

Good afternoon. It's a pleasure and an honor to be here today. I offer my sincere thanks to the staff, volunteers and members of Kyndle for all they do for our region, and for joining with the Rotary Club of Henderson and the Henderson Breakfast Lions to annually provide this forum for the State of the County address. As both a former Rotarian and a current Lion and I know firsthand the good works both clubs do for Henderson, and for that I'm appreciative as well.

Ladies and gentlemen, at this event a year ago I cautioned that Henderson County government was in transition. The list of challenges we faced at that time was lengthy, not the least of which was a rookie judge-executive appointed in the aftermath of a terrible tragedy, Hugh McCormick's death. The county still had a financial hole out of which it had to climb, we had employees still feeling the sting of being subjected to furloughs and were worried about other cutbacks; we had serious questions about the future viability of some of our volunteer fire departments, a declining bond rating and rainy day funds that had also fallen to precipitously low levels.

Today, thanks to the hard work, tough decision-making and dedication of a lot of people, I'm really proud to say the tide has turned and the State of Henderson County is improving, both for its government and its people.

That rookie judge is now 16 months into the job, and although I've got a million things still to learn about handling this position effectively, the help and guidance of the great team of professionals around me have me feeling a lot more confident now than I did a year ago.

The county's financial footing is now much more sound, and I'll talk more in a minute about our efforts to improve our reserves, restore services and assure our employees that we are taking the steps necessary to never again put them and the rest of county government in the precarious position it was just a short time ago.

And I think the solution we developed for our volunteer fire departments, a collaborative plan that involved input from citizens all around the county, that didn't involve a tax increase, that should meet the needs of the departments and also help them grow more independent of county government, is a good example of the way fiscal court is now approaching all significant issues: We'll call it the three Cs - cooperation, communication and consideration for all the constituencies involved.

And if there is a county government team that embodies those three Cs better and more sincerely than the one we have in Henderson County, I'm not aware of it. The leadership of our departments – Sheriff Ed Brady, County Attorney Steve Gold,

County Clerk Renesa Abner, County engineer Bill Hubiak and Jailer Amy Brady, and all their teams - is second to none. Please join me in a round of applause for them.

I also greatly appreciate the leaders with which we partner closely – Henderson Mayor Steve Austin and the members of the City Commission, State Legislators Robby Mills, Suzanne Miles and Dorsey Ridley, Coroner Bruce Farmer, Planning Commission Director Brian Bishop, PVA Howard Moran, Circuit Court Clerk Herb McKee, Water Department Director Pete Conrad, Emergency Management Director Larry Koerber, Ambulance Service Director Chris Winstead, Airport Director Allen Bennett and Tourist Commission Director Abby Dixon. I'm convinced they and their staff members are completely devoted to doing their jobs well and aiding the overall success of this county , and I'd like you to give them a round of applause, too.

I'm very lucky to have an amazing team in the judge's office. Sue Baker, Brenda Rider, Angela Comer, Paula Wilson, Andrew Powell and Brent Jacobs keep the trains running on time in a thousand different ways and I am thankful for each and every one of them.

I asked some of the department heads to compile bullet point lists of highlights from the fiscal year we just ended, but it's not what you think. I'm not about to launch into powerpoint slides

of piles of vegetables from the jail garden or the road department's newest dump truck.

What we have done is compiled those highlights into a summary list you will be able to find on our facebook page, Henderson County Kentucky Government, and on our website, Hendersonky.us, very soon. I encourage you to check out that list. I think you'll be as impressed as I am with what these awesome folks have accomplished in the last year.

You'll see stuff like the road department successfully maintaining 492 miles of paved and dirt roads in this county while at the same time helping with special projects such as the parking lot at the Audubon State Park Wetlands exhibit.

And you'll read about the county attorney's office tracking down \$6.2 million in child support payments, the fourth-most efficient such effort in the state.

You'll know the Sheriff's Department made more drug arrests in the last year than in any 12-month period in its history.

You'll see really cool, effective programs being implemented by Recycling and Solid Waste Coordinator Nancy Watkins and Parks Director Mitzi Weber.

You'll note the Henderson County Detention Center just wrapped up its most successful financial year ever and is such a well-run facility that both our state and federal governments

trust us to house their prisoners, which makes our jail self-supporting.

And I hope you'll appreciate, and being a corporate crowd I'm sure you will, how valuable it is that we have ladies in both our sheriff's department and county clerk's office who deal every day with community members paying taxes and fees, not the most pleasant circumstances, and they do so with smiles on their faces and a sense of duty and service that would make you proud to have any of them represent your companies.

I say all that to say this: When you have communicative, cooperative, considerate people with which to work, the primary task of the Henderson County Fiscal Court, establishing, adopting and then maintaining a responsible county budget through which we fund all these various services, becomes much, much easier.

And that's a blessing, because Fiscal Court has certainly had its work cut out budgeting the last two years. The good news is, the hard work, tough calls and shared pain are now paying off. We just completed the 2016-17 fiscal year, and for the second year in a row the county finished in the black.

We performed well enough in the most recent fiscal year that we will soon begin to put money back in our general fund reserves, which had been drawn down from approximately \$5.5 million five years ago to around \$1.6 million at the end of 2015.

That's only about 11 percent of total budget, when a more typical benchmark for reserves is 25 or even 30 percent.

Thanks in part to the diligence of magistrates Charles Alexander, Butch Puttman, George Warren, Bruce Todd and Carter Wilkerson, working with the department heads to get the county's budget back on a sustainable track, we are in a much more positive position than we were a year ago. 2016-17 saw no financial crises, no hint of furloughs and the restoration of some services and payscales cut the year before.

What's even more important, the 2016-17 fiscal year showed the county can conduct its core business without relying on coal severance or prior year carryover revenues to balance the budget. That it can exist on annual revenue. Imagine that. By implementing much stronger management principles for both expenditures and revenues, we have instituted a better, more sustainable model for the way the county does its business.

The model is solid enough that the budget we just passed for the 2017-18 fiscal year was not only a much simpler, more straightforward process but also includes even more comprehensive restoration of services, equipment and employee salary levels. It also anticipates being able to put even more money back in reserve if the year unfolds as we plan. And it includes continuing support for important community efforts and organizations that benefit all of us and

our quality of life, such as the Handy Fest, the Gathering Place, DHP, Riverview School, our volunteer fire departments and much more. And it does all that without requiring any year-over-year tax increases.

So I think we are working well together, the financial picture is a whole lot better, we're getting good things done and we're doing them efficiently, without undue burden on taxpayers. But there's not a single county government official in this room who thinks all that is good enough. We all believe we have much more work to do, and that we can play a key role in improving and growing the opportunities for the people of Henderson County.

It remains a priority of my administration to do all we can to partner with Kyndle and aid economic development here, either through supporting Kyndle's industrial recruitment efforts, acting as cheerleaders for the promotion of skilled trades education or entrepreneurship training, connecting all Henderson Countians to high-speed broadband internet, building the I-69 bridge or assuring Henderson County is one of the easiest places possible to do business.

It's exciting to note the economic development success we're having right now. Just last November Hansen's Aluminum announced it was investing \$18.4 million in a new auto parts extrusion plant at our riverport that in its first phase will

employ 90 people at an average wage of more than \$20 an hour. That was the highlight of a year that saw Kyndle announce two new industries and seven expansions in its four-county region that will total \$58.8 million in investment and 315 direct new jobs when they come online.

In Henderson County alone average total employment has increased five of the last six years, including 2016; as of 2016 the number of jobs here has been up from the previous year for 35 of the previous 42 months; employment in Henderson County is up by 1,435 workers from the low point of the recession in 2010; And according to the most recent figures available from the government's Quarterly Census of Employment and Wages, Henderson County is on the verge of averaging more than 20,000 jobs on an annual basis for the first time since 2008.

Median household incomes, personal income and home values are steadily on the rise; unemployment numbers remain low, existing home sales remain strong and new development on the 41-Strip is impressive. If you want a job in Henderson County, you can pass a drug test and are willing to come to work every day, you can have a job. There is no doubt about that.

Is our economy all we want it to be? Heck no, but after a recession that hit Henderson County and all of America hard,

and the closing of coal mines here that took some really good-paying jobs with them, Henderson County is fighting back, and we're doing it with everything we've got, and we're seeing some really positive signs. The nature of our nation's economy is changing, and we're not immune to that, but we're identifying the niches and industries that fit our area's strengths and trying like the dickens to take advantage of them.

How do we keep that momentum going? I think it's by focusing on the future and not dwelling on the past. Let's rip off the rearview mirror and set our sights on what is in front of us. Let's work hard, work smart and work together to build the future we want for Henderson County.

At a Henderson Leadership Initiative class last month I heard a great quote from University of Kentucky baseball coach Nick Mingione. In his first season at UK, Mingione led the Wildcats to their first-ever win in a regional and their first appearance in a super regional. He was named SEC Coach of the Year in his very first season at a school not known for success in baseball. But Mingione believed the Cats could win, he believed it passionately, and he expressed his confidence in his program's ultimate success this way. He said "Anything you vividly imagine, ardently desire and enthusiastically act upon must come to pass."

Ladies and gentlemen I believe that with all my heart, especially when those qualities are expressed by a unified group, be it a baseball team, a fiscal court, a city, a county, a state, or a country.

Good information on which to base decisions is important. Context and history are always insightful. But nothing beats vision, passion and positive action for making great things happen. Nothing. And I am perfectly aware that any number of factors and problems could put Henderson County in a difficult position again. State and federal issues like pension deficits and health care, societal woes like drug addiction and crime, all those things impact Henderson County, too, and we'll deal with them as best we can.

But I make you this promise: our team at Henderson County government will be cooperative, communicative and considerate, and we will pursue success for this community with vision, passion and positive action. We will do it together, and we will win together.

The State of the County is improving, my friends, and I k now the best is yet to come.

Thank you very much.