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RETAINING CUSTODY OF THE BUSINESS IN A DIVORCE

Companies are often marital property
but proper strategies will keep it together



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PERSPECTIVE

KENTUCKIANS WANT PROGRESS

All parties must now collaborate
to solve the state's fiscal issues

BY MARK GREEN

THE Nov. 6 election (a few weeks
away as this is written) is changing
some – perhaps many – of our
elective decision makers, but it is not
changing the agenda Kentucky's
leaders must address. It is time to get to
work – together.

Kentucky's motto may be more than
200 years old but it remains relevant as
ever: United We Stand, Divided We
Fall. When our elected decision-makers
are Kentuckians first and members of a
political party a distant second,
everyone wins. While politics is often
viewed through a zero-sum prism in
which someone must lose for another
to win, that is a false choice and a
shackle against progress.

And our state needs to move
forward. Our neighbors are, and
standing still is actually taking a step
backward. In the decade since the last
recession ended in 2009, average
incomes in the commonwealth have
grown 36 percent, which sounds good.
But the number loses its luster when
measured against the 48.6 percent
increase experienced by all Americans.

Kentucky needs to find and
implement strategies to do better.

A decade ago in May and June 2008,
The Lane Report published a two-part look
at "Finding The Keys" to better prosperity
– essentially, the answer is better education
achievement in our rural areas – that
noted the state's per capita income was
only 80 percent of the national average. In
September 2018, the Kentucky Chamber
of Commerce released "A Citizen's Guide
to Kentucky's Economy Since the
Recession" (find it at kychamber.com), a
study by noted economist Paul Coomes,
that finds our per capita income of
\$39,393 in 2017 was down to 78 percent of
the U.S. average of \$50,392.

So, we are growing our incomes yet
still falling further behind financially.
It's frustrating.

It is likely relevant to note that
Kentucky rebalanced its budget – cut
spending – at least seven times during
the past decade, and planned education
funding decreased. Meanwhile, the
state's unfunded pension liability grew to
become THE worst in the nation. The
state is increasing the emphasis on
pension funding in its budget today,

which is absolutely the responsible thing
to do, and this continues to limit
resources available for pushing
education forward.

It is argued, with some merit, that
good education is not a straight-line
dollars-in, better-results-out
proposition. There is a correlation,
however, between better funding and
improved outcomes. School districts
with the best financial resources
achieve better results. It is difficult to
argue that Kentucky should not invest
more in education funding.

The General Assembly took
commendable tax reform steps in its
2018 session to shift toward a more
consumption-based revenue structure,
and collections for the first quarter of
this fiscal year are up, conforming to
state budget expectations.

Changes in the state pension system
to reduce liabilities moving forward
were controversial when enacted,
generating a lot of political friction,
and are being challenged in court.
Regardless of the outcome of those
challenges, significant further steps are
needed in order for our state to meet
its future financial obligations.

Which brings us back around to the
initial point here: It is time to get to
work rather than do political battle.

Kentucky must take further steps to
meet its responsibilities to pay the
pension bills coming in the next 30
years. Even with an improving economy
and its better investment returns, the
most reasonable estimates are that
more revenue is needed.

Kentucky should take steps to
improve its support for education. That
is an investment that will provide more
revenue in the long term. And even
conservative estimates are that this too
will take more revenue.

True success in dealing with the state's
issues will come from consensus rather
than conflict. Because Kentucky's teachers
and public employees have strong
financial interest in solutions to our
intertwined issues of pension reform and
education reform, it is reasonable they
should have a seat at the table in crafting
the answers our state needs. With that seat,
however, comes the responsibility to offer
reasonable ideas and support plans to
move our state forward toward solvent
pension systems and adequately resourced
education systems. Progress comes not
from complaints but solutions.

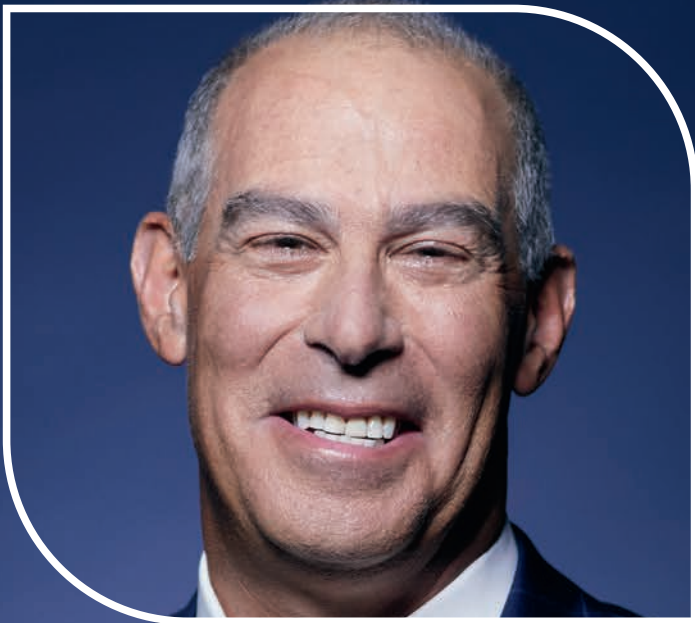
It is time to get to work. ■



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FAST LANE

A compilation of economic news from across Kentucky

LOUISVILLE

GROWING DEMAND FOR GE APPLIANCES DRIVES \$200M INVESTMENT IN LOUISVILLE, 400 NEW JOBS

GE Appliances has announced two major investments totaling more than \$200 million to expand its dishwasher and laundry manufacturing facilities in Louisville.

The expansion projects will add 400 new positions to GE's Louisville workforce, which currently numbers more than 6,000 and generates an economic impact of \$4.6 billion annually.

The company plans to add new top-load washer and dryer platforms and will increase production capacity for existing models by approximately 20 percent. GE will also increase production capacity for its new plastic and stainless-steel tub dishwasher models by 35 percent.

Work on the project is already underway and is expected to be complete by the end of 2019.

The Appliance Park campus sits on 900 acres in southern Jefferson County and is GE Appliances' largest manufacturing facility, with more than 5 million s.f. of production space for washers, dryers, dishwashers and bottom-freezer refrigerators. The campus also serves as headquarters for GE Appliances and is home to marketing, sales and support functions, as well as the company's technology and engineering center, industrial design, distribution center and warehouse operations.

In 2014, GE Appliances became an employer partner in the **Kentucky Federation for Advanced Manufacturing Education (KY FAME)**, which brings together employers and colleges within the **Kentucky Community and Technical College System** to train the next generation of manufacturing technicians through an apprenticeship-style, earn-and-learn associate degree program.

GE Appliances was sold by **General Electric** in 2016 to **Haier Group Corp.**, a China-based company that is one of the world's largest appliance makers. GE Appliances ranks as Kentucky's largest Chinese-owned enterprise and as the commonwealth's sixth-largest corporate employer overall.



GE Appliances' expansion in Louisville will allow the company to increase production of dishwashers and top-load washers and dryers.

GHEAT

NUCOR UNVEILS PLANS FOR \$650M EXPANSION OF GHEAT STEEL MILL

NUCOR Corp. is investing \$650 million to expand the production capability of its Nucor Steel Gallatin plant, the company's flat-rolled sheet steel mill in Gheat, Ky.

The investment will increase production capability from 1.6 million tons to approximately 3 million tons annually.

The project is expected to create 70 full-time jobs.

The expansion project complements a \$176 million investment currently underway to construct a hot band continuous pickle galvanizing line at Nucor Steel Gallatin. The pickle galvanizing line is expected to be operational in the first half of 2019 and will produce approximately 500,000 tons per year of galvanized hot band steel.

"Together with the new galvanizing line, this expansion increases our presence in the important Midwest market, specifically in the automotive, agriculture, heavy equipment, and energy pipe and tube sectors," said Nucor Chairman, CEO and President John Ferriola.

Nucor and its affiliates are manufacturers of steel products, with operating facilities primarily in the U.S. and Canada. Nucor acquired the former **Gallatin Steel Co.** in late 2014 for a purchase price of approximately \$780 million. Nucor also owns **Republic Conduit**, a steel company that has operations in Louisville.

"The steel and primary metals industry are a driving force behind the commonwealth's surging economy," said Kentucky Gov. Matt Bevin, "and this announcement reflects the distinct advantages we have to offer engineering and manufacturing companies."

LEXINGTON

TRANE ROLLING OUT OF LEXINGTON AFTER 55 YEARS, CLOSURE OF HVAC PLANT WILL ELIMINATE 600 JOBS

TRANE has announced plans to close its manufacturing plant in Lexington, where it has been in operation for the last 55 years. The plant produces components and units for heating, ventilation and air conditioning (HVAC).

The closure will eliminate 600 jobs.

Trane's parent company, **Ingersoll Rand**, made the announcement on Oct. 4., outlining its plan to consolidate production of similar HVAC products at its location in Columbia, S.C. Ingersoll Rand is investing \$96 million to expand the facility in Columbia and plans to hire approximately 750 new employees there to support the expansion.

Ingersoll Rand said Lexington employees will have the opportunity to apply for jobs at other company locations and will also be offered job placement services as well as a severance package.

"A plant closing is never good news but thankfully Lexington's robust economy and low unemployment will help Trane's employees as they seek new jobs," said Lexington Mayor Jim Gray. "I've already asked our team to work with the Trane employees so they can bring value to the many strong companies in Lexington."



Trane's Lexington plant, which has been in operation for 55 years, produces HVAC components and units.



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ALBANY

■ **Rack-It Truck Racks Inc.** is investing more than \$1.35 million to purchase, upgrade and build out an existing 37,000-s.f. facility in Albany that it will use to manufacture heavy-duty truck racks. Leaders with the California-based company said the location's proximity to major markets in Louisville, Nashville and Knoxville was a deciding factor in its site selection. In addition, a downturn in the region's houseboat industry left an available workforce with the welding and manufacturing skills Rack-It was seeking. The facility is expected to be fully operational by January 2019.

ASHLAND

■ **Steel Dynamics Inc.** has completed its \$5 million acquisition of **Kentucky Electric Steel** and plans to reopen the rolling mill in November. (The mill closed earlier this year, eliminating 113 jobs.) The facility will be operated as part of **Steel Dynamics' Steel of West Virginia (SWVA)** operations. The acquisition provides product diversification for SWVA through the addition of flats and specialty alloy bars.



■ **Braidy Industries**, which is in the process of building an aluminum rolling mill in Ashland, has acquired **NanoA1 LLC**, a company that specializes in the science of nanocrystalline strengthening technology applied to sheet aluminum. NanoA1 was founded at **Northwestern University** to commercialize the science of developing stronger aluminum alloys. Braidy believes the technology has the potential to significantly enhance the specific strength of aluminum to be produced by its **Braidy Atlas** mill, creating a competitive advantage within the automotive and aerospace marketplace.

BARDSTOWN

■ **Grain & Barrel Spirits** has become the newest member of **Bardstown Bourbon Co.'s** collaborative distilling program. BBCo will produce custom bourbon and whiskey for Grain & Barrel's historic **Chicken Cock** brand, which dates back to 1856. Due to the success of the sold-out collaborative distilling program, BBCo recently expanded its 3 million proof gallon capacity to 6.8 million proof gallons.



BOWLING GREEN

■ Steel and aluminum processor **Precision Strip** is investing more than \$16 million to add 80,000 s.f. to its facility in Bowling Green. Precision Strip toll processes, stores and delivers steel and aluminum to the automotive, appliance, industrial products and beverage can industries. The expansion will add 16 new jobs, bringing the facility's total workforce to 31.

■ **Western Kentucky University** has opened a new center that focuses on the health and wellness of the growing demographic of older adults across the commonwealth and the nation. The Center for Applied Science in Health and Aging combines several research specialties, including exercise, communication and psychology. In addition to research in many disciplines, the new center will serve as a link to area agencies, nonprofits and businesses with the goal of becoming a leader in aging issues.



ELIZABETHTOWN

■ The **Hardin Memorial Health Foundation** board of directors has approved \$28,000 to create a new cancer resource center at the HMH Cancer Care Center in Elizabethtown. The funds will be used to construct, furnish and equip a location where cancer patients and their families can find information, support and resources at no cost.

ERLANGER

■ **FEAM Aero** is building a 103,000-s.f. hangar at the **Cincinnati/Northern Kentucky International Airport** that will create more than 100 aircraft mechanic jobs paying \$60,000 to \$70,000 annually. The \$19 million project, which is being developed by **Lynxs Group**, is scheduled to be complete by the beginning of 2020 and will accommodate wide-body 747 aircraft for maintenance, repair and overhaul. Miami-based FEAM currently employs 100 people at CVG, where it services **DHL**, **Amazon** and passenger aircraft.

STATE

KY CHAMBER LAUNCHES TALENT PIPELINE ACADEMY TO MEET WORKFORCE NEEDS



BUSINESSES across the state cite workforce as a top priority for success, yet for some time now, many Kentucky companies have struggled to find and retain employees with the skills needed for the jobs.

The Kentucky Chamber Workforce Center has been working to develop initiatives that address the workforce crisis and as a result of those efforts, the **U.S. Chamber Foundation** and the **W.K. Kellogg Foundation** have selected Kentucky as one of three states to create **Talent Pipeline Management Academies**.

Talent Pipeline Management is an employer-led approach to identifying specific workforce challenges and needs. TPM Academy will focus on creating targeted strategies to meet the needs of the state's industry and regional sectors. By July 2020, more than 25 employer groups, representing regions as well as business and industry sectors, are to be convened to build talent pipelines for 75 high-demand positions.

Over the next two years, the Kentucky Chamber Workforce Center will hold meetings to develop strategies to improve Kentucky's workforce issues. Participating employers, employer-led associations, and education providers will receive training and build partnerships using a demand-driven concept to connect employees and employers.

"Through the TPM process, employers will play an expanded role as end customers of the workforce and education system," said Kentucky Chamber Workforce Center Executive Director Beth Davison. "This effort will allow Kentucky the opportunity to better understand the job projections and needs of business so we can better recruit, train and retain the right talent for the right jobs at the right time."

LOUISVILLE

SNAPFISH SET TO ACQUIRE CAFÉPRESS IN TRANSACTION VALUED AT \$25 MILLION

CAFÉPRESS, one of Louisville's largest publicly traded companies, has agreed to a merger with **Snapfish** in a transaction valued at \$25 million.

CaféPress specializes in personalized gifts and apparel. Snapfish, headquartered in San Francisco, is a leading personalized photo service.

CaféPress was founded in 1999 in California and moved its headquarters to Louisville in 2012, the same year the company went public. In recent years, however, the company has struggled to remain profitable in the face of technology issues and rising shipping costs. Earlier this year, founder and CEO Fred Durham cut his own salary and layoffs were announced, including two executives, in an attempt to reduce costs.

"Today marks a critical turning point in our pursuit to return CaféPress to its market-leading position in the personalized and expressive gift category," Durham said. "We are excited about the opportunity to accelerate growth by leveraging our content portfolio across Snapfish's distribution channels."

The merger has already been approved by both boards and is expected to be finalized in November.



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BUSINESS BRIEFS

ERLANGER

■ The Cincinnati/Northern Kentucky International Airport has awarded two new retail concession packages to **Paradies Lagardère** that will bring 16 new shops for travelers to the airport. Included in the new offerings are **Flowbox** by **KENDU**, a unique display that allows travelers to explore the region through images on a screen; a store featuring outdoor apparel and accessories; a licensed sports apparel and accessories shop; and **Books, Barrels and Bridges**, featuring home apparel and gifts from the Kentucky Bourbon Trail, **Jim Beam**, **Four Roses** and **Maker's Mark**. The new shops may further bolster CVG's already strong record in terms of customer satisfaction: The airport recently ranked No. 5 in the nation in customer satisfaction – up from No. 11 last year – according to the **J.D. Power** 2018 North American Satisfaction Study.

FORT MITCHELL

■ **Sullivan University** has closed its satellite campus in Fort Mitchell, citing a lack of demand for the traditional on-campus classes held there as more students opt for online coursework. Sullivan opened the **Center for Learning – Northern Kentucky** in May 2016, offering career-focused programs. In addition to its campuses in Louisville and Lexington, Sullivan continues to offer courses at its Fort Knox extension, its Centers for Learning in Carlisle and Louisa, and through online classes.

FRANKFORT

■ In his recent State of the University of Address, **Kentucky State University** President M. Christopher Brown II said the university's annual audit shows a stable financial position. In 2017, KSU posted its first budget surplus since 2012 and the endowment balance has grown from \$11.1 million in 2012 to \$16.5 million, which will allow for up to \$800,000 in scholarship funding for students. However, Brown said, the university must improve in the area of total grants and contracts. The number of grants and contracts awarded in 2012 resulted in \$7.5 million in funding; in 2017, that number was \$3.6 million.

FRANKLIN

■ **Tractor Supply Co.** plans to add approximately 156 full-time jobs at its distribution center in Franklin as part of an \$8.5 million investment to enhance the facility's capability to support sales growth. The Tennessee-based company was founded in 1938 as a mail-order tractor parts business and now has more than 1,725 retail stores

that cater to recreational farmers and ranchers with an extensive mix of products for home, land, pets and animals. The company's Franklin facility, which currently employs more than 300, was established in 2011.

GLASGOW

■ **Brad Ragan Recycling Inc.**, an off-road tire remanufacturing and retreading operation known locally as **BR Retreading**, has selected a site in Glasgow's Highland Glen Industrial Park for a new \$6.6 million facility that will provide additional capacity for company growth. BR Retreading currently employs a staff of 89 and plans to add another 75 full-time positions as part of the expansion. The new site is part of Kentucky's Build-Ready program, which streamlines site selection and construction by having preliminary site work already completed. The BR Retreading site is the third Build-Ready site sold in Glasgow this year.

HARRODSBURG

■ **Hitachi** has laid off 100 employees at its plant in Harrodsburg, where it produces components such as lithium ion batteries, electronic control units and inverters. The company cited flattened sales and changing technology as the primary factors in its need to restructure. The company remains one of Mercer County's largest employers, with around 1,350 employees.

HAZARD

■ The **City of Hazard** has been awarded \$1.4 million from the federal Economic Development Administration to provide a natural gas line directly to the **Coalfields Regional Industrial Park** to support business growth and expansion. The project is expected to create 1,500 jobs and spur \$100 million in private investment.

STATE

KY SEES SIGNIFICANT IMPROVEMENT IN ITS STATE BUSINESS-TAX INDEX RANKING

THE Tax Foundation's newly released **2019 State Business Tax Climate Index** ranks Kentucky as having the 23rd best business-tax climate in the country, a major leap from last year's rank of 39.

The index measures how efficiently a state raises revenue, using 100 different variables.

Kentucky's ranking represents the most significant improvement in the 2019 rankings. Wyoming topped the index rankings, with New Jersey claiming the No. 50 spot.

In explaining Kentucky's improvement, The Tax Foundation wrote:

"Kentucky adopted revenue-positive tax reform, which increases tax collections (primarily to address unfunded pension liabilities) while improving the overall tax structure. The state moved from a six-bracket individual income tax with a top rate of 6 percent to a 5 percent single-rate tax and scrapped its three-bracket corporate income tax for a single-rate tax as well. Lawmakers also suspended several business tax credits, broadened the sales tax base, and raised the cigarette tax, among other changes. These structural changes and tax simplifications yielded a 16-place improvement in Kentucky's overall ranking, from 39th to 23rd, with a particularly strong improvement on the individual income tax component, where the state jumped from 37th to 17th nationwide."

Meanwhile, **Area Development** magazine, a publication that focuses on corporate site selection and relocation, ranked Kentucky No. 13 on its 2018 list of top states for doing business. The Bluegrass State ranked No. 17 last year.

The **Area Development** rankings reflect the results of a survey asking site-selection consultants to name their top state picks in 11 categories that impact companies' location and facility plans.

STATE

INDIVIDUAL RATES FOR HEALTH-CARE INSURANCE RISING BY UP TO 19.4%

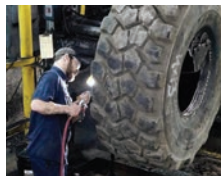
KENTUCKIANS purchasing health-care insurance in the individual marketplace will once again see changes in premiums and plan offerings for the upcoming 2019 benefit year.

According to information from the Kentucky Department of Insurance (DOI), the 2019 rates reflect an average rate increase of 4.3 percent for **Anthem Health Plans of Kentucky** and 19.4 percent for **CareSource**. However, since premiums charged will vary by the individual and the plan level selected, some consumers may see a decrease in rates.

Every county in Kentucky will have coverage during the 2019 benefit year. However, in 16 of the 34 counties served by Anthem, the only plans available utilize a narrow provider network, Anthem Pathway Transition HMO.

"Kentuckians in these specific 16 counties should take special notice before ultimately selecting their plan," said DOI Commissioner Nancy Atkins. "The provider network has been narrowed significantly, so individuals may find their preferred medical provider is not within the allowed network."

Open enrollment for individual market health-insurance coverage through the exchange takes place Nov. 1-Dec. 15, 2018.





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BUSINESS BRIEFS

JACKSON

■ The **U.S. Economic Development Administration** has awarded a \$1.5 million grant to the **City of Jackson** to facilitate a water and sewer extension project. The project will make vacant acreage adjacent to the **Kentucky River Medical Center** available for new business and medical offices. The project is expected to create 43 jobs and retain 391 jobs.



LEXINGTON

■ **Valvoline Inc.**, a Lexington company that specializes in automotive lubricants and services, has announced plans to acquire the business assets of Canada-based **Oil Changers Inc.** Oil Changers has 31 franchised quick-lube centers across Ontario, which will be rebranded as **Great Canadian Oil**

Change. The Oil Changers deal represents the second quick-lube acquisition in Canada for Valvoline and expands Valvoline's existing quick-lube network to more than 1,250 locations across the United States and Canada.

■ The **University of Kentucky** has launched a \$2.1 billion capital campaign with the goal of making higher education more accessible to Kentuckians and accelerating the university's research efforts to address the commonwealth's most challenging health and economic issues. The "Kentucky Can" campaign will fund 2,100 scholarships to help more students access a UK education and graduate on time with less debt. The campaign's endowment efforts will focus on some of Kentucky's most pressing issues, such as the skyrocketing number of opioid overdoses and deaths as well as cancer, heart disease and diabetes. The campaign will also help grow the university's endowment from about \$1.5 billion to \$2.1 billion in as part of an effort to fund recruitment and retention of leading scholars.



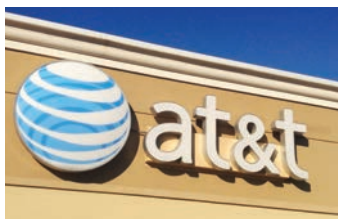
UK photo

LEXINGTON/LOUISVILLE

■ Kentucky-based accounting firm **Dean Dorton Allen Ford** has launched a wealth management practice to better help its clients meet financial goals. **Dean Dorton Wealth Management** will offer a broad range of services, including retirement planning, investment consulting, portfolio management, and a host of other holistic financial planning services.

LOUISVILLE

■ The **University of Louisville School of Medicine** has received a \$500,000 gift from JoAnn Joule to support Type 1 diabetes research. Joule made the donation to honor both her late father, Dr. William Marvin Petty, who was a diabetic, and her son, who lives with Type 1 diabetes. Petty was a graduate of the University of Louisville School of Medicine, served as Jefferson County coroner for 12 years, and was a family physician in the Fern Creek area for 43 years. Type 1 diabetes is a chronic autoimmune disease for which there is currently no cure.



■ Louisville is among 12 cities slated by **AT&T** to be upgraded to a mobile 5G network this year. "The opportunities made possible with the launch of fifth-generation networks are limitless, which is why being first to 5G is so important for our region," said Kent Oyler,

president and CEO of **Greater Louisville Inc.** "Louisville is competing on a global scale for technology-based employers and this announcement provides a clear advantage for our community." AT&T invested more than \$700 million between 2015 and 2017 to boost reliability, coverage and speed for both its wired and wireless networks throughout Kentucky.

SHEPHERDSVILLE

NEW FLYER HIRING 550 TO STAFF ITS NEW \$30 MILLION TRANSIT BUS PARTS PLANT

NEW Flyer of America Inc. has officially opened its new \$30 million transit bus and motor coach parts manufacturing facility in Shepherdsville that will bring up to 550 new jobs to the Bullitt County community.

New Flyer of America is a subsidiary of **NFI Group Inc.**, a leading North American bus manufacturer that provides mass transportation products and services under several different brands. New Flyer's Shepherdsville facility fabricates parts to support all NFI business entities. NFI Parts' parts distribution, customer service and tech-support center in Louisville location employs more than 180 people.

The new Shepherdsville facility will allow the company to boost in-house production of components and improve its production processes. Seventy percent of the \$30 million investment was dedicated to the purchase of new equipment and building preparations, while the remainder was used to secure a 10-year lease on the property.



The New Flyer of America plant in Shepherdsville will produce parts for buses made by NFI Group Inc., a leading North American bus manufacturer.

STATE

GRANT WILL HELP KY ENTREPRENEURS COMPETE FOR FEDERAL R&D FUNDING

THE Kentucky Cabinet for Economic Development will receive \$125,000 from the **U.S. Small Business Administration** to launch a program that will prepare more entrepreneurs to compete for federal research and development funding.

The SBA's Federal and State Technology (FAST) partnership program funds initiatives that increase the number of proposals for **Small Business Innovation Research (SBIR)** and **Small Business Technology Transfer (STTR)** funding. With the grant, the

Cabinet will establish the **Kentucky Innovation Investment Program (KIIP)** as a hub for attracting, assisting and maximizing assets of top SBIR/STTR candidates.

"This will make what has been a strong policy even more powerful," said Brian Mefford, executive director of the Cabinet's Office of Entrepreneurship. "Our full match for companies in Phase I and II of SBIR/STTR, along with the framework we recently released, make this one of the most attractive places in the country to pursue research and technology transfer that can be capitalized. The FAST grant will allow us to build a robust program that ensures many more entrepreneurs will have access to SBIR/STTR funding and a much greater number of innovations and companies will take flight. It truly helps take us to the next level."

SBIR is a highly competitive program that encourages domestic small businesses to engage in federal research/research and development that has the potential for commercialization. The STTR program expands funding opportunities for federal innovation research and development by forming joint ventures for small businesses and nonprofit research institutions. For more information on SBIR/STTR visit sbir.gov.



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BUSINESS BRIEFS

LOUISVILLE

■ Louisville-based **Waystar**, a health-care revenue cycle technology company formed by the combination of **Navicare** and **ZirMed**, has reached a definitive agreement to merge with **Connance**, a Boston company that also specializes in revenue cycle technology. The combined company will operate under the Waystar name, providing advanced workflow and predictive analytic solutions to more than 450,000 providers, 22,000 health-care organizations and 750 health systems and hospitals. The company will have offices in Louisville, Chicago, Atlanta and Boston.

■ **Turning Point Brands Inc.**, a Louisville-based provider of tobacco products, has acquired **International Vapor Group**, a Florida company that manufactures and sells electronic cigarettes and accessories through the internet and retail stores. The acquisition values IVG at \$24 million plus \$4.5 million of contingent earnouts. For the 12 months ended June 30, 2018, IVG had revenues of approximately \$47.7 million. Turning Point President and CEO Larry Wexler said the acquisition “greatly expands our capabilities across all of our selling channels” and “will provide significant synergies in logistics, marketing and sourcing.”



■ **Churchill Downs Inc.** has opened a new 85,000-s.f. entertainment facility in Louisville that boasts 900 historical racing machines. **Derby City Gaming** will employ 250 full- and part-time workers.

MURRAY

■ **Murray State University** has added a new online bachelor's degree in agricultural science. The degree builds upon the existing agriculture science/agriculture technology degree program that has been offered by the university for many years to prepare students for numerous jobs in the agriculture industry.

NORTHERN KENTUCKY

■ The **Butler Foundation**, the **Charles H. Dater Foundation**, the **R.C. Durr Foundation**, **Horizon Community Funds of Northern Kentucky** and the **Elsa Heisel Sule Foundation** have joined forces to create **NKY Funders' Grants**, an ongoing program that convenes foundations and funders around mini-grant competitions for nonprofits that serve Northern Kentucky. The organization will hold an inaugural mini-grant competition on Nov. 20, at which time finalists chosen in the competition will have three minutes to outline their mission and need/use of charitable contributions to create solutions to social problems in the region. Finalists will also be able to share further information about their respective organizations at presentation booths positioned throughout the event space.



OWENSBORO

■ **Owensboro Health** and the **University of Louisville School of Medicine** are partnering to create Owensboro's first family medicine residency program, with a goal of bringing more primary-care physicians to the region. The three-year program is expected to open with a class of six resident physicians and admit an additional six physicians each year. The program will be located at Owensboro Health's Parrish Medical Building and is scheduled to open on July 1, 2020.

PAINTSVILLE

■ **Big Sandy Community and Technical College** has formed a partnership with the **Paintsville Independent School District** to train high school students to become certified nurse aides (CNA) in eastern Kentucky. Students enrolled in the program attend classes each morning at Big Sandy's Mayo campus in Paintsville and return to their high school for regular classes throughout the day. Students with a CNA certificate can move directly into the workforce after high school graduation with jobs in hospitals, rehabilitation centers, nursing homes, adult-day care centers, hospice and long-term care facilities. The program has enrolled 30 students this fall.

STATE

AUDITOR FINDS BROADBAND PROJECT PUT TAXPAYERS ON THE HOOK FOR \$1.5B

A special examination by Kentucky Auditor Mike Harmon's office of **KentuckyWired**, the statewide broadband project announced in 2014, finds that taxpayers will be on the hook for almost \$1.5 billion over 30 years for the project.

That sobering statistic was among nine findings detailed in Harmon's nine-month examination of the **Kentucky Communications Network Authority** (KCNA) and KentuckyWired. The report will be referred to the Executive Branch Ethics Commission for further review and possible action by that agency.

“When KentuckyWired was announced by the prior administration, Kentuckians were told they would only be responsible for a \$30 million investment approved by the **General Assembly** in 2014, and the majority of funding would come from private investment,” Harmon said. “What we now find is that between what has been paid out thus far, what has been bonded, and what we have been obligated to by former leaders, taxpayers are responsible for 93 percent of the total cost for KentuckyWired.”



The map above shows the construction status of the KentuckyWired project as of June 2018.

The report also details that the KentuckyWired project is almost \$100 million over budget for construction costs, and the original planned completion date for the project has already passed. Meanwhile, Harmon notes, the “state is making ‘availability payments’ to contractors for a network that is not available or operational.”



Kentucky Auditor Mike Harmon

The audit found that significant changes were made that placed the burden on taxpayers during a lengthy and unorthodox procurement process between late 2014 and late 2015. The proposal made to the state included private funding and greater responsibility in key areas on the private sector. However, in late 2015, Beshear administration officials signed agreements with less favorable terms and committed taxpayers to essentially all project costs.

According to Harmon, the General Assembly is doing its own investigation through the Program Review and Investigations Committee and his office will continue its exam specifically covering the time frame between when the RFP was issued in 2014 and when the project agreements were signed in September 2015.

“There are questions that remain as to why the terms were changed from the original proposal that placed little burden on taxpayers to what was signed the following year that put the responsibility of almost \$1.5 billion on the commonwealth,” said Harmon. “My office will use any and all authority given to us, including – if needed – our subpoena powers, in an attempt to get to the bottom of what happened, and to make sure future projects are done in a responsible and transparent fashion.”

LOUISVILLE

FLAVORMAN EXPLORES DEVELOPMENT OF CANNABIDIOL-INFUSED BEVERAGES



Flavorman has put together a dedicated team who are working to develop a broadly marketable CBD-infused beverage that has the health benefits of CBD along with the taste and quality of other products.

FLAVORMAN, a Louisville-based beverage and flavor development company, is broadening its services to include cannabidiol-infused beverage development and distribution.

Cannabidiol, or CBD, is a chemical compound that, along with THC, is one of the main components of the cannabis plant; however, CBD lacks the same psychoactive effects that THC exhibits, giving CBD more potential for mass production

and distribution. When ingested, CBD can produce calming effects, increase focus and may even improve productivity. As an anti-anxiety and anti-inflammatory agent, CBD-infused beverages can also be marketed to epileptic or schizophrenic patients, or those suffering from chronic pain.

"There is enough research to support the health benefits of CBD," says David Dafoe, founder of Flavorman. "That's why we believe that CBD may be the most impactful functional ingredient for drinks since caffeine. We are working to deliver those benefits in crafted, refreshing beverages that we believe have the potential to improve lives across the board."

Flavorman hopes to help its clients launch their CBD-infused products to the public in early 2019.

BUSINESS BRIEFS

PARIS

■ **Pizza Wholesale of Lexington Inc. (PWL)**, a distributor of **Hunt Brothers' Pizza** in 19 states, broke ground this fall on a new headquarters, warehouse and distribution center in the Paris-Bourbon County Industrial Park. When complete, the 55,800-s.f. facility will be more than twice the size of the company's existing facility in the industrial park. Hunt Brothers Pizza is the nation's largest brand of made-to-order pizza in the convenience store industry, with more than 7,500 locations in 28 states.



RICHMOND

■ **Eastern Kentucky University's** School of Business has opened a new financial research and investments computer lab that gives students access to the same data available to Wall Street's top trading firms. Students in finance, management, accounting and marketing will be able to access real-world data for both classroom and research projects.



John McGarvey

STATE

■ The law firm of **Morgan & Pottinger P.S.C.** has changed its name to **Morgan Pottinger McGarvey**. The name change was implemented to honor attorney John McGarvey, who joined the firm in 1975, shortly after the firm was founded in Louisville in 1974.

■ The **Kentucky Hotel & Lodging Association** (KHLA) has merged with the **Kentucky Travel Industry Association** (KTIA) as part of an effort to serve as a singular voice for travel and tourism in Kentucky. In the merger announcement, the organizations said the merger "promises to increase collaboration between hotels and convention and visitors bureaus, a vital partnership for the success of hotels and the travel industry."

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INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **Wynright Corp.**, an Illinois manufacturer of intelligent material handling systems, is investing \$26 million to construct and equip a 320,400-s.f. manufacturing complex and office in Hobart, Ind. The company, a subsidiary of **DaiFuku North America**, plans to hire up to 582 employees by the end of 2021. Production at the new plant is expected to begin by the end of 2019.

■ **Integrity Defense Services Inc.** is expanding its presence in Springville, Ind., to help meet demand for the company's military support services, which includes a five-year contract to fabricate fuel-stand equipment for the **U.S. Marine Corps**. The expansion will add 160 new jobs over the next four years.

OHIO

■ **Western & Southern Financial Group** has reached an agreement with **Nestlé S.A.** to acquire **Gerber Life Insurance Co.** for \$1.55 billion. The transaction brings a leading direct-to-consumer life insurer and well-known brand to Cincinnati-based Western & Southern's family of financial services businesses. The acquisition will increase Western & Southern's assets to approximately \$77.1 billion. Gerber Life has more than 500 employees, who will remain at the company's headquarters in White Plains, N.Y. and in the Gerber operations center in Fremont, Mich.



Gerber Life
Insurance

■ Cincinnati-based **Graeter's Ice Cream** has purchased the last remaining franchise stores in its system from franchisee **Tedesco LLC**, bringing all 50 of its retail locations under company ownership and operation. The purchase included two stores in Lexington, six shops in Louisville and three in Indianapolis. "We decided several years ago that franchising wasn't our future," CEO Rich Graeter told the **Cincinnati Business Courier**. "Franchising is all about fast growth, all about finances, and we're more

about controlling our own brand. We want to gradually grow and expand our footprint. Slow and steady, that's what we're about."

TENNESSEE

■ **Fred's Inc.**, a Memphis-based company that operates discount stores and pharmacies across the Southeast, has entered into an agreement by which **Walgreens** will acquire pharmacy patient prescription files and related pharmacy inventory of 185 Fred's stores in a \$165 million transaction. "With this agreement, we have taken a major step towards achieving one of our main goals of eliminating our debt balance," said Joe Anto, interim CEO and CFO of Fred's. Earlier this year, Fred's completed a \$40 million sale of assets from its specialty pharmacy unit to **Advanced Care Scripts Inc.**, a **CVS** affiliate. Fred's continues to operate approximately 162 pharmacies across nearly 600 stores.

■ Only five months after launching nonstop flight service between **Nashville International Airport** and **London's Heathrow Airport**, **British Airways** has announced plans to expand the offering from five days a week to daily service. The daily service will begin March 31, 2019, and will operate with the **Boeing 787-8 Dreamliner** aircraft.



■ **Stonepeak Ceramics Inc.** is investing \$70 million to expand its tile manufacturing operations in Crossville, Tenn. The expansion project will involve opening a new production line that will increase the factory's capacity by 20 percent. Once complete, Stonepeak will be the first tile manufacturer in the United States to produce large-size porcelain panels. The company plans to add 160 full-time jobs over the next five years to support the additional line.

INDIANA

THOR ACQUISITION OF ERWIN HYMER TO CREATE WORLD'S LARGEST RV COMPANY

THOR Industries, a manufacturer of recreational vehicles headquartered in Elkhart, Ind., has entered into a definitive agreement to acquire German RV manufacturer **Erwin Hymer Group** in a \$3.6 billion transaction.

The merger will create the world's largest RV manufacturer, with the leading sales position in both North America and Europe.

Thor sells RVs through its many subsidiaries, which include well-known lines such as **Airstream**, **Heartland** and **Jayco**. The company employs 17,800 people and has manufacturing facilities in Indiana, Michigan, Ohio, Idaho and Oregon.

Erwin Hymer Group is one of Europe's premier RV manufacturers, with a worldwide network of more than 1,200 retail dealerships and over 7,300 employees. EHG's product portfolio spans all major RV categories and price points, from lightweight travel trailers to high-end motorhomes. For the fiscal year ending Aug. 31, 2018, the company expects to generate revenues of approximately \$2.9 billion.

"This transaction provides Thor a unique opportunity to grow with the European RV market leader," said Thor President and CEO Bob Martin. "The transaction gives us access to a new market with favorable macro and secular trends affecting RV demand similar to those we have seen in North America."



Airstream is one of the many recreational vehicle brands owned by Thor Industries.

OHIO

ITALIAN PAPER MANUFACTURER HIRING 700 FOR \$400M PLANT IN CIRCLEVILLE



Sofidel's new Circleville plant produces toilet paper, napkins and paper towels.

SOFIDEL, an Italian company that specializes in the production of household paper products, has opened a \$400 million plant in Circleville, Ohio,

a community approximately 30 miles south of Columbus.

The 1.4 million-s.f. facility, which will employ some 700 people at full capacity, sits on 280 acres and represents the company's first greenfield investment in the United States.

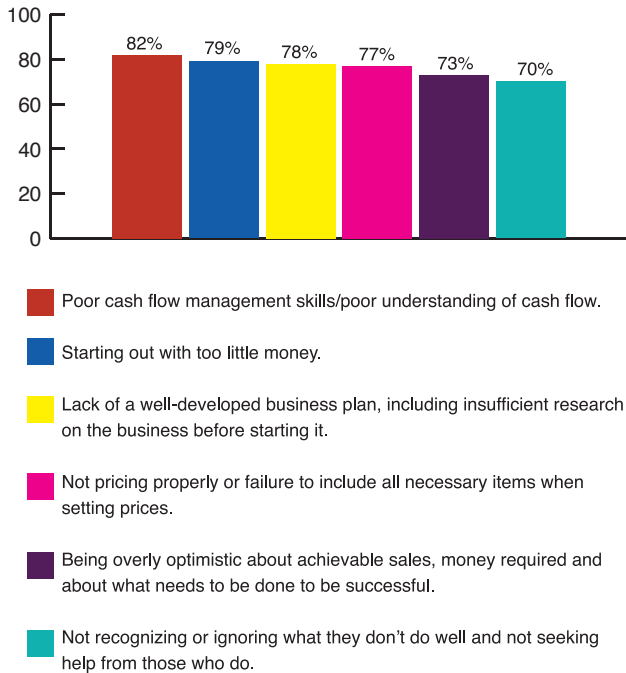
"The same growth strategy that we have pursued in recent years in Europe, based on a mix of greenfield investments and acquisitions, is taking shape in the United States as well," said Sofidel Group Chairman Emi Stefani. "It's a strategy that we consider crucial for our American growth."

Though Sofidel has six other U.S. plants, the Ohio plant is the first U.S. facility to incorporate both the paper mill (where the pulp is transformed into paper) and the converting plant (that produces the finished product).

WHY SMALL BUSINESSES FAIL

It's tough getting a small business off the ground and sadly, many businesses take off only to crash and burn within the first five years. A study by U.S. Bank reveals the most pervasive problems that result in small-business failures.

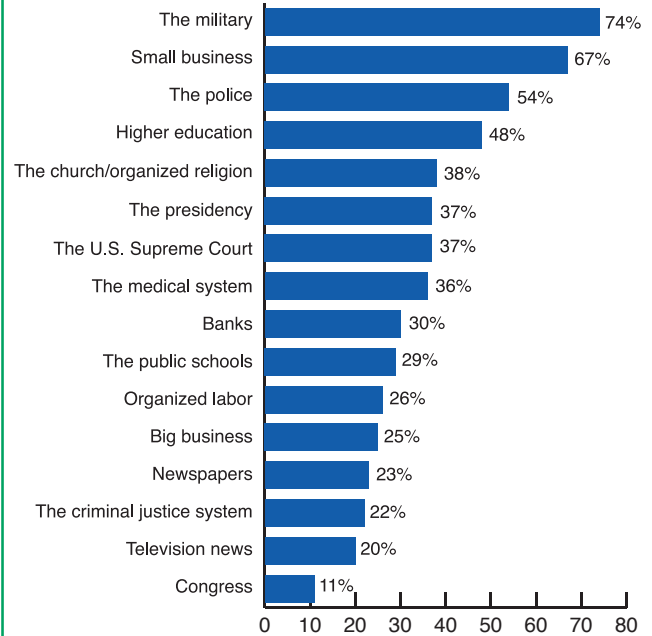
WHY SMALL BUSINESSES FAIL



Source: U.S. BANK/Preferred CFO

WHO DO YOU TRUST?

Though Americans' confidence in higher education has continued to erode over the last several years – those expressing a great deal of confidence in higher ed has dropped from 57 percent in 2015 to 48 percent in 2018 – the small-business sector continues to garner support from the majority of the American public. The chart below shows the percentage of Americans who say they have “a great deal/quite a lot” of confidence in the following institutions.



Source: Gallup

CITIES WITH THE LOWEST STARTUP COSTS

Though Apple famously started out of a garage with little up-front cash, the typical startup requires more than some empty space and a brilliant idea. Successful companies need money to pay for office space, employees and bills ranging from utilities to legal fees. The good news is that Kentucky's two largest cities were recently ranked among the top 10 cities in the nation in terms of low startup costs for new businesses. Furthermore, a separate Lending Tree survey found that of the nation's largest metro areas, Louisville ranked as the best city for millennial founders.

Rank	City	Filing Fees	Office Space	Utilities	Legal & Acct.	Payroll	Total
1	Chattanooga, TN	\$450	\$15,200	\$2,005	\$3,874	\$214,344	\$235,873
2	Greensboro, NC	\$252	\$16,890	\$1,541	\$3,779	\$216,528	\$238,989
3	Wichita, KS	\$140	\$14,720	\$1,825	\$3,178	\$219,336	\$239,199
4	Little Rock, AR	\$270	\$16,140	\$1,557	\$3,147	\$218,920	\$240,034
5	Columbia, SC	\$123	\$16,300	\$1,899	\$3,345	\$219,232	\$240,899
6	Lexington, KY	\$90	\$17,120	\$1,859	\$3,343	\$218,608	\$241,020
7	New Orleans, LA	\$143	\$18,860	\$1,745	\$3,853	\$216,528	\$241,128
8	Knoxville, TN	\$450	\$16,210	\$2,005	\$4,386	\$219,232	\$242,283
9	Memphis, TN	\$450	\$18,860	\$2,005	\$4,114	\$219,752	\$245,181
10	Louisville, KY	\$90	\$16,670	\$1,859	\$3,624	\$225,472	\$247,715

Table shows expected costs during the first year of business for a startup with a 1,000 square foot commercial office and five full-time employees.

Source: SmartAssets

CORPORATE MOVES

New leadership for Kentucky businesses

ACCOUNTING

■ **David Parks** has been named to lead Dean Dorton Wealth Management.



David Parks

BANKING

■ Fifth Third Bank has announced the following appointments: **Mark Raque** – senior vice president, managing director; **Leslie Hale** – vice president, director of private banking; **Adam Hall** – community economic development manager for Louisville, Lexington and western Kentucky communities; and **Wesley J. Simpson** – vice president and retail manager, Greater Louisville.



Mark Raque



Leslie Hale



Donald Benzinger

■ Central Bank has promoted **Donald Benzinger** to senior vice president, commercial lending in Northern Kentucky.



Kristina Joyce

BUSINESS DEVELOPMENT

■ **Kristina Joyce** has been named director of the Kentucky Small Business Development Center.

CONSTRUCTION

■ Nicholasville-based ACE Consulting Co. has promoted **Matt Ellis** to vice president of global operations for pre-construction and field staffing.

EDUCATION

■ **Liliana Gomez de Coss** has been named director of the Office of Multicultural Student Affairs at Eastern Kentucky University.



Liliana Gomez de Coss

■ Murray State University has named **Brian Canerdy** as director of development for the Arthur J. Bauernfeind College of Business and for university special projects.



Brian Canerdy

■ **Tim Culver** has joined Midway University as vice president of advancement.



Tim Culver

■ Spalding University has announced the following appointments: **Tomarra Adams** – dean of undergraduate education; **Shannon Cambron** – chair, Spalding School of Social Work; **Stacy Deck** – program director, bachelor of science in social work program; **Pamela Elzy** – program

director, doctor of nursing practice program; **Deborah Whistler** – program director, bachelor of fine arts in studio art program; and **Frederick Williams** – program director, criminal justice studies.

FINANCE

■ Covington-based Financial Design Group has named **Todd Leary** as managing director of the company's Greater Cincinnati operations.



Todd Leary

■ **Matthew Brewsaugh** has joined Lexington-based Ross, Sinclair & Associates LLC as wealth manager of the firm's Lexington office.



Matthew Brewsaugh

FOOD/SPIRITS/HOSPITALITY

■ **Victoria MacRae-Samuels** has been named senior director of global quality for Beam Suntory, the parent company of Maker's Mark and Jim Beam, among others.

■ **Greg David** has been named director of distillation at Jim Beam's Clermont and Boston, Ky., plants. David previously served as master distiller at Maker's Mark.

■ **Denny Potter** has rejoined Maker's Mark as master distiller and general manager.

■ Louisville-based Yum! Brands Inc. has promoted **Tony Lowings** to KFC Division chief executive officer, effective Jan. 1, 2019.

GOVERNMENT

■ **Wayne Lewis** has been named commissioner of the Kentucky Department of Education. Lewis has been serving as interim commissioner of the department since April 2018.

HEALTH CARE

■ **Brian Barnes** has joined Louisville-based BrightSpring Health Services (formerly ResCare) as chief information officer. **Malissia Pendleton** has been named chief learning officer.



Brian Barnes



Malissia Pendleton

■ **Dr. Jody Prather** has been named chief strategy officer for Baptist Health.



Dr. Jody Prather

■ LifePoint Health has promoted **William Haugh** to marketing president of Central Kentucky. Haugh previously served as chief executive officer of Georgetown Community Hospital.



William Haugh

■ **Brian Roe** has joined Kentucky Organ Donor Affiliates as chief clinical officer.

DEPARTURES

■ **Vicki Fitch** will retire as executive director of the Bowling Green Area Convention & Visitors Bureau, effective Dec. 1, 2018.



Vicki Fitch

HUMAN RESOURCES

■ **Mark Hardy** has been named talent acquisition manager for Louisville-based Integrity HR.



Mark Hardy

INSURANCE

■ **Jeff Borkowski** has been named chief executive officer of ClearPath Mutual Insurance Co., a Louisville company formed following the reorganization of KESA, The Kentucky Workers' Compensation Fund, a self-insured workers' compensation fund.



Jeff Borkowski

LAW ENFORCEMENT

■ **Gary Lewis** has been named chief of the University of Louisville police department. **Kenny Brown**, who has served as interim chief since the May 2017 retirement of Wayne Hall, has returned to his position as assistant chief.

LEGAL

■ **Timothy A. Schenk** has joined Wyatt Tarrant & Combs' Louisville office, where his practice will focus on loan workouts, banking regulatory compliance and governance, and commercial litigation.



Timothy Schenk

PUBLIC RELATIONS

■ **Lisa Jessie** has been named controller for Louisville-based C2 Strategic Communications.



Lisa Jessie

TECHNOLOGY

■ **Gui Cozzi** has joined Dean Dorton Technology, where he will lead the company's new cybersecurity team.



Kevin Moore

TOURISM/CONVENTIONS

■ **Kevin Moore** has been named general manager of the Kentucky Exposition Center.

UTILITIES

■ Kentucky American Water has appointed **Jason Case** as production supervisor for the company's northern division, based in Owenton, Ky.

OTHER

■ **Brittani Cushman** has been promoted to senior vice president of external affairs for Louisville-based tobacco company Turning Point Brands Inc.

ON THE BOARDS

Kentuckians named to organizational leadership roles

ALZHEIMER'S ASSOCIATION

■ **Mauritia Kamer** has been selected to chair the board of directors of the Alzheimer's Association's Greater Kentucky and Southern Indiana chapter. **Andrea Whelan**, of Louisville, has been named to the board and will serve a two-year term.

AMERICAN BAR ASSOCIATION

■ **Palmer "Gene" Vance II**, has been named chair of the American Bar Association Section of Litigation. Vance is a partner with the law firm of Stoll Keenon Ogden.



Gene Vance

COMMONWEALTH COUNCIL ON DEVELOPMENTAL DISABILITIES

■ **Paul Hitchcock** has been named to the Commonwealth Council on Developmental Disabilities. Hitchcock is general manager of Morehead State Public Radio.

EXECUTIVE COUNCIL OF THE NATIONAL CONFERENCE OF STATE LIQUOR ADMINISTRATORS

■ Kentucky Alcoholic Beverage Control Commissioner **Christine Trout-Van Tatenhove** has been named to the Executive Council of the National Conference of State Liquor Administrators (NCSLA) as a chairperson of the Southern region. The NCSLA represents alcoholic beverage regulatory agencies in the United States, District of Columbia and other local jurisdictions.

HOPE CENTER

■ The Hope Center, which provides emergency shelter, food and clothing for those in need in Lexington, has announced its 2018-2019 board of directors: Chair – **Cathy Jacobs**; Vice Chair – **Bill Rouse**; Vice Chair – **Linda Ball**; Secretary – **George Wallace**; and Treasurer – **John McCarty**.



Cathy Jacobs



Bill Rouse



Linda Ball



George Wallace



John McCarty

KENTUCKY AIRPORT ZONING COMMISSION

■ **James Bradford Schwandt** has been appointed to the Kentucky Airport Zoning Commission. Schwandt, of Louisville, is director of aircraft maintenance for UPS.

KENTUCKY BOARD OF ARCHITECTS

■ Fort Mitchell architect **Joseph Ahrens Hayes** has been appointed as a member of the Kentucky Board of Architects.

KENTUCKY BOARD OF EMERGENCY MEDICAL SERVICES

■ **Kevin E. Neal**, **Robbie Smither**, **Ashley Powell** and **Tracey Park** have been appointed to the Kentucky Board of Emergency Medical Services. Neal, of Benton, is the judge/executive of Marshall County. Smither, of Shelbyville, is a paramedic with Procarent/Yellow Ambulance. Powell, of Eubank, is a paramedic and executive director of Lincoln County EMS. Park, of Eminence, is a registered nurse and staff member of the Governor's Office of Agriculture Policy.

KENTUCKY COMMISSION ON MILITARY AFFAIRS

■ Brig. Gen. (Ret) **Jim Iacocca** has been named as the new board chairman of the Kentucky Commission on Military Affairs. Iacocca is president and CEO of the Knox Regional Development Alliance.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

■ **Karen Finan** and **Damon Van Allen** have been appointed as members of the Kentucky Community and Technical College System board of regents. Finan, of Fort Mitchell, is president and CEO of the Northern Kentucky Regional Alliance. Van Allen, of Covington, is senior vice president and community investment officer for Federal Home Loan Bank of Cincinnati.

KENTUCKY HERITAGE COUNCIL

■ **Jon Park**, **James Claypool** and **Betsy Kuster** have been appointed to the Kentucky Heritage Council. Park, of Eminence, is director of constituent services for the governor's office. Claypool, of Park Hills, is a retired college history professor. Kuster, of Paris, is a farmer.

KENTUCKY PHARMACY AND THERAPEUTICS ADVISORY COMMITTEE

■ **Melanie Ann Story** and **Lindsay Villalobos** have been appointed to the Pharmacy and Therapeutics Advisory Committee. Story, of Simpsonville, is a family physician with Genesis 1 Health. Villalobos, of Lexington, is a clinical pharmacist with University of Kentucky Healthcare.

KENTUCKY RETIREMENT SYSTEMS

■ **John Edward Chilton** and **David Lee Harris** have been appointed to the Kentucky Retirement Systems board of trustees. Chilton, of Louisville, is the Kentucky state budget director. Harris, of Nicholasville, is the CEO of MidSouth Capital Asset Management LLC.

LEADERSHIP LOUISVILLE CENTER

■ The Leadership Louisville Center has announced its new officers and board members for the coming year: Chair – **Ken Selvaggi**, WAVE 3 News; Chair-elect – **David Hardy**, CBRE Louisville; Vice Chair – **Scott Colosi**, Texas Roadhouse; Vice Chair – **Jennifer Hancock**, Volunteers of America; Vice Chair – **Tim Quick**, GE Appliances; Vice Chair – **Brian Reynolds**, Archdiocese of Louisville;



Ken Selvaggi

Vice Chair – **Cynthia Williams**, Brown-Forman Corp.; Secretary/Treasurer – **Jaleigh White**, Hilliard Lyons; Immediate Past Chair – **Jennifer Hughes**, DMLO CPAs; and Counsel – **Geoffrey White**, Frost Brown Todd. Joining the board of directors for a three-year term are: **Christy Ames**, Republic Bank; **Mark Carter**, Passport Health Plan; **Jim Irving**, Bingham Greenebaum Doll LLP; **Greg Pope**, EY; **Chad Smith**, Courier-Journal, Gannett Co., Inc.; and **Stacey Wade**, Nimbus.

LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD

■ **Brian Wells** has joined the Lexington-Fayette Urban County Airport Board. Wells is a partner in the law firm of Wyatt, Tarrant & Combs.

LOUISVILLE BASKETBALL INVESTMENT & SUPPORT GROUP

■ **Steve Higdon** has joined the board of directors of the Louisville Basketball Investment & Support Group, an organization that is working to put Louisville in a strong position to attract a professional basketball team.

MOREHEAD STATE UNIVERSITY

■ **Sanford Holbrook** has been appointed to the Morehead State University board of regents. Holbrook, a graduate of MSU, is superintendent of Robertson County Schools.

NATIONAL ASSOCIATION OF HOME BUILDERS

■ **Brian Miller** has been named secretary of the National Association of Home Builders Executive Officers Council. Miller is executive vice president of the Building Industry Association of Northern Kentucky.



Brian Miller

PAPA JOHN'S INTERNATIONAL INC.

■ **Olivia Kirtley** has been named chairwoman of the Papa John's International Inc. board of directors.

TEXAS ROADHOUSE

■ **Curtis Warfield** has been named to the board of directors of Louisville-based Texas Roadhouse. Warfield, of Louisville, is chief audit executive at Anthem Inc.

UNITED STATES POSTAL SERVICE

■ **Robert M. "Mike" Duncan**, of Inez, has been appointed to serve on the board of governors of the United States Postal Service.

UNIVERSITY OF KENTUCKY

■ Attorney **Kimberly Scott McCann**, of Ashland, has been appointed to the University of Kentucky board of trustees.

WORLD TRADE CENTER KENTUCKY

■ The World Trade Center Kentucky has appointed four new directors to its board: **Roberto Fuentes** – vice president, Valvoline International; **Sarah Olive** – international business development analyst, Big Ass Fans; **Will Snell** – co-director, Kentucky Agricultural Leadership Program, University of Kentucky; and **Stewart Ditto** – president, Kentucky Aerospace Industry Consortium.

LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Melanie Roberts

Melanie J. Roberts was elected Bullitt County judge/executive in 2006, took office in 2007 and is completing a third term. In 2018 she became the first woman president of the Kentucky County Judge/Executives Association. Roberts previously was a teacher for 20 years of children in kindergarten through the fifth grade at Cedar Grove Elementary in Bullitt County. She has bachelor's and master's degrees from the University of Louisville in elementary education. Roberts has served on the boards of the Bullitt County Extension Council, Health Department and Arts Council and is active in a variety of civic and community organizations.

JUDGE/EXECUTIVES WANT FRANKFORT TO PAY UNFUNDED PENSION LIABILITY

Kentucky County Judge/Executive Association President Melanie Roberts says counties need what revenue they have to maintain local services

BY MARK GREEN

Mark Green: What are the primary revenue streams for Kentucky counties and the typical proportions of those sources?

Melanie Roberts: Here in Bullitt County, we just have the property taxes; we do not have an occupation tax. But I don't want to speak for Bullitt County only; I want to talk for judge/executives in the whole state. We do have the local government insurance premium tax here in Bullitt. Unfortunately, the cities are able – and they do – to take that revenue from the county. At this time, Bullitt County has no occupational tax; only property tax revenue.

Many counties do have the occupational tax, but another revenue source is the property taxes, and another is the insurance premium tax. The three largest sources of revenue for counties are the occupational license fee at 47 percent, real property at 22 percent and the insurance premium tax at 9 percent. Counties also count on fees from their citizens for 911 and collect franchise fees on garbage collection and landfill usage.

MG: Of the revenue streams counties use, are there any trends regarding which are going up and which are going down? Has the economy produced

better property values and more revenue, or are things stable?

MR: Revenue streams are fairly steady across most of the commonwealth. However, coal field counties have lost significant coal severance monies the past few years and this has resulted in budget dilemmas for these counties.

MG: What government services are constituents most concerned with today? What are the things that you hear about the most?

MR: The electorate is most interested in safe roads and bridges, clean water supplies and efficient emergency services, meaning police, fire, ambulance and 911. If people aren't safe, then we've got a problem. Of course, emergency services includes dispatch, since communication is absolutely critical when you're calling for an ambulance or you need law enforcement. You've got to have those services. People definitely want those services, and when you need them you want good services.

Also, something that's definitely really important locally in Bullitt County – and I don't want to state that it's widespread – are these “package” sewage plants (smaller prefabricated units serving areas not connected to central systems) that were developed

quite some time ago. They are a major problem now.

MG: They're at the end of their life cycles?

MR: Yes. We have a privately owned sewage plant in Hunters Hollow (the smallest of Bullitt County's eight cities), and it collapsed due to being antiquated. Sad to say, raw sewage is running in people's yards. That is absolutely unacceptable in this day and time. Unfortunately, nothing was done from the state level or the federal level, and our Bullitt County Sanitation District entity has had to take over that plant, and it's just Band-Aiding it trying to keep it going. The county fiscal court has no direct power over this except for putting people on the three-person commission board, and then voting to allow that commission to raise rates.

MG: Sewage issues are on the rise across the state for county governments?

MR: These package plants are an issue that needs to be addressed; state and federal officials, along with local, and maybe a private entity, need to step up and do some planning to solve this problem. Maybe develop a regional sewage facility. Sanitary sewers are an issue in this county, in the north end specifically, and it's an issue in other counties. I don't know the extent, but it's a problem I'm passionate about because that's not good!

So, constituents want the best emergency services, including 911, and sewer, and of course, people want roads – roads and bridges. It is imperative that government, which has the people's money, apply those taxes to have good, solid, efficient and effective infrastructure. Something now in this day and time people are asking for is good high-speed internet. That's very important.

Let me say something else about infrastructure. We are very blessed here in Bullitt County because we have a partnership with the Louisville Water Co., but some counties are still looking for potable water – and that's critical. Folks don't want to be on wells anymore.

MG: What are the backgrounds of most Kentucky judge/executives? Is there a common background?

MR: No. It's all across the board, very varied. Judge/executives come from every walk of life. A few were teachers; I'm one of them. A few were superintendents. There are principals, military folks, a few attorneys, bankers, several farmers, coal miners, police officers, funeral home directors and small-business owners. This variety of backgrounds is significant for

our (Kentucky County Judge/Executive) Association. No matter the subject area, there are generally judge/executives with experience that is helpful when formulating or reviewing potential legislation.

MG: Is there a typical age?

MR: This varies considerably. The average age is around 60. Currently the youngest is 36 and the oldest is 88.

MG: What is the distribution between men and women?

MR: Judge/executive is very, very much of a male-oriented area. Currently there are only four women judge/executives. I believe this trend will dramatically change in the years ahead.

MG: What involvement in economic development do judge/executives typically have? Is there a "typical" participation in a business recruitment or expansion?

MR: Most of our judge/executives play a key role in economic development. They work closely with their local chambers of commerce and with the Kentucky Economic Development Cabinet, a very important agency, and state Workforce Development. Many judges serve as the local contact person with the state during business recruitment. Judge/executives work with those folks if they don't have a county economic development agency like we have here in Bullitt County; we have an economic development agency that consists of folks from the business community. The judge/executive submits names to the fiscal court for appointments to the board seats.

MG: Does county government get involved in specific projects? If a prospect says they want certain services or incentives, does it fall to the county judge/executive to say yes or no?

MR: If there is an economic development director, he or she takes care of communication between the state government and prospects and oftentimes a city.

Ultimately the whole fiscal court generally gets involved. The judge may be dealing directly with the state on working with a client, but local incentives are usually determined by the fiscal court. It normally takes the combination of state and local incentives to get the job done.

MG: What would county governments or judge/executives, collectively, like to see happen with regard to addressing Kentucky unfunded pension liability?

MR: We very much want the state to take care of that problem, which was caused by the state, and please stop burdening the local governments with picking up the bill. I know that's pretty harsh, but we here locally are serving the constituents, and we have got to be able to keep the funding that we have to provide those necessary services to our constituents. Counties would like to see the state vow to paying its part of the unfunded liability from now on as counties have historically done. Find a resource. Find a revenue stream. Vote on a revenue stream, or let the people decide on a revenue stream, if that's what's necessary to start solving that problem. A big reason for the huge unfunded liability at KERS (Kentucky Employees Retirement System) is the neglect of past administrations and legislatures. Because

of this, there is a large amount of the state budget that will need to be devoted to paying this in order to protect the inviolable contract of retirees. Many of the dollars needed for this could have been returned for much-needed local government projects.

MG: Are the actions the state has taken so far regarding pension impacting county budgets significantly?

MR: Yes. The Kentucky Retirement Systems (KRS) Board of Trustees changed the CERS (County Employees Retirement System) assumption rates last year on payroll growth and the rate of return on investments. This increased the contribution rates dramatically for local governments. The General Assembly did pass HB 362 last session that allows for a phase-in of the contribution rates over a 10-year period. This will enable most local governments to at least plan for the increased pension costs instead of paying such high rates in year one.

MG: What are county government's biggest concerns right now, collectively? Does anything keep you up at night?

MR: Pension funding. Are we going to have to pay a huge amount to the state to help fix that problem? I'll tell you, the local elected officials will probably converge on Frankfort like the teachers did and be very, very adamant that "This can't be happening." You've got to fight for your people. You've got to fight for your constituents.

Also, the extreme costs of funding the incarceration of inmates is universally a big concern for fiscal courts. County governments are putting over \$120 million from their general funds into

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LANE ONE-ON-ONE

their jail funds to support the costs of their jails. There needs to be criminal justice reform to reduce some of this burden. Fiscal courts also deal with a large number of mandates imposed on local governments – solid waste, animal control, cost of elections, etc.

MG: At the height of the Great Recession, *The Lane Report* talked to local government officials for an article about what they were going to do to manage their budgets. And everybody was making a lot of cuts at that time. Now 10 years down the line, how have county government operations and structures changed, if any, as a result of the Great Recession and the operational cuts it imposed?

MR: The economy bouncing back as well as it has, has helped tremendously. I became judge/executive in 2007. County governments are still having to do more with less because of the state mandates of this, that and the other, and now the pension mandate. There really needs to be a turnaround on the state level and the federal level that those entities send more money back to the local government or just please don't take it from the local government to begin with.

MG: Were there permanent impacts in terms of changes made then?

MR: Not to my knowledge, not here. And fortunately, we were doing pretty good here because of all our economic development here. We've rebounded.

MG: What services or functions do Kentucky county governments outsource to private business nowadays?

MR: One really big one implemented just when I became judge/executive was health services to inmates. A lot of counties contract that out. Some other counties outsource road maintenance. And some outsource solid waste collection and landfills.

MG: How do Kentucky county judge/executives view the economy presently? Is there a common view, or does that vary a lot by what part of the state you're in?

MR: Across the commonwealth, most regions have witnessed some of the lowest unemployment rates in decades. This is great news but has made it difficult to find quality employees for new businesses and expansions. The coal fields, particularly in Eastern Kentucky, have suffered the loss of high-paying coal jobs. This has resulted in some migration from that region into other areas.

MG: What is the average tenure of a Kentucky judge/executive?

MR: Too short! Two terms would probably be average. Forty-eight of the judges elected in the last election in 2014 will not be returning to office in January – I'm one of them. Some of those decided to retire and some were defeated in the May primary. There are still many competitive races that exist. It is possible there may be a 50 percent turnover of judge/executives this election cycle. That's a big turnover.

MG: Should counties have the authority and a mechanism to enact a local option sales tax?

MR: Anytime "the people" can decide for themselves what their desires are, I support it. So, yes. 38 or 39 states already have various local sales tax allowances. The local option sales tax that has been proposed in Kentucky is one of the most democratic processes I can imagine. As proposed, if a community desires a project, the local government can vote to have the question placed on the ballot and then the citizens can approve or reject the specific project. The benefit is fairly obvious. If the community desires a certain project that cannot be funded out of the local government budget, this option provides for that opportunity.

MG: Kentucky's many counties, each with its own government operation, is not a financially efficient system. Consolidation of counties is not politically viable, but are there operations that counties do or might collaborate on to be more efficient in providing services?

MR: Well, first of all, I don't think that fiscal courts are financially inefficient. Why? Because people elected the judge/executives and the magistrates of each county to spend the property taxes, or whatever revenue stream they have, to the best of their ability, and I have the utmost faith in democracy.

You are correct that consolidation of counties will probably never occur due to the unique history of each of our counties. Counties and cities do recognize the necessity to share funding to create effective, efficient services for our constituents. Most counties have interlocal agreements with cities and neighboring counties to provide services. The number of these interlocal agreements is almost endless. Counties share jails, industrial parks, animal control shelters, landfills, garbage collection, emergency services, etc., with their cities and neighboring counties.

MG: How much has the ongoing digital technology revolution affected operations, services and interaction with constituents in the past five or 10

years? What further developments can be expected?

MR: I mentioned earlier that high-speed internet is one of those services that people are expecting from their government. I know the want is out there; people want good internet service. Meanwhile, social media has become so very important in staying in touch. The ability to reach most every constituent immediately is amazing. This enables my office and staff to disseminate essential information to our citizens in a moment's notice. The use of Facebook and Twitter have become common for most county governments. I do believe there is a need for broadband for all citizens of our commonwealth. I know there are some difficulties right now with getting these connections made but think this will be worked out in the near future.

MG: Are county governments making use of or looking for public-private partnership deals for new or updated infrastructure or services?

MR: Local governments have been utilizing public-private partnerships for many years. For example, private companies have built speculative buildings in local government industrial parks on numerous occasions. The enactment of HB 309 in the 2016 session provides for a formal way of achieving these important partnerships. I believe as time goes on, local governments will utilize these alternative methods for procuring, constructing and financing capital projects.

MG: Was there any other subject that you would like to discuss?

MR: On a business level or any level, the ability to just agree to disagree and try to be proactive instead of reactive. I know that's not a specific point, but the folks who are in a community, whether it be in a business or government or private, whatever, you've got to be able to agree to disagree and sit down and be able to talk to people and try to work things out. I am seeing more and more, "If you don't agree with me or don't accept my thoughts and my ideas, I don't want to work with you." That is not how we're going to make progress in our society.

So just getting along with each other and genuinely caring about the community in which you live, and having pride. Having pride in your community, in yourself. That's something that I'd like to see more of. ■



Mark Green is executive editor of *The Lane Report*. He can be reached at mark@lanereport.com.



Wealth Management Continues Its Growth

Generational transfer by retiring boomers is a bigger factor than the economy or tax cuts

BY GREG PAETH

A strong economy, federal and state tax cuts and the transfer of wealth from baby boomers to their children and grandchildren have combined to make it a good time to be in the wealth management business in Kentucky.

There's been no overnight boom in "wealth management," a field with fuzzy boundaries, and its growth does not link with absolute certainty to any one of those factors just cited, although news

about the economy has been resoundingly positive.

People who know money and how to make it are seeing the entire financial advising business segment trend upward like their investment in a "blue chip" that's growing substantially, gradually and consistently.

Dean Dorton, headquartered in Lexington and one of the state's largest accounting firms, unveiled its wealth-management subsidiary in mid-September after several years of in-house discussion

and planning, according to David A. Parks, a CPA who is a company board member and its senior wealth adviser.

"With the tax cuts that have occurred, it should put more money in people's pockets and they're going to have more to invest, all other things being equal," Parks said. "So, yes, the strong economy as well as the tax cuts have probably, in one sense, created a buzz about financial matters that sort of heightens people's (interest in wealth management) ... A lot of people have more money in their pockets and they are interested in investing that and taking advantage of the strong markets that do exist."

But Parks said the economy and tax cuts were not the only factors considered before launching Dean Dorton Wealth Management. Over the years, he said, Dean Dorton had fielded frequent requests for financial services that most accounting firms don't offer.

"Some of it (wealth management demand) may also be due to overall



David A. Parks, CPA, Senior Wealth Adviser, Dean Dorton



changes in how financial services are currently delivered. We have noticed there is more demand for ‘one-stop’ shopping, and clients can often benefit from having more than one financial service performed by the same provider,” Parks said by email. “Having a primary ‘financial quarterback’ can help ensure that all aspects of a client’s situation are being considered, and can lead to efficiencies in the delivery of service,” said Parks, who is working in the subsidiary with Dean Dorton President and CEO David Bundy. “Years ago, banks did banking, insurance companies focused exclusively on insurance, investment managers dealt almost exclusively with asset management, etc., but now most of these service providers offer a variety of financial services. We have always done retirement planning for clients in a general way, but in terms of investment consulting and portfolio management, we have not offered those services in the past.”

Minimum required for management

Dean Dorton Wealth Management services include financial and retirement planning, investment consulting, portfolio

management and other financial services, which is generally in line with how other institutions describe their wealth management roles. PNC Bank, one of the country’s largest financial institutions and Kentucky’s largest by deposit market share with some 90 commonwealth locations and 2,300 elsewhere in the country, includes what it calls “private banking” and trust and estate services in its wealth management package.

Typically speaking, such services are offered to affluent clients who have at least \$250,000 to invest and pay a set fee.

Central Bank & Trust in Lexington has a minimum charge of \$1,500 and attempts to keep its fees at or near 1 percent of the amount that will be managed, said Senior Vice President Barry Hickey, who oversees the wealth management group.

PNC works with clients who have \$1 million or more in “investable assets,” according to Laurie Beth Baird, a vice president and senior wealth strategist with PNC Wealth

Management. PNC didn’t provide specifics about its fees, but did say they fluctuate based on the amount invested.

At Hilliard Lyons, considered the largest Kentucky-based wealth management firm, Alan Newman said the “\$250,000 range” of investable cash is a pretty good starting point for his firm, which has its headquarters in Louisville and operates in 11 states. It’s not uncommon for existing clients to open smaller accounts for children or grandchildren, said Newman, executive vice president and executive director of the private wealth division for a firm that traces its roots to a storefront office in 1854.

Newman is among the finance professionals who said the strong economy and tax cuts are, indeed, contributing to more demand for wealth management services, but wealth transfer from one generation to the next is the single most important factor fueling the field.

“First of all, I think wealth management is growing and growing robustly – not only in Kentucky but throughout our footprint,” said Newman, whose company manages about \$50 billion in assets, of which \$40 billion is in its wealth management department. “That’s predicated on what is gearing up to be the largest wealth transference in history – the last number I saw was 10,000 baby boomers are turning 65 each day. With that in mind, we are finding people who say they need more help and more advice than ever. I think that is one of the things that is really fueling this growth. This is no longer the stock brokerage firm that I joined 38 years ago, but we are now somewhat the real deal in wealth management.”

For the fiscal year that ended Sept. 30, Newman said Hilliard Lyons saw a “10 percent uptick in gross new assets” when measured against all of the investments the company oversees. During the 12 months, the company added about 20 advisers and now has 385 advisers on staff.

More wealth means more advisers

Although Kentucky doesn’t have any registration process in place for wealth managers, state regulators consider broker-dealer agents who sell stocks and other securities and investment advisers



Laurie Beth Baird, Vice President and Senior Wealth Strategist, PNC Wealth Management



Alan Newman, Director, Private Wealth, Hilliard Lyons



Barry Hickey, Senior Vice President, Central Bank & Trust

who manage portfolios to be part of the wealth management business, according to Marni Gibson, the director of the Securities Division inside the Kentucky Department of Financial Institutions. It's not unusual for people to be registered as both broker dealers and as investment advisers, she said.

"Kentucky has seen an increase in the number of investment advisers and broker-dealer agents over the last several years, and while the numbers vary across the years, there is an increase generally," said Gibson. There "seems to be constant growth in the industry."



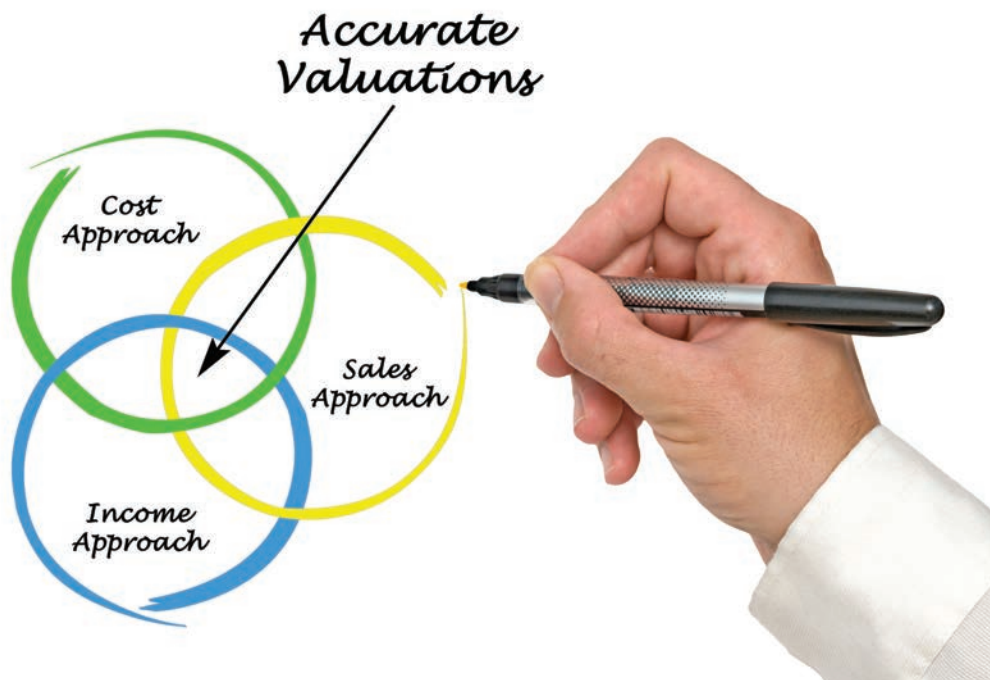
*Marni Gibson,
Director,
Securities
Division,
Kentucky
Department
of Financial
Institutions*

At the end of last year, the number of broker dealers in the state – 1,434 – was nearly unchanged from a year earlier while the number of registered agents for those broker dealers had increased by about 4,000 to nearly 124,000, according to the annual report of the Department of Financial Institutions.

While there were about 130,000 registered agents at the end of August, Gibson said because of high turnover "our end-of-the-year number could be significantly less."

The number of investment advisers with state credentials (190) and federal registrations (1,110) increased slightly from 2016 to 2017 as did the number of representatives (5,653) who work for those advisers.

"The wealth management field in Kentucky is growing for several reasons,"



Gibson said. "There is a tremendous growth in the economy with a labor force of 2 million in Kentucky and the transition of wealth: baby boomers are passing on wealth to younger people. And frankly, just the wealth across the country has grown, and a lot of people just don't know what to do with this money that they suddenly have."

PNC's Baird and Bruce Hanks, president and CEO of Wealth Management of Kentucky in Lexington, acknowledged that the economic growth has helped fuel the demand for wealth management services. Baird agreed wholeheartedly with Gibson about the substantial impact of the transfer of baby-boomer wealth.

But given the sustained and record-setting run in the stock market, Baird and Hanks said some investors are bracing for a downturn that would mirror what's happened in the past when the market peaks.

"They're saying 'protect my wealth' "

"I think the demand for wealth management services is increasing across the industry just because of the baby boomer generation ... more than the economy," Baird said. "I do think because of the strong economy (and) the tax cuts ... (there is) apprehension people are feeling due to the long-term (upward) run in the economy. We are getting more questions and people want

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to have more discussions about our long-term outlook and how we're positioning them in the event of any recession or pullback in the market.

"People have a higher anxiety level because of the economic factors, but I would say any increase I've seen in the number of people seeking wealth management services is simply due to our aging population."

Hanks, who runs a three-person firm founded in 2002, also said some investors are getting nervous.

"Clients are making more money. They're feeling more comfortable; they're excited that their 401(k)s are up, their personal brokerage accounts are up," Hanks said. "But what I'm seeing right now with people who are coming to us is they're more concerned because the market is at an all-time high. They're concerned not only (whether) will this continue, but (whether) at some point in time there's going to be a substantial correction."

"They're saying 'protect my wealth,'" Hanks said. "It's great that you're creating more wealth, but at this point in time I'm more interested in protecting and preserving my wealth than going back to a point where we were in 2007 and 2008 when people were losing 40, 50, 60 percent out of their 401(k)s and their investment accounts."

Hanks estimates the dollar value of assets under management has increased about 20 percent this year, a volume of business that can be handled by the small team that he has in place.

At Central Bank, Hickey said the wealth management group that he manages realizes that the demographics of their clients are changing.

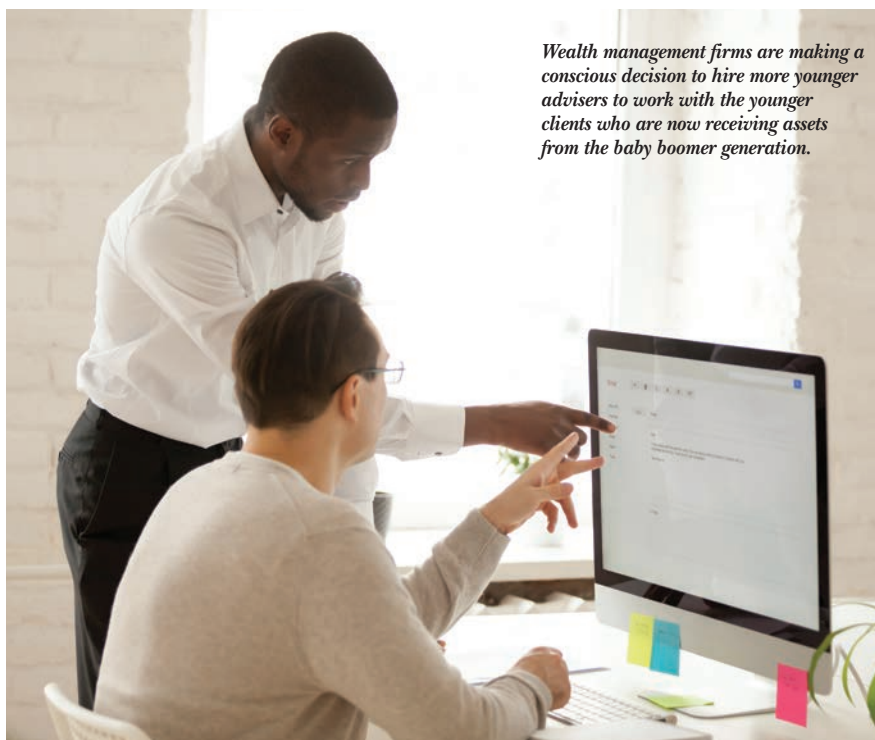
Younger advisers for younger clients

"We have made a conscious decision to hire younger. Three people who are trust administrators are in their thirties in order to handle that generational change in money that's going to happen with the baby boomers," said Hickey, who agreed with PNC's Baird and the state's Gibson about the impact boomers are having on the wealth management business.

Hickey is convinced the generational transfer of wealth has stimulated more business than the strong economy or tax cuts. His department has added seven people to its wealth management department in the last three years and now has a staff of 24 handling about \$1.7 billion in assets.



Bruce Hanks,
President/
CEO, Wealth
Management
of Kentucky



Wealth management firms are making a conscious decision to hire more younger advisers to work with the younger clients who are now receiving assets from the baby boomer generation.

"We really haven't seen any additional demand, and the reason for that is because we build our book on relationships. It's really more the brand that brings customers in rather than the economy," Hickey said.

"I know there are more banks getting involved in the wealth management business, and I assume that that (the strong economy) is the reason they're getting involved," said Ballard Cassidy, president and CEO of the Kentucky Bankers Association in Louisville.

Like other financial professionals interviewed for this story, Cassidy said much of his information about the growth of the wealth management business is anecdotal, based on conversations he's had with bankers.

There's no single source of information about the number of people who might be working in wealth management in Kentucky, he and others interviewed said.

Like Dean Dorton's Parks, Cassidy said many clients may be looking for a single source for financial services and banks thus may be offering professional wealth management so they don't lose a customer to a "one-stop shop" that provides a more comprehensive menu of services.

"They are probably taking the opportunity to say to their customer base, 'We're here to take care of your full

financial needs more so than (offering) any new products that they might have.' You don't purposefully send someone to another bank," Cassidy said.

Younger people who likely have given little thought to retirement also seem to be seeking more advice from wealth managers.

"What you're starting to see is those (younger) people moving toward (the position that) we need to start preparing ourselves for retirement. ... We need to start saving money, and we need to ask professionals for the best way to do that. I think that's what's driving a good portion of it (growth), and the tax bill that went through is driving a portion of it, and the combination of those things is probably the fuel behind it," Cassidy said.

Financial professionals who commented for this story say they are not aware of any new products or services being employed by wealth managers.

"There are no new magic pills. What we do, we feel like we do very well, and it's based on managing that client's risk and objectives to meet their goals over the long term," Central Bank's Hickey said.

"It's really not about the hot product of the day. Those days are long since past in our view," said Newman, of Hilliard Lyons. "I'm a believer that tried and true quality investing stands the test of time, but that's not to say that there aren't some tweaks that make existing products better." ■



Ballard Cassidy,
President/CEO,
Kentucky
Bankers
Association

Greg Paeth is a correspondent for The Lane Report. He can be reached at editorial@lanereport.com.



So long, Hilliard Lyons. Thanks for the long bull run.

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Jennifer Royster (foreground) and Shannon Weil say hello to Boogie Woogie, right, and Tucker, therapy dogs for the UK Chandler hospital, also known as canine counselors. Susan Lephart, the animal assisted therapy coordinator of Integrative Medicine and Health at University of Kentucky Healthcare, reports how the therapy dogs are as much for the staff at the UK hospital as they are for the patients.

Clary Estes photo

Pet Therapy, Patient Benefit

Kentucky hospitals are a wagging about growing success of ‘canine counselors’

BY CLARY ESTES

HUMANS aren’t the only caregivers working in Kentucky health-care facilities. Across the state, facilities from nursing homes to hospital intensive-care units and children’s wards to behavioral health clinics are utilizing man’s best friend to help patients recover, manage pain and undertake therapy challenges – as well as just making those settings cheerier.

It has long been known that pets provide people with emotional comfort, but in health-care settings today it is obvious animals also can help patients recover in fundamentally important ways both mentally and physiologically.

The use of animals in health care typically falls into three main categories: therapy pets, service dogs and emotional-support animals. Within Kentucky’s

health-care system the focus is on therapy animals (typically dogs, but also cats, horses, etc.) and service dogs to help patients recover as well as live a fulfilling, independent day-to-day life.

In Kentucky, hospitals are using therapy animals more and more. Bourbon Community Hospital, Frankfort Regional, Our Lady of Peace (Louisville), Owensboro Health Regional Hospital, Spring View Hospital (Lebanon), St. Claire HealthCare (Morehead), Sts. Mary & Elizabeth (Louisville), The Ridge (Lexington) and UK Chandler Hospital (Lexington) – to name a few – all utilize pet therapy. St. Elizabeth Healthcare operates its Paws For Patients therapy animal program at its five Northern Kentucky hospitals in Covington, Edgewood, Florence, Fort Thomas and Williamstown.

Comparatively, service dogs live one-on-one with beneficiaries in the home, while therapy dogs are utilized on a day-to-day basis within treatment facilities. The types of therapy dogs used by Kentucky facilities also differ based on need. In general, there are three types of therapy dogs: facility therapy dogs, animal assisted therapy dogs and therapeutic visitation dogs.

Facility therapy dogs and animal assisted therapy dogs assist physical and occupational therapists in meeting goals important to a person’s recovery. At the UK Hospital, Carmine, an English Labrador Retriever, is the star of the 8th floor, where he helps patients get out of bed and walk after cardiac surgery, an important step for a successful recovery.

“You’ve heard of dog walkers,” staff on the 8th floor joke, “well, Carmine is a people walker!”

They seem to know what’s needed

The therapy dogs at UK are referred to as canine counselors and even have their own business cards.

Therapeutic visitation dogs are the most frequently utilized type of therapy dog in health-care facilities. At the UK Hospital, Ellen Karpf and her two Golden Retrievers, Bonnie and Clyde, were the vanguards of the pet therapy program and started by visiting the adjoining Kentucky Children’s Hospital and the Markey Cancer Center.



Mike Wharton, of Elizabethtown, spent 13 years in the military, including tours in Iraq and Afghanistan, sustaining an ankle injury that requires him to walk with a cane and other medical conditions, including PTSD. Wharton obtained his full-time service dog Noble through a Veterans Administration program.

Paws With Purpose photo

Pet therapy is available at all Norton Healthcare hospitals and some outpatient facilities. A pair of Paws With Purpose therapy dogs are shown here.

Deemed successful, the program was embraced and expanded. In October 2018, the program had upwards of 30 certified canine counselors visiting multiple wards every week. Therapy dogs provide patients with a sense of calm and affection that is often difficult to develop otherwise, and the dogs operate with a preternatural sense of what patients need.

Dr. Susan Lephart, the animal assisted therapy coordinator for Integrative Medicine and Health at UK, recounts a memorably effective session.



Dr. Susan Lephart, Animal Assisted Therapy Coordinator for Integrative Medicine and Health, UK Healthcare

“Boogie Woogie (Susan’s canine counselor) was in the emergency department and they had a girl who was having some psychological issues and was very distraught. The doctor came and asked if we would mind her visiting with Boogie Woogie. This 16-year-old girl was just

Paws With Purpose photo



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Dog Training Program Benefits Patients – and Many Others

PAWS With Purpose, a 501(c) nonprofit organization based in Louisville, “provides highly skilled assistance dogs as partners to children and adults with physical disabilities or other special needs free of charge. Its dogs provide comfort and companionship, help to break down social barriers, and perform many tasks that help their partners lead more independent lives.”

Many people know about seeing-eye dogs, mobility-assistance dogs, and seizure-alert and -response dogs, but dogs today also are trained to help children with autism and those suffering from post-traumatic stress disorder.

One beneficiary of the program, the mother of a child with autism said, “I wanted a service dog to help with social aspects and be a bridge for Jonathan (her child) to engage with people, since he doesn’t reach out to establish relationships. Ian’s (the service dog’s) incredible bond with my son has exceeded all my dreams and expectations. Jonathan is able to self soothe for the first time in his life by running his fingers through Ian’s fur or simply lying beside him. He also wakes up happy to Ian jumping on the bed and initiating play, and he no longer runs away or darts into the street when we’re in public places. Ian has given us our life back.”

Another beneficiary of the program, a combat veteran suffering from PTSD, reports, “Noble (his service dog) has given me the reassurance that everything is OK when I go into crowded stores or traffic. When I have nightmares, he is able to wake me calmly. Due to my injuries that I received while in Afghanistan and Iraq, I have balance and stability issues. Noble is able to assist by retrieving dropped objects for me and assist with stability. Because of what Noble is able to provide me, I am now able to enjoy life with my family once again and actively participate in my children growing up. Without Paws With Purpose, this never would have been possible.”

Paws With Purpose takes its assistance mission further – it instructs inmates from the Kentucky Correctional Facility for Women in nearby Oldham County to train its service dogs, giving convicts there a chance to gain job skills and give back to the community.

All puppies are given basic obedience instruction to start, then trained for the specific needs of clients as the program progresses for two to three years total.



Paws With Purpose photo

“All (inmate) participants have to have at least a GED to get involved in the Paws With Purpose program, so it can motivate somebody who did not already have their high school diploma to study for it while incarcerated,” said Elaine Weisberg, a Paws With Purpose volunteer and board member. “Accepted participants are then trained and gain new job skills. The program also allows participants to communicate with volunteers who care for the dogs on the weekends on a weekly basis outside of the correctional facility as they train the puppies, which helps with their communication skills.”

“But they also will tell you that the positive reinforcement associated with the training is very helpful. They are watching the puppies learn things and are getting a lot of unconditional love from the dogs. Our trainers also get a chance to meet the client who’s going



Elaine Weisberg,
Board Member,
Paws With Purpose

Ian, a service dog trained by Louisville-based Paws With Purpose, has helped “Jonathan,” a child with autism, engage with others and be able to soothe himself. According to his mother, “Ian has given us our life back.”

to get the dog and work with them on what they want that dog to do for them. This gives them a lot of feedback, and it’s a very uplifting and encouraging and lets them know that while they’re spending their time incarcerated they’re doing something that’s really going to make a difference on the outside.”

Paws With Purpose provides its puppies in training with socializing opportunities, including working with children who need to practice reading, providing them with a judgement-free space to practice their reading skills, among others. So the program is a win-win-win for Kentucky, helping with the day-to-day needs of people with disabilities and providing a degree of behavioral health support to a population that is frequently denied such support systems.

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weeping, all curled up in a ball on her bed. We walked in and the nurse stood there with us and asked (her) if she would like to see a therapy dog.

"And all she did was nod. Before I could even say, 'Would you mind if he put his paws up on the bed?' Boogie was on the bed with his face right to her nose. And there was this connection between the two of them that was just so remarkable. The nurse beside her got all teared up. I got all teared up because it was as if Boogie Woogie was saying to the girl, 'I got you.' She started petting him. He put his paws on her shoulders. She stopped crying and then he just laid down beside her and let her pet him. By the time the doctor came back in and took one look at Boogie and this girl, she said, 'Well, I see we have another doctor here today.' "

Wendy Corman is director of recreational therapy at The Ridge Behavioral Health System in Lexington.

"Often throughout our therapy dog visits," Corman said, "you'll hear patients say things like, 'I miss my dogs at home so much, this is just great,' or 'Thank you so much. This just made my day.' "



Wendy Corman, Director of Recreational Therapy, The Ridge Behavioral Health System

Measurable medical benefits

Kentucky hospitals are finding measurable benefits to the use of therapy dogs as an example of nonpharmacologic intervention to reduce suffering, with potential downstream benefits including the reduction of suffering by humanizing the intensive-care unit; reducing loneliness in patients; improving mood among patients and staff; increasing engagement of patients by increasing self-efficacy and motivation to engage in rehabilitation and medical care; and reducing physiologic burdens, as demonstrated by slowed respiratory and heart rates in patients after therapy dog visits.

Clary Estes photo



Transitions of Care Coordinator Katelyn King and Carmine, a UK Chandler Hospital "canine counselor," walk with patient Jake Beckelhimer, who had just gotten out of surgery.

The use of therapy dogs has been linked to the reduction of pain and the increase of pain tolerance in patients, which could help address Kentucky's opioid addiction problem. Increased use of therapy dogs is being considered both in hospitals and detox clinics to help lessen "dope sickness" pain as addicts work through recovery.

Anecdotally, Lephart recalls a comment by a patient who has chronic pain. "I take pain meds every day, and I've found that if I pet a dog for 10 minutes I can reduce the amount of pain medication I take in a day by half," the patient told her.

Meanwhile, perhaps an equally important part of the therapy dog conversation is the benefit to the staff.

"The therapy dogs are here as much for staff as they are for the patients," Lephart said, "because if the staff is stressed and unhappy, they are not going to perform as well and that affects the recovery of the patients."

The value of the office dog

There is growing evidence coming from UK to back the use of therapy dogs in work settings.

In recent and ongoing studies conducted by Lephart with UK medical students, there was a direct correlation between students interacting with therapy dogs and how they performed on their medical exams.

"All medical students showed a perceived improvement in their pre-exam stress and anxiety levels after interaction with the therapy dogs, with first-year medical students showing a 60 percent improvement and second-year medical students showing a 49 percent improvement," the study reported.

Not only did the students show better scores on their medical exams, they also showed significantly lower levels of stress, anger, depression and shame. Medical students with a high incidence of suicidal thoughts showed marked improvement and lowering of depression indicators after interacting with therapy dogs.

And if therapy dogs at UK are doing so much good for patients and staff, it is hardly surprising that office dogs across the state and country are improving productivity and wellness across the business spectrum.

Bosley, a 90-pound labradoodle famous in the Woodland Triangle neighborhood of Lexington, is the local office dog at Xometry, a company that specializes in on-demand manufacturing. Bosley's owner, William Krueger said, "Bosley is a calming and de-stressing presence in the office. He greets everyone in the morning, visibly brightening their day. He also makes rounds throughout the day, giving everyone a chance to turn away from their computers for a few minutes and de-stress. Plus, it means free scratches and treats for him!" ■

Clary Estes is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.



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Retaining Custody of the Business in a Divorce

Proper strategies can protect the heart of your business if your marriage ends

BY SUSAN GOSSELIN

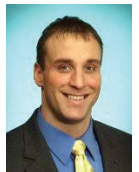
DIVORCE is difficult, messy and expensive. This is often doubly so for business owners, who are often faced with the prospect of having to carve out a portion of the value and assets of their businesses to give to their spouse in a divorce settlement.

“Fortunately, courts are cognizant of the fact that a business co-owned by a divorced couple is a terrible idea,” said Tom Banks, family lawyer and litigator with Straw-Boone, Doheny, Banks, Bowman & Mudd PLLC in Louisville. “But for many business owners, their business comprises the majority of their assets. If you don’t get your ducks in a

row before you make the decision to divorce, you could be faced with automatic buyouts, liens and garnishments just to pay out an equitable portion of the business’ value to the other spouse. Divorce, for business owners, can be complex.”

According to the latest statistics from the Centers for Disease Control & Prevention, in 2016 there were 827,261 divorces in the United States – about 3.2 per thousand people. Kentucky’s divorce rate is a little higher at 3.8 people per thousand. While the number of divorces is down from its peak in the 1990s for most age groups, the rate has doubled since then for people over the age of 50 – an age when many people have amassed the most assets and may have successful businesses.

Kentucky is a “no-fault” divorce state; the court is required to find that a marriage is “irretrievably broken” but not why this is the case. Decrees are issued usually only after all issues of property, children and any support responsibility have been resolved, either agreed to by both parties beforehand or through negotiation (which happens in more than 95 percent of divorces) or by the court in a trial.



*Tom Banks,
Attorney,
Straw-Boone,
Doheny, Banks,
Bowman
& Mudd*

Property, assets and debt obtained after marriage by either or both members of a couple are subject to equitable distribution. This doesn't include property owned before marriage, gifts, inheritances and anything excluded by legal agreement, such as in a prenuptial contract.

Few people think of the impact of potential divorce when they are in the exciting stages of starting a business or getting married, sources said. But those who do, and draw up agreements early, will benefit most. They will avoid many of the common business pitfalls divorce can bring.

These business pitfalls are pretty well understood by those in the legal community who handle divorce.

Pitfall 1: Failure to get a prenuptial agreement

A prenuptial agreement is a contract entered into before a couple is married, designating how assets are to be valued and divided amongst the partners in the event of divorce.

"Prenups are much more common these days, and don't have nearly the stigma that they used to have," said Susan



*Susan Kennedy,
Attorney,
Fowler Bell*

Kennedy, family law attorney at Fowler Bell in Lexington. "People of all different income levels are getting them, especially if they are marrying later in life and bringing assets into the marriage. It's simply a matter of agreeing whose property is whose, before a marriage, and who will retain what marital assets afterward. And as long as it's fair, and equitably divides up any other assets besides the business, most people will sign it."

Will the nonbusiness-owning spouse be entitled to a portion of the value of the company after a divorce? How will the business asset be valued? Will the

nonbusiness-owning spouse be entitled to a bigger portion of the couple's bank account and investments in return for giving up their share of the company's value? Will they get the profits from the sale of a home, cars or rental properties? All these are common questions that, if answered in advance, can prevent a lot of legal bills and heartache later.

If a couple is already married when a business is started, "postnuptial" agreements can be entered into as well, which would do much the same thing, Kennedy said.

Many prenuptial agreements for business owners designate the business



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a spouse brings into the marriage as “nonmarital” property, meaning it cannot be divided in case of divorce, thus protecting the business.

Pitfall 2: Failure of business to have defined divorce clauses in its bylaws

For larger businesses, especially those with multiple partners, having divorce clauses can be crucial to the smooth running of the business. “It’s very important for businesses to have certainty around their ownership,” said J. Michael Cloyd, partner at Cloyd & Associates PSC in Lexington. “We often recommend that companies stipulate that in the event of a divorce, the company automatically has to buy the divorcing partner out for their share in the company. This document also has to be very clear about how their share will be valued.



J. Michael Cloyd, Partner, Cloyd & Associates

“This will allow the divorcing partner to pay out to their (marriage) partner without any interruption in the business. And, it can be written in that the partner will have the ability to buy back the shares, if they desire. Many companies have clauses like this for bankruptcy or death; why not for divorce?”

Pitfall 3: Failure to understand how your company will be valued at the time of a divorce

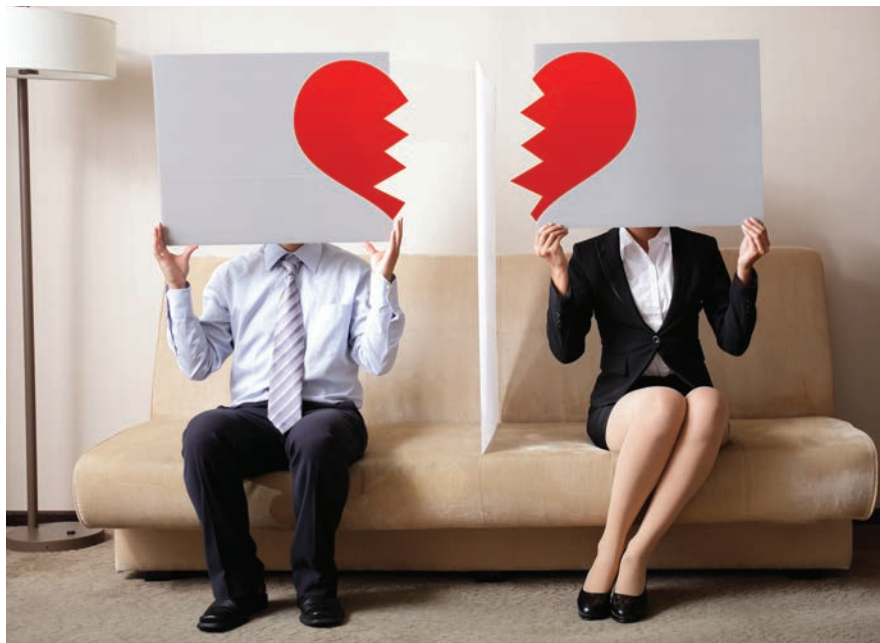
In every divorce that involves business ownership, the overall value of the business has to be determined so that fair compensation to the other spouse can be determined. The method used to make that determination is critical, our sources say.

“There are three ways to value a company,” said David Guarnieri, divorce attorney for McBrayer, McGinnis, Leslie & Kirkland PLLC in Lexington. “A market approach, where a company like say, a McDonald’s franchise, is valued based on what price it would bring if it was sold on the open market. Then there’s an asset approach, where a company might be valued based on the cost of its inventory, equipment and physical plant.



David Guarnieri, Attorney, McBrayer McGinnis Leslie & Kirkland

“Then there’s the income approach, where a company is valued on its past and potential for future earnings,” Guarnieri said. “This is often used for companies in the service business,



where they look at the last five years or so of earnings, average them out and project what earnings going into the future might be, and come up with a total value number from that. How your company is valued has a whole host of implications, and business owners are sometimes surprised at how high the valuation is.”

The goal is usually to give the business-owning spouse the entirety of their business in the divorce. However, sometimes business owners don’t have enough other assets to give a spouse what would make up for the value of a half stake in the business. In that case, sources say, business owners often have to give over all their bank accounts, profits from property, investments and still have to pay back the other spouse in installments over the course of years.

Understanding how your business would be valued and what that valuation might be is critical to making an equitable divorce settlement.

Pitfall 4: Thinking last-minute efforts to devalue a company will work

Though they don’t see it often, our sources say company owners who make last-ditch decisions to devalue a company in the wake of a divorce ultimately fail.

“Sometimes, business owners will suddenly start spending money in ways that are hard to trace or hard to split – like giving all the employees big bonuses, or borrowing against the equity of buildings, or finding other ways to carry a lot of debt on their books, so the value of their company will go down when it is valued,” said Courtney Hampton, an associate at McBrayer.

“If it can be shown that the business behavior that led to those decisions is unusual or premeditated to deprive the spouse of a settlement, then the court will value the business as if none of those financial moves had ever been made,” Hampton said. “In short, you’ll still be on the hook for the settlement, as well as those financial decisions you made.”



Courtney Hampton, Associate, McBrayer McGinnis Leslie & Kirkland

Pitfall 5: Rushing into it

If there’s no prenup in place, and you don’t have any idea what kind of number might come up in a corporate valuation, it is probably better to wait until you have a valuation done before you start trotting out divorce papers, Banks said.

“For instance, you could own a financial advising business that makes \$200,000 a year, but the valuation comes up at \$1.5 million,” Banks said. “People who are going through a divorce are often the worst versions of themselves, and in a pressure cooker of stress.

“You have to think about not only what it’s going to cost you financially and emotionally, but how it is going to impact your productivity and the future of your business. Consult an attorney, and perhaps even a good CPA before you go down this road. It’s a big decision.” ■

Susan Gosselin is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.



B2B BRANDING

Done well, it expresses your company's values—and why to trust you

BY BRAD FLOWERS

YOU don't really want a relationship with your chocolate bar. Or your beer. Or your jeans. Well ... maybe you do. Okay, you definitely do.

Let me start over.

What I mean is you don't necessarily have a relationship with the company that makes your chocolate bar, or beer, or jeans. There is something transactional in the business-to-consumer encounter that makes it different than how we experience relationships in real life. That isn't the case with business-to-business (B2B) purchases.

Due to longer sales cycles, larger financial investments and high-trust interactions, B2B transactions forge relationships. Trust is essential. It is created by proven capability. It is reinforced by consistency. Not just personal consistency, but consistency in the way the company is represented visually and verbally.

But consistency is just the surface. Ultimately, trust is realized through values alignment. Branding ensures

your actual values are presented to the world. The branding exercise is the process of bringing who you are inline with what you do. It is telling the world what your values are.

Your values are expressed in all aspects of your brand, not just what we commonly think of when we hear the word: name or see the logo. Think about what people love about your company. Is it the location or design of your office? Is it your salespeople? Is it how you answer the phone? Your website? Is it the product or service you provide? Those are all central parts of your brand and elements that are examined in the branding process. They are also the avenues by which your values are expressed.

When you articulate your values you stake a flag. There are three key outcomes for B2B companies that articulate their values through their branding:

Beat the low bid trap

Many B2B companies get business through the Request For Proposal

(RFP) process. In that case, the lowest bid often wins. There is an exception. We forget that businesses don't make decisions. People within businesses do. And people are interested in working with people with whom they share values. Articulating your values and your value will help you overcome the low bid. Are you a little more expensive because you invest in safety? Because you pay your employees more? Because you hold yourself to a higher standard? Tell them. If you are taking a stance for your values, there is someone out there who will want to do business with you because they either believe similarly, or they respect people who put actions behind their values.

Retain your clients during transition

Many B2B companies get business through relationships. Traditional examples are professional services firms like legal, financial services and accounting. This is great because the person doing the work is also the salesperson. But it can be difficult for the company. If the particular lawyer or financial planner leaves, their accounts are likely to go with them. Building a strong brand that shows value alignment with your clients is a way to overcome that tendency. The clients need to see that the company is the one with the values they appreciate, not just the person they know.

Retain and attract talent

But it would be easier to not worry about that. One way is to better retain employees. The best way to retain employees is by showing that they are heard and contribute to the company's values. You also need to ensure that the company behaves consistently. The flip side of retention is attraction. Every business we work with states that attracting great talent and attracting new business are equally important. They also say that as they communicate who they are more clearly, this barrier is overcome.

Branding is important for more than the companies putting products on shelves. Branding is a key way your B2B organization is going to make relationships more quickly that last longer. And, it isn't trickery. The relationships are forged because you allow people to see who you are and what you and your organization stand for. ■



Brad Flowers is partner in Bullhorn Creative, a full-service marketing agency with offices in Lexington and Washington, D.C.

EMERGING LANE

Kentucky's young professionals and creatives



Young Professionals of Lake Cumberland

YPs are active in a thriving Somerset business community

THE Somerset-Pulaski County Chamber of Commerce has 750 members, representing almost 90 percent of the area's employed population. Business seems to be doing well in Somerset, and the chamber is growing to meet demands. The organization tripled the square footage for its offices recently by purchasing a building and relocating to the heart of downtown Somerset.

"We see a tremendous amount of value as a chamber to be involved in as many things as possible, even if we don't directly facilitate a program," said Bobby Clue, executive director of the chamber.

Take the Young Professionals of Lake Cumberland, for example. While it's not an official chamber program, Clue has been instrumental in getting young professionals in the community involved with YPLC again.

"It's not that there are any problems with the organization, but young professionals are a moving target," Clue said. "They are constantly growing in their job positions; one day, a young professional who might be chairman and has time to devote to the organization gets a promotion or has a child or moves away for a better job."

After a couple of fits and starts over the past three years, YPLC has been active since the summer of 2018, offering a monthly networking luncheon and an after-hours event for

78 members (and growing) at different locations like Silent Guard Security, a local business that hosted the group for lunch and a tour of its facilities. More casual spots for evening gatherings have included Mellow Mushroom Pizza and Jarfly Brewing Co.

The luncheons and after-hours programs draw different crowds.

"When you have young professionals, you have young families," said Acting President Adam Sheridan. "It's harder for those folks to make an after-hours event."

The installation of officers for the 2019 YPLC board of directors will be at the December luncheon, and an evening Christmas party is in the works.

"The two big things we're working on for 2019 are community service and mentorship," Sheridan said.

Community service projects will provide plenty of opportunities for young professionals "to give back to the community that always helps us."

A cupboard project is underway, with outdoor pantries being placed in underserved areas of town and filled each day with food.

"It's taken by those in need and maybe they can't get to God's Pantry for help," Sheridan said. "That's been something neat to see."

A mentorship program gearing up for next year will work in both directions, so to speak, for YPLC members.

Silent Guard Security in Somerset hosted a recent lunch meeting for the Young Professionals of Lake Cumberland. Networking took place before and after the lunch, along with a tour of the facilities to show YPLC members the business of residential and commercial alarm systems.

"We're going to try to get successful people in town, in their 50s and 60s, and have them mentor young professionals in the group," Sheridan said. And YPLC members want to mentor younger people – high school students in particular.

"There's a real cool vibe down here with young professionals," Clue said. The chamber also spearheads a 20-week Young Entrepreneur Academy program for middle school and high school students to learn how to start and run a business. Clue is especially pleased to see the 21-40 age group excited about being involved with the business community through YPLC.

"Young professionals tend to be very charitable," Clue said. "Millennial business owners and leaders overwhelmingly believe that today's professional communities are a powerful tool to build social currency and further their professional goals."

By profession, Sheridan is a commercial account executive at Reed Brothers Insurance. A native of Union County, he went to Western Kentucky University for a degree in marketing and professional selling. He met a girl in college; they got married and moved to Somerset the summer



Adam Sheridan, Acting President, YPLC

of 2013. Within a couple of years he had gotten involved with Young Professionals of Lake Cumberland and served as treasurer before the group went dormant in 2017. He has been an integral part of YPLC's resurgence this year.

"Every year I've lived here I've seen tremendous growth," Sheridan said of the business climate in Somerset. Joining the YPLC gave him a ready-made opportunity to meet other people his age. "I didn't go to high school here, so I don't have that connection that a lot of people do."

"We're starting to see a changing of the guard, a new generation starting to emerge as leaders of departments and businesses," Clue said. "It's fun to watch."

For membership information about the Young Professionals of Lake Cumberland, visit ypoflc.org.—Kathie Stamps

At Home in Shangri-La

His head down, hard work spreads
Duane Lundy's cred in the music industry

HE'S credited on work involving Ringo Starr, Michael McDonald, Jim James, Sturgill Simpson, Ben Sollee, Miles Nielsen and many others. If you're thinking he's from Nashville, New York or Los Angeles guess again. His name is Duane Lundy, and he operates the highly regarded Shangri-la Productions out of his Lexington home.

After having picked up playing music later than his peers, Lundy turned to producing and engineering as a means of staying involved with like-minded creative types and the music industry he holds dear.

"I really wanted to do music, but I knew it wouldn't be from the performance side of things," Lundy said. "I didn't have any interest in touring, so I stuck my hand in the production toolbox to see if I could make it stick."

And stick it did. In the late '90s, Lundy began experimenting with four-track machines, recording whenever, wherever and whomever he could. Slowly his skills and notoriety improved, giving Lundy the opportunity to upgrade to more professional gear. Soon he began developing scores for television marketing when a friend who was a supervisor at a Miami-based ad agency began pushing work to him. By the mid 2000s, the additional projects led Lundy to sell a Tennis Pro business he was a partner in to jump head first into the music and engineering industry.

Many of Lundy's first musical projects included Central Kentucky bands that became a networking web of sorts, connecting Lundy to individuals and groups throughout the industry, many of whom continuously come back to work on new material. Some have become mainstays in Lundy's studio sessions, such as Mark Charles Heidinger, Justin Craig and Robby

Vivian Wang photo



Duane Lundy operates Shangri-la Productions out of his home studio on the corner of Jefferson and Third streets in Lexington.

Cosenza, who became acquainted with Lundy early on through bands The Apparitions, Scourge of the Sea and others.

One project that stemmed from those studio sessions was the Heidinger-led Vandaveer, which fostered a tight bond with Lundy over the years, always turning to him when a new project began to sprout.

Such was the case in 2017. Following a Vandaveer performance at Ringo Starr's birthday party in which the Kentucky folk group caught the attention of Starr, the former Beatle's team reached out to the group about being the backing band for a couple of tracks on his upcoming solo record. The group agreed, of course, and turned to Lundy to work with them on their tracks before heading off to Starr's team.

"The most effective marketing for me has been to just do good work and let word-of-mouth take over," Lundy said. "It's one of the most difficult, albeit effective, methods of marketing because if you goof you may not get another whack at it."

So far the strategy appears to be working. Lundy says he's always juggling several projects at once, something not commonplace in the industry locally prior to his entry, but he says he wouldn't have it any other way.

"I'm really fortunate to have been in the music business for 12 years working with artists I genuinely want to work with and not feeling like I've had to change my taste in music to find work." —Matt Wickstrom

Idea, Pitch, Money, Launch

Provider of new orthotics and prosthetics
software now has eight employees

WHILE working in the IT field, a client in the orthotics and prosthetics industry asked Josh Lau, a 2012 graduate of the University of Kentucky's biology program, to help find new software for its company.

Lau searched for months to meet his client's needs and found nothing to fit the exceptionally specialized field, propelling him to talk with other orthotics and prosthetics providers to get a strong understanding of the software needs of the field.

At this point Lau was sure he had an idea for a product that could very easily take off, but without coding skills he could not bring software to market on his own. He started pitching the idea to IT firms around Lexington. Lacking investment dollars, though, his vision of the best possible orthotics software was not going to be written.

One of the firms Lau spoke with put him in contact with a physician who was working on his own tech startup, and he then put Lau in contact with Gordon Garrett, associate director of the Kentucky Small Business Development Center and himself a tech entrepreneur.



Josh Lau

"Gordon helped me significantly in this whole process of narrowing down my mission statement and value proposition, and doing due diligence on the market, seeing if it was investor friendly enough to bring in the type of money I needed," Lau said.

With a honed pitch and the confidence to go out on his own, Lau found the investors he needed, raising \$2.1 million to date for Nymbly Systems, a software service directed toward helping practitioners in the orthotics and prosthetics industries to schedule appointments, keep patient records and bill out claims.

With investment dollars in hand, Lau was able to hire the right team members and Nymbly Systems was up and running. They rewrote the early version of his software in six months, updating outdated technologies and coding languages to allow for quicker scaling and almost instant implementation of updates. Nymbly started onboarding clients, receiving its first payment on March 28, 2018.

Nymbly has quickly grown from a two-person operation to an eight-person team with further plans to add two to three more members to its team in the coming months.

"This experience opened my eyes to doing something that I love," Lau said. "In college it felt like I was going through the motions, but every day I am excited to get up in the morning. I love technology and solving complex issues with simple and elegant solutions. Every day there is a different puzzle to solve." —Matt Wickstrom

THE LANE LIST

KENTUCKY CASH RECEIPTS FROM FARM MARKETINGS, 2015-2017

(in million dollars)

KENTUCKY'S 75,800 farms produced nearly \$5.7 billion in crops and livestock products in 2017 from their 12.8 million acres. There are 7,700 fewer farms in Kentucky working 1 million fewer acres than a decade ago. Kentucky farmers are continuing to work with lower crop, cattle and dairy market prices since 2014, when their product receipts hit a record of \$6.49 billion. Broiler chicken continues to be the state's top farm product, generating more than \$1 billion. The "other animals and products" category that includes Thoroughbred horses and stud fees generated \$982 million. Kentucky farmers sold \$908 million in soybeans, \$740 million in cattle and calves, and \$720 million in corn.

COMMODITY	2015	2016	2017
LIVESTOCK AND PRODUCTS	3,339.4	2,941.1	3,199.3
Meat Animals	1,034.5	830.3	851.8
Cattle and calves	927.2	727.6	740.2
Hogs	107.3	102.7	111.6
Dairy products, Milk	201.2	179.1	195.6
Poultry and eggs	1,179.3	1,021.8	1,169.3
Broilers	960.2	875.6	1,029.8
Chicken eggs	191.6	118.6	118.5
Other poultry*	27.5	27.6	21.0
Misc. animals and products	924.5	909.9	982.6
Horses, stud fees and all other animal products**	923.5	909.1	981.8
Honey	0.929	0.925	775
CROPS***	2,457.3	2,490.63	2,486,399
Wheat	163.4	152.9	117,307
Corn	750.1	764.7	720,253
Hay	215.6	225.3	227,933
Tobacco	371.9	296.3	345,372
Soybeans	788.4	883.5	907,716
All Other Crops ****	167.8	167.8	167,817
ALL COMMODITIES	\$5,796.7	\$5,431.7	\$5,685.7

* Includes farm chickens and turkeys

** Includes mules, sheep and lambs, goats, aquaculture, wool, rabbits, bison and all other livestock.

*** Does not include forest products

**** Includes greenhouse/nursery, fruits and nuts, vegetables, barley, sorghum grain, popcorn, sunflowers, other seeds, other field crops and mushrooms.

Source: U.S. Department of Agriculture Economic Research Service.



SPOTLIGHT ON THE ARTS



The Healing Power of Dance

Veterans learn the steps to mental wellness

BY CHRIS CATHERS

Editor's Note: This story includes interviews with military veterans participating in a healing arts program. For their privacy, we are only using their first names.

ON a Tuesday night in October, about 30 military veterans and their loved ones gathered in Louisville for one of 10 sessions of the healing arts program Dancing Well: The Soldier Project. The program, which has received partial funding from the Kentucky Arts Council through a partnership grant, is designed specifically for veterans with post-traumatic stress disorder (PTSD) and brain injury associated with their military service.

The concept is straightforward. Veterans show up to a central location in Louisville. (We are withholding the actual location by request of the Dancing Well organizers.) There is time at the beginning to socialize and enjoy free refreshments. Then live music, provided by a keyboardist and fiddler, begins and instructor Deborah Denenfeld of Louisville invites veterans and their loved ones to the dance floor where the learning begins.

Dancing Well has its roots in a class Denenfeld taught in 2010 at Fort Knox for active-duty military personnel who had returned stateside with PTSD and traumatic brain injury. When that

program ended, she restarted it off base, this time focusing on military veterans of all ages. By 2014, Dancing Well had its first session in Louisville.

Denenfeld described the style of dance as barn or community dancing – old-time dances that have been performed over hundreds of years in relaxed community settings. The dances involve simple movements and are led by a dance caller so that each participant knows what to do at all times.

“People love this and they’re amazed by how powerful it is,” Denenfeld said. “They tell me – and I’ve seen it for myself – that they can walk in the door feeling anxious, depressed and angry, and within a couple of minutes, they’re feeling better, relaxed and happy. They start smiling and those smiles last the entire evening.”

Among the participants is Steve, a veteran of the United States Army and Navy. Steve served 12 years in the Navy aboard ship, including the evacuation of Saigon in 1975, and was in the Army for 17 years, including special operations in Afghanistan. He learned about Dancing Well through the mental health program at the Department of Veterans Affairs Health Care Center, Dupont, in Louisville. In addition to Dancing Well, Steve has participated in Shakespeare with Veterans, an initiative of Louisville-based Kentucky Shakespeare.

Participants in Dancing Well: The Soldier Project learn several barn or community style dances during the 10-session course.

“Dancing Well helps me deal with PTSD symptoms,” Steve said. “Instead of becoming isolated, I’m making connections with other people. That’s what this is all about.”

Darlene served in the Army as a clerk/typist and later a medic in the early 1970s. During a VA women’s health fair, she saw a flyer about Dancing Well. She had been feeling depressed and seeing an opportunity to do group dancing made her recall a time in her life that was less burdensome.

“When I was in grade school, we’d go to gym class and do square dancing,” Darlene said. “That was a time in my life when I was happy and free.”

Darlene has completed the Dancing Well course six times, about 60 classes, and said it’s made a difference.

“I’ve loved every minute of it. It brings out the little kid in me,” she said. “It’s helped me realize I need to get out more and be more active. It’s brought me more peace of mind and self-confidence.”

“This takes your mind off issues that you deal with when you’re in the service,” Steve said. “It’s hard to blend in with a civilian population. You don’t have a mission. This puts us all on the same page. We’re all doing the same dance steps. We are so busy trying to go through the motions of being a community here that it takes your mind off what’s going on outside those doors.

For more information about the program, contact Deborah Denenfeld at 502-889-6584 or deborah@dancingwell.org.

The Kentucky Veteran Project Exhibit

In addition to Dancing Well, another veteran-related initiative the Kentucky Arts Council is supporting is The Kentucky Veteran Project Exhibit. Administered by the arts council, the exhibit features artwork by Kentucky military veterans and their families. The exhibit will be on display in the Capitol Rotunda in Frankfort Nov. 5-30 before traveling around the state, making stops in several Kentucky communities. As of press time, not all venues were determined. Visit artscouncil.ky.gov for updated information. ■



Chris Cathers is interim executive director of the Kentucky Arts Council.



Visitors to The River Discovery Center can test their skill at navigating a riverboat at the center's state-of-the-art simulator.

Wander West to Paducah

River city has plenty to keep tourists busy

BY KATHERINE TANDY BROWN

WHEN our family moved to Mayfield for my final two years of high school, Paducah became our “big city.” My friends and I would spend a Saturday there, shopping the downtown department stores, strolling along the Ohio River and sating our appetites with sugary goodies from Kirchhoff’s Bakery or scrumptious barbecue from Starnes.

Though both eateries are long-time Paducah fixtures – Kirchhoff’s began in 1873 and Starnes has been there for 50-plus years – the city has changed dramatically since my teenage days. Brick-paved streets and beautifully renovated 19th-century architecture are part of a

\$100,000-plus Main Street revitalization, now a national model. These days, the town begun by William Clark (of Lewis and Clark notoriety) has evolved into a fascinating destination for tourists, who can stay just as busy as they like.

Corporate groups will find Paducah an ideal meeting spot, with plenty of historic, spacious, artsy venues, many with lovely water views. Most of its attractions, historic sites, restaurants and meeting spots are all within an easily walkable distance from one another, so much so that you can hit lots of highlights on your own cell-phone walking tour.

Perched at the confluence of the Ohio and Tennessee Rivers, Paducah was

devastated by the flood of 1937 and built a 12.5-foot-high floodwall three city blocks long to prevent future issues. In 1996, Louisiana artist Robert Dafford created the Wall-to-Wall Floodwall Mural, a riverside gallery of 50-plus, hand-painted panels on the wall that depict great moments in the town’s history.

Because of its location at that confluence and its proximity to the Mississippi and Cumberland rivers, Paducah is a river city extraordinaire. Find out about its watery history and the importance it plays in river commerce at the River Discovery Center, on the banks of the Ohio.

“It’s important for us to tell the story of the river, its impact on our lives from an economic standpoint, the river’s history and culture, and its natural environment,” says Julie Harris, executive director. “We address all these factors here.”

Guests can try their hand at riverboat captaining by taking the wheel in a state-of-the-art boat simulator, choosing either a towboat, speedboat or U.S. Coast Guard vessel.

Upstairs in the center, the elegant Founders Room, restored to its original mid-1800s Victorian splendor, overlooks



Paducah's Market House Theatre

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Ephemera Paducah, located in the city's LowerTown Arts District, offers a variety of art workshops and classes to satisfy your inner artist.

the confluence and can be rented for meetings, as can the nearby 104-seat Maiden Alley Cinema, a classic film house, and the Market House Theater, once a farmers' produce market, with a number of spaces for varied-sized gatherings.

Named one of the world's smartest cities by *National Geographic Traveler*, Paducah became the world's third UNESCO Creative City due to its important role in connecting cultures through creativity, a commonality that draws folks from around the world. Home to the National Quilt Museum (NQM) and a flourishing creative community, Paducah has built an entire economic sector around its arts.

Opened in 1991, the \$2.2-million, 27,000-s.f. National Quilt Museum boasts more than 600 pieces of some of the world's finest quilt and fiber art in its permanent collection. Here gorgeous contemporary and old-fashioned stitched creations may hang side-by-side. Paducah is home to the American Quilters Society.

Men seem to enjoy browsing here equally as much as women, says CEO Frank Bennett. "People are amazed – regardless of their background or whether they've ever quilted – at the complex quilts people can create. Essentially, we're an elite art museum."

Small- to mid-size groups can team build here through Creative Stitch, by first taking an extended guided gallery tour, then joining forces to make a quilt block from scratch that once complete, is framed to keep.

Starting in 2000, an Artist Relocation Program brought in artists from across the nation to live and work in turn-of-the-century homes in Paducah's oldest residential neighborhood. Now 20-plus

artisans reside and create and sell handcrafted treasures from fine art to jewelry to lawn-size sculpture in the Lower Town Arts District. The program has become another national model.

In addition, an artist-in-residence initiative brings in artists from diverse backgrounds for two to four weeks to share their skills.

In 2004, the Luther F. Carson Four Rivers Center, known as the Carson Center, was built to provide a home for the Paducah Symphony Orchestra (PSO), which was rehearsing in an abandoned school auditorium, and to attract the performing arts. Upcoming options include Tony Award-winning musical Monty Python's Spamalot (Nov. 26), the PSO: A Christmas Celebration (Dec. 8), and Kinky Boots (Dec. 29), with songs by Grammy and Tony Award winner Cyndi Lauper.

With a main hall seating 1,806 people and reception capacity of 750, the Carson Center features an outdoor patio and indoor meeting spaces with river views.

During the aforementioned flood, Luther Carson himself, owner at the time of Paducah's Coca-Cola bottling plant, had to be rescued from a second-story window. He rebuilt the plant 31 blocks away on the first dry ground he reached. One of a number of local craft beer purveyors, Dry Ground Brewing Co. – the city's first – now occupies that

building. Beer aficionados can wet their whistles with 28 on tap, including 10-plus brewed in-house.

Prefer fruit of the vine? Then stop at Purple Toad Winery, Kentucky's largest. Here you can learn about winemaking as you sip famous fruit wines, or any of more than 35 other varieties.

If you're hungry, Paducah's options are many and luscious.

Owned by Paducah native Sara Bradley, The Freight House is all farm-to-table, locally sourced meats and garden-fresh fare, plus a full bar with a "staggering" selection of bourbons. More than 500. Really.

Yes, Starnes, now in Midtown, still smokes outta-sight hickory-pit barbecue that you can pair with homemade chocolate or coconut meringue pie. They even ship barbecue across the U.S.

And fifth-generation Kirchhoff's Bakery and Deli still bakes its vast array of homemade breads and serves homemade sandwiches, soups and salads. Cajun fried shrimp salad, anyone? They'll make box lunches to order, so you can sit by the river, revel in a mouthwatering meal and watch the world pass by, just like residents and wannabes have been doing here since 1827. ■

Katherine Tandy Brown is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.



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10 Kentucky Sites Listed This Year in National Register of Historic Places



Lisa Mullins Thompson and Maysville Mayor David Cartmell on a recent site visit to the Richard Durrett House in Maysville.

THE National Register of Historic Places has listed 10 Kentucky sites and historic districts in 2018, according to the National Park Service.

The 2018 additions include:

- **The Battery Bates and Battery Coombs Historic District** in Covington, named for two Civil War cannon battery defensive fortifications built by the Union Army and located in what is known today as Devou Park. The Battery Bates and Battery Coombs “retain historic integrity and are the most intact of the remaining fortification sites in northern Kentucky,” according to the nomination. The 246-acre site comprises two contiguous sections that were linked by rifle trenches and military roads, once part of a larger

Northern Kentucky defensive fortification system that helped prevent a Confederate attack on the region in September 1862.

- **The Dr. Francis Joseph Halcomb Jr. House** in Scottsville, including a house with an original circa 1900 log structure and six outbuildings painted to simulate log construction. Dr. Halcomb was a native of Simpson County who practiced in Europe during World War II, then operated a medical office in Scottsville for more than 40 years.

- **Pope Villa** in Lexington, designed by early-American architect Benjamin Henry Latrobe.

- **The Bonnie Leslie Historic District** in Bellevue, a 20th-century suburban neighborhood of single-family homes developed between 1920-1940.

- **The Chalybeate Springs Hotel Springhouse** in Edmonson County, a modest building dating between 1875-1899, the last remaining structure on grounds where a rural mineral springs hotel and resort once stood.

- **The Louisville Veteran’s Administration Hospital**, a complex of 13 contributing buildings dating to 1952, part of the VA’s effort to provide a nationwide program of care for WWII veterans.

- **The LeCompte Saloon** in Louisville, a two-story brick commercial building dating to the mid-1880s, one of the earliest corner stores remaining in the historic Portland neighborhood.

Mason County has the distinction of being home to three newly named sites:

- **May’s Lick Negro School**, a consolidated school built in 1920 for

African Americans, a portion of which was funded by the Rosenwald Foundation.

- **The Richard Durrett House**, a brick, Federal-style house dating to about 1801, with an unusual floor plan featuring two front doors.

- **The G.A.R. (Grand Army of the Republic) Monument** in the Maysville-Mason County Cemetery, a 42-foot monument to Union efforts erected by the Joseph Heiser G.A.R. Post and dedicated in 1887.

The National Register is the nation’s official list of historic and archaeological resources deemed worthy of preservation. Kentucky has the fourth-highest number of listings among states, with more than 3,400. Proposed sites must be significant in architecture, engineering, American history or culture. Listings can be applied to buildings, objects, structures, districts and archaeological sites.



The Pope Villa in Lexington, designed by noted architect Benjamin Henry Latrobe, is one of the newest additions to the National Register of Historic Places.

Help Make a Difference in the Life of a Foster Child

CITIZEN Foster Care Review Boards in 30 Kentucky counties are seeking volunteers to make a difference in the lives of local children in foster care and other out-of-home care. The boards need volunteers to review cases of children placed in care because of dependency, neglect or abuse, to ensure they are placed in safe, permanent homes as quickly as possible.

The counties in need of volunteers are Allen, Barren, Breckinridge, Butler, Caldwell, Calloway, Christian, Clark, Crittenden, Fayette, Fulton, Garrard, Graves, Grayson, Green, Hardin, Hart, Hickman, Jessamine, LaRue, Lincoln, Livingston, Logan, Lyon, Madison, Marshall, McLean, Todd, Trigg and Warren. Volunteers are not required to live in these counties.

The Kentucky General Assembly



created the state CFCRB in 1982 to decrease the time children spend in out-of-home care. CFCRB volunteers review Cabinet for Health and Family Services files on children placed in out-of-home care and work with the cabinet and courts on behalf of the state’s foster children. The court-appointed

volunteer reviewers help ensure that children receive the necessary services while in out-of-home care and are ultimately placed in permanent homes.

All volunteers must complete a six-hour initial training session. Potential volunteers are encouraged to apply as soon as possible so they can be screened and, if approved, scheduled for training in their area.

All potential volunteers must consent to a criminal record and Central Registry check. A recommendation is then made to the chief judge of the District Court or Family Court for appointment.

To get more information and apply to be a volunteer, visit the CFCRB web page on the Kentucky Court of Justice website at courts.ky.gov/courtprograms/cfcrb/Pages/default.aspx

2 Sanders-Brown Studies Show Connection Between Diet and Cognitive Function

WE'VE all experienced a "gut feeling" – when we know deep down inside that something is true. That phenomenon aptly describes what scientists have now demonstrated: that the gut and the brain are more closely connected than we once thought, and in fact the health of one can affect the other.



Ai-Ling Lin,
Sanders-Brown
Center on
Aging,
University
of Kentucky

Capitalizing on this concept, Ai-Ling Lin, and her colleagues at the University of Kentucky Sanders-Brown Center on Aging, have published two studies that demonstrate the effect of diet on cognitive health in animals.

The first, in *Scientific Reports*, demonstrated that neurovascular function improved in mice that followed a ketogenic diet regimen.

"Neurovascular integrity, including cerebral blood flow and blood-brain barrier function, plays a major role in cognitive ability," Lin said. "Recent science has suggested that neurovascular integrity might be regulated by the bacteria in the gut, so we set out to see whether the ketogenic diet enhanced brain vascular function and reduced neurodegeneration risk in young healthy mice."

Lin considered the ketogenic diet – characterized by high levels of fat and low levels of carbohydrates – a good candidate for the study, as it has previously shown positive effects for patients with other neurological disorders, including epilepsy, Parkinson's disease and autism. Two groups of nine mice, aged 12-14 weeks, were given either the ketogenic diet (KD) or a regular diet. After 16 weeks, Lin saw that the KD mice had significant increases in cerebral blood flow, improved balance in the microbiome in the gut, lower blood glucose levels and body weight, and a beneficial increase in the process that clears amyloid-beta from the brain – a hallmark of Alzheimer's disease.

"While diet modifications, the ketogenic diet in particular, has demonstrated effectiveness in treating certain diseases, we chose to test healthy young mice using diet as a potential preventative measure," Lin said. "We were delighted to see that we might indeed be able to use diet to mitigate risk for Alzheimer's disease."

According to Lin, the beneficial effects seen from the ketogenic diet are potentially due to the inhibition of a nutrient sensor called mTOR (mechanistic target of rapamycin), which has shown to affect lifespan extension and health promotion. In addition to the ketogenic diet, Lin said, mTOR can also be inhibited by simple caloric restriction or the pharmaceutical rapamycin.

The second study, published in *Frontiers in Aging Neuroscience*, used neuroimaging techniques to explore the effects of rapamycin, the ketogenic diet or simple caloric restriction on the cognitive function of both young and aging mice.

"Our earlier work already demonstrated the positive effect rapamycin and caloric restriction had on neurovascular function," Lin said. "We speculated that neuroimaging might allow us to see those changes in the living brain."

Even more tantalizing: Her data suggested that caloric restriction functioned as a sort of "fountain of youth" for aging rodents, whose neurovascular and metabolic functions were better than those of young mice on an unrestricted diet.

Lin emphasizes that it's too early to know whether the regimens will confer the same benefit in humans, but since rapamycin and other mTOR inhibitors have already been approved by the FDA and are widely prescribed for other diseases, it's realistic to think that study in humans could follow relatively quickly.

"Ai-Ling's lab was one of the first to use neuroimaging to see these changes in a living brain, and the potential link to changes in the gut microbiome," said Linda Van Eldik, director of the UK Sanders-Brown Center on Aging. "Her work has tremendous implications for future clinical trials of neurological disorders in aging populations." —*University of Kentucky/ Laura Wright Tuesday*



EOP Architects photo



EOP Architects of Lexington is designing the \$230 million reinvention of Rupp Arena and Lexington Convention Center, which is now under construction.

Correction

EOP Architects of Lexington is designing the \$230 million expansion and renovation of the Lexington Convention Center and Rupp Arena, which currently is the largest active construction project in the state. An article in the October issue of *The Lane Report* attributed design of the project incorrectly.

Too Much Reliance on Vehicle Tech Poses Serious Risks

MORE and more vehicles are coming equipped with advanced driver-assistance systems (ADAS) designed to improve driver safety, such as blind-spot monitoring, forward-collision warning and lane-keeping assistance.

While recent AAA Foundation for Traffic Safety research has found these advances have the potential to prevent 2.7 million crashes on U.S. roadways each year, over-reliance on such technologies can result in increased safety risks.

The problem occurs when drivers place too much trust in the technologies and are unaware of the limitations, leading to overreliance on a system designed to assist, not replace, the driver.

Researchers found 80 percent of drivers did not realize that blind-spot monitoring can only detect when a vehicle is traveling in a driver's blind spot and often do not reliably detect pedestrians or cyclists.

Nearly 40 percent of drivers did not know the limitations of their forward collision warning or confused forward collision warning and automatic emergency braking, incorrectly reporting that forward collision warning could apply the brakes in the case of an emergency, although the technology is only designed to deliver a warning signal. Roughly one in six vehicle owners did not know whether or not their vehicle was equipped with automatic emergency braking.

Beware: False expectations for ADAS systems can quickly lead to misuse of the technology or an increase in distraction as drivers become less engaged in actively driving their vehicles.

KENTUCKY PEOPLE

ERLANGER

BRIAN MILLER NAMED NATIONAL HOME BUILDERS ASSOCIATION'S 2018 EXECUTIVE OF THE YEAR



Brian Miller, executive vice president of the Building Industry Association Northern Kentucky, recently received the Gary Komarow Executive Officer of the Year Award from the Executive Officers Council of the National Association of Home Builders at their Association Management Conference in Los Angeles. Pictured here at the award presentation are (left to right) Greg Ugalde, NAHB first vice chairman of the board (Connecticut); Randy Noel, NAHB chairman of the board (Louisiana); Brian Miller, EOC secretary-elect, executive vice president, Building Industry Association of Northern Kentucky; Chuck Fowke, NAHB third vice chairman of the board (Florida); and Eric Person, EOC president, chief executive officer, Home Builders & Remodelers Association of Central Connecticut.

LOUISVILLE

RONALD MCDONALD HOUSE CHARITIES LAUNCHES \$21M EXPANSION TO ASSIST MORE FAMILIES OF SICK CHILDREN

Danny Alexander photo



Ronald McDonald House Charities of Kentuckiana has announced a \$21 million expansion project that will nearly double its capacity to keep out-of-town families close to the local hospitals where their sick children are receiving treatment. The Louisville-based nonprofit will redevelop the former Greater Louisville Medical Society Building, adding 20 new guest rooms and increasing the total number of families it can serve annually to nearly 3,000, up from about 1,500. Pictured here at the announcement ceremony are (left to right) Art Davenport, McDonald's owner/operator and campaign co-chair; Barbara Sexton Smith, Louisville Metro Council; Hal Hedley, CEO of Ronald McDonald House Charities of Kentuckiana; and Greg Fischer, mayor of Louisville.

LOUISVILLE

ROAD & RAIL SERVICES HONORED BY AMERICAN HONDA FOR PERFORMANCE EXCELLENCE, SUPERIOR QUALITY

Road & Rail Services Inc., a Louisville-based provider of third-party logistics, was recently honored by American Honda Motor Corp. with the "Processor of the Year Performance Excellence Award" and the "American Honda Award for Superior Quality" for 2018. Pictured here accepting the awards is Road & Rail Vice President Robert Sadler (center) with Tosh Muraviov, manager of ports and field operations for Honda (left) and Chuck Kendig, assistant vice president of auto logistics, sales and production planning for Honda.



LEXINGTON

KNOWLES RECOGNIZED WITH ENVIRONMENTAL EDUCATION AWARD



Bluegrass Community & Technical College Professor Tracy Knowles was recently recognized by the Kentucky Association for Environmental Education's Excellence in Environmental Education Awards as a 2018 Outstanding Educator. Knowles is chemistry department coordinator and professor of chemistry and environmental science technology. While at BCTC, Knowles has secured over \$1 million in grant funding.

CAMPBELLVILLE

EARLY PRESENTED WITH DISTINGUISHED FACULTY AWARD



Campbellsville University has presented its 2018 Distinguished Tenured Faculty Award to Joe Early Jr., associate professor of theology and quality enhancement program director. Pictured here with Early (left) is Donna Hedgepath, Campbellsville provost and vice president for academic affairs.

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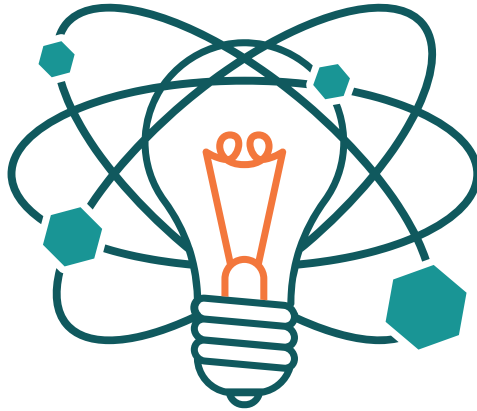
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