



Lexington-Fayette Urban County Government

Jim Newberry, Mayor

May 27, 2009

Mayor Connie Lawson
City of Richmond
239 West Main Street
Richmond, KY 40476

Dear Mayor Lawson:

I am sorry we did not have the opportunity to talk at length in Madison, so in lieu of visiting there, I wanted to send you this letter to elaborate on several concerns I voiced at the League's Board meeting on May 15 in Richmond. I feel these issues need to be addressed by the executive committee in an expedient manner. You mentioned in May that a special executive committee meeting might be in order, and I encourage you to call that meeting as soon as possible and, furthermore, to open it to all League members.

I am sure you agree that, as mayors entrusted with public funds, we are accountable to the public for every dollar spent. That includes the funds we pay in annual dues to the League -- \$26,000 for Lexington alone for 08-09 -- and for other League services. Given the importance of public accountability, I have become concerned about several policy matters related to the operations of the Kentucky League of Cities. Specifically, I have learned that:

- The League pays for the travel of spouses to various state and national events;
- The League provides Sylvia Lovely (and perhaps others) with a luxury car as a part of her compensation;
- The League has done extensive business with Azur, a restaurant owned in part by Sylvia, and with her husband's law firm;
- The compensation paid to League employees has not been disclosed to members of the executive committee, the League's governing board; and

- The salaries paid to some League employees are excessive when compared to the salaries of the cities it serves. The salaries paid to several League employees greatly exceed those paid to virtually every municipal employee and elected city official in the state.

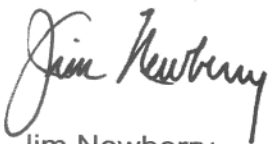
I trust this information is accurate, but if that is not the case I would appreciate your letting me know.

If this information is accurate, I intend to ask the executive committee to take the following steps:

- Terminate the policy of paying for the travel of spouses of League employees.
- Provide mid-size or smaller and more economical vehicles for use by League employees.
- Prohibit further business relationships with any business in which any League employee or any immediate family member of a League employee has an ownership interest of 5% or more.
- Require the disclosure and approval of the salaries and any other compensation paid to all League employees to the executive committee.
- Reevaluate League salaries as they compare to Kentucky municipal salaries.
- Ensure that the Kentucky League of Cities is following Recommendations for Public and Nonprofit Boards made on May 11, 2009, by the Kentucky State Auditor.

As I stated during the May meeting in Richmond, I raised the compensation issue at the executive committee meeting held at the League offices earlier this year, and it was clear that I was in a distinct minority. However, I believe that most of the members of the executive committee would support at least some, if not all, of the measures I propose, and I would welcome the opportunity to discuss these issues in detail. Thanks for your attention to this matter.

Sincerely,



Jim Newberry
Mayor