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Plans for the properties have not been announced, although Churchill historically has used similar land for parking. During an April 27 conference call with investors and others, company officials said they were considering adding historical gaming at the Churchill racetrack property or the Churchill-owned Trackside Training Center located a few miles away.

Based on what the company said April 27, it appears nothing major will be done with the purchased property until at least next year.

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Dall said CDI **spent \$27 million on capital projects for the three-month period ending March 31, including \$10 million in that time on property around Churchill. CDI is able to defer taxes on \$14 million of the gain from the Calder property, which included a barn area. The remainder of the \$27 million was spent finishing a \$16 million clubhouse renovation at Churchill** and starting the Mississippi hotel, she said.

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"Malone's good-faith disclosures as required within his duty of performing internal audits were contributing factors of Malone's termination, in violation of the Kentucky Whistleblower Act," according to the Jefferson Circuit Court lawsuit.

A complaint represents only one side of a legal dispute.

"We believe all of our actions were correct in this matter," said Steve Tedder, MSD spokesman. Beyond that, he said MSD does not comment on active litigation.

Malone began working at MSD in August 2015 and MSD Executive Director Tony Parrott terminated his employment in February 2017. In a Feb. 28, 2017 memo to Malone, Parrott told Malone he was being fired because he had not obtained professional auditor certification, which had been a condition of his employment, according to documents in Malone's personnel file.

He had been given at least two extensions, records show.

He was supposed to have received that certification within six months of being hired, but MSD gave him an extension to Dec. 31, 2016, and then again to Feb. 28, according to documents obtained by the Courier-Journal under the Kentucky Open Records law.

But the lawsuit claims the requirement "had been effectively waived after six months of satisfactory performance." It argues that nobody from MSD requested the certification until more than nine months into his employment, and only after he had begun to uncover problems in the agency's human resources operation.

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She declined to comment for this story, Tedder said.

The records show that in May 2016, she had acknowledged in a memo to Malone the original six-month deadline for certification. She gave Malone the extension to the end of the year.

Malone was hired at a salary of \$65,520, which was raised to \$82,846 in May 2016 after MSD officials discovered they hired a subordinate at a higher salary, the records show. His first and only annual performance review rated him in the middle of five performance categories, as "fully achieves."

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<https://www.courier-journal.com/story/news/local/2017/06/21/fired-msd-auditor-says-he-fired-because-he-d-uncovered-wrongdoing/417259001/>

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It is my hope they will act differently this year.

Some background: **In November 2007, a British multinational corporation and the water company formed a five-year partnership to sell water line insurance and three other home-protection products.**

LWC chose Homserve over a company with substantially lower premiums because LWC thought, probably correctly, it would make more money.

When the contract expired in November 2012, **LWC, again looking only to its profits, gave HomeServe another five years.** HomeServe increased LWC's base commission to 15 percent from 10 percent.

Now five years later, the LWC will again decide how to proceed. From documents obtained under the Kentucky Open Records Law, it appears **LWC is currently negotiating with HomeServe and may well, with some tweaks, continue the present arrangement.**

HomeServe charges \$5.49 per month for water line insurance, and once the introductory offer expires, \$10.99 for sewer line insurance, the two most popular of its four products.

While it is difficult to be certain, these rates are among the highest, if not the highest, of any in the United States.

LWC not only promotes the insurance but bills and collects the premiums on its water bills. HomeServe hires local plumbers to do repairs.

This contract is no small matter for LWC or its customers. Last year, one-half of LWC's eligible customers bought one or more types of insurance, and the **LWC collected nearly \$15 million in premiums, of which it kept over \$2.4 million in commissions.**

If that were the entire story I would not be writing this. However, price is an important factor in evaluating any product. An important measure of whether insurance is fairly priced is its loss ratio, that is, the share of the premiums collected that are used to pay for losses.

HomeServe has paid out very, very little. Of the \$15 million collected in 2016 HomeServe paid out less than 25 percent for repairs.

Let me phrase it differently: **For every dollar paid by LWC's customers in premiums, 25 cents was returned to them in the form of plumbing repairs; the LWC got 15 cents in commission, and HomeServe kept the remaining 60 cents.**

While this arrangement may be a good deal for LWC and HomeServe, it is definitely not a "good deal for our customers" as one LWC executive boasted.

Other cities have partnered with an insurance company to promote similar coverage but have taken a more customer-friendly stance.

Cleveland has an arrangement similar to LWC's, but with a different company — one LWC passed over in 2007 — and a different pricing structure. Cleveland has a say in the price

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To justify its laser-like focus on profits LWC an executive argued, "every dollar we earn on (insurance) is a dollar we don't have to raise through rates."

But LWC doesn't sell its insurance in Timbuktu. The group that supposedly gets the reduced water rates includes the people who are buying the excessively priced insurance.

Looking to Cleveland again, for every extra dollar that the LWC gains in profits, its customers pay an additional \$4 in premiums.

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Board of Water Works to spend \$102 million on capital projects in 2018, including removing more lead service lines and inspecting and repairing water mains

Water rates in Louisville are going up again, effective Jan. 1.

The Board of Water Works on Tuesday pegged the increase at 3.5 percent, the same as the last three years.

For a customer using 5,000 gallons a month – a typical amount for a residential customer, the increase will be 86 cents, said Kelley Dearing Smith, a company spokeswoman. That will bring the monthly total for that customer to \$25.46, the water company said. Customers are actually billed every two months, so that pushes the average water bill over \$50 per billing period.

The water bills also include billing from the Metropolitan Sewer District, which adopts its rate increases in August. MSD rates have been rising even faster, as that agency struggles to meet the terms of a nearly \$1 billion sewer system renovation required by state and federal regulators.

The forecasted water company dividend to Metro Louisville for 2017 is \$20.8 million. For 2018, the company has budgeted a dividend of \$21.5 million.

Smith said the largest part of a 2018 capital budget of about \$102 million is on what she called "infrastructure renewal." That includes inspecting large water mains, removing more lead service lines, replacing miles of smaller water mains and working on a large Eastern Parkway water project.

The company is putting in a new lining in a pipe under Eastern Parkway that was installed in 1930.

"We're determined to finish replacing our known lead service lines by the end of 2020," she added.

The company will also begin to install pipe along Interstate 64 to deliver drinking water to Shelbyville in 2019, she added.

A plan to go deep under the Ohio River for its Crescent Hill Treatment Plant water source is still under review. The company already uses what it calls "riverbank filtration" for its Payne treatment plant, which accounts for about a third of its percent of water production.

Louisville Water projects to deliver 33.7 billion gallons of drinking water in 2018, in-line with water usage for 2017. Nearly one million people use Louisville Water's product every day in Louisville and Jefferson County and surrounding counties.

How Churchill Downs wins a sure bet on property taxes

WDRB: Chris Ottis May 4, 2018

LOUISVILLE, Ky. (WDRB) -- If you own a house or a condo in Jefferson County, chances are that your home's official value – and your property taxes – have gone up during the last 16 years.

That's not the case, however, for Churchill Downs Inc. and its iconic racetrack at 700 Central Avenue, where the 144th Kentucky Derby was run on Saturday before a crowd of 157,813.

Records and experts consulted by WDRB News raise questions about whether Churchill, a public traded corporation headquartered in Louisville, is getting a sweetheart deal on the tax value of its racetrack.

That value has remained the same \$20.4 million since at least 2002 – despite more than \$250 million that the company has spent renovating and adding to the facility's footprint during that time.

Had Jefferson County Property Valuation Administrator Tony Lindauer's office raised its assessment of the track's tax value – as it likely would for your house if you built an addition or a garage – the change would have meant more revenue for Jefferson County Public Schools.

"There is a lot of money that has been left on the table if this was an oversight," said Janet Kelly, a professor of urban and public affairs and director of the Urban Studies Institute at the University of Louisville.

But Lindauer said the case isn't so clear because of some "very odd and unusual" circumstances that differentiate the racetrack from other commercial properties.

It's Louisville Metro government – not Churchill Downs – that technically owns the 142-acre property that includes the track, and Churchill Downs pays no taxes on it except to JCPS through a special agreement between the company and the school system.

Lindauer said his office wasn't aware of that agreement, and he isn't sure the racetrack should have been revalued over the years like other commercial properties. **He noted that JCPS has never complained about the situation.**

"I don't know how we would treat it differently," Lindauer said in an interview. "... I would have to have a little bit more information before I could say whether we could have or should have reassessed it at a different rate or incrementally, because this is a real anomaly."

But the agreement between JCPS and Churchill Downs seems predicated on the assumption that Lindauer's office would continually reassess the racetrack's value like any other commercial property, according to Kelly and a tax lawyer who reviewed documents at WDRB's request.

City ownership of track dates to 2002

The city government took title the racetrack, as well as about 70 several surrounding properties, in 2002 as part of a plan to help Churchill Downs raise \$153 million in bonds for improvements to the facility.

Local governments often lend their borrowing power to private companies – what are called "industrial revenue bonds" – to help those companies make investments that will grow the local economy, according to Kelly, an expert in local government finances.

It makes sense for Louisville to help Churchill Downs, she said, because "the contribution to the local economy of the Derby is phenomenal."

https://www.wdrb.com/news/business/how-churchill-downs-wins-a-sure-bet-on-property-taxes/article_cd539e4c-b5fd-563f-a218-8179a321b895.html

Churchill Downs posts higher 2Q earnings

Aug 2, 2018, 7:19am EDT

Churchill Downs Inc. reported higher second-quarter earnings, with increases across its operations and an assist from the recent federal tax cuts.

Net income for the Louisville-based racing and gaming company rose 32 percent, to \$103.1 million, or \$7.55 per share, diluted.

Revenue rose 12 percent to \$379.4 million.

Churchill Downs (Nasdaq: CHDN) said that \$13.7 million of the increase in its operating income primarily was driven by its racing, TwinSpires and casino segments.

And a \$14.2 million decrease in its income tax provision primarily stemmed from the reduction in the federal statutory corporate tax rate to 21 percent from 35 percent a result of the Tax Cuts and Jobs Act.

Churchill Downs Racetrack in Louisville **saw record betting during its Spring Meet**, including total wagering from all sources on Derby Day of \$225.7 million.

<https://www.bizjournals.com/louisville/news/2018/08/02/churchill-downs-posts-higher-2q-earnings.html>

PVA candidate: JCPS should look at Churchill Downs deal before raising taxes

WDRB Chris Otts Aug 28, 2018

LOUISVILLE, Ky. (WDRB) – The Jefferson County school board is likely to vote tonight to raise its property tax rate, resulting in higher bills for homeowners this fall.

But instead of asking average people to pay more, the district could find some additional tax revenue at the racetrack, said John May, the Republican nominee for Jefferson County property valuation administrator.

May, who faces Democratic nominee Colleen Younger in the race for county tax assessor this fall, said he plans to use tonight's hearing on JCPS' proposed tax increase to call attention to the favorable deal Churchill Downs gets on taxes for its iconic racetrack at 700 Central Avenue.

In an interview, May said the district needs to ensure it's getting fair payments from the Louisville-based company "before we go ahead and shift the burden to single moms, first-time homebuyers, veterans (and) retirees."

WDRB reported last spring that, unlike the average homeowner's property, **the official tax value of the racetrack hasn't changed since 2002, remaining the same \$20.4 million despite hundreds of millions invested in the facility and additions to its footprint.**

RELATED: [How Churchill Downs wins a sure bet on property taxes](#)

The reason has to do with the racetrack's special status: It is technically government-owned property exempt from taxes. **But since 2002, Churchill Downs has had a side agreement with JCPS to directly pay the school district for taxes it would otherwise owe, which is about \$170,000 a year.**

The issue is that the base on which those payments are calculated hasn't changed in 16 years.

PVA Tony Lindauer, the elected official who values property for tax purposes, said his office wasn't aware of that agreement, and so it treated the racetrack like government property and did not reassess its official tax value.

That's in contrast to average homeowners, whose assessments generally change at least every four years, if not triggered by a sale or an improvement like an addition to the square footage.

"If I add a garage into my property for \$10,000 or \$12,000, you can betcha they're going to be on me to me to the tax rolls," May said.

May and Younger, who is Lindauer's chief of staff, agree the situation needs to be addressed.

May said he wants to make sure the PVA is aware of all the special tax agreements JCPS has with businesses like Churchill Downs. Younger said she would go a step further by pushing for **a change in state law that would ensure the side deals are reported to county PVAs.**

"We have been left out of the loop on this kind of thing," said Younger, who added that May **didn't change the racetrack's assessment when he served a brief, appointed stint as Jefferson County's PVA in 2005 and 2006.**

When WDRB first reported the situation in May, Lindauer noted that **JCPS never exercised its right to complain that the track's value was too low.**

The Kentucky Department of Revenue, which oversees county tax assessors, made that point in June in a cautiously worded letter responding to May's request to look into the situation.

JCPS spokeswoman Renee Murphy said Tuesday that the district is "working with the PVA on this matter." She declined to elaborate.

Younger said the discussions have included sharing the cost of a third-party appraisal of the racetrack property, which the PVA office does not have the resources to assess using internal staff.

A Churchill Downs spokesman has not responded to a request for comment.

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WDRB Chris Otts Aug 28, 2018

JCPS, which gets the lion's share of local property taxes, plans to raise its tax rate to 72.5 cents per \$100 assessed value, from the current 70.4 cents.

For the average Jefferson County home – which sold for \$207,127 last year, according to the Greater Louisville Association of Realtors – the change would mean an additional \$43.50 in annual school taxes.

https://www.wdrb.com/news/business/pva-candidate-jcps-should-look-at-churchill-downs-deal-before/article_2a662c6d-7c7f-5526-b305-c156f9d75331.html

LG&E, KU request rate hike to improve infrastructure

By Carolyn Tribble Greer – Digital editor, Louisville Business First

Sep 20, 2018, 6:43am EDT

Louisville Gas and Electric Co. and Kentucky Utilities Co. plan to ask state regulators to approve a rate increase to continue improving their energy infrastructure.

From January 2018 to October 2019, LG&E and KU are investing \$2.2 billion in areas such as equipment that detects outages, stronger poles and wires, and more durable gas lines, according to a news release.

LG&E will request a cost-based rate increase of 14 cents per day for residential electric customers and 16 cents per day for its residential natural gas customers. KU will request an increase of 32 cents per day for its residential customers.

"We are continually enhancing our system to ensure we are providing our customers safe and reliable service now and for years to come," Paul Thompson, chairman, CEO and president of LG&E and KU, said in the release. "We want to provide the best possible value and service while offering our customers tools to manage their energy usage and options that offer energy choices and drive economic development."

As a result of investments in the utilities' system, customers are experiencing improvements in reliability, according to the release. In the last seven years, LG&E and KU have seen interruptions in electric service decline by 35 percent, not including interruptions from extreme storms.

The utilities want to continue to invest in smart restoration-detection equipment on the electric distribution system and similar equipment on the high-voltage transmission system. LG&E is upgrading many of its aging natural gas pipes from older steel to longer-lasting plastic pipes. And both utilities are investing in power plant projects to improve overall generation performance and reliability.

The utilities also will propose offering a "green tariff" to promote renewable energy growth. Under a green tariff, utilities supply an organization with up to 100 percent renewable power from projects either owned by the utility or contracted with independent power producers, according to the U.S. Environmental Protection Agency. ([More on that from the EPA here.](#))

"Green tariffs are used to attract new businesses and jobs. Companies such as Apple, Google, Amazon Web Services, Walmart and Target are all examples of companies that have taken advantage of green tariffs," Thompson said in the release. "We are fortunate in Kentucky to have some of the lowest energy rates in the country, but we still need more options and a Green Tariff to attract companies interested in a greener environment."

Last month, the Kentucky Public Service Commission [denied a proposal](#) by LG&E and KU to install more than a million "smart" meters across their service areas at a combined cost of more than \$300 million.

LG&E and KU are subsidiaries of Pennsylvania-based PPL Corp. (NYSE: PPL).

You could be paying more next year on your LG&E energy bill

[Darcy Costello](#), Louisville Courier Journal Published 6:51 p.m. ET Sept. 20, 2018 | Updated 5:11 p.m. ET Sept. 21, 2018

Ongoing infrastructure upgrades across LG&E and KU's high-voltage transmission system will strengthen reliability, reduce outages and enhance economic development. (Photo: LG&E and KU)

Clarification: This story has been updated to reflect that customers of both gas and electric service could have had to pay up to \$540 more a year only if they opted out of a smart meter plan that was rejected by the Kentucky Public Service Commission.

Gas and electric customers in Louisville could see monthly bills go up about \$4 to \$5 a month as soon as next year if a Louisville Gas & Electric proposal expected this month is approved by state regulators.

The utility, along with sister Kentucky Utilities, announced in a Wednesday news release that they intend to raise rates in order to fund "investments in safe, reliable service." The last utility rate increase went into effect in July of last year.

The increase LG&E plans to propose would mean 14 cents more per day for residential electric customers and 16 cents more per day for its residential natural gas customers. KU customers, meanwhile, would see an increase of 32 cents per day under the plan.

According to an LG&E spokeswoman, rough monthly payment increases, if the plan is approved, might amount to:

- ▶ **\$4.23 more for a typical LG&E residential electric customer**
- ▶ **\$4.93 more for a typical LG&E residential natural gas customer**
- ▶ **\$9.63 more for a typical KU residential electric customer**

The Kentucky Public Service Commission is expected to hold a meeting to solicit public comments sometime early next year on the proposal.

A final decision will be made by the commission, which is tasked with balancing the interests of rate payers with the interests of utilities, within 10 months of the application date. LG&E said it plans to submit its application on Sept. 28.

Earlier this year, [the commission rejected](#) an LG&E plan to require smart meters for 1.3 million customers or foot a monthly opt-out penalty. For customers with both gas and electric service who chose to opt out, the plan would've resulted in paying up to \$540 more a year on gas and electric bills.

Several advocacy groups and Attorney General Andy Beshear opposed the initiative and said they were relieved that the commission sided with them.

"At a time when many Kentucky families are struggling to pay their utility bills because of constant rate increases, the PSC agreed with my office that a smart meter application by these

You could be paying more next year on your LG&E energy bill

companies must be rejected," Beshear wrote in a statement. "We intervened in the case to protect Kentuckians from a project that clearly did not benefit them."

The latest rate increase proposal is necessary, the utility company said in a news release, in order to continue improvements. In the last seven years, LG&E and KU have seen a roughly 35 percent decline in electric service interruptions, excluding outages from extreme storms. When outages do occur, they are 34 percent shorter than in 2010, the release noted.

"We are continually enhancing our system to ensure we are providing our customers safe and reliable service now and for years to come," said Paul W. Thompson, the chairman, CEO and president of LG&E and KU. "We want to provide the best possible value and service while offering our customers tools to manage their energy usage and options and offer energy choices and drive economic development."

Investment in the system includes: replacing older transmission equipment, the utilities' hazardous tree removal program, natural gas pipe replacements and power plant investments to improve performance and reliability, according to the release.

LG&E and KU last filed for a rate increase in November 2016. A settlement was reached in April 2017 and later amended by the commission.

Under that plan, LG&E's base rate electric revenue would increase by \$56.3 million, or about 5 percent, according to the commission. It had originally requested an additional \$93.6 million in annual electric revenue.

Its annual revenue from natural gas would increase by \$6.5 million, a significant decrease from its original request of \$13.8 million.

<https://www.courier-journal.com/story/news/2018/09/20/lg-e-utility-rate-hike-louisville-proposed-plan/1367130002/>

LG&E's proposed bill hikes are larger than they appear

Chris Otts

Nov 20, 2018

LOUISVILLE, Ky. (WDRB) – Louisville Gas & Electric Co. customers are looking at significantly bigger increases in their monthly bills next year than the estimates the power company has been providing to local media over last few months.

The utility, which serves Jefferson and 16 surrounding counties, has often said the average residential customer's electric bill would rise by \$4.23 – and the average gas bill by \$4.93 – under rate increases that LG&E is asking regulators to approve for implementation next spring.

But a closer look at LG&E's filings with the Kentucky Public Service Commission shows that the effective increases would be significantly higher.

That's because the utility is also dropping credits customers have been getting on their bills since April to reflect LG&E's savings under the Republican-led federal tax plan.

When the removal of those credits is factored in, the typical customer is looking at a \$7.53 monthly increase, or 7.5 percent, for electric service; and a \$7.14 increase, or 12.2 percent, for gas service, LG&E says in documents filed with the commission in September.

The credits are LG&E's way of sharing its newfound tax savings with customers.

The Tax Cuts and Jobs Act, championed by Congressional Republicans and signed by President Trump last year, cut the U.S. corporate income tax rate to 21 percent, from 35 percent. The tax cut saves LG&E, a subsidiary of PPL Corp., a publicly traded company based in Pennsylvania, about \$85 million a year.

In March, the Public Service Commission ordered LG&E to put the credits on customer bills through April 30, 2019, when the utility indicated it would ask for higher service rates to go into effect.

The credits are typically worth a few dollars a month. For example, this reporter received \$4.44 in credits on his family's October bill, which was \$108 in total.

LG&E's press release announcing the proposed rate increases in September didn't use the higher figures that take into the account the removal of the credits.

But the company said the benefits of tax cuts "will be reflected in the companies' base rates, rather than as a line item on customer bills."

Natasha Collins, LG&E's director of media relations, said in an email Tuesday that the company's current request to the Public Service Commission deals only with the rates for electric and gas service, while the credits for the tax savings were already scheduled to end in April without any further action from the commission.

"While the benefits of the Tax Cuts and Jobs Act are fully included in the forecasted test year used to establish base rates, only bill impacts associated with the base rate changes are quoted, not those associated with any individual mechanism," Collins said.

LG&E is asking for the rate increases to take effect by May 2019.

The commission, a three-person board appointed by Gov. Matt Bevin, has the power to set rates. It typically allows utilities to raise their prices by smaller amounts than they first propose.

LG&E last raised rates in the spring of 2017.

Louisville mayor proposes tripling tax on insurance premiums to close budget gap

Chad Mills Feb 13, 2019

LOUISVILLE, Ky. (WDRB) -- Louisville Mayor Greg Fischer has proposed tripling the city's tax on residents' insurance premiums for home, life, malpractice and other types of policies over the next four years to close a projected budget gap and prevent "devastating" cuts in public services.

The proposal would gradually increase the city's taxes on insurance premiums — except for auto policies — from the current 5 percent to 15 percent in the 2022-23 fiscal year.

In a news conference Wednesday, Fischer said the increases are being considered as **the city faces a \$65 million budget gap over the next four years. That gap comes mainly from state-mandated pension costs that will rise each year through 2023, he said.**

"There are no easy or painless or abstract cuts to make and certainly not enough to erase a \$65 million deficit," he said. "All of us up here wish this weren't necessary, but it absolutely is."

Fischer proposed increasing the city's tax rates on home, life, marine and miscellaneous policies like malpractice insurance, title insurance and umbrella coverage. He said the plan would increase the average family's home insurance by \$12 to \$13 per month.

Without raising those taxes, Fischer said a number of city workers **could lose their jobs, including police officers, firefighters and EMS workers.** Those cuts could include more than 300 layoffs in fiscal year 2020 alone.

The city could also consider cuts and reductions that would affect every resident, including:

- Move recycling and yard waste pickups to every other week
- Reduce support for Waterfront park by \$500,000
- Close two Louisville Free Public Library branches

"We're talking about cuts to vital services — services and programs that have saved and transformed lives and encompassed the soul of our city," Fischer said.

Below is an email Fischer sent to city employees Wednesday:

Dear employees:

I want to thank you for your support and encouraging words since I outlined potential cuts to city services and staff that we face to address the expected budget gap of \$65 million over the next four years, mainly due to our increased pension obligation.

This gap leaves us with a difficult choice: make devastating cuts to critical city services or secure new revenue.

My team and I and our partners on the Metro Council have been grappling with the pension challenge for well over a year. And today, I and members of the Metro Council will propose a plan that will resolve the city's budget gap for the coming year and beyond.

Louisville mayor proposes tripling tax on insurance premiums to close budget gap

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We'll spare our city and our citizens the pain of potential cuts we would otherwise be forced to make, through an increase in the city's tax rates on five types of insurance premiums from their current five percent to 12.5 percent in FY20 and, 13.5 percent in FY22 and 15 percent in FY23. Auto would be excluded from this increase.

This would increase the average family's home insurance by about \$12- \$13 a month, or around 40 cents per day.

All of us wish this weren't necessary, but it absolutely is.

I know this is far from an ideal solution, but the reality is that this is the best, least painful option open to us from an extremely short list of choices. No other available funding mechanisms will provide the reliable revenue we need in the timeframe we need it.

It's my duty to submit budget proposals to the Metro Council. And it's their duty to review those proposals, listen to the voices of the people of Louisville, and cast a vote that's in the best interests of the people of our city.

I believe in the hard work we have done that has gotten our city to this point of progress. I will fight for the revenue and your jobs so we can keep this growth going. Please join me in urging the Council to support this plan.

Sincerely,

Mayor Greg Fischer

The tax hikes proposed Wednesday would increase rates from their current 5 percent to 12.5 percent in fiscal year 2020 and fiscal year 2021, 13.5 percent in fiscal year 2022 and 15 percent in fiscal year 2023.

"These cuts will damage our city's momentum, which is why the council and I worked together to propose this new source of revenue," Fischer said Wednesday. "This is not an easy choice, but under the circumstances, it's a pretty clear one. Keep the momentum of our city moving forward or fall back?"

Fischer said a Metro Council vote on the tax hike proposal will need to come by March 21.

"At this point, I can tell you, I'm against this tax," said Metro Councilman Anthony Piagentini, a freshman Republican who represents District 19. "I'm against what his proposal is and this knee-jerk reaction in the form of a tax increase."

Even though Fischer argued Louisville is already leaner than many of its peers, Piagentini thinks Metro Council and the mayor can find some fat to trim.

Louisville mayor proposes tripling tax on insurance premiums to close budget gap

Chad Mills Feb 13, 2019

"I'm not saying we're the fattest government on the Planet Earth, but to claim, 'Trust me. We're the leanest,' without having a scrutiny of the budget, is disingenuous," he said.

He said he'd like to explore areas to cut and other cost-saving measures during upcoming council discussions.

Metro Councilman Bill Hollander (D-9), meanwhile, said it's imperative for Piagentini, and others who feel similarly, to bring specifics to the table.

"If people think that we can do this by cutting services that are acceptable to the community, than it is incumbent on any elected official to tell us exactly what service you would cut," Hollander said.

Hollander expects the tax hike ordinance will be introduced and have its first reading before Metro Council next week. Hollander's Budget Committee will begin discussing the plan even sooner in a Thursday meeting.

In additional documentation released Wednesday, Fischer said his administration has warned about the increased pension requirements for years. He also outlined areas where the city has already tightened its belt. According to Fischer, 49 positions were eliminated in the fiscal year 2019 budget, new EMS fees were adopted to recover costs, travel spending was limited, and surplus property was sold. He said increasing the insurance premium tax is the only revenue-raising option that makes sense and can be accomplished by Metro Council before July 1.

According to Fischer, Louisville hasn't experienced a tax increase since the early 1980s, when the insurance premium tax was increased from 2.5 percent to the current 5 percent.

https://www.wdrb.com/news/louisville-mayor-proposes-tripling-tax-on-insurance-premiums-to-close/article_b7c1a050-2fd5-11e9-b6cd-7f5037001ab6.html

Property Tax Increase from 70.4 cents to 72.5 cents per \$100	\$100,000	\$ 000.72.5	\$.73	\$ 73.00
Water Increase 3.5 percent \$.86 cents 5000gal/monthly	\$25.46	bi-monthly charge:		\$ 50.92
LG&E Increase	monthly est: \$12.07 to a \$14.67			\$ 14.67

\$4.23 more for a typical LG&E residential electric customer

\$7.53 monthly increase, or 7.5 percent, for electric service; based on tax credit being removed

\$4.93 more for a typical LG&E residential natural gas customer

\$7.14 increase, or 12.2 percent, for gas service; based on tax credit being removed

Proposal to Property Insurance \$ \$ 13.00

This would increase the average family's home insurance by about \$12- \$13 a month, or around 40 cents per day.

Proposal for another Toll Bridge \$

Increase of Monthly Estimated total \$151.59