

Lessons from Merger Workshop

Alternatives to Merger
Tuesday, November 8, 2005
2:45 – 3:45 p.m.

Today's meeting addressed the issue of ways in which Louisville and Jefferson County worked together before merger.

Moderator: Jane C. Driskell – Chief Financial Officer for Louisville Metro government including management functions for the new Metro government.

Panelists:

C. Bruce Traugher – Supervisor of Cabinet of Operating Departments, including the Regional Airport Authority, Transit Authority, Transit Authority of River City, and Convention and Visitors Bureau.

- Cooperation occurred on many levels prior to actual merger:
 - City County purchasing was combined
 - Tax Collection Agency was merged
 - Crime Commission
 - Economic Development
 - Disaster/Emergency Management
 - Public Library
 - Parks and Recreation Department
- Certain Agencies were also created that had County wide jurisdiction (City and County shared operating costs):
 - TARC
 - Waterfront Development Corp.
 - Science Center
 - Metropolitan Sewer District
- Combining Services did have some difficulties
 - Directors reported to two directors and two legislative bodies
 - Although Directors could also use this to their advantage to ignore directives they didn't want to follow
- Although these beginnings of merger were necessary they were “used against” merger
 - Opponents of merger would say aren't you already merged

Christina Heavrin – Special Counsel to Mayor Jerry E. Abramson.

- Compact had three elements
 - Freeze on all annexation
 - Distribution of occupational taxes
 - Formula for sharing of taxes between County and City
 - Funding of joint agencies

- Compact was designed to give community a chance to heal from merger vote
 - Compact had a twelve year term
 - Renewed for ten years to get it off election cycle
- Compact was intended to be temporary
 - Some said it worked so well that it worked against merger
 - We don't need merger because Compact is working

Herbert J. (Bud) Schardein, Jr. – Executive Director and Emergency Response Director of the Louisville Metropolitan Sewer District.

- Sewer, Drainage, and Flood Protection
 - Suburban neighborhoods did not have sewer
 - Extending service became a priority
- Eight Board Members were sitting on Metro Sewer District
 - Four appointed by Judge Executive and four appointed by Mayor
 - Difficulties were that city/County didn't have same interest
 - City already had sewer and drainage
- Now director of Metro Sewer District can access one body
 - Lines of communication are clear
- Storm Water Drainage
 - Most problems were in suburban areas
 - Project Dry (Phase I) was over 300 projects
 - Council members in urban districts still voted for work

Q&A/Comments:

- What was relationship between occupation tax split and how agencies came into that?
 - Occupational tax was split according to % of taxes
 - Joint Agency funding was split according to population
- Did Louisville lose any funding because of block granting?
 - Merger had no ill effect
- City and County had bonding before merger, how did you reconcile this?
 - Merger law said all debt of each became debt of new merged government
 - Bond rating has actually improved
- Does entire community have abatement authority after merger?
 - Yes, new merged government has that ability
- Was their discussion regarding maintenance of effort?
 - Yes, lots of discussion and it was an essential element of merger