



Budget, Finance & Economic Development Committee

August 29, 2023

Summary and Motions

Chair James Brown called the meeting to order at 1:04 p.m. Vice Mayor Dan Wu, and Council Members Chuck Ellinger, Shayla Lynch, Hannah LeGris, Liz Sheehan, Denise Gray, Fred Brown, Whitney Baxter, Jennifer Reynolds, and Kathy Plomin were present.

I. Approval of June 27, 2023 Committee Summary

A motion by Ellinger to approve the June 27, 2023 Committee Summary, seconded by Plomin, the motion passed without dissent.

II. Monthly Financial Update – August 2023

J. Brown directed the Committee to the August 2023 Monthly Financial update in the packet, for information only.

III. Healthcare Financing

Finance Commissioner, Erin Hensley, introduced Benji Marrs from the BIM Group. Marrs began with a recap of previous health insurance financing and explained that healthcare costs are rising across the country. LFUCG healthcare costs have exceeded budgeted costs consistently over the last several years. Marathon health has been an integral part of reducing healthcare costs for employees.

Strategic initiatives have prevented larger increases in healthcare costs and have maintained a 2% trend line since 2011 with approximately \$90 million in savings due to partnerships and initiatives. Cost per member, per month for health insurance is approximately \$502.41. Marathon health cost outcomes lower employee costs. Employees and spouses with at least 2 annual provider visits cost on average \$1,337 or 29% less than members who are not engaged with Marathon Health. On-site prescriptions sales at Marathon Health had a net return of nearly \$4,030,651 from prescription cost savings since January 2020. The IRS has increased the HDHP max out of pocket from \$3,000 to \$3,200 for the upcoming year.

No action was taken on this item.

IV. Industrial Development Authority Update

Craig Bencz provided background information on the Industrial Development Authority Update including origin and Board member makeup. The memorandum of understanding executed

between the University of Kentucky and LFUCG transferred approximately 250 acres of land in or adjacent to the Coldstream Research Campus to LFUCG in exchange for certain campus area streets and alleys owned by LFUCG. LFUCG will also provide \$100,000 annually for 10 years to fund improvements related to “pedestrian, bicycle, and vehicular safety in and around campus”.

The Coldstream 50-acre site is intended to be sold with proceeds of land sales to be used for improvement of the 200-acre site and by UK for other improvements (50/50). Of the 50-acre Coldstream site, 14.4 acres have been sold, 22.18 are under letter of intent, and 13.9 acres or 2 lots remain available.

The 200-acre site was transferred in July 2022 and is known as The Legacy Business Park. Of the 200 acres, 147.24 acres are lots, 13.42 are right-of-way and 39.34 are greenway lots. The Legacy Trail extension is planned for connecting Coventry neighborhood and flexible lot configuration is being proposed. The cost of the Legacy Business Park is approximately \$22.4 million including a 15% contingency. Only \$12.2 million has been funded so far and an additional \$10.2 million is needed for phase II.

No action was taken on this item.

V. Adjournment

A motion by Plomin to adjourn at 2:04pm, seconded by Baxter, the motion passed without dissent.