Bluegrass Beacon
BY JIM WATERS

KACo: right the ship or mothball it?

By Jim Waters

FRANKFORT — Conventional wisdom says stopping a tax before it becomes law requires much less effort than getting rid of one enacted.

The same holds true for government agencies.

Officials who lead them — however well-intentioned — develop expertise in the time-tested art of “self,” or “agency,” preservation. They have no interest in discussing whether an organization should exist.

But I’m interested in whether the commonwealth would gain if some agencies “went.”

During the Aug. 26 meeting of the interim joint Committee on Local Government, Michael Foster, Christian County attorney and now Kentucky Association of Counties (KACo) president, didn’t bring the organization’s mission statement with him. Nevertheless, he professed certainty that KACo “has simply meant too much to local governments to weaken or get rid of it.”

Yes, KACo definitely has meant “much to local governments.” The group made 983 loans worth $643 million during the past eight years to local governments. And it provided insurance at competitive rates to counties.

But does this mean that without KACo, the earth would stop rotating, the Kentucky Derby would move to Great Lakes Downs and cities or counties will be left high and dry without bureaucracies whose executives tuck taxpayer dollars in stripper bikini strings and who use KACo credit cards for escort services?

I find it hard to believe that some hard-working and innovative insurance entrepreneur in Kentucky’s private sector couldn’t provide local government as good – if not better – coverage at competitive rates. Would it hurt to ask?

Back in the day when KACo was created (1974), it offered insurance plans that county officials “couldn’t find” or “couldn’t afford.”

That was then. What about now?

“Have we ever gone back and looked? Is that necessary in today’s environment?” wondered northern Kentucky Sen. John Schickel, R-Union. “Maybe now that environment has changed.”

Foster's response indicates that the agency has not pursued whether the marketplace could now solve at least some of KACo's insurance needs. Yet, he argued that even if the private sector could meet the insurance needs of cities and counties today, "it may be different in five years."

Somehow I can't envision a private business owner saying: "I know we're wasting money like drunken sailors, (a charge leveled against KACo by Pike County Judge-Executive Wayne T. Rutherford), yet we're staying this course because things *may* change in, say, 2014."

Most of them wouldn't spring for a $12-million building during economic downturns, either. Committee co-chair Sen. Damon Thayer, R-Georgetown, wondered about that new palace.

Foster said that KACo outgrew its building and that some KACo employees were "literally working off the corner of a desk."

But does it take $12 million to solve this problem?

Rutherford said KACo should rent its new building out instead of moving into it.

Don't expect that to happen — not in an agency where its recent executive director Bob Arnold felt comfortable in telling us to "Get over it." Arnold resigned Friday, but only after his attorney worked out a deal with KACo's executive committee allowing him to draw his $178,000 salary and benefits through June 2010.

But can you imagine an executive director of a private company telling his stockholders to "get over it?" He'd be run out of town on a rail, sooner rather than later.

Speaking of rails, Foster promises to get the train back on the track.

"We're going to do whatever is necessary to right this ship," he said.

But it's the ship itself, not the ship's leanings at the moment — or even five years from now — that's in question.

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