amendment	28-Aug-02	3-Sep-02	02-022ICA	Approved
Bourbon/Millersburg	Fire Station	17-Sep-02	25-Sep-02	02-023ICA	Approved
Bourbon/Paris	Park	10-Sep-02	24-Sep-02	02-024ICA	Rejected
Elkton/Guthrie	ED	16-Sep-02	25-Sep-02	02-025ICA	Approved
Henderson/Union/Murray/Christian/Calloway	Health Facilities Loan Pr	30-Sep-02	30-Sep-02	02-026ICA	Approved
Muhlenberg/Ohio/McLean/Davless	Industrial Park	14-Oct-02	15-Oct-02	02-027ICA	Approved
Gallatin/Warsaw	Equipment	21-Oct-02	1-Nov-02	02-028ICA	Approved
Jefferson County Regional Sewer Corp/Corre Water Treatment Plant		1-Nov-02	6-Nov-02	02-029ICA	Rejected
Marshall/Benton	Dog Warden	27-Nov-02	9-Dec-02	02-030ICA	Approved
Franklin/Frankfort	Parks	12-Nov-02	17-Dec-02	02-031ICA	Approved
Woodford/Versailles	Recycling	16-Dec-02	17-Dec-02	02-032ICA	Approved
Woodford/Midway	Recycling	16-Dec-02	17-Dec-02	02-033ICA	Approved
Simpsonville/West Shelby Water District	Municipal Sewer	6-Jan-03	7-Jan-03	03-001ICA	Rejected
Whitley/Knox/Bell/Pineville/Barbourville/Willia Cumberland Plateau Ar	6-Jan-03*	15-Jan-03*	15-Jan-03*	03-002ICA	Prelim Approval Prelim Approval vi
Mason/Maysville	Planning Comm	13-Jan-03	15-Jan-03	03-003ICA	Rejected; Approved
Simpson/Franklin/Sheriff	E911	29-Jan-03	8-Feb-02	03-004ICA	Approved
			5-Mar-03	17-Mar-03	

Johnson/Paintsville/Utility Commission	Water	13-Feb-03	7-Mar-03	03-005ICA	Rejected
Perry/Harlan/Leslie/Breathitt/Knott	Industrial Development	17-Feb-03	17-Mar-03	03-006ICA	Approved
Ft. Mitchell/Edgewood	Streetsweeper	17-Mar-03	21-Mar-03	03-007ICA	Approved
Nicholasville/Jessamine	occupational/net profits	25-Mar-03	28-Mar-03	03-008ICA	Approved
PEAK		26-Mar-03	26-Mar-03	03-009ICA	Approved
Butler/Morgantown	Road Maintenance	28-Mar-03	1-Apr-03	03-010ICA	Approved
Shelbyville/Fire District	Fire	7-Apr-03	7-Apr-03	03-011ICA	Rejected
Taylor/Campbellsville	Mutual Aid	14-Apr-03	16-Apr-03	03-012ICA	Approved
Kenton/Covington	Farmer's Market	1-May-03	6-May-03 (Verbal)	03-013ICA	Rejected; Not signed Will Resubmit; Approved
Paducah/McCracken	E911	28-Apr-03	14-May-03	03-014ICA	Approved
Perry/Hazard	Waterline Extension	15-May-03	28-May-03	03-015ICA	Approved
Scott/Sadieville	Police Defibrillators	28-May-03	30-May-03	03-016ICA	Approved
Butler/Rochester	Roads	28-May-03	29-May-03	03-017ICA	Rejected; Doesn't Require Approv
Rowan/Morehead	Recreation Board	13-Jun-03	17-Jun-03	03-018ICA	Approved
Paducah/Calvert City	Code Official/BOCA	6/13/2003*		03-019ICA	Draft approved via telephone 6/20/2003; Approved
Woodford/Versailles	E911	23-Jun-03	26-Jun-03	03-020ICA	Approved
Scott/Sadieville	Police	27-Jun-03	1-Jul-03	03-021ICA	Approved
Campbell/Cold Spring	Snow Removal	7-Jul-03	8-Jul-03	03-022ICA	Rejected
Carrollton/Ghent	Regional Sewer	11-Jul-03	14-Jul-03	03-023ICA	Rejected
Carroll County Water Dist #1/Carrollton	Water	11-Jul-03	14-Jul-03	03-024ICA	Rejected

**Appendix B**  
**Interlocal Agreements Reviewed by Office of Attorney General**  
**2001-2003**

<b>Date Reviewed</b>	<b>Parties</b>	<b>Summary of Agreement</b>
3/01	City of Morehead, Morehead Utility Plant Board, Rowan Water, Inc. & Bath County Water District	Provide for the construction and operation of a water treatment plant to be used jointly by the parties.
6/01	National Guard Bureau & Commonwealth of Kentucky	Provide for payments to the Commonwealth for the provision of Distance Learning Services (electronically provided instruction) to members of the Kentucky National Guard.
10/01	City of Anchorage & Louisville and Jefferson County Metropolitan Sewer District	Provide for wastewater collection and treatment services.
10/01	Knott County Water and Sewer District & Southern Water and Sewer District	Provision of water services.
12/01	Kentucky State Police, Knox County, and City Of Barbourville	Establishment of an enhanced 911 emergency system.
12/01	Northern Kentucky University & 17 School Districts	Create the Northern Kentucky Cooperative for Educational Services for the purpose of providing districts with educational support in identifying and responding to the educational needs of children served by each district.
2/02	City of Glasgow, Barren County Fiscal Court & Glasgow Board of Education	Provide for the operation of a Soccer Cooperative and the purchase of real estate for the construction of soccer fields
2/02	Eastern Kentucky University & 18 School Districts	Create the Southeast/Southcentral Educational Cooperative for the purpose of providing districts with educational services and programs for school children, school faculty administrative personnel and classified employees.

**Interlocal Agreements Reviewed by Office of Attorney General  
2001-2003  
(Continued)**

<b>Date Reviewed</b>	<b>Parties</b>	<b>Summary of Agreement</b>
2/02	Bullitt County, City of Hillview and the Kentucky State Police	Create the Hillview-Bullitt County Drug Task Force to combat the sale and use of illegal drugs.
2/02	Sanitation District No. 1 & Boone, Kenton and Campbell Counties	Provision of Kentucky Pollutant Discharge Elimination System storm water discharge permit services and other storm water related services
11/02	City of Simpsonville & West Shelby Water District	Permits utilities to use combined billing to customers
11/02	Jefferson County Regional Sewer Corp & Kentucky Dept of Corrections	Provides for the operation of the water treatment plant at the Kentucky Corrections Institute for Women in Shelby County
3/03	Sanitation District No. 1 & County of Fairfax Virginia	Acquisition of Office furniture systems -- to take advantage of a preferred price for office furniture available to Fairfax County Virginia
4/03	Kentucky National Guard & Michigan National Guard	Provision of aircraft and aircrew personnel under the National Guard Counterdrug Support Program
5/03	Manchester Police Dept & Jackson and Leslie County Sheriffs' Depts	Establishment of the Two Rivers Drug Task Force as a joint drug enforcement unit of the City and Counties
6/03	Carr Creek Water Commission & Knott County Water and Sewer District	Construction of a water treatment plant
7/03	Clark County & East Clark County Water District	Construction of wastewater infrastructure facilities

# Appendix C

## Two Sample Entries Extracted from the Secretary of State's Database August, 2003

<b>Number</b>	<b>24</b>	
<b>Name of Agreement</b>		
<b>Date filed</b>	<b>05/02/1989</b>	
<b>Office Number</b>	<b>197</b>	<b>Activity</b>
<b>Description:</b>		<b>Airport</b>
<b>Parties</b>		
<b>Name</b>		
Louisville		
Jefferson County		
Regional Airport Authority of Louisville and		
City of Louisville Public Properties Corporat		

<b>Number</b>	<b>38</b>	
<b>Name of Agreement</b>		<b>Dixie Police Authority</b>
<b>Date filed</b>	<b>11/03/1989</b>	
<b>Office Number</b>	<b>208</b>	<b>Activity</b>
<b>Description:</b>		<b>Dixie Police Authority</b>
<b>Parties</b>		
<b>Name</b>		
Crescent Springs		
Crescent Park		



## Appendix D

The following constitutes a survey of five interlocal agreements from the Department for Local Government's database. The agreements have not been chosen at random—several types of services were selected to provide a diverse palette of anecdotal information. Samples representing city/county as well as county/county interlocal agreements were selected. In Profiles 3 and 5 confidentiality of the site of the agreement was assured and has been maintained.

Each local government was asked why it formed the agreement, what it cost to provide the service itself if feasible, what are the service costs under the agreement, what benefits have been discovered, what difficulties and disadvantages have been encountered as a result of the interlocal agreement, and what each local government would change as a result of the experiences gained from the agreement.

Respondents were interviewed and answers given were not independently verified. This project is intended to provide anecdotal information of the possible types of advantages, disadvantages, savings, costs, and reports of experience gained as a result of entering into an interlocal agreement. Any inferences gained from these five examples may not prove true for other interlocal agreements.

### Profile 1

Barren County and the city of Hiseville entered into an Interlocal Cooperation Agreement in August 2001 to share certain responsibilities in maintaining Byrd Street located in the city. When asked why it entered into the agreement, the county indicated it did so to help an incorporated city within the county because the city did not have the ability to maintain the street on its own. Hiseville stated that it did not have the resources to build and maintain this road on its own. The county school system recently built a new school on this road.

Barren County was not sure how much it would have cost to complete the project on its own, but it would not have been much more than what it cost with the agreement. The road work was phased in and the costs were spread over multiple periods. Hiseville indicated that its costs would have been three times more without the agreement. The cost to Hiseville was between \$1,500 to \$2,000.

Before the interlocal agreement project, there was one way in and out of the school. The new road has provided an additional way out, cut down traffic jams and congestion, and provided overall safety to school children.

For these two governments, there have been no difficulties. There was one goal and they each did their part to meet the goal. Both the county and city said they would go through the process again—it worked the way it was intended to work.

## **Profile 2**

The city of Maysville and Mason County have an Interlocal Cooperation Agreement for the joint operation of the Maysville-Mason County Ambulance Service. The agreement, initiated in June 1995, calls for the Maysville to provide county-wide ambulance services. According to officials from each local government, they entered into the agreement for several reasons. First, it provided a means for all residents of the county to have access to ambulance service. Prior to the agreement, the configuration of the county and the limited population numbers in certain areas made it economically unfeasible for Maysville to provide ambulance service to some parts of the county. Secondly, there was a private company providing ambulance service to the county for a fee. The agreement reduced the chance of a duplication of services and gave the fiscal court the opportunity to gain control of the cost of ambulance services (the private company maintained a monopoly and costs to the fiscal court were rapidly increasing). Finally, Mason County officials indicated that since its communication system was based at city hall, it made sense to combine the city and county emergency medical service (EMS) in one location, thus avoiding duplication of services and investment in equipment.

When asked what it would have cost to provide the service on its own, Maysville officials indicated it would have cost more than through the agreement due to the fact that the framework of the fire department had changed in the last 20 years. Today, 85 percent of all calls are for EMS services. Approximately 70 percent of those calls are within city limits. For this reason, more emergency medical technicians are required. The agreement allows for the sharing of these additional personnel and equipment costs. County officials indicated it would have cost \$500,000 annually to provide EMS services to county residents on a stand-alone basis.

The city's fire department has a \$1.6 million budget, of which \$900,000 represents the EMS cost. It costs Maysville residents approximately \$200,000 annually to provide EMS service to county residents. The county government provides in excess of \$175,000 annually along with in-kind services provided to the city for activities such as landfill services.

Difficulties experienced during the establishment and operation of the agreement included some lack of communication among parties a year or two into the agreement. There were also political differences among the two governments as well as differences among individuals within a single government, causing a loss in sight of the goal—the provision of county-wide ambulance service.

If it had the opportunity to do over again, Maysville wouldn't necessarily change anything about the agreement. Mason County would encourage more ownership of responsibility so that creativity would not be stifled, and the intended goal—to provide county-wide ambulance service—would be the first priority.



### **Profile 3**

Another city and a county entered into an interlocal agreement for road maintenance because each had skills or equipment that the other lacked, but needed. However, the need was only intermittent. As an example, the county has a road grader and the city does not. Occasionally, the city needs a road grader. In turn, the city has personnel skilled in road construction, but the county does not. The city has loaned those personnel to the county for the reconstruction of an improperly banked corner on a county road. It made sense for the county and city to cooperate and pool resources.

The question of cost was unanswered by both city and county officials. They simply stated that they did not need the contracted services often. They would not have provided the service themselves but would have turned to private contractors to provide the service. It would not have been feasible for either local government to provide the service alone.

Although specific costs were not mentioned, the county and city pays for the salary and upkeep of their respective equipment and personnel. The city is paying the personnel to work on the county road. In turn, the county is paying for the use of its road grader. They have pooled resources. As an example, the city and county shared the cost of replacing a concrete saw that they both use.

The city and county feel they are saving money with this interlocal agreement. They do not need to contract with private contractors for skills and equipment that they might otherwise have to use. In addition, the arrangement allows for greater flexibility. The city and county generally have no waiting time to access the equipment or personnel. Neither has to wait for a contractor to “get around to them.” They feel they get more timely service under the interlocal agreement than they might otherwise get.

The city and county claimed no other specific benefits from entering into the interlocal agreement; however, the city and county extensively cooperate on a host of issues: E-911, occupational license tax collection, industrial development, etc. Likewise, they claim they have had no difficulties arise from the agreement.

City and county officials indicate that they would change nothing regarding the agreement. The city and county have cooperated extensively for at least four years. The current mayor and county judge/executive and the previous mayor and county judge/executive have, and have had, an excellent working relationship.

### **Profile 4**

The counties of Lee, Owsley, and Wolfe entered into an interlocal agreement on October 6, 2000, for the construction and operation of a regional jail located in Beattyville in Lee County. Per the terms of the agreement each county is responsible for sponsoring 15 beds within the facility at a rate of \$25 per day. The total yearly contribution of each member county is \$136,875. The facility can hold up to 154 beds and

takes Class D prisoners and prisoners from other adjoining counties—Breathitt, Powell, and Estill.

When asked why the counties entered into the interlocal agreement, the respondent from Lee County indicated that multiple counties have more “clout” with the state in terms of jail service in that more money and grants are accessible. The respondent from Owsley County said that their jail was not up to code and that it was the previous administration that entered into the agreement. The rising costs of medical treatment and the need for housing precipitated the agreement according to the respondent from Wolfe County.

The Wolfe and Owsley County respondents indicated that it would not have been possible for any one county to complete the jail project alone. The total debt incurred between the three counties was \$6.3 million. Lee County could have completed the project alone, according to its respondent, but that by sharing the costs, the debt service is distributed among three counties instead of one.

The benefits of the interlocal agreement vary from county to county. The respondent from Owsley County indicated that costs could have been lower to send their prisoners to an existing jail, but that the county reaps at least two benefits from the agreement: the assurance of the regional jail accepting Owsley’s prisoners with a short transport time, and the use of inmates for county work-release projects. The respondent from Wolfe County indicated that under the agreement, Wolfe County saved around \$10,000 a year in transportation costs and around \$20,000 a year in medical costs since the regional jail became responsible for the medical costs rather than the county proper. Wolfe County also takes advantage of the inmate labor. According to the respondent from Lee County, the regional jail attracts more state assistance.

Citing difficulties and disadvantages each county faced in entering into the agreement, the respondent from Wolfe County indicated that the county faced a constant worry their costs would go up if the jail population were to decrease, and that they would need to make other arrangements if the jail closed completely because the jail is not located within their county. The respondent from Owsley County indicated that maintaining the physical plant of the jail was expensive in light of the cost of worker’s compensation insurance. He also indicated that Owsley, being the second smallest county in Kentucky, was just barely able to make the allotted payments to the regional jail, and that the jail budget for them had increased since entering into the agreement. The respondent from Lee County cited no disadvantage.

The respondent from Owsley County indicated that had they to do it over again, they would not have entered into the agreement with only three counties and would have preferred there not be a penalty for prepayment of the bonds in light of falling interest rates. The respondent from Wolfe County echoed Owsley County’s desire to increase the membership of the agreement in order to further reduce amount of bonded indebtedness distributed to each county, and to possibly reduce each county’s yearly financial

obligation by spreading it among more counties. Lee County's respondent indicated that it was important to reach a quick agreement among the county officials and proceed with the agreement.

### **Profile 5**

A county and two of its cities entered into an interlocal agreement in 2001 to provide 911 services. When asked about the reasons why the county and the cities entered into the interlocal agreement, the response was that each had a separate dispatch system. All three were obsolete and in need of replacement. Rather than expend money for three systems, they decided to form a joint agency and oversight board to create one modern system.

Each local government maintained a separate system, and therefore the costs were easily identified. It was also feasible for each local government to keep each system operating.

The county indicated that the operating cost of the current system is not much less than the operating budget of the three older systems. However, the joint system is more effective. Rather than have three small systems, the entire county has one integrated, state-of-the-art system.

The county, as an example of a benefit of the agreement, has a better system for the same price. An additional benefit was that before the agreement one of the cities used its police as dispatchers. When the systems were merged, this freed up police personnel for patrol duties rather than administrative duties.

There are some disadvantages associated with the agreement. Fees levied on landlines pay for the dispatch system. The state system for levying fees on wireless service is outdated. In addition, the distribution scheme discriminates against merger of dispatch systems: the fees are tied to the number of dispatch systems, not their area. So, to merge means a system gets less money from state fees than if it had remained as separate systems. As the users of dispatch services move to wireless technology, the system loses funds relative to others that have not merged.

From the experience gained as a result of the agreement, one respondent indicated that the size of the oversight board is critical to the efficient operation of the service; too large a board can be unwieldy.