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As ransomware becomes more widespread,
IT experts say no company can afford
not to be prepared


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even after you're pushing up daisies.**



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CORRESPONDENTS

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Russ Brown; Chris Clair; Clary Estes;
Kevin Gibson; Susan Gosselin; Robert Hadley;
Debra Gibson Isaacs; Abby Laub; Greg Paeth;
Robin Roenker; Josh Shepherd; Sean Slone;
Dianne Timmerling; Katheran Wasson;
Gary Wollenhaupt; Dawn Yankeeclow;
Esther Zunker

PUBLISHERS

Brett Lane
Meredith Lane Ferguson

CHIEF OPERATIONS OFFICER

Nicole Conyers White

ASSOCIATE PUBLISHERS

Hal Moss
Kristina Dahl

MARKETING CONSULTANT

Curtiss Smith

CIRCULATION/IT

Josiah White



FOUNDER

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PERSPECTIVE

10 YEARS LATER: KY'S BUCKET STILL LEAKS

Need continues for pro-growth
tax reform, new net revenue

BY ASHLI WATTS

Just the past month, Kentucky has announced the re-opening of a corrections facility in Eastern Kentucky due to massive overcrowding, a federal judge is deciding whether the commonwealth can move forward with its Medicaid waiver to attempt to contain the increasing costs while incentivizing people to work, and discussions are still ongoing about potential changes to the teachers' retirement system. Unfortunately, these are not new issues for Kentucky.

It has been 10 years since the Kentucky Chamber of Commerce released the original "Leaky Bucket" report that found if the state budget was a "bucket" there were three major "leaks" – corrections, Medicaid and public employee benefits – all of which were spending categories growing at a rate faster than the overall state budget. These leaks accounted for more than half of all growth in the budget from 2000 to 2010, and Kentucky funding these areas grew at a much higher rate than education, which is the key investment in Kentucky's future.

Since the original "Leaky Bucket" was published, there have been bipartisan policies enacted in an effort to curb these disturbing trends: comprehensive criminal justice reform in 2011, changes to the public employee pension benefit structure in 2013, and Medicaid moving to a managed care system. For a while, it looked like these policies might slow, if not stop, some of the leaking.

However, with the opioid epidemic plaguing our state, escalating costs associated with Medicaid expansion, and no changes made to the teachers' retirement system, the state continues to struggle to patch the holes.

The business community decided it was time for a checkup on the "bucket," which we first did five years after the original report. The Kentucky Chamber will publish the 10-year "Leaky Bucket" update in November, which examines the trends since 2014 including:

- Total General Fund spending grew 14.5 percent.
- Corrections funding, which had grown only 4.2 percent in the 2015

update, increased by 15.9 percent – faster than the overall budget.

- Medicaid spending grew 25.6 percent compared to 16.5 percent from FY 2012 to 2016.

- Public employee health insurance spending grew only 5.5 percent, an improvement over that documented in the 2014 update.

- Basic funding for K-12 education has increased only 1.2 percent since FY 2016, but spending on other items (such as textbooks, preschool, health insurance for active teachers and pension contributions) has grown 30.8 percent in the period; this is primarily due to increased contributions to the Kentucky Teachers' Retirement System.

- Funding for postsecondary education decreased by 6 percent, continuing the trend identified in earlier "Leaky Bucket" reports.

These trends show an unfortunate reversal of the progress documented just five years ago. New data reveals spending on Medicaid, corrections and pensions continues to outpace overall state spending. Although Kentucky has experienced revenue growth due to record business investment, low unemployment and tax reform, this growth has not eliminated the need for program funding cuts.

If Kentucky is to overcome its historically high levels of poverty, poor health status and low levels of education attainment to develop a 21st-century workforce and remain competitive, greater investments will be required in programs to ensure the prosperity of the commonwealth and its people. We cannot strive just to keep pace with our competitors. We must accelerate our efforts and provide the resources to fuel them.

The commonwealth cannot reform or cut its way out of current funding challenges without falling further behind in areas critical to our future. We ask the governor and legislature to "look beyond the bucket" to generate additional revenue. Kentucky needs continued pro-growth tax reform that improves the commonwealth's competitiveness while producing net new revenue to support education and develop a modern workforce. ■



Ashli Watts is president and CEO
of the Kentucky Chamber of Commerce.

CORRECTION

The October Lane List on the Highest Paid CEOs in Kentucky included an incorrect pay figure for Louis Pritchard, president, CEO and director of Kentucky Bancshares. The correct amount is \$527,150. The Lane Report corrects all significant errors that are brought to the editors' attention.

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FAST LANE

A compilation of economic news from across Kentucky

LOUISVILLE

UPS TO EXPAND PRESENCE IN LOUISVILLE WITH \$750M IN NEW WORLDPORT PROJECTS AND 1,000 NEW JOBS

UPS has unveiled plans for \$750 million in new projects at its **Worldport** air hub in Louisville that will create another 1,000 new jobs in the coming years.

The shipping giant is already one of the most significant economic drivers in both the city and the state. In addition to its 10,000-employee Worldport operation, the company operates its 2,000-employee Centennial Ground shipping hub nearby at the **Louisville Muhammad Ali International Airport**. Statewide, UPS operates 74 small package, freight and logistics facilities. The new positions generated by the recently announced projects will include pilots, aircraft mechanics and support staff.

Louisville is the centerpiece in the UPS global logistics network with approximately 2 million packages moving through the city each day to destinations around the world.

A two-bay aircraft maintenance hangar ranks as the first and largest – at \$220 million and 262,000 s.f. – among the UPS slate of projects. Others include ramp and taxiway improvements, office building renovations, flight-training facility expansions and new operations offices at Worldport.

The new hangar will directly facilitate ongoing fleet growth as UPS adds nearly 50 new **Boeing 747-8s** and **767s** by 2022. Planned for the northwest corner of the airport, the hangar will accommodate two **747-8F** aircraft for maintenance simultaneously. Company leaders plan to begin permitting and construction next year, with completion scheduled in 2022.



Already one of Louisville's primary economic drivers, UPS is planning to expand its operations at its Louisville Worldport hub.

FLORENCE

CHURCHILL DOWNS BUYS TURFWAY PARK, WITHDRAWS PLAN TO BUILD NEW \$200M RACING/GAMING VENUE



A rendering of the new facility Churchill Downs plans to build at Turfway Park.

JUST weeks after announcing plans to build a \$200 million horse racing and gaming venue in Northern Kentucky, **Churchill Downs Inc.** (CDI) has instead acquired the **Turfway Park** track in Florence for \$46 million in cash and will not pursue the previously announced **New Latonia Racing and Gaming** project.

The acquisition has already received approval by the **Kentucky**

Horse Racing Commission. As part of that approval, Turfway will continue to host its Thoroughbred race meet on dates previously awarded for December 2019 and early 2020. Once the 2019-2020 meet is complete, CDI plans to demolish the existing Turfway grandstand to make way for development of **Turfway Park Racing & Gaming**, a live and historical Thoroughbred racing facility that will feature up to 1,500 machines, a clubhouse, food and beverage venues and a new inner dirt track to complement the existing one-mile synthetic main race track.

"Our team is poised to restore Turfway to its former glory, anchored by northern Kentucky's first historical racing machine facility," said Kevin Flanery, president of **Churchill Downs Race Track**. "The result will be a first-class racing product fueled by increased purses that keeps high-quality horses in Kentucky year-round and appeals to horseplayers nationwide."

The project is expected to support up to 400 full- and part-time jobs.

STATE

BINGHAM GREENEBAUM DOLL COMES PART OF WORLD'S LARGEST LAW FIRM

REGIONAL law firm **Bingham Greenebaum Doll** has announced plans to combine with **Dentons**, the world's largest law firm.

"This is an incredible opportunity to connect our clients to a national and global platform, with partners we trust to provide the best possible service to our clients in a variety of practice areas and markets," said Toby McClamroch, managing partner of BGD.



Toby McClamroch, Managing Partner, BGD

A growing trend among BGD's clients has been a need for cross-jurisdictional work – both within the U.S. and around the world. For example, prior to the combination, if a client needed a lawyer in China to help with an export matter, BGD had to rely on a loosely affiliated network of attorneys to source local talent. BGD will now be able to collaborate with Dentons partners around the world.

The combination is part of a broader deal that also includes Pittsburgh-based law firm **Cohen & Grigsby** and employs a model that will enable the firms to build the first national U.S. law firm. The combined firm will have nearly 1,100 lawyers, making it the sixth largest law firm in the U.S. Globally, Dentons has more than 10,000 attorneys in 70 countries around the world.

The management of the combined firm will be structured to allow BGD to have local autonomy of client rates and relationships. McClamroch will be managing partner of **Dentons Bingham Greenebaum**, which will include the six offices of BGD: Lexington, Louisville, Cincinnati, Evansville, Indianapolis and Jasper (Ind.).



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STATE

STATE FIGURES INDICATE POSITIVE JOB GROWTH FOR KENTUCKY THROUGH 2026

EACH of Kentucky's 10 local workforce areas (LWA) is expected to have at least 33 occupations grow by 20% or more in the next 10 years, accounting for more than 280,000 total job openings, according to the Occupational Outlook Dashboard (2016-2026) from the Kentucky Center for Statistics (KYSTATS) within the **Education and Workforce Development Cabinet**.

Health care practitioners and technical occupations are projected to be the fastest growing occupational group in five LWAs from 2016-2026, while transportation and material moving jobs are expected to account for the largest share of new jobs in three of the LWAs. Across all 10 local workforce areas, more than 553,000 projected job openings in the next 10 years will require some education beyond a high school diploma, according to KYSTATS.

The Cumberlands LWA is projected to be the fastest growing job region in the state during the 2016-2026 projection period, with an expected growth of 12.53% or 14,194 new job openings. More than 18% of the new jobs will be in the transportation and materials moving occupations. The Northern Kentucky LWA is the second fastest growing job region, with an anticipated growth of 12.02% or 24,391 new jobs over the period. More than 22% of the job openings in Northern Kentucky will be in the transportation and materials moving occupations.

More details are available at kystats.ky.gov.



Health care occupations are expected to continue as one of Kentucky's fastest growing occupations over the next decade.

FRANKLIN

CONVEYOR BELT COMPANY SELECTS KY SITE FOR FIRST NORTH AMERICAN PLANT

A conveyor belt manufacturer headquartered in North Ireland has selected a site in Simpson County for its first North American operation.

Smiley Monroe plans to lease a 63,000-s.f. building in Franklin, where company leaders expect to begin production by January 2020.

Company leaders said that with a significant increase in U.S. sales over the past several years, the company's Kentucky operation will give it a location and distribution advantage for its growing customer base. Smiley Monroe exports to more than 60 countries.

"With the political uncertainty both in the UK and beyond, protecting our export sales is paramount to growing the business and safe-guarding jobs in Northern Ireland," said Chris Monroe, the group's global sales director. "Having a base in the U.S. will shorten lead times for customers and help us be more competitive in the tough U.S. market. Removing barriers to trade will fast track our ambitious growth plans to increase turnover by 50% over the next three years."

The company currently employs 170 people between its facilities in Northern Ireland and India and plans to hire 30 for the new Franklin operation.

BUSINESS BRIEFS

BARBOURVILLE

■ A high-tech **workforce training center** is being located in Barbourville that will provide trade, certificate and postsecondary education opportunities in high-demand career sectors such as health care, technology, advanced manufacturing and transportation/logistics. Funded with \$6 million in combined state and federal funding, the center will be housed in the former **Barbourville Nursing Home** facility. The 37,000-s.f. facility has been donated to the project by Terry and Marion Forcht and will serve more than 1,000 students. The programs offered at the center will be employer-driven to meet demand and offered in a fast-track format that will allow students to be employed quickly upon earning their degrees or certificates. Programs will be administered by **Southeast Kentucky Community and Technical College**.



BARDSTOWN

■ Citing lower than expected volume from a key customer, **INOAC Packaging Group Inc.** is laying off 72 employees at its Bardstown plant, effective Nov. 12. The layoff figure represents half of the INOAC's local workforce. The company, which produces plastic bottles for cosmetics, has been in operation in Bardstown since 1988. INOAC President Al Lustrino said that while the company is actively seeking new business opportunities to maintain its presence in Bardstown, the layoffs are expected to be permanent.

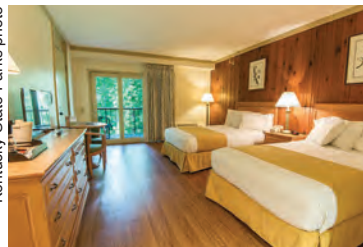
BENTON

■ **United Systems and Software Inc.** has broken ground on a new \$5.3 million headquarter facility in Benton's Southwest One Industrial Park. The 20,000-s.f. building will house the IT services provider's operation center and headquarters and is expected to be complete by May 2020. The company plans to add 50 full-time positions as part of the expansion.

EASTERN KENTUCKY

■ The state is investing over \$9 million in improvements at several state resort parks across Eastern Kentucky. **Jenny Wiley State Resort Park** in near Prestonsburg is slated to receive a new roof on the lodge and conference center, exterior repairs and renovation of all lodge rooms that will include new furniture and décor. **Carter Caves State Resort Park** near Olive Hill is scheduled to receive water and sewer upgrades, a new lodge roof and campground improvements, while **Greenbo Lake State Resort Park** near Greenup will get a new lodge roof as well as a new fire alarm and sprinkler system. **Natural Bridge State Resort Park** will receive a new lodge roof, wastewater treatment plant upgrades, and renovations for most of its lodge rooms. At **Pine Mountain State Resort Park**, the Lauren Cove Amphitheater will be renovated.

Kentucky State Parks photo



FLORENCE

■ **Spectrum Inc.** is investing \$1.7 million to upgrade its call center in Florence as part of a consolidation plan to locate all of its residential telemarketing at the facility. The telecommunications company also plans to add 300 more positions to its existing 100-member staff.

FLOYD COUNTY

■ The **Kentucky Department of Corrections** (DOC) has announced plans to operate a new state-run, medium-security prison in Floyd County to address overcrowding in county jails. The **Southeast State Correctional Complex** will be housed in an existing, privately owned, 650-bed facility in Wheelwright. According to a statement released by the state, the proposed 10-year lease agreement with **CoreCivic**, the owner of the facility, will allow the DOC to immediately expand capacity while avoiding millions of dollars in long-term capital construction costs. It will also help alleviate the backlog of inmates who are in county jails, awaiting admission to a state prison. DOC officials expect to hire up to 200 new state employees for the facility in the coming weeks.

BUSINESS BRIEFS



HEBRON

■ A new lounge for air travelers has opened the **Cincinnati/Northern Kentucky International Airport** (CVG) that is open to all passengers without need for a membership of any kind. Amenities at the new **Escape Lounge** include hot and cold chef-curated foods, premium beverages, comfortable seating with nearby power outlets, high-speed Wi-Fi, updated flight information, and both digital and print publications. Escape Lounges are part of the **American Express** Global

Lounge Collection, which gives American Express platinum card members complimentary access, along with two guests, to all 11 U.S. locations. For others wishing to enjoy the lounge, the fee for entry at the door is \$45 plus tax. Reservations made online prior to arrival receive a \$5 discount and can be made at EscapeLounges.com.

■ Low-fare carrier **Frontier Airlines** continues to expand its service out of the **Cincinnati/Northern Kentucky International Airport** (CVG) with the addition of new seasonal routes to three Florida destinations – Fort Lauderdale/Hollywood, Miami and Sarasota – as well as a new flight to New Orleans that will begin Nov. 15. The additional service expands Frontier's destinations out of CVG to 21.

■ **Allegiant** has announced plans to being offering nonstop flight service between the **Cincinnati/Northern Kentucky International Airport** (CVG) and West Palm Beach, Florida. Flight service will begin Nov. 25 and will operate twice weekly. Allegiant is also increasing service between CVG and Sarasota-Bradenton, Florida. Beginning in November the service will increase from three times a week to five.



HOPKINSVILLE

■ **Walmart** is adding 80 new full-time employees to support its Hopkinsville distribution center, which serves 112 stores throughout the region. The Arkansas-based retailer recently reported its 20th straight quarter of same-store sales growth and a 37% gain in U.S. e-commerce sales.

LEITCHFIELD

■ The **Kentucky Transportation Cabinet** plans to begin work on the right-of-way phase of the western extension of the **William Thomas Byway** in early 2020, at least six months earlier than the original schedule. The fast-tracked progress is the result of significant land and funding contributions from local public and private partners to build the nearly 1.5-mile alignment that will stretch from KY 54 to KY 259, meeting at the end of the existing KY 3155 byway. The bypass extension will offer access to approximately 330 acres of undeveloped land for future economic growth, while providing more efficient routes for local industrial facilities, Grayson County High School and Lawler Elementary School. Construction is expected to begin in 2022.

LEXINGTON

■ The **University of Kentucky** and **Signet Real Estate Group** have broken ground on a mixed-used parking facility at South Limestone and Winslow Street that was previously the site of **Kennedy's Bookstore** and a **Fazoli's** restaurant. The public-private partnership project will include more than 900 new parking spaces and over 23,000 s.f. of innovation and



retail space. The project is due to be completed by fall 2020.

■ **Bluegrass Community and Technical College** has been awarded \$20,000 from the **American Association of Community Colleges** MentorLinks: Advancing Technological Education program to develop an orthotics and prosthetics technician program that will be the first program of its kind in the state. There are currently only six orthotics and prosthetics technician programs in the country. The BCTC program will teach traditional fabrication skills in conjunction with new advanced manufacturing and printing techniques.

HENDERSON

EZ-ACCESS RAMPS UP ITS PRESENCE IN KENTUCKY WITH NEW HENDERSON PLANT

EZ-ACCESS, a Washington-based company that is a leading manufacturer of ramps, lifts and stairs, is building a new manufacturing plant in Henderson that is expected to generate approximately 35 new jobs.

The 50,000-s.f. facility will be the second Kentucky location for EZ-ACCESS: The company currently has a plant in Morganfield, which will continue to handle distribution/operations for the company. EZ-ACCESS opened the Morganfield plant approximately 10 years ago to help serve its East Coast customers more efficiently. The Morganfield location employs approximately 70 people.

EZ-ACCESS manufactures products that include modular and portable ramps, patient transfer and vertical platform lifts, and multi-story custom stair systems for the residential, commercial, industrial and recreational industries. The Henderson plant is expected to focus on production of the company's aluminum commercial line; production of residential ramps will continue to be done in Morganfield. Full production of the Henderson plant is anticipated to be in place by the first of the year.



EZ-ACCESS's new Henderson plant will focus on producing the company's aluminum commercial line of products, such as the Titan Code Compliant Modular Access System pictured here.

STATE

NEW STATE PROGRAM HELPS RECENTLY RELEASED PRISONERS FIND JOB SUCCESS



CEO photo

Each participant in the CEO program is matched with a job coach who assists them with mock interviews, creates resumes, provides guidance throughout the job search process, and refers them to additional support services.

THE **Kentucky Department of Corrections** has launched a program to provide immediate, comprehensive employment services to people returning home from prison.

The **Center for Employment Opportunities** (CEO) began offering reentry services in the Louisville

area in mid-August. The program focuses its outreach on those with the highest likelihood of returning to prison and works exclusively with formerly incarcerated individuals who face significant barriers to employment. The goal is to help them gain the skills and support necessary to obtain full-time employment and financial stability.

All CEO participants have access to immediate work and pay as employees on CEO's transitional work crews as soon as they return home from incarceration. Work crews offer services to both public and private sector agencies.

"We have long been aware that successful reentry is critical to public safety," said Kentucky Justice Secretary John Tilley. "By providing employment services to Kentuckians returning home from incarceration, CEO will not only help us prepare them for successful careers, but reduce their likelihood of recidivism as they pursue their professional goals."

EASTERN KENTUCKY

ARH OFFERING JOBS PLUS FREE GED CLASSES TO EASTERN KY RESIDENTS

Kentucky Skills U has partnered with **Appalachian Regional Healthcare (ARH)** and the **Eastern Kentucky Concentrated Employment Program (EKCEP)** to offer free GED (general education development) classes and employment to Eastern Kentucky residents. Kentucky Skills U is an agency with the **Kentucky Education and Workforce Development Cabinet**.

As part of the partnership, ARH will offer employment opportunities to residents in the EKCEP Region who do not have a GED or high school equivalency. ARH is the first employer in the region to pilot a program that connects Kentuckians in need of a GED with education and employment.

ARH hosted a career fair on Oct. 4 to identify individuals in need of education and employment. Qualified applicants were offered full-time entry-level positions as personal care aides, environmental service aides, and kitchen and cafeteria helpers. ARH is also covering the \$120 GED test fee for all program participants in addition to providing a dedicated class space for Kentucky Skills U instructors to teach GED curriculum to employees on-site.

"When you hear what's going on here with an employer providing this kind of opportunity [and] Skills U coming to the table, that is a partnership that is magic," said EKCEP Executive Director Jeff Whitehead. "ARH is taking uncertainty out by providing the next step. The next step is a job, but better yet, ARH is providing a job while being able to work on getting the GED."

BUSINESS BRIEFS

LEXINGTON

■ The **University of Kentucky** has been awarded a \$5 million competitive federal grant from the **U.S. Department of Energy** to expand its rare-earth pilot plant. UK will use the grant to advance its research to test new technology and potentially reduce the cost of extracting and refining rare-earth elements. Rare-earth elements are essential components in technology used by consumers every day, from computer screens and televisions to smartphones and rechargeable batteries. The vast majority of rare-earth elements are currently produced and manufactured outside of the United States.

■ **Keeneland Association** has entered into a multiyear agreement with **Sky Sports Racing** to give the British sports channel exclusive rights to broadcast Keeneland racing and sales to its viewership in the United Kingdom and Ireland. Sky Sports Racing is available in 14 million multi-channel homes across the UK and Ireland at no extra cost to Sky and **Virgin Media** subscribers. Keeneland Vice President of Racing Sales Bob Elliston said the agreement "represents a tremendous opportunity to further enhance our outreach in established racing markets abroad."

■ **Integrity IT**, a Lexington-based information technology consulting company, has been sold to **The AME Group**, a managed technology services company headquartered in Vincennes, Ind., that has 25 locations across five states. All Integrity IT technical, sales and marketing staff will continue with the company as part of the AME Group. Integrity IT President Phil Miller will continue as general manager of the Lexington office and Chief Information Security Officer Joe Danaher and Chief Information Officer Bryan Pryor will remain as well.



Sky Sports Racing photo

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BUSINESS BRIEFS

LEXINGTON

■ **Bates Security**, a commercial and residential security company founded and based in Lexington, has expanded its footprint with the acquisition of **Absolute Protection Team**, a security company in Vero Beach, Fla. The acquisition will add more than 2,000 clients to Bates' customer base. Bates also has locations in Jacksonville, Fla., and Prestonsburg, Ky. Since 2016, the company has acquired five companies in two states and now manages over 14,000 accounts.

LEXINGTON/LOUISVILLE

■ Louisville architecture, interior design and engineering firm **Luckett & Farley** has acquired **Buell Fryer McReynolds Jahed Inc.** (BFMJ), a structural engineering firm that has been operating from its Lexington headquarters for 70 years. Company leaders Ethan Buell and Peyman Jahed have joined Luckett & Farley as senior structural engineers and will work out of Luckett & Farley's office in Lexington.



21c Museum Hotels photo

LOUISVILLE

■ All eight of Louisville-based **21c Museum Hotels'** locations earned top awards in **Conde Nast Traveler's** annual Readers' Choice Awards, with **21c Oklahoma City** and **21c Louisville** being named No. 1 in their respective regions (Midwest and South). It is the third consecutive year that all hotels under the 21c brand have earned a place on the awards list. The Louisville and Lexington

locations were named No. 6 and No. 9, respectively, on the top U.S. hotels ranking. More than 600,000 *Conde Nast Traveler* readers across the globe submitted their responses, a record-breaking number for the survey.

■ **Cancer & Blood Specialists of Louisville** has joined the **American Oncology Network LLC**, an alliance of physicians and health-care leaders who are working to ensure the long-term success of community oncology. Through the AON affiliation, the practice will be able to increase its current service offerings to patients with enhanced technology, an expanded oral oncology outpatient pharmacy, pathology and central laboratory services, and enhanced care management services.

■ **Rev-A-Shelf**, a Louisville-based company that produces shelving and storage solutions for both the residential and commercial markets, has acquired **Sidelines Inc.**, of Scottsdale, Ariz., for an undisclosed price. Sidelines specializes in storage products for closets, pantries and homes. Financial terms of the transaction have not been released.



■ Online pet retailer **Chewy** is expanding its presence in Louisville with an investment of \$4.5 million and the addition of 150 more jobs. The company opened a pharmacy customer center in Louisville last year as part of a \$7.2 million investment that created 300 jobs.

■ **XlerateHealth**, a Louisville-based nonprofit health-care accelerator, has been awarded a \$50,000 grant from the **U.S. Small Business Administration** Growth Accelerator Fund Competition. XLH plans to allocate the awarded funds to further advance training and mentoring for life science-focused entrepreneurs in an effort to help them understand the path to commercializing their technologies and how to successfully apply for funding through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.



■ **Olé Hospitality Group**, which operates a number of popular Louisville restaurants that include **El Taco Luchador**, **Guaca Mole Cocina Mexicana**, **Steak & Bourbon** and **Mussel & Burger Bar**, have announced plans to open two new restaurants in the city's growing NuLu district. Cousins Fernando and Yani Martinez, who have made multiple Food Network appearances, plan to open a Cuban establishment, **La Bodeguita de Mima**, designed with a 1950s Havana style. Located just behind Bodeguita de Mima will be **Señora Arepa**, a fast casual concept coming in the spring serving made-to-order Venezuelan cuisine.

SCOTTSVILLE

FB FINANCIAL TO ACQUIRE FARMERS NATIONAL BANK IN \$52 MILLION DEAL

NASHVILLE-based **FB Financial Corp.**, the parent company of **FirstBank**, has announced that it is acquiring **FNB Financial Corp.** and its wholly owned subsidiary, **Farmers National Bank** in a deal valued at \$51.9 million.



Farmers National, founded in 1923 and headquartered in Scottsville, provides FirstBank an entry into the rapidly growing Bowling Green area, where Farmers National is currently ranked seventh in deposit market share with approximately \$204 million in deposits, based on FDIC data as of June 30, 2019.

Following the close of the transaction, which is expected to take place in the first quarter of 2020, Farmers National President and CEO Dan Harbison will serve as market president for FirstBank and will be responsible for managing the combined banks' presence in south-central Kentucky.

STATE

KY MUST FUND INFRASTRUCTURE TO SUPPORT GROWING FREIGHT INDUSTRY

KENTUCKY freight shipments are currently among the nation's highest and are expected to increase by nearly two-thirds in the coming years, according to a report released by TRIP, a national transportation research nonprofit. However, without adequate infrastructure funding for needed transportation improvements, the state's continued economic growth could be at risk.

Kentucky's freight system currently moves more than \$578 billion worth of freight each year, the 14th highest rate in the nation. By 2045, freight moved annually in Kentucky by trucks alone is expected to increase 65% by value (inflation-adjusted dollars), according to TRIP.

The TRIP report, which examined projected and current freight movement across America, credits the increased demand in freight transportation to economic growth, changing business and retail models, and an increased reliance of e-commerce by businesses and households, among other factors.

"Kentucky celebrated record-breaking economic investment over the last few years and must meet the infrastructure demands these new investments create in order to reach full potential," said Ashli Watts, president and CEO of the **Kentucky Chamber of Commerce**, a member of the Kentucky Infrastructure Coalition. "The TRIP report clearly shows infrastructure maintained in top condition is a key requirement to a healthy economy and without increased investment, Kentucky will quickly fall behind."

Infrastructure issues also lead to increased shipping costs, delayed delivery times and decreased productivity for U.S. manufacturers. Traffic congestion is increasing the cost for moving freight and reducing the economic competitiveness and efficiency of businesses that require reliable, affordable freight transportation. In 2016, traffic congestion resulted in an additional \$74.5 billion in operational costs to the trucking industry.



Wikimedia photo

Kentucky's freight system currently moves more than \$578 billion worth of freight each year.

FRANKLIN

KENTUCKY DOWNS LAUNCHES \$25M PROJECT TO DOUBLE TRACK OPERATIONS



Kentucky Downs is undergoing a major expansion project under new owners, Nevada entrepreneurs Ron Winchell and Marc Falcone.

THE Kentucky Downs racetrack has embarked on its largest construction project since opening in 1990.

The first of three phases of the expansion will add 18,000 s.f. with an estimated investment of approximately \$25 million. The new building will feature more gaming as well as more food, beverage and entertainment options.

Construction is expected to begin in November, with the first phase scheduled for completion before the 2020 live race meet begins in early September. The existing building will also undergo a significant renovation during the expansion, including transforming part of the current gaming floor into restaurants and other food and beverage outlets.

The combined expansion and renovation will nearly double the gaming operation, with 1,200 historical horse racing (HHR) gaming terminals. Kentucky Downs currently has 753 HHR terminals.

The anticipated second and third phases remain in the early planning stages but will be designed to broaden the range of guest experiences and facilities Kentucky Downs offers.

"We are looking forward to the expansion and renovation to our existing facility," said Kentucky Downs' Director of Marketing John Wholihan. "It just demonstrates the new owners' commitment to making Kentucky Downs a prominent regional destination. We want everyone to know us as a go-to stop year-round for gaming and entertainment in addition to our famous September live horse racing. The expansion will only enhance Kentucky Downs' role as an economic engine for the Franklin-Simpson area and beyond. Just the first phase is expected to add more jobs to our workforce of 300."

BUSINESS BRIEFS

LOUISVILLE

■ **Junior Achievement of Kentuckiana** teamed with 109 Louisville-area businesses in October to host JA Inspire, an interactive career fair that introduced 13,200 eighth- and ninth-grade students in the region to the vast variety of career opportunities available to them. More than 400 adult mentors in 109 career stations shared career advice with students and engaged them with equipment and technology that included robots, a tornado simulator, medical simulation manikins, lab experiments, skilled trades, coding technology, emergency response vehicles and flight simulators. Exhibitors represented business, IT, accounting, health care, tourism and arts, education, public service, logistics and distribution, hospitality, utilities, manufacturing, and the skilled trades, among other industries.



■ Two airlines have announced plans for new service out of **Louisville Muhammad Ali International Airport**. **Allegiant** is launching seasonal nonstop flight service between Louisville and **Sarasota-Bradenton** (Florida)

International Airport, beginning Nov. 25. The service will operate twice weekly on Mondays and Fridays. **Southwest Airlines** plans to add seasonal weekly nonstop service between Louisville and **Fort Lauderdale-Hollywood International Airport**, beginning Dec. 21.

■ Just weeks after being named one of Inc.'s 5000 fastest growing U.S. companies, Louisville advertising firm **Mightily** claimed the No. 41 spot on **AdWeek's** inaugural list of the 100 fastest growing agencies in the world. The majority of the U.S. agencies included on the list are from major markets such as New York and Los Angeles and Mightily is the only Kentucky agency to appear on the list. The 5-year-old company ranked No. 6 in the Southeast region.

■ The percentage of college-educated, working-aged adults in Louisville is at its highest point ever, with 45.5 percent now holding an associate's degree or higher, according to the **Census Bureau's** American Community Survey. In 2010, Louisville launched the **55,000 Degrees** initiative, a 10-year plan to increase the skill and education levels of the working-age population to remain competitive with Louisville's peer cities in terms of talent. Among the 16 cities that Louisville usually compares itself to, Louisville has now moved up one place to 10th on the list, ahead of Birmingham, AL. According to the survey, increases were seen at all levels of postsecondary education.

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BUSINESS BRIEFS



MANCHESTER

■ **Eastern Kentucky University**, in partnership with **Eastern Kentucky Concentrated Employment Program Inc. (EKCEP)** has launched a new **Teleworks USA Digital Career Center** at its Manchester Campus to bring remote-work preparation and job-placement opportunities in the digital economy to Clay and surrounding counties. The new Teleworks USA Digital Career Center offers a fully equipped workshop training

space for prospective teleworkers to complete Teleworks USA's self-paced customer service and digital literacy workshops. The program allows students to get expert support in applying for telework job opportunities that allow them to work at home using a computer over the internet.

MARTIN COUNTY

■ Martin County has received two federal grants from the Abandoned Mine Lands Pilot Program to improve infrastructure and economic development at the **Eastern Kentucky Business Park**. A \$1.37 million grant will be used to create the International Landing Zone at the business park by retrofitting a 33,000-s.f. facility to be used by multiple businesses until they are ready to expand into their own locations. A \$2 million grant will be used to construct a build-ready site for a 200,000-s.f. building and provide for site preparation in the business park.

MIDWAY

■ **Kentucky Cannabis Co.** has opened a new location in Midway that will serve as home to the company's administrative offices, lab, extraction, production, cultivation and packaging departments. The Midway location will have a small retail outlet as well, but the company's main **Bluegrass Hemp Oil** retail location will remain in Lexington on Reynolds Road. The company also has a retail location in Spokane Valley, Wash.

MOREHEAD

■ **Morehead State University** has renovated a 50-year-old laboratory in Lappin Hall to create two new labs that will be used for biomedical research. Associate Professor of Biology Kurt Gibbs' research focus is spinal cord regeneration. Assistant Professor of Biology Melissa Mefford is researching the evolution of telomeres and telomerase, key components involved in aging and cancer.

■ **Maysville Community and Technical College** has opened its new **Center for Workforce Development** at its Rowan Campus in Morehead. The \$6.5 million classroom and laboratory building, located in the John Will Stacy MMRC Regional Business Park, represents the second phase of the Rowan Campus and houses the college's technical programs.

MURRAY

■ **Jefferson Transportation**, a company owned and operated by **Taylor Motors** of Murray, is investing more than \$3.5 million to expand into the Louisville area alongside **Shockey Tours**. The company has been providing school bus services in the Jefferson County (Louisville) area but will now be providing private-sector services as well. The company has purchased several 56-passenger motorcoaches and plans to double its operation size in the next two years, creating approximately 20 new jobs and bringing its total in the Louisville area to around 75.



NORTHERN KENTUCKY

■ Security and facilities services company **Allied Universal** is in the process of adding 200 full- and part-time security positions in Northern Kentucky. The Pennsylvania-based company has over 215,000 employees and offices throughout North America, including five in Kentucky.

PIKEVILLE

■ **Pikeville Medical Center** has received a \$4.78 million federal grant to create a children's hospital and pediatric clinic. The project, which is expected to create 200 new jobs at PMC, will fill a gap in the region's health care network and provide advanced pediatric care, allowing Eastern Kentucky families to obtain care closer to home. The facility will be the region's first and only dedicated children's hospital.

LOUISVILLE

INNOVATOR SUPPORT AND CO-WORKING SPACE OPENS IN DOWNTOWN LOUISVILLE

SIDIS, a privately held company that invests in and manages life science companies, has opened an entrepreneurial and innovation space on East Main Street in downtown Louisville.

The Center by SIDIS – an acronym for Spirited Individuals Delivering Innovative Solutions – is located in an historic building dating back to 1865 that was formerly home to the **DeHart Paint & Varnish Co.** The 40,000-s.f. space in the city's NuLu area is already home to more than a dozen tenants that represent a mix of startups that include **Lifelines Neuro Co.**, **Adaptive Endo**, **Story Louisville**, **Maddox & Rose Marketplace**, **Biscuit Belly** and **Southern Vintage**. The building also has a large event space with multi-level outdoor decks.

Resources available at the Center include the Louisville Entrepreneurship Acceleration Partnership (LEAP) and the Commonwealth Commercialization Center (C3), a science and technology nonprofit established by the state and Kentucky's public universities.

EDGEWOOD

ST. ELIZABETH, DOTERRA PARTNER TO CREATE INTEGRATIVE ONCOLOGY CENTER

St. Elizabeth Healthcare has announced a partnership with **doTERRA International** to establish a Center for Integrative Oncology within St. Elizabeth's new cancer center in Edgewood that will open in the fall of 2020. doTERRA is an integrative health and wellness company and a leader in the aromatherapy and essential oils market.

"When the St. Elizabeth Cancer Center opens next fall, it will include nearly an entire floor of the building that is dedicated to the holistic, patient-centered approach to care known as integrative oncology," said Garren Colvin, president and chief executive officer of St. Elizabeth Healthcare. "We want patients (and their caregivers) to have as much support and access to resources as possible under one roof."

The doTERRA Center for Integrative Oncology will be more than 8,400 s.f. on the first floor of the St. Elizabeth Cancer Center, designed to provide a calming space with holistic care options to complement St. Elizabeth's comprehensive medical care. Those options will include the use of doTERRA essential oils and aromatherapy, yoga, meditation and a spa-like atmosphere for patients undergoing cancer treatment. In addition, experts at St. Elizabeth Healthcare will be conducting clinical trials related to complementary and alternative medicine, providing evidence-based options that may help patients better manage symptoms.

doTERRA first learned of the St. Elizabeth Cancer Center from one of its wellness advocates, who was a former patient of St. Elizabeth Executive Medical Director of Oncology Services Dr. Doug Flora and is now a cancer survivor. Inspired by St. Elizabeth's personal and integrative approach to medicine, which aligns with doTERRA's philosophy and focus on wellness and addressing the needs of the whole person, doTERRA made a donation of \$5 million to the **St. Elizabeth Foundation** Cancer Center Community Campaign – the largest corporate donation in St. Elizabeth Foundation's 30-year history.



EASTERN KENTUCKY

ARC GRANT LAUNCHES INITIATIVE TO REVITALIZE REGION'S DOWNTOWN AREAS



The annual Mountain MuralFest in Harlan County brings people together to create public works of art as part of the community's downtown revitalization plan.

A \$1.5 million grant from the **Appalachian Regional Commission** to the **Appalachian Impact Fund** (AIF) is being used to initiate downtown revitalization plans that will help attract new private investment to a 10-county area of Eastern Kentucky, including Clay, Estill, Floyd, Harlan, Jackson, Knott, Lee, Leslie, Letcher and Perry counties. In addition, funding will

advance key revitalization projects in the downtown areas of Hazard, Hindman and Hyden.

The ReVitalize, ReInvest, ReDevelop Appalachia (R3) Initiative's catalyst projects include: redeveloping a key property on Main Street in Hazard to be a hub for economic development-focused work in the region by providing free office and meeting space for local nonprofits; renovating a former bus terminal in Hazard to provide arts programming and serve as an anchor to attract retail businesses along Main Street; providing assistance in testing the feasibility of renovating the historic **Quiltmakers Inn** in Hindman to help support the area's tourism economy; and exploring the possibility of renovating the former **S&T Hardware** building in Hyden for adaptive reuse of the property, which sits at a key intersection in the community.

"The Appalachian Impact Fund has the flexibility to be the first-in on projects like this and take risks other investors are unwilling to, in order to test for viability, prove theories of investment, and open channels for additional capital down the road," said AIF Fund Manager Lora Smith. AIF estimates the R3 Initiative will help spur 119 new jobs, 30 new businesses, and 46,700 s.f. of redeveloped downtown commercial space across the 10-county region.

BUSINESS BRIEFS

PRESTONSBURG

■ **Big Sandy Community and Technical College** has received a \$2.25 million grant from the **U.S. Department of Education** to implement a program that, among other things, will include the development of a new work-and learn registered apprenticeship pathway. The program will be designed to align instruction with the skills needed for high-wage, high-demand occupations.

SOMERSET

■ **Somerset Community College** (SCC) has received a \$958,000 grant from the **Appalachian Regional Commission** (ARC) Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) that will be used to establish nursing and EMS-paramedic programs throughout a 14-county region. SCC will open a new associate degree nursing program at the Eastern Kentucky University campus in Manchester, a new LPN (licensed practical nurse) to associate degree nursing (ADN) program at SCC's McCreary Center in Whitley City, and expand its EMS-paramedic associate of applied science program at the Somerset and Laurel campuses to help address a shortage of EMTs and paramedics in the region.



WILMORE

■ **Sims Drug & Gifts**, a longtime fixture in downtown Wilmore, has moved to a new location on Main Street that allows the pharmacy to offer drive-through service. Along with the new location, Sims is now doing business as **Med-Save Pharmacy Wilmore** to reflect its affiliation within a family of independent pharmacies connected through a central server.

STATE

■ The **Kentucky Department of Criminal Justice Training** has partnered with Bluegrass Community and Technical College on a new initiative that enables basic training recruits to simultaneously earn an associate degree at no charge as they complete their officer certification. Courses will include skills such as critical thinking, improved communication through diverse situations and in-depth studies ranging from accounting to ethics. The Educating Heroes initiative is expected to invigorate recruitment and retention of law enforcement during a time in which both have been a challenge. After completion of the associate degree program, all officers will have the opportunity to further their education with bachelor's and master's degree credit from yearly in-service training.

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INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS



Newmar photo

INDIANA

■ **Winnebago Industries**, an Indiana-based company that is one of the nation's leading manufacturers of recreational vehicles, has announced plans

to acquire **Newmar Corp.** in a transaction valued at \$344 million. Newmar, a privately owned company headquartered in Nappanee, Ind., has been manufacturing premium motorhomes since 1968 and currently has a network of 55 dealer service centers across the nation. Following the closing, Newmar will operate as a distinct business unit within Winnebago and will maintain its headquarters and manufacturing facilities in Nappanee.

■ **Gordon Food Service** is building a new 500,000-s.f. warehouse facility in Westfield, Ind., as part of the company's plan to expand its distribution network to support overall sales growth in the Midwest. In addition to the warehouse space, the new building will include a concept kitchen to help customers with menu development and provide culinary demonstrations. The new facility is expected to be operational by the end of 2021 and will create more than 400 new jobs.

OHIO

■ **PureCycle Technologies** has been successful in implementing a process to transform discarded carpet into clear, odorless, ultra-pure recycled polypropylene (UPRP) resin at its plant in Ironton, Ohio. The proprietary plastics recycling technology, developed and invented by Cincinnati-based **Procter & Gamble**, unlocks the value for a wide range of waste polypropylene (PP) that can be restored to its original condition. The technology promises to create a substantial increase in demand for waste PP and help provide alternatives to landfilling and exporting plastic waste. Lexington, Ky.-based **Denham-Blythe Co.** led the engineering, procurement and construction team for the PureCycle Technologies feedstock evaluation unit.

TENNESSEE

■ Tennessee-based **Cracker Barrel Old Country Store Inc.** has acquired **Maple Street Biscuit Co.** for \$36 million. Maple Street was founded in Jacksonville, Fla., in 2012 and has grown to include 28 company-owned locations and five franchised locations. Cracker Barrel plans to convert its **Holler & Dash Biscuit House** units into **Maple Street Biscuit Co.** in the coming months.



Maple Street photo

■ Technology consulting firm **Booz Allen Hamilton Inc.** has announced plans to expand its engineering business by locating a research and development facility in Knoxville that will bring 52 new jobs to the area. The facility will focus on engineering, prototyping and testing for a variety of technical systems.

■ **Global Track Manufacturing USA Inc.**, a company that produces rubber tracks and undercarriages for industrial and agricultural equipment, has established a production facility in the former Tower Automotive plant in Milan, Tenn. Production is expected to begin in the summer of 2020 and will create 250 new jobs.

■ **Novus Advanced Manufacturing**, which produces steel framing components and accessories for the commercial and residential construction industry, is expanding its manufacturing operations in St. Joseph, Tenn. The expansion is expected to generate 174 new jobs.

TENNESSEE

FINLAND-BASED NOKIAN TYRES OPENS PRODUCTION PLANT NEAR CHATTANOOGA

NOKIAN Tyres has opened a new tire manufacturing facility in Dayton, Tenn., that is expected to employ up to 400 workers once it reaches full capacity.

The 830,000-s.f. facility will produce a mix of all-season and all-weather products to meet rising consumer demand for the company's products. The factory is currently in the trial production stage and will be ready to make tires for commercial use by early 2020.

The Dayton facility, located approximately 40 miles north of Chattanooga, is the Finland-based company's third production facility. The other two are located in Finland and Russia.

"By producing our tires closer to wholesale and retail partners, we can continue to expand availability of our tires to consumers throughout North America," said Mark Earl, senior vice president for Nokian.

In addition to the new production facility, Nokian plans to open an automated warehouse facility that will store as many as 600,000 tires and an administration building that will house offices, meeting spaces and employee wellness facilities.

Last year, the company opened a new North American headquarters office in Nashville. Nokian has set a goal to double its North American sales in five years.



Nokian photo

Finland-based Nokian Tyres has set a goal of doubling its North American sales over the next five years.

INDIANA

LIFENET HEALTH EXPANDS BIOMEDICAL OPERATIONS WITH NEW INDIANA SITE

LIFENET Health, a global provider of life sciences and regenerative medicine solutions, has opened a new biologics logistics center in Plainfield, Ind., to help meet a growing need for tissues and cells that support both surgical patient care and biomedical research.

Based in Virginia Beach, Va., LifeNet Health is an innovator in regenerative medicine, a field that includes organ and tissue transplantation, cell-based therapies and advances in personalized medicine. The company provides a variety of transplant solutions from organ procurement to new innovations in tissue-implant technologies and cellular therapies. Each year, LifeNet distributes more than 600,000 tissue implants – for use in multiple surgical disciplines including orthopedics, neurosurgery, cardiac and vascular surgery – to benefit patients in more than 40 countries on six continents. It is also the federally designated organ procurement organization for the state of Virginia, where it facilitates nearly 500 organ transplants annually. LifeNet Health is investing more than \$18 million to expand into Indiana, establishing and equipping a 70,000-s.f. biologics logistics in Plainfield that is the first to be designed and built specifically to meet the unique needs of life-saving tissue implants and cells.

The new facility will complement LifeNet Health's existing locations on both the East and West coasts and joins more than 1,750 life sciences firms located in Indiana. According to **BioCrossroads** and the **Indiana Business Research Center**, Indiana is the second largest exporter of life sciences products in the U.S., with \$10.2 billion in total exports in 2018.



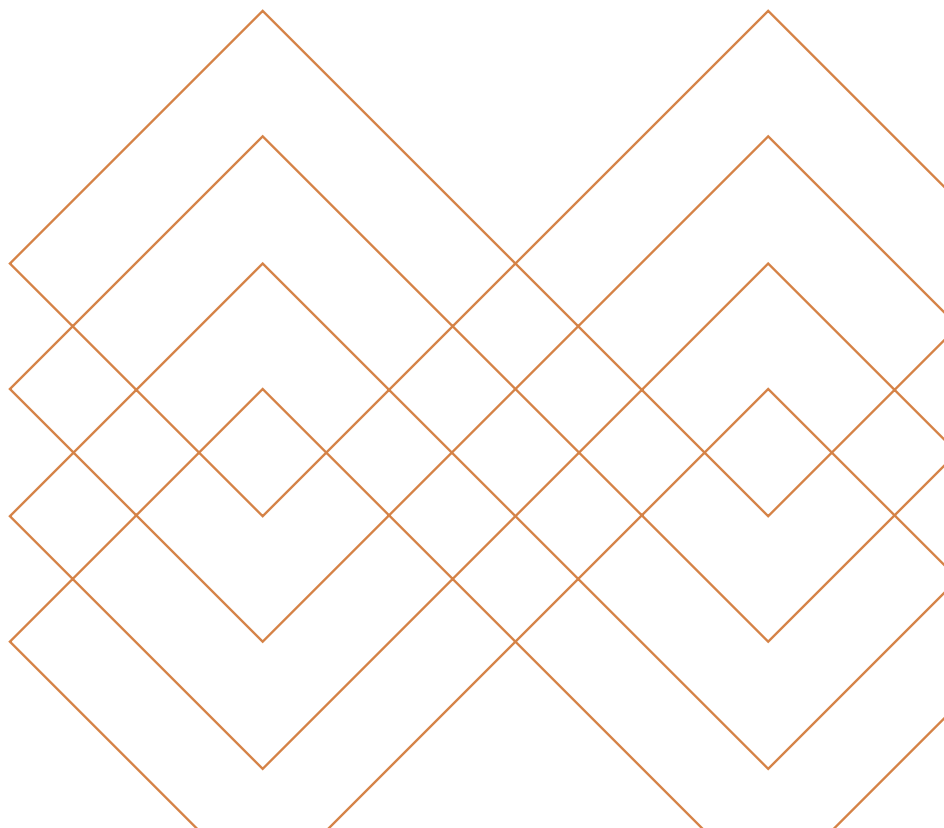
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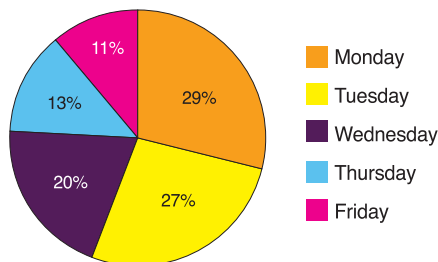
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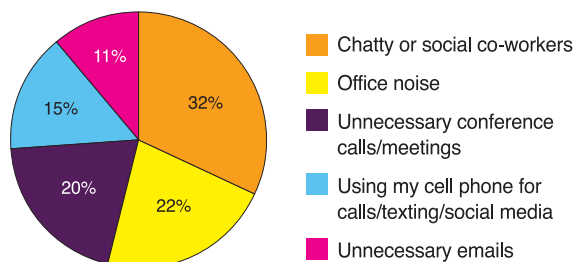
PRODUCTIVITY IN THE WORKPLACE

Monday may be getting a bad rap, according to the results of an Accountemps survey, which reveals that Monday is actually the most productive day of the week. The survey asked American workers when they are most productive and what affects their productivity.

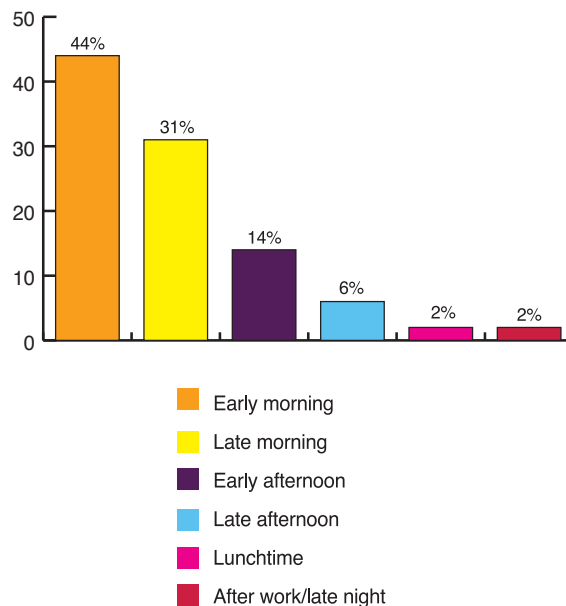
WHAT DAY OF THE WEEK IS MOST PRODUCTIVE FOR YOU?



WHAT IS THE SINGLE BIGGEST DISTRACTION THAT IMPACTS YOUR PRODUCTIVITY?



WHAT PART OF THE DAY IS MOST PRODUCTIVE FOR YOU?



* Responses do not total 100% due to rounding.

Source: Accountemps

KENTUCKY'S HEALTHIEST COMMUNITIES

SmartAsset recently released its annual study on America's healthiest places, with the primary factors considered being length of life, health behaviors and health-care access. Here's how Kentucky communities stacked up in the study:

Rank	County	YPLL Rate ¹	Adult Smokers	Adult Obesity	Excessive Drinking	PCP Rate ²	Uninsured Rate	Healthiest Places
1	Oldham, KY	5,682	15.9%	24.7%	19.1%	61	3.5%	82.18
2	Shelby, KY	6,682	18.8%	32.5%	15.5%	43	7.2%	71.93
3	Fayette, KY	7,656	18.8%	28.1%	19.8%	124	7.3%	71.54
4	Boone, KY	6,827	17.4%	35.6%	18.2%	63	3.8%	71.10
5	Warren, KY	7,717	19.5%	31.9%	15.3%	72	6.3%	69.95
6	Calloway, KY	7,131	21.1%	32.2%	15.2%	52	7.1%	69.58
7	Lyon, KY	8,463	18.8%	29.3%	14.5%	37	5.6%	69.55
8	Hardin, KY	7,526	19.9%	35.4%	15.3%	54	5.0%	68.09
9	Woodford, KY	8,547	18.9%	32.4%	15.4%	65	6.1%	67.30
10	Scott, KY	8,131	18.1%	34.3%	16.8%	50	4.7%	67.29

¹ Years of Potential Life Lost before the age of 75 per 100,000 residents

² Primary Care Physicians per 100,000 residents

Source: SmartAsset

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A row of pencils is shown at the bottom of the page. Most are dark grey or black, but one pencil on the left side is bright yellow and stands out significantly taller than the others. A thin horizontal line extends from the yellow pencil towards the right, ending just before the 'The Lane Report' logo.

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ON THE BOARDS

Kentuckians named to organizational leadership roles

BLUE GRASS COMMUNITY FOUNDATION

■ The Blue Grass Community Foundation has elected its officers for fiscal year 2020: Chair – **Fran Taylor**, owner of Lexington Silver, LLC; Vice Chair – **Travis Musgrave**, wealth management advisor with Merrill Lynch; Secretary – **Salvador Sanchez**, owner of A Cup of Commonwealth, Chocolate Holler and Magic Beans Coffee Roasters; and Treasurer – **Andy Reynolds**, chief operations officer of Ballast.

COMMUNITY TRUST BANK INC.

■ **Ina Michelle “Missy” Matthews** has been appointed to the board of directors of Community Trust Bank Inc. Matthews is president of Whitesburg-based Childers Oil/Double Kwik.

CONSUMERS’ ADVISORY COUNCIL

■ The following individuals have been appointed to the Consumers’ Advisory Council: **Jeannine Bell Smith**, Crescent Springs; **Calvin Michael Music**, Hagerhill; **Alyssa Dara McDowell**, Covington; and **Benjamin Joseph Taylor**, Lexington.

EASTERN KENTUCKY UNIVERSITY

■ **Janice Sword Way** has been appointed as a member of the Eastern Kentucky University board of regents. Way, of Hebron, has served as president of Leadership Kentucky since 2015.

ECLIPSE BANK

■ Dr. **Rebecca Booth** has been elected to the Eclipse Bank board of directors. Booth is a physician at Women First of Louisville.



Rebecca Booth

FEDERAL ADVISORY COMMITTEE ON INSURANCE

■ Kentucky Department of Insurance Commissioner **Nancy Atkins** has been appointed to serve on the Federal Advisory Committee on Insurance.

FISH AND WILDLIFE RESOURCES COMMISSION

■ **Paul Bryan Horn Jr.** and **Karl Duane Clinard** have been appointed as members of the Fish and Wildlife Resources Commission. Horn, of Prestonsburg, is the president of Booth Energy. Clinard, of Somerset, is a retired orthodontist.

FOUNDATION FOR A HEALTHY KENTUCKY

■ Retired Lexington oncologist **Elvis Donaldson** has been named to the community advisory council of the Foundation for a Healthy Kentucky.



Elvis Donaldson

GATEWAY COMMUNITY & TECHNICAL COLLEGE

■ **John Baines** and **Charlie Coleman** have been appointed to the Gateway Community & Technical College board of directors. Baines is a consultant and executive coach at Insight Partners LLC and previously served as president of Hahn Automation from 2004 until 2018. Coleman is a Campbell County commissioner and former a teacher, assistant

principal, athletic director and head football coach.

KENTON COUNTY AIRPORT BOARD

■ **Robert M. (Bob) Hoffer** has been appointed to the board of directors of the Kenton County Airport Board. Hoffer is managing partner of DBL Law.



Bob Hoffer

KENTUCKY CENTER FOR THE PERFORMING ARTS

■ The following individuals have been appointed to serve on the board of directors of the Kentucky Center for the Performing Arts: **Kate Shapira Latts**, **Paula Harshaw**, **Lindy Street**, **Jeff Kosse**, **Doug Owen**, **Angela Leet**, **Bruce Merrick** and **Laura Melillo Barnum**. Joining the Kentucky Center for the Performing Arts Foundation board of directors are: **Tim Galbraith**, **Todd Lowe**, **Chris Kipper** and **Rick Guillaume**.

KENTUCKY COMMISSION ON MILITARY AFFAIRS

■ **Steven Phillip Bullard** and **Laura R. Harper** have been appointed as members of the Kentucky Commission on Military Affairs. Bullard, of Crestwood, is the executive director of the Kentucky Commission on Military Affairs. Harper, of Cadiz, is the vice president of Western Kentucky SMA.

KENTUCKY HOUSING CORP.

■ **Edwin Dale King**, **Barry Grant Noffsinger** and **Phillip J. Moffett** have been appointed as members of the Kentucky Housing Corp. board of directors. King, of Union, is the chief financial officer of Brandstetter Carroll Inc. Noffsinger, of Lexington, is a sales and marketing manager. Moffett, of Louisville, is a real estate broker.

KENTUCKY MEDICAL ASSOCIATION

■ **R. Brent Wright**, a family medicine physician in Glasgow, has been installed as president of the Kentucky Medical Association. Other officers elected to serve are: President-Elect – Dr. **Robert Couch**, Louisville; Vice President – Dr. **Dale E. Toney**, Lexington; Speaker – Dr. **Danesh Mazloomdoost**, Lexington; and Vice Speaker – Dr. **Monalisa Tailor**, Louisville.



Brent Wright

NATIONAL ASSOCIATION OF STATE DEPARTMENTS OF AGRICULTURE

■ Kentucky Agriculture Commissioner **Ryan Quarles** has been elected vice president of the National Association of State Departments of Agriculture, a nonpartisan, nonprofit association that represents the elected and appointed commissioners, secretaries, and directors of the departments of agriculture in all 50 states and four U.S. territories.



Ryan Quarles

NATIONAL PUBLIC RADIO

■ **Mike Savage**, director and general manager of WEKU radio in Richmond, has been elected to the board of directors for National Public Radio.



Mike Savage

NORTHERN KENTUCKY UNIVERSITY

■ **Andrá R. Ward** has been appointed as a member of the Northern Kentucky University board of regents. Ward, of Cincinnati, is president and CEO of The KhafreWard Corp.

SAINT JOSEPH HOSPITAL FOUNDATION

■ The Saint Joseph Hospital Foundation in Lexington has announced its new board of directors: Chair – **Lee C. Hall**; Vice Chair – **Jay E. Ingle**; Secretary – **Tracy Colon**; and Treasurer – **Larry Cowgill**. The remainder of the board is comprised of **Judy Albrecht**, **Kathy Arms**, **Diane Cashen**, **Judy Cummins**, **Laura Hayden**, **Missy Lange**, **Clint Long**, **Daryl K. Love**, Foundation President **Leslie Smart**, Saint Joseph Hospital President **Bruce Tassin**, **Alan VanArsdall**, **Teresa Wallen**, **Julie Whitman** and **Greg Yeary**.

SHAKER VILLAGE

■ The board of trustees of Shaker Village has elected **G. Watts Humphrey Jr.** as chairman and **Ann Bakhaus** as vice chair. Humphrey, of Harrodsburg, is president of GWH Holdings Inc. and has served on the board of trustees since 1990. Bakhaus, of Lexington, is the retired CEO of Kentucky Eagle Inc. and has served on the board since 2011.

SHEPHERD HIGHER EDUCATION CONSORTIUM ON POVERTY PROGRAM

■ **Mindy Wilson**, associate director for the Center for Career & Professional Development at Centre College, has joined the governing board of the Shepherd Higher Education Consortium on Poverty program.

UNIFORM LAW COMMISSION

■ The Uniform Law Commission (ULC) has appointed Morgan Pottinger McGarvey attorney **John McGarvey** as Uniform Commercial Code committee chair for a two-year term. McGarvey has served as Kentucky’s legislative liaison for the ULC since 2006.



John McGarvey

UNIVERSITY OF KENTUCKY

■ **Joe Rollin Bowen** and **Anthony Charles (A.C.) Donahue** have been appointed as members of the University of Kentucky board of trustees.

WOMEN LEADING KENTUCKY

■ **Emily H. Cowles** has been named to the board of directors of Women Leading Kentucky, a statewide networking organization. Cowles is a member with the McBrayer law firm.

The background of the advertisement features a stylized map of the United States and Canada, overlaid with a network of glowing blue lines representing connections. A large, thick yellow arc curves across the top and left side of the image. At the bottom, there is a black silhouette of a city skyline.

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CORPORATE MOVES

New leadership for Kentucky businesses

BIG MOVES

■ Bank of the Bluegrass & Trust Co. in Lexington has announced the following appointments:

Caroline French – financial center manager of the company's newest location on Romany Road in Lexington.

Clay Branham – credit analyst

J. Miller Wilson – vice president, commercial lending.

■ Louisville-based architecture/engineering firm Lockett & Farley has announced the following new additions to its staff:

Christopher Quirk – senior project manager, distilled spirits design studio

Nathan Smith – design director

■ Attorney **Claire Vujanovic** has joined McBrayer's Louisville office, where she is focused on labor law as well as employment law and consulting.



Caroline French



Clay Branham



J. Miller Wilson



Christopher Quirk



Nathan Smith



Claire Vujanovic

PROMOTED LISTINGS

ACCOUNTING

■ **Sarah Antle** and **Melinda "Mindy" Heck** have been named directors at DMLO CPAs.

ARCHITECTURAL/ENGINEERING/CONSTRUCTION

■ **Casey Dunn** has been named executive vice president, operations for Lexington-based Denham-Blythe.



Casey Dunn

■ **John Whitney** has joined Sherman Carter Barnhart, where he will lead the firms' Louisville office and focus on growing its presence in higher education.

BANKING/FINANCE

■ **Andrea Smith** has joined Central Bank as vice president, commercial lending in Georgetown.

■ **Greg Siegrist** has joined Louisville-based Eclipse Bank as vice president and commercial relationship manager.

■ **Jacob A. Robinson** has been appointed vice president, business banker for WesBanco Inc.'s Lexington region.

■ **Margaret King** has been promoted to chief information officer for Peoples Exchange Bank.

■ **Kim Farmer** has joined Field & Main Bank as vice president, mortgage loan officer for the Lexington market. **Tyler Terawood** has joined the company as a relationship banker at the new Lexington banking center.

■ **Jimmy Evans** has joined Central Bank as senior vice president, senior market lender in Louisville.

■ **Marc Sanborn** has joined the ARGI financial advisory team, working out of the Elizabethtown office.

■ **Bruce Corwin** has joined Ross, Sinclair & Associates as a wealth manager in the firm's Louisville office.

■ Lexington-based Central Bank has promoted **Lana Alexander**, **Barbara Johnson** and **Alex Wolf** to assistant vice president of retail banking. **Rachel Jones** has been promoted to retail banking officer. **Angela Campbell** has been promoted to assistant vice president, security.



Barbara Johnson



Alex Wolf



Angela Campbell

■ **Terry Smallwood** has joined Ameriprise Financial Services Inc. in Lexington as a financial advisor.



Terry Smallwood



Andrea Smith



Jacob Robinson



Margaret King



Jimmy Evans



Bruce Corwin



Lana Alexander

BUSINESS/ECONOMIC DEVELOPMENT

■ **Ashli R. Watts** has been named president and CEO of the Kentucky Chamber of Commerce. Watts succeeds **Dave Adkisson**, who has retired.

■ **Cheryl Besl** has joined the Northern Kentucky Tri-County Economic Development Corp. (Tri-ED) as director of marketing.

■ **Drew McDonald** has joined the Northern Kentucky Chamber of Commerce as membership representative.

■ **Jason Adler** has joined German American Bank in Louisville as market executive. **Kelley Chandler** has joined the bank as senior vice president, commercial banking.

EDUCATION

■ Bellarmine University has announced the following new appointments: **Paul Gore** – vice president for academic affairs and provost; **Mike Marshall** – vice president of enrollment, marketing and communication; **Sean Ryan** – senior vice president; **Elizabeth Dinkins** – dean, Annsley Frazier Thornton School of Education; **Kristin Cook** – associate dean, School of Education; **Mary Huff** – dean, Bellarmine College of Arts and Sciences; **Pam Cartor** – associate dean, College of Arts and Sciences; and **Frank Raymond**, interim dean, W. Fielding Rubel School of Business.

■ **John Dixon** has been named executive director of human resources and institutional equity at Eastern Kentucky University.

■ **Faith Garrett** has been named dean of health sciences at Midway University.

■ **Taran McZee** has been named associate vice president for diversity, equity and inclusion at Bluegrass Community and Technical College.

■ **Megan Boone** has been named director of the office of career services at Morehead State University's Division of Academic Affairs.

■ **Summer Crick** has been appointed director of alumni relations for Kentucky Wesleyan College.

FOOD/SPIRITS/HOSPITALITY

■ **Meghan Reams** has been named sales manager for private events at Jeff Ruby's Steakhouse Lexington.



Ashli Watts



Cheryl Besl



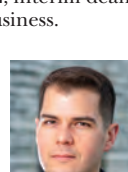
Jason Adler



Kelley Chandler



John Dixon



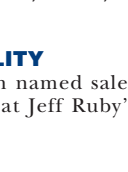
Faith Garrett



Taran McZee



Megan Boone



Summer Crick

CLAY

Clay Johnson has joined Louisville-based Yum! Brands Inc. as chief digital and technology officer. **Gavin Felder** has been promoted to chief strategy officer for the company.

Charles George has been named executive director of Wine & Spirits Wholesalers of Kentucky.

The Lexington Marriott City Center and Residence Inn Lexington City Center have announced the following appointments: **Kelsey Hooker** – sales manager; **Edson Vizcarra** – banquet and event operations manager; **TJ Harville** – executive chef.



Kelsey Hooker



Edson Vizcarra



TJ Harville

GOVERNMENT

Stephanie Caros has joined the Kentucky Transportation Cabinet as the public information officer for the District 5 Department of Highways.

Louisville Metro Government has announced the following appointments: **Carmen Moreno-Rivera** – chief, Office for Performance Improvement; **Faith Augustine** – executive director, Louisville Metro Criminal Justice Commission; **Ferdinand Risco Jr.** – executive director, Transit Authority of River City (TARC); **Lee Burchfield** – director, Louisville Free Public Library; **Dana Kasler** – director, Louisville Metro Parks & Recreation; **Rebecca Fleischaker** – director, Department of Economic Development; and **Marilyn Harris** – director, Louisville Metro Office of Housing and Community Development.

Rebecca Combs Lyon has been appointed to serve as clerk of the Kentucky Court of Appeals.



Rebecca Combs Lyon

HEALTH CARE

Dr. William Barlow (Barry) Inabnet III has been named chair of the University of Kentucky College of Medicine's department of surgery.

Jason M. Adams has been named president of Saint Joseph East and chief operating officer of Saint Joseph Hospital in Lexington.



Jason Adams

Tim Hatfield has been named community CEO for Highlands ARH Regional Medical Center.

INSURANCE

Jennifer Bazante has been promoted to chief marketing officer for Louisville-based Humana Inc.



Jennifer Bazante

Louisville-based ClearPath Mutual Insurance Co. has announced the following appointments: **Robin Engleking** – claims manager; **Linda Ladegast** – claims supervisor; **Teri Ralston** – customer experience specialist; **Hilary Alvey** – communications specialist; **Kim Sellers** – production underwriter.

Jeffrey E. Breeze has been named president of the Kentucky Home Life Insurance Co. and Mountain Life Insurance Co., divisions of Forcht Group of Kentucky.



Jeffrey Breeze

John R. Miner has been named president of Kentucky National Insurance Co.



John Miner

LEGAL

Aaliyah K. Eaves has joined Dinsmore & Shohl as partner of counsel with the health care practice group.



Nick Stewart

Nick Stewart has joined Stites & Harbison's Louisville office, where he is a registered patent attorney in the firm's intellectual property and technology service group.

The following attorneys have joined Dinsmore and Shohl's litigation department: **Philip E. Cecil** (Louisville), **Kylie A. King** (Louisville), **Christopher S. Zelli** (Louisville), **Kyle R. Bunnell** (Lexington) and **Mary Lancaster Tanner** (Lexington).

MARKETING/ADVERTISING/PUBLIC RELATIONS

Louisville-based PriceWeber has named **Jonathan Bone** and **Susan Hovekamp** as company shareholders. Bone is an account director with the agency. Hovekamp is the agency's human resources director. The company has established a new financial services marketing practice named PW Financial Services Marketing and appointed **Nick Papachristou** as president of the new division.



Jonathan Bone



Susan Hovekamp

Zachary DeMoor has joined Lexington-based Wiser Strategies as creative services specialist.



Nick Papachristou

MEETINGS/CONVENTIONS

Robert Bell has been named director of expositions at the Kentucky Exposition Center in Louisville.



Robert Bell

NONPROFIT

Laura Holoubek has been named president-elect of Equestrian Events, a Kentucky-based nonprofit that organizes and hosts equestrian sporting events.



Laura Holoubek

TOURISM

Stephen Barnett has joined VisitLEX as destination sales manager.



Stephen Barnett

TRANSPORTATION

Susan B. Harmon has joined the Bowling Green-Warren County Regional Airport as airport manager.

UTILITIES

Dave Roy has joined Columbia Gas as vice president and general manager.



Dave Roy

OTHER

Guillermo Novo has been named chairman and CEO of Covington-based specialty chemical company Ashland Global Holdings Inc. Novo succeeds **William A. Wulfsohn**, who is leaving the position at the end of December.

Lauren Parsons has joined Blue Grass Community Foundation as the organization's first director of strategic initiatives and communications.



Lauren Parsons

Sharon Price has been named executive director of the Community Action Council in Central Kentucky.



Sharon Price

DEPARTURES

Thomas F. Helms Jr. has retired as non-executive chairman of the board and director of Louisville-based Turning Point Brands Inc. Helms founded the predecessors of TPB and served as chief executive officer and later executive chairman of the company.



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LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Timothy C. Caboni

Timothy C. Caboni became Western Kentucky University's 10th president on July 1, 2017. A native of New Orleans, he has a bachelor's in speech communication and rhetoric from Louisiana State University, earned a master's in corporate and organizational communication from WKU in 1994, and a doctorate in higher education leadership and policy from Vanderbilt University. He was associate dean of the Peabody College of Education & Human Development at Vanderbilt. Caboni returned to WKU after six years as vice chancellor of public affairs at the University of Kansas. Caboni is married to Kacy Schmidt Caboni, who is WKU's director of principal gifts and special initiatives in the Office of Development and Alumni Relations.

BY INVESTING IN ITS FRESHMEN, WKU EXPECTS BETTER OUTCOMES FOR ALL

President Timothy Caboni sees strategy to improve access and graduation rates as a win for families, students, communities and Kentucky's workforce

BY MARK GREEN

Mark Green: Financial considerations are at the forefront of students' minds. According to your recent announcements, nearly 80% of WKU's incoming freshmen in fall 2020 will be eligible for some type of institutional scholarship aid, compared to 39% this fall. How is this being accomplished?

Timothy Caboni: WKU is an institution of opportunity and access, and we want to remain so for any family no matter their economic condition. In the past 18 months, to put this scholarship program together, the university took a close look at the predictors of success at WKU. The strongest, most consistent predictor of success is high school GPA. If the ACT score was a barrier we were placing in front of students, the question is, 'Why would we do that?' It makes more sense to reward students for their performance over four years of high school instead of on a single day on a single test – particularly when you think about the variation of scores based upon socioeconomic status, race, ethnicity. We want to do things that allow students who are prepared to be successful, to reward them for their performance in high school.

We have a 27-county service area from Owensboro to Louisville to the state line south of Bowling Green, a huge triangle with a vast diversity of communities, many

of who are struggling economically. We need to do our part to support the young people in each of those communities who want to get a college degree at WKU.

The other thing we've done is become much more efficient in how we deploy scholarship dollars, making sure every dollar is focused on the recruitment of that first-year class. We spent a lot of time looking at our internal resources, how those are invested. The team was creative. This is innovative not just for WKU and the commonwealth but nationally. Many institutions have gone test-optional for admission. We were able to remove it for almost all our scholarships, and it's going to make a tremendous difference in students who otherwise might not be able or might not look at WKU, and in our enrollment for our freshman class.

We're looking at an additional \$3-\$5 million in scholarships year over year. That is a significant investment – and not just in first-year students. I've said on many occasions: I'm not interested in recruiting freshmen; I'm interested in recruiting students who are going to be here for four years and graduate. If that's the perspective, then we'll retain those (first-year) students, they'll get their degrees, and most importantly they'll contribute to the workforce of the commonwealth, which we desperately need in south-central Kentucky.

To pay for it, we're doing something called the WKU Opportunity Fund. In my investiture speech, we announced an effort to raise over \$50 million in scholarship support focused on students who otherwise might not be able to afford to come take part in the full WKU experience. We've raised over \$27 million and have created 72 new endowed scholarship funds to support young people who want to be here and deserve a shot at pursuing a college education. Fundraising is a crucial part of this. It's led by Kacy Schmidt, my wife and our first lady, who also works in our development office. There are a lot of folks engaged in helping, raising the voluntary support necessary to pay for this.

There's an expectation that they perform academically, but that's also on us to make sure they have the resources, the advising, and the support necessary to be successful at WKU. We've been spending a great deal of time on those efforts.

MG: What is the threshold GPA?

TC: It looks like a 3.0 unweighted throughout high school, a solid B average. That's a student who can be successful at WKU, and that's exactly the kind of student we were built for. Some institutions want to exclude; we have our arms open to any student who's ready to be successful here and is looking for what we do at WKU: an undergraduate experience second to none in the commonwealth, the ability to pursue research as soon as you're ready as an undergraduate, a remarkable college town in Bowling Green that's livable, a campus that is a true college campus, not in a big city but a true college campus that allows our students to take advantage of a full WKU experience. And we're an hour north of the hottest city in the country. I don't know why anybody wouldn't want to come study with us for four years.

MG: What is WKU's freshman class size today? How does that compare to the past?

TC: We're at about 3,000 students. That first-year class is a couple hundred smaller than in previous years, but part of this is by design. We made an intentional decision to stop admitting students for a very particular reason. We had young people we made offers of admission to who had below a 2.0 GPA and we knew were not prepared, based upon the data, to do the work here at WKU. Only 20% of these students made it into their sophomore year. The 80% who left during freshman year left with an average debt load of \$4,000. That's not fair to the students, not fair to their families, and it's not right for us to do that. We stopped admitting those



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people and helped them get to a community or technical college to pursue their degrees. And if they perform well we'll welcome them in their junior years.

We want to make sure every student we admit is prepared to do the work at WKU. We're focused on student success and supporting the students we get when they're here.

MG: All colleges and universities are working to improve student retention and graduation rates. Where does WKU stand?

TC: We want to have 80% of our freshman come back in the sophomore year, and we want 60% of our incoming class to graduate with a degree. That may not sound like a lot, but if and when we hit that 80% mark, that puts us on par with many flagship universities nationally.

We've had a set of targeted interventions that helped improved our first-to-second-year retention rate by 3 percentage points, which in higher education is a tremendous result. For our underrepresented minority population, we've improved that number by over 5 percentage points. That's happened for a number of reasons.

The new scholarship program was piloted in the background for about a year. We couple that with much more intentional advising in the first and second years, which is a change for us – something called the Birch Institute and its Pathways program, helping students earn scholarship dollars while coming to class freshman year. We're also wrapping support systems around them: counseling, external financial aid support and helping them get the resources they need. We also launched the Intercultural Student Engagement Center focused on students of color, creating a community and a peer network for them, a place where they'll be comfortable to hang out while helping make sure they have the support they need to be successful at WKU.

Most importantly, as an institution we are committed to ensuring for every student we admit as a freshman we do everything we can to get them to graduation in four years. We've worked hard on that.

Last summer we created the Summer Scholars Program for students we know are going to struggle but who can be successful – they need a little extra. We ask them to meet us halfway: come five weeks before classes begin, live in our residence halls, take meals and have a roommate who's going to be the same roommate they have in the fall, and to take two classes, one of which is how to do college and the other is a core course. We pay for their orientation and master plan, and charge them \$500. Here is the deal: If you

come for \$500, take two classes and can get two C's, then you'll continue into the fall semester.

This is a pilot year. We had 142 students begin and 117 made it into the fall – a tremendous success rate for those who are willing to do the work it's going to take to be successful. The ones who weren't able to do it we helped get to their local community colleges.

There are a range of policy levers that we're pulling focused on student success. All of them together have contributed to that remarkable year-over-year improvement.

MG: What are the trends in WKU's overall student body composition and size?

TC: We're still at about 20,000, but the mix has shifted. We have more dual-credit students – who are in high school – than previously. We have many fewer international students. That international student decline began in fall 2014; we had a high of about 1,400 and we're down now at the undergraduate level to about 400. What that means for revenue is that we're challenged, and we've been working through that, rightsizing our budget and being as efficient as possible.

The most concerning thing for me when I got here was that we had 2,500 who applied to WKU and then didn't go to any four-year institution, community college, technical college or certificate training. That number grew to 3,000 two years ago. This year 50% of the students who applied to WKU for college didn't go anywhere. Part of that is a labor market issue. Young people see jobs available without anything more than a high school degree, and they're going straight to work. And I can't argue against young people taking that kind of opportunity.

But here's the thing I do know. If you haven't visited Sumitomo, which is an electronics manufacturing facility here in south-central Kentucky, go take a look. What I saw when I visited last summer was four people running four football fields worth of manufacturing equipment. I like to say every young person needs "college." They may not need a four-year degree, but they need an associate degree, a technical degree, or some sort of certification, because 'when the robots begin to take over,' when we really accelerate the automation of manufacturing, those folks who took those jobs right out of high school are going to struggle unless they've gotten additional training and are prepared for lifelong learning. We're working hard to help people understand that.

I'm a huge proponent of continuing study after high school. It doesn't have to be at WKU necessarily. That's an area

where I think the entire commonwealth is challenged. We have 4,000 open jobs today in south-central Kentucky and about 1,500 to 2,000 of them require a four-year degree. If you want a job and want to work, come to Bowling Green because we can find one for you.

MG: What do current students, prospective students and their parents indicate are their top priorities and concerns in selecting a school and pursuing postsecondary education?

TC: We've seen an uptick in students interested in studying more technical fields. And part of that is an intentional press to recruit more students into science, technology, engineering and math fields. When you look at our enrollment, the areas of growth are in health and human services and in business – our two really strong areas – and then our science and engineering areas. We've got three colleges that have grown significantly. Part of the reason is because families like to see a relationship between the degree they're pursuing and the work they want to do after college. That's particularly true for first-generation college students. This is a significant investment in their futures, and they want to know that is going to pay off with a good-paying job and a career path.

We're having a more challenging time helping young people and their families understand there is great value also in the liberal arts and the social sciences. Being trained in the soft skills, to be able to communicate effectively, to write well, to work together in teams, to apply knowledge to complex situations and create solutions based upon what you know and what that context is – those are in high demand by every employer in our region, and the liberal arts do prepare young people to be able to enter those fields. We have to do a better job articulating that and making sure that our course offerings match the needs of our families and students.

Last year we went through a process of reevaluating all our degree offerings. We got a lot of news coverage for the programs, minors and certificates we said we were going to stop offering. But what was most exciting is that WKU identified 55 degree programs we are going to completely transform. Instead of asking our faculty what to do, the way universities typically do it, we're going to look at the marketplace and ask the folks hiring our students, 'What do you need, and how do we build our curriculum to match the market's demands?' Then we're going to go to our students and their families and ask what they are seeking in a college experience and a degree. Based upon that

and other collected data, we're going to transform the curriculum of those 55 programs. That's a remarkably exciting venture for any university, and will link us more tightly to the applicant market and to that employer base.

MG: WKU's new Strategic Plan document calls for transforming the advising process for students. What changes are occurring?

TC: Advising has become ever more complicated. More than young people picking classes, it's actually about connecting them to resources in a way that helps students be successful. Instead of having faculty or advisers spread all across campus, we want to create a one-stop shop to get advising questions answered. Certainly that is about what courses they need to take to be successful and graduate in four years, but it's also about making sure if they have financial aid issues, if they have mental health issues, if they have just-fitting-in issues, that our centralized advisers are prepared to support those young people. Now, instead of getting the run-around from office to office, first- and second-year students can get all of those services taken care of in a single spot with a single adviser in a central location. We think that's part of the reason we moved the retention number so significantly in the past year.

MG: What impacts are expected from the recent opening of the UK College of Medicine Bowling Green program here?

TC: We're proud of the partnership between The Medical Center, Western Kentucky University and the University of Kentucky Medical School to open a four-year medical program here in Bowling Green. We know there's a physician shortage and that physicians are likely to practice where they study. This year fully half the seats taken in that class were WKU students, so we think it's a strong partnership to address the physician shortage. It's also a terrific pipeline program for our young people who want to study at WKU and stay here for medical school. It's incredibly exciting.

MG: What campus capital projects has WKU undertaken in recent years, and what projects are now on the drawing boards?

TC: In the past couple of years, we've opened two new facilities. Ogden College Hall, a science building that was a state-supported project, helps ensure we have top-of-the-line science and engineering facilities for our students. It opened in spring 2018. In fall 2018, we opened Hilltopper Hall, which is about a 500-bed residential facility.

Going forward, we'll complete two significant projects in the next 18 months or two years. The Commons Project is reconceptualizing the Helm Library at WKU. Libraries are no longer book repositories or material warehouses. Our young people are looking for a place to work together on projects, to have applied learning spaces. Through a partnership with Aramark, the library will transform into a place where our entire community – faculty, students and staff – can gather over a meal to work through projects, have social time together, and create an intellectual hub where all of WKU can gather. That project is about \$35 million. It will enable us to take down Grise Hall (circa 1966) and return the top of the hill to our first President Henry Hardin Cherry's vision for College Heights over the next two years.

Even more exciting, and completely focused on student success, is the new First-Year Village we're building at the bottom of the hill. We're taking down two residence halls, Bemis Lawrence and Barnes Campbell, that have reached the end of their useful life. I challenged our Residence Life team to think differently about residential education. Beginning in the spring 2021 and fully opening in fall 2021, we're going to have 1,000 beds built in pod-style. Instead of entering with 3,000 first-year students, you'll enter with 24 who live with you in one of these First-Year Village facilities. You'll share academic interests, have a peer advisor who lives alongside you, and a faculty mentor who's assigned to the 24 students based upon their academic interests and the faculty member's interests. We're going to block-schedule courses, where you take one, two, three courses together with the folks with whom you're living, perhaps one taught by that faculty mentor. By doing that, the 150 hours a week students spend outside of class becomes as important as the 15 or 18 they spend inside of class. Participation in those living-learning communities is going to be transformative for that first-year experience.

We're moving toward an Oxford/Cambridge-style model in that first year, where we get a smaller number of students directly engaged with a faculty member for a year. What we're able to do at a WKU tuition price point, which is tens of thousands of dollars less than other four-year institutions in the state, and that level of faculty-freshman engagement will be a remarkable accomplishment.

MG: As you plan and execute the university's goals and projects, how much interaction is there between WKU, local government and the business community in Bowling Green and the nearby region?

TC: We are completely intertwined. What's good for Western Kentucky is good for Bowling Green, and what's good for Bowling Green is good for Western Kentucky. We all have the shared goal of elevating the economy of south-central Kentucky. I sit on the Bowling Green Chamber board with the mayor and county judge-executive, and we are constantly having conversations focused on workforce development, improving the local community and tax base, and recruiting new businesses to the area. In my career I have not been in a community that gets economic development and the relationship between the business community, the university and local government as well as Bowling Green does. We are a model community for that.

MG: Public financial and revenue limitations have steered Kentucky's postsecondary institutions into educational specialties and niches, since it's unaffordable for all schools to "have everything." What are WKU's specializations?

TC: What we do incredibly well and I'm most proud of are our engineering programs, our health programs – including a remarkable nursing program and doctor of physical therapy program – and our education programs. WKU began as a "normal school," and education remains core to who we are as a university.

We have one of the finest journalism programs in the world and we have the best photojournalism program in the United States and the world, bar none. We invest significantly in it, and our young people bring great attention to the institution by winning awards every single year for the work they do in student journalism.

Another thing for which we are remarkably proud is our communications program and the performance of our forensics team. They won the national championship last year in speech and debate.

One of the newer programs we're getting a great deal of attention for is our meteorology program. Meteorology requires an intensive math component, and this is a program of about 50 students, all of whom are in high demand across the country. The number of television meteorology broadcasters who are WKU students and alumni is remarkable. We have many across the commonwealth and all across the country who are on television, but they also go to work for companies doing forecasting and for the National Weather Service.

We have an incredible legacy of success in agriculture and many of my colleagues at land-grant institutions would be envious

of our 900-acre farm that is five minutes from campus. Our agriculture programs are second to none in the state, and they're applied in nature. From the FFA motto, we want them "learning to do," but also "doing to learn," so that it's not instruction in a classroom separate from the real world but actually taking that knowledge and making it usable, having ideas put into action.

MG: How would you characterize the relationships among Kentucky's various university and college presidents?

TC: I'm thankful to have a set of colleagues who understand the challenges that we're all facing, who work collaboratively to address those challenges, and also serve as wonderful sounding boards when dealing with difficult issues. I've found the community of university presidents here in Kentucky much more collaborative than competitive.

MG: At WKU what type of student and classes most use online learning? What are the overall trends?

TC: We have a significant number of degree programs that can be pursued online exclusively. Our regional campuses in Owensboro, Elizabethtown and Glasgow have become hubs for young and older people who are pursuing a college degree online but want a physical space to be able to come to. We have close to 3,000 students who are primarily online learners. That is an important and growing marketplace.

But what's more interesting is how we've blended online and in-person education through our traditional students here on campus, helping them do outside-of-class things that used to take up class time. They can do readings, watch lectures, be prepared, and when they come to class, apply that knowledge in a way that helps make it much more relevant. In addition to online-only degree programs, technology will help us be even more creative and effective for every one of our students. Matching testing and measurement to when they need it versus our normal schedule, but also helping them come prepared in a way that makes the in-time class more exciting than many people might remember. We know on-the-stage lectures are not the best way for young people to learn.

MG: What is the current trend in majors? Which categories are up and down, and why?

TC: We see our technical areas being oversubscribed. If I had the seat space I could probably double the size of our nursing program, but that comes with issues. Our engineering, our science, our

technology programs are all in great demand. We also are seeing business and entrepreneurship as something young people in the area are wanting to pursue. Just south of our main campus we're building an innovation campus; it is formerly known as the Center for Research and Development and more colloquially known as "The Old Mall." We are creating a space where the university and businesses and our students and our faculty all come together to create new businesses, have a space for entrepreneur students to have their ideas incubated and spun off, and to provide small business support for those in our region who are building companies. Business is attracting a great deal of attention.

MG: If someone in the private sector wants to get into WKU's feedback system on the workforce skills needs or find out what skills grads have that could benefit them, how do they do this?

TC: The local Workforce Board is co-located on our campus. We're trying to create a tightly-knit pipeline between the employers of our region, the folks who are supporting that workforce development through local government, and the university. We're moving toward integrating our hiring systems and the systems that help young people looking for jobs as seniors and juniors to know what's available in the local area. Our career center is pressing that senior year is much too late to begin thinking about what you're going to do for a job. We have to begin those conversations the week students set foot on our campus their first year. Plotting out how one develops an understanding of industry, the skills necessary to be successful, the relationships that will help open doors, and what that career looks like all takes time. We're working hard to drive that down to the freshman year. Our career center does that, and that's the easiest entry point for any business to get engaged with us. Our Business and Industry Round Table partners with business across the region to help them with not just workforce needs but research needs, and any other relationship that's beneficial for them that we can create.

MG: What is Western's annual budget this year? What do the revenue and spending pies look like?

TC: We're under a half-billion dollars, and that number has gotten a little smaller the last couple years. Even though we've gone through some internal reallocations, our budget has remained pretty steady. There are significant fixed-cost increases every year, but we've managed to reduce some expenditures by being more efficient as an

institution. We have a new budget model designed to be decentralized and reward success at the college level, to empower our deans to make strategic choices around enrollment and research, and reward success with additional resources.

We need to make sure that what scarce dollars we're spending, we're spending in the place where they're most effective. We're about a half-billion dollar organization, but within that there is flexibility and resources shift. Tuition is an ever-more-important, unfortunately, portion of our budget. We know that makes families and their students more pressed to be able to afford a college education, which is one reason we've begun moving financial aid down the need curve to help more students – and to realize that we need students to finish in four years, do everything we can to keep them on track, take the number of hours necessary to be successful, and graduate in four years if possible.

MG: How important is development, the university's own fundraising, in WKU's overall budget and planning process today?

TC: We would not be able to do all the terrific things we're pursuing without the significant investment of alumni and friends. The past two years, we've seen the largest and second largest fundraising totals in university history, and we will launch a comprehensive fundraising campaign in the spring. For us to continue our institutional climb and elevate our regional, national, international reputations, we need alumni and investors to place their money with us – to help make sure our students can afford to come, that our faculty are rewarded and we can attract the most outstanding faculty in the nation, and ensure our facilities are second-to-none. The full WKU experience is what we're building toward, but in such a way that we don't price ourselves out of the market. Our donors are the most important investors we have. We're proud of the fact that we have such a broad base of donors as an institution.

It is homecoming week on the hill. We have tens of thousands of alumni coming back to Bowling Green. It's a wonderful celebration of not just the university, but more importantly, the experience and relationships that those alumni build while they're on the hill. WKU truly is a family, and this week we're going to be celebrating that. ■



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



Successful multicareer entrepreneur Ken Ramsey leads filly Stephanie's Kitten to the winner's circle after the 2015 Breeders' Cup Filly and Mare Turf race. Stephanie's Kitten, named for Ramsey's granddaughter, was sired by Ramsey Farms stallion Kitten's Joy, who won more than \$2 million in his racing career before becoming the nation's premier stallion.

Making Yet Another Big Bet

Ken Ramsey, leading horse owner and breeder, is betting on hemp as next bonanza

BY JEFF LOWE

THOUGH turning 84 years old Nov. 3, Ken Ramsey is hungry for a new challenge and believes he is on to a winner. He certainly knows what one looks like.

Kenneth L. Ramsey has been one of American horse racing's most successful owners and breeders, having built Ramsey Farm in north Jessamine County into a powerhouse with money he made through a major gamble on the emerging cell phone industry in the 1980s, and later with the success of a champion horse, Kitten's Joy, bred with

and named after his wife, Sarah Kathern "Kitten" Ramsey. Kitten's Joy has been the leading sire in North America the last two years.

By Ramsey's count, he has made at least \$1 million in five different business pursuits: cell phone franchises, real estate, radio stations, the stock market, and in the Thoroughbred game.

In the last couple of years, Ramsey has substantially pared back the racing and breeding operations. Both had grown unwieldy, he says, and there is a desire to focus more on quality than quantity. He also may be close to

reaching his fill after amassing a vast collection of leading Thoroughbred owner titles, fueled by a sharp, hands-on operator, demanding standards (a win clip of at least 20 percent has been the expectation) and heavy volume.

Ken and Sarah Ramsey, hometown sweethearts from tiny Artemus, Ky., are the all-time leading owners by wins at Churchill Downs and Keeneland and have also piled up owner titles at Turfway Park, Kentucky Downs, Ellis Park and various other tracks. Equibase records since 2000, several years after the Ramseys got serious about racing, show their horses have just short of \$95 million in winnings.

Lately, though, Ramsey has been directing some of his attention and capital to a different form of agriculture. After betting big on the concept of cell phones, to the point that he nearly ran out of liquid funds while trying to enter as many government lotteries as he could for cellular franchise rights – he now sees the marijuana and hemp industries as a sure winner.

In 2015, Ramsey spent \$1.86 million to buy Chaumiere du Prairie, a historic, 175-acre property adjacent to Ramsey Farm on Catnip Hill Road in Nicholasville. With his background in real estate, he saw it as a sage investment, but the property turned out to offer more than he expected.

"Back in 1804 or 1805, David Meade sent a scouting party from his plantation in Virginia to scout where they could find the most fertile land they could find, and it's this property that I have now," Ramsey said of his estate, where Meade reportedly hosted several presidents as well as Kentucky's famous U.S. Sen. Henry Clay, whom Ramsey notes was a titan in the hemp industry.

"We have dug down (into the ground) there burying tree stumps and all that and gone down 6 feet and it's still black. There is no rock in it, no limestone in it at all. My (horse) farm has got a limestone base but not this property; it's very fertile. So I have raised one acre of hemp over there. Everything went well. This year I'm growing 20 acres out there," Ramsey said.

"I didn't grow (much) last year because I didn't have a market like I was told to expect. They changed (federal law and regulations) now, so I am selling a bunch of the horses that I've got.

Sarah “Kitten” Ramsey and Ken Ramsey, both originally from Artemus in Knott County, are the top all-time leading owners by wins at Churchill Downs and Keeneland and have been named the nation’s top Thoroughbred breeder multiple times. They’ve been married for 61 years. Ramsey counts the Thoroughbred industry as the fifth area in which he has made more than \$1 million and has now gotten involved in industrial hemp.

We’re downsizing for a reason. We got too big to start with, but also I am putting money in marijuana stock and I am growing hemp out there.

“I’ll probably start my own hemp oil factory, processing the oil and start buying hemp from other people. This is the next big deal: the hemp revolution. We won’t call it marijuana in Kentucky – that is its first cousin – we will call it hemp and then they are going to legalize it and we will be ready to grow it. Mark my words; that is a prediction. It’s a foregone conclusion. The guy that succeeds is the guy that is on the cutting edge.”

An eye for entrepreneurship

Ramsey believes he can spot an entrepreneur at a young age, based on their initiative and ingenuity. He knows from personal experience, from his Knox County youth in Artemus, where he honed his work ethic with a shoeshine operation (he later named a horse Ten Cents a Shine that competed in the Kentucky Derby), delivered newspapers, mowed and raked yards, sold seeds and carried the town mail from a daily railroad stop to the post office.

While serving in the Navy, Ramsey saw a Thoroughbred in person for the first time when he and a buddy attended the races at Golden Gate Fields in Albany, Calif. That experience left an impression, and Ramsey started owning horses and even serving as a trainer himself for a short while after he had attended the University of Kentucky under the G.I. bill and settled into the real estate business.

His first job out of college was as an executive in training with a trucking company out of Winston-Salem, N.C. He later worked at Kentucky Motor Freight in Danville, Ky., and had a memorable encounter with Jimmy Hoffa, who was representing the Teamsters Union in a labor dispute. Ramsey, as personnel safety director, was prepared to present the company’s case in a grievance hearing, but Hoffa beat him to the punch, playing hardball as soon as he walked through the door, threatening to have a picket line in place the next day. Ramsey’s boss backed down.

Ramsey decided soon thereafter to seek out another opportunity. He opted for real estate in Lexington, opening his



own brokerage with a broad scope of services, from auctions (Ramsey graduated from the auctioneer’s school in Decatur, Ill.) to insurance to rental properties.

“I always wanted to own my own business,” he said. “At the peak, I had 29 sales people working for me and was the No. 1 selling office in Lexington. And at one point I had 101 pieces of property that I owned. We sold everything: houses, farms, commercial property and got into loan assumptions. We made a lot of money doing that. I would spend \$1,000 or \$2,000 fixing the place up a little bit and then immediately put it on the market. I would make three, four or five thousand dollars on it and a lot of times turn it over in a couple weeks.”

As he grew his business, Ramsey relied on another Eastern Kentucky native who was just starting to make his way in Central Kentucky: attorney Dudley Webb, who would later change the face of downtown Lexington as a real estate developer, along with his brother, Donald. For Ramsey’s loan assumptions, Dudley Webb was a big asset, able to quickly provide short title reports, often within 24 hours.

“Ken was one of my first clients,” Webb said. “He was very successful then and very successful ever since. He is a dynamic personality and savvy business person.”

Along the way, Ramsey caught the bug for horse racing. He immediately loved handicapping, absorbing information and drawing conclusions that he could implement at the betting windows. Becoming a horse owner, and even a trainer of his own horses for a short time, seemed like a natural outgrowth of that passion.

Betting it all on cell phones’ potential

By the late 1980s, Ramsey again was ready for something new and focused on the potential for cell phones, deducing that they would eventually become as common as the home landline. By 1988, the federal government had already awarded cell service licenses in 305 metropolitan areas. Ramsey decided to target the lottery process that would determine



Dudley Webb,
Chairman/
Co-Founder,
The Webb
Companies

the rights to provide cell service in more than 400 rural areas.

"I thought, 'Man this is a better mouse trap,'" he said. "I went up to Washington, D.C., and had appointments with five different law firms to find out what was going on and how you could get in the cellular telephone business. I found out it was a lottery process, and so I engaged a law firm to file the applications for 305 rural service areas, filing for me, my wife, my children and my sister.

"I didn't have enough money to do all that myself, so I sold applications to get enough money for myself and later on, for my wife, and on the tail end, I put my children in. People did not believe in it. I had a difficult time selling the (cell service lottery) applications. I couldn't see how far it has advanced (today) with the smart phones and all that, but I did see that the voice part of it was going to be the future."

Ramsey filed lottery applications for so many rural areas that he had to mortgage his Lexington farm and strategically stop making mortgage payments on his rental properties for 60 days while he "played the lottery."

Small lottery wins, big payoff

"It was a stressful time, gambling on this and not knowing if we would win any of them," Ramsey said. "I finally got a couple of investors where they got free applications for loaning me some money. I borrowed from Peter to pay Paul and played the entire lottery out. I didn't win one myself, but my wife won one in Gainesville, Ga., and my sister won one in Connecticut and my children ended up winning minority pieces in several of them. That has made all of them worth \$1 million apiece. In the end it worked out well – it changed my life and the lives of a whole bunch of others. I think I had seven people win a market."

After the lottery results, firmly believing in the potential he saw, Ramsey sought to get into markets that others had won. He networked hard to meet other winners.

"I also joined in with partners to receive minority shares in 53 different markets. I really hustled to get in on those. I went to about 15 of the first cellular telephone meetings they had in the United States and got put on committees and was able to buy into other markets from getting acquainted with those people. I still have some of them today.

"Business being what it is, corporations are involved and they can do what they call a 'Delaware squeeze' where the majority stockholder can

squeeze the minority stockholders out, figuring out how much the corporation is worth and paying the fair market value. We are still engaged in lawsuits on that after getting the 'Delaware squeeze' done on me in 10 or 15 markets that were very lucrative after paying all the capital costs to build the system (to provide cellular signals). I'm about all sold out of all them except retaining some towers in Kentucky and Oregon."

Winning at Thoroughbred breeding

Ramsey diversified by buying radio stations (he owns six in Wisconsin today) and got serious in the horse game in 1994 by purchasing Almahurst Stud in north Jessamine County, alongside Harrodsburg Road/U.S. 68.

Almahurst was a successful Standardbred operation at that point, but it had a rich history as a past Thoroughbred nursery going back 100 years ago when Kentucky Derby winner Exterminator was born there. Rechristened as Ramsey Farm, it has been expanded to more than 2,000 acres over the past 25 years.

Kitten's Joy, the star sire, has been a driving force but only after his owner and breeder made another calculated gamble, similar to his hunch with cell phones. Ramsey had two stallion prospects in 2005: Kitten's Joy, who was the previous year's champion turf male, and Roses In May, who had just won the \$6 million Dubai World Cup. Ramsey did plenty of homework and decided to sell Roses in May to a farm in Japan and use the proceeds to acquire broodmares to breed to Kitten's Joy, who stood his first season at Ramsey Farm in 2006.

"It was a tough choice because Roses In May was going to be a dirt sire and Kitten's Joy was going to be a turf sire," Ramsey said. "Turf racing wasn't as popular then as it is today, and of course I have always wanted to breed a dirt horse who could get us into the Kentucky Derby winner's circle, but I did research it and decided Kitten's Joy had the better gene pool."

Taking titles as a couple

For the first few years, Ramsey was just about the only breeder in Kentucky betting on Kitten's Joy, and when he proved to be a sire sensation, it was a huge boon to the Ramseys' racing stable. Ken and Sarah Ramsey captured three Breeders' Cup races with sons and daughters of Kitten's Joy and garnered the Eclipse Award as the nation's leading owner three times in four years between 2011 and 2014, and they doubled up with the Eclipse Award for leading breeder also in 2013 and 2014.

Many of the sire's best runners, like two-time Breeders' Cup winner Stephanie's Kitten and Dean's Kitten, have carried the names of the Ramseys' children and grandchildren.

For years, the Ramseys were seemingly inseparable at the racetrack, side by side to watch their horses and often to lead them into the winner's circle. At one time, they each had their own horses – among them, Kitten's Joy's dam, Kitten's First, whom Sarah Ramsey acquired for \$41,000 at a 2-year-old sale in 1993. They combined forces again to strengthen their pursuit of leading owner titles.

In 2007, Sarah Ramsey suffered a debilitating stroke. Unable to speak, she still attends races close to home, watching from a wheelchair, with the family alongside at ground level rather than in the grandstand – to ease her route to the winner's circle.

Ken Ramsey is quick to point out that Kitten's Joy came from her mare.

"She named him, too," he said of his wife of 61 years. "We are thankful for what we still have rather than what we lost."

Handicapping as a business

Of all the different business interests, Ramsey singled out horse racing as a true passion.

"It has really brought a lot of memories and bonding to the family," he said. "It is also educational. Learning how to handicap a race is a lesson in business. You sit down and figure out what horse is most likely to win, and then you have to make a decision on whether the value is there to make a bet or what your percentage chance of winning is. You get a quick return: You find out pretty quick what you did right or wrong and what you need to do to correct it. Horses have been a long-range love affair. It's been a joy for our family and taken us all over the world."

Besides winning the Kentucky Derby, the big remaining entry on Ramsey's horse racing bucket list is to win a stakes race at Royal Ascot, the ultra-elite annual race meet outside London, England. He has met Queen Elizabeth II there, though, giddily accepting an invitation to join her for a visit in her suite in 2010.

"Growing up I was certainly never around any Thoroughbreds," he marvels today. "My uncle had two mules he used for farming. That was the closest thing I came to being around a horse. I have come a long way." ■

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



In seven to nine months in a real world, industrial environment, the Tech X program at Owensboro Community and Technical College gives students hands-on training in arc welding and cutting, shown here, and other skilled crafts. Students also receive concierge-like services from a career navigator/success coach about financial aid and job placement options available.

educated workers anymore. That model doesn't work now."

It's the modern-day education/employment dilemma: the need for higher skills and the need for them NOW.

The good news in Kentucky is that educational institutions across the state are building those multiple ramps, finding innovative ways to shave the amount of time needed to acquire skills, and even finding ways to do both simultaneously.

Earning GED and certificates simultaneously

Each on-ramp has to be different, Box said, depending whom it is to serve and what they need to meet their immediate goals.

At level one are adults with exceedingly few job opportunities because they lack a high school diploma or equivalency.

"In Kentucky we have a population of adults left behind," Box said. "They are either underemployed or do not have a high school equivalency. We created the GED Plus Program based on a program in Washington state. GED Plus allows individuals without a GED to co-enroll in Kentucky Skills U, where in one semester they simultaneously earn their GED and a first-level certificate in one of five high-wage/high-demand economic sectors.

This is an important on-ramp, Box said, because there are 350,000 people in Kentucky without a GED or high school equivalency.

"We have had tremendous success with this," he said. "Those without a high school diploma have often experienced failure with traditional education. If you talk to them about spending years in school, it is not going to happen."

Veterans have their own ramps as well. One is a collaboration between KCTCS, the University of Louisville and the Kentucky Commission on Military Affairs (KCMA). Called Veterans Accelerated Learning for Licensed Occupations (VALLO), this program provides occupational certifications for veterans and transitioning military personnel. Transitioning military personnel and vets with aviation or power plant mechanics experience are eligible to become certified with the Federal Aviation Administration in Kentucky.

It is a way for Kentucky – the second-largest U.S. exporter of aviation and aerospace products – to help reduce

A More Efficient Workforce Pipeline

Programs are being implemented across Kentucky to more effectively tie education to business and industry needs

BY DEBRA GIBSON ISAACS

Editor's note: This is the second in a two-part series looking at initiatives in Kentucky to make real-world skills a bigger part of the education curriculum.

KENTUCKY needs an education/career freeway with numerous on- and off-ramps.

That's the perspective of Jay Box, president of the Kentucky Community and Technical College System (KCTCS). He sees this need daily as he oversees myriad programs leading to every competency from the basics (reading, writing, math) all the way to critical thinking, leadership, advanced manufacturing skills and advanced medical technologies.

On ramps, the courses and requirements surrounding them, get a lot of attention. However, the other end

– merging from the classroom into the career lane – needs more focus, Box said.

"It's important that we also talk about exit ramps," he said, "especially about how much time it takes to exit that freeway with a certificate or a degree that will provide a living wage and allow people to stack credentials until they have reached where they want to go."

Meeting the need for both hasn't been easy for educators.

"Since the recession ended in 2012 there has been this huge shift to get more individuals employed quicker," Box said, "but that has put a strain on education systems across the country. Companies can't afford to wait two or four years for



Jay Box,
President,
Kentucky
Community
and Technical
College System

KCTCS photo

critical labor shortages in this field, which is one of the Department of Labor's primary focus areas. Aerospace exports have increased 183% in the past five years, according to the Kentucky Cabinet for Economic Development.

Academies redefine high school

Kentucky's schools are looking at education differently as well, incorporating far more career-oriented activities and training than in the past. The career focus is also coming earlier, sometimes as early as kindergarten.

Two of the state's largest school systems, Fayette County Public Schools and Jefferson County Public Schools, have developed what they call academies to help students find their passion and the best path to transforming that passion into a satisfying career. Students begin in an academy in the ninth grade.

"We worked with the Greater Lexington Area Chamber of Commerce to identify the leading industries and job needs in our area," said James McMillin, chief of high schools in Fayette County. "This is how we selected the focus of our academies. Each academy has its own team of teachers and counselors who focus on that field."



James McMillin,
Chief of
High Schools,
Fayette County
Public Schools

The curriculum is similarly job focused.

"Externships, internships and academic content have a career focus integrated into them," McMillin said. "Whether students want to go to a job directly from high school or to a

technical school or college, we are helping them find the area of work they are most interested in and begin to explore experiences in that field. They are then better prepared for the next step, whether it is college, medical school or the firefighter academy.

One child McMillin knows well is his daughter, and he has watched her thrive at the Spanish immersion academy she attends.

"She is not sure whether she wants to be a pediatric surgeon or an emergency room doctor," McMillin said. "At first she was interested in pediatric oncology until she saw the day-to-day realities of that field. She has been able to meet with surgeons and listened to many doctors who were guest speakers.

Last year McMillin said 1,300 freshmen in three academy schools attended career exploration events, and 209 earned industry certifications, a 125% increase from the previous year.



Ignite Institute at Roebbing Innovation Center in Erlanger is a new regional STEAM academy in Northern Kentucky that is part of the Grow NKY effort to provide much more exposure to business skills in the education curriculum.

Jefferson County Public Schools began its version in 2017 and it is now well established. JCPS Academies is based on the framework of Ford Next Generation Learning (NGL), which brings together educators, employers and community leaders to help students graduate from high school both college- and career-ready.

A head start on real life

Again, the focus is on effectively mixing traditional education and learning experiences that relate directly to the world of work, just as an artist would blend colors to create a desired effect.



JCPS photo

After four years in a Jefferson County Public Schools Academy, students graduate with:

- Direct career and industry exposure
- Industry and college field trips
- Job shadowing experience
- Junior- and senior-year internships through SummerWorks
- The ability to earn college credits and industry credentials
- The ability to earn work experience through co-ops or apprenticeships
- Networking opportunities with local industry professionals
- Success skills and a postsecondary transition plan

Jefferson County Public Schools students in the automotive engineering academy graduate with critical experience and certification to enter successful careers.

WORKFORCE DEVELOPMENT

And as with any creation, balance is key. The goal is for JCPS Academy students to graduate with college credit, industry certifications, real work experiences, and solid “soft” skills – a head start on life in the real world.

“Academies of Louisville is about engaging students in their learning through career-connected opportunities,” said Christy Rogers, assistant superintendent of high schools for JCPCS. “The academy model builds both essential skills such as collaboration, innovation and public speaking, along with technical education skills. The academy model ensures the skill sets we are building in students align with the needs of our businesses and community partners. The academy model is the answer to the need for vocational education and college readiness or lifelong learning.”



*Christy Rogers,
Assistant
Superintendent
of High
Schools,
Jefferson
County
Public Schools*

The process begins in elementary school and intensifies in middle schools.

“Starting in elementary school, career awareness is built through interest assessments and basic career exploration,” Rogers said. “Middle-school students build an individual learning plan, which focuses on identifying their skills and interests and potential careers for them. In eighth grade, all students have the opportunity to attend the Junior Achievement Inspire event, featuring over 100 employers in a variety of industries with hands-on career exploration activities.

“In ninth grade, as part of the freshman academy, all students participate in an exploration process, deepening their understanding of their own interests and abilities as well as the opportunity to ‘test drive’ career pathways offered at their school,” she said.



KCTCS photo

Learn locally with dual credit

All high school students can get a head start on a career using a dual-credit program, in which students taking qualified classes can earn high school and college credit simultaneously.

“This year we have 186 students enrolled in a dual-credit course,” said Stacy Edds-Ellis, academic dean at Owensboro Community and Technical College. Edds-Ellis is also an ambassador for the national College in High School Alliance.

In 2016, Owensboro was announced



*Stacy
Edds-Ellis,
Academic
Dean,
Owensboro
Community
and Technical
College*

Tech X students at Owensboro Community and Technical College are prepared for life-long learning and adjusting as technology changes. Tech X offers foundations in robotics, machine tool, welding, fabrication and material handling with participating students able to earn a gas welder certificate, arc cutter certificate, production line welder certificate and a forklift operators certificate.

as one of the participating institutions in the Department of Education’s experimental site for dual enrollment.

All of Kentucky’s public universities and KCTCS have made deals with nearby high schools to participate in dual-credit class agreements.

“One of the things that makes our program unique is that we are a national experimental site for students who qualify for PELL grants (a subsidy the federal government provides for students at lower income levels.) By participating in dual credit, they can access those PELL funds early. This makes accessibility to higher education even more accessible and equitable and levels the playing field.”

One industrious student even earned an associate degree from KCTCS a week before she received her high school diploma, Edds-Ellis said. The timing was a fluke due to school schedules, but the idea of earning a high school diploma and an associate degree at the same time is not. It is one of the overarching goals of the dual-credit program.

“Some kids know early on what career they want and sometimes that it will mean being in college a long time,”

Kentuckians Involved at National Level of Workforce Development

Jay Box, president of the Kentucky Community and Technical College System (KCTCS) has been named to President Donald Trump’s American Workforce Policy Board. The board has 25 members – two-thirds are CEOs from the top 50 companies; three are from higher education, and the remainder from associations. “When Trump met with us, he had us go around and talk about why we were interested in the board,” Box said. “Tim Cook from Apple went first. He said when Apple started they hired primarily engineers, but that is not where their workforce is today. Now more than 50% of Apple employees have associate degrees. He said there are lots of great paying jobs in high tech and all manufacturing that require less than a bachelor’s degree. Look for a new marketing campaign about that very subject in early spring.”

Stacy Edds-Ellis, academic dean of Owensboro Community and Technical College, has been selected as an ambassador for the national College in High School Alliance (CHSA). Edds-Ellis has been at OCTC since 2002. She was director of OCTC’s first Title III Strengthening Institutions grant and an associate dean of academic affairs in 2010, spearheading the college’s regional accreditation efforts. In her role as dean, she continues to lead an array of programs. She was a KCTCS New Horizons Staff Award recipient and was recently awarded the University Faculty Excellence in Part-time Teaching Award from Western Kentucky University, where she has taught in the WKU Leadership program since 2014.

Edds-Ellis said. "They are academically ready for college, and getting started two years early is attractive to them. They can still be active in high school and those extracurricular activities and get ahead academically."

Edds-Ellis said there are now more than 20 bus routes in OCTC's area taking kids back and forth from high schools to community and technical schools.

Grow NKY: Project-based learning

In Northern Kentucky, some 60 partners have joined forces with the Northern Kentucky Chamber of Commerce on a workforce/education-oriented effort they call Grow NKY.

Grow NKY is built on four pillars: kindergarten readiness; college and career readiness; adult career readiness and lifelong learning; and talent retention and attraction. Building a library of employer policies and practices is also a focus.

"The first three deal with the talent supply," said Leisa Mulcahy, managing director/vice president of Workforce for the Northern Kentucky (NKY) Chamber of Commerce, "and the fourth deals with talent and attracting people to the region. The final is a variety of resources for area employers."



*Leisa Mulcahy,
Vice President
of Workforce,
Northern
Kentucky
Chamber
of Commerce*

Grow NKY has also identified six primary industries it hopes to grow and attract: information technology, financial services, construction, advanced manufacturing, health sciences, and advanced logistics (supply chain).

Connecting education and business is how it plans to improve the numbers.

"Grow NKY is connecting business with students," Mulcahy said. "It starts in kindergarten with some interesting projects and continues through middle school job awareness and high school shadowing into creating apprenticeships. We are working toward the right things with the right people at the table. Industry informs every ounce of what we do, and it is really comprehensive."

The latest industry/education alliance in Northern Kentucky is the Ignite Institute at Roebing Innovation Center. Industry leaders in the area helped develop a cross-disciplinary curriculum for high school students to address specific gaps in the regional workforce and give students the chance to interact with local business leaders.

Located in Erlanger in a building Toyota donated, Ignite is an academy

Retraining Minds Instead of Hands

KATHY Miller Perkins has worked with businesses across the world, helping them with an array of issues as CEO of Miller Consultants. She has written two books: "Retraining the American Workforce" and her latest, "Leadership and Purpose: How to Create a Sustainable Culture."

In Miller's view, two qualities are most important for people to learn, regardless of the job or economic sector: an agile mind and a global awareness.

"Things change so fast, employers need people who are agile with their thinking and are critical thinkers. They need to be able develop new skills along the way. This is not new but has become even more significant.

"People also need to be globally aware, even those in small business. My small company does more international work than work in the states now. A level of world sophistication has become necessary over the last decade."



*Kathy Miller
Perkins,
CEO, Miller
Consultants*

focused on project-based learning in science, technology, engineering, arts and mathematics (STEAM). Admission is not based on grade point averages, but on a student's desire to learn specific high-demand skills. This is the first semester for Ignite, which has 900 students, including some from Kenton County as part of a unique regional collaboration.

"Ignite is designed to give kids work-based learning experiences," said Bill Hogan, director of innovation for Boone County Schools and director of strategic partnerships for Ignite. "Before they graduate from high school, they will have a pretty good idea of what the job entails and if that job is their passion.

"Maybe they find out a certain job is not their passion, that they don't want to do this the rest of their life. That information is just as valuable. They don't get trapped in a job they don't like."

Hogan said they do not have all the business networks up and running yet to connect students and businesses, but expect that these will be well established by the time today's freshman are seniors.

Adults are not forgotten

A good example of an adult-focused program can be found in Owensboro. A program called Tech X offers hands-on training in a real-world, self-paced, industrial environment. Students can earn certificates as a gas welder, arc cutter, production line welder and a forklift operator.

"Tech X trades (instruction) seat time for skills mastery," said Mike Rodgers, chief institutional officer for Owensboro Community and Technical College (OCTC). "Each module is progressive, and Tech X allows students to rapidly acquire competencies.

"I like the work-and-learn model because the average adult is not comfortable sitting in a lecture environment. Plus, they need skill sets rapidly. This allows us to meet them where they are and provides them immediate success and a quick entry

into a family-sustainable job. High school students are not enrolled, which makes the adults more comfortable. And the program is fast paced."

Two tracks provide flexibility. The daytime option allows students to attend classes eight hours per day, three days per week for a seven-month period. The evening option allows students to attend classes four hours per evening, four nights per week for a nine-month period.

The program uses a success coach model, according to Rodgers.

"We work with master trainers to recruit and retain students. During any program, life happens. The coach works with the student to navigate attendance issues or child care or assist with any problem that comes up. We have even had some homeless students who need somewhere to stay or food. We have found much success with this model.

"This competency-based model allows us to build those skills. They find success in easier programs and move into more advanced curriculum. The students often say: 'I did not know I could do that.'"

Not a degree but a career

Back at KCTCS, Box said that the language surrounding higher education is one of the biggest changes over the years.

"The reason I say that is because of the language that for many, many years was: 'You have to go to college. You have to get a four-year degree.' We put the cart before the horse in many cases. That rhetoric continued for years, but at some point, it began to change.

"The message should be: You have to get a good career. What does that career require educationally? All education leads to a good career and societal gain as well because a better-educated individual will continue to give back to the community." ■

Debra Gibson Isaacs is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

Weathering a Recession



Investment advisers say planning, preparation and patience help get investors through the dips

BY CHRIS CLAIR

EVERYBODY knows a recession is coming ... sometime. Nobody, however, can say with any certainty exactly when.

Thus, for investors, trying to time the market or react quickly once a recession starts is a nearly impossible task. Investment advisers say it's far better to be prepared with an investment plan that incorporates your risk tolerance prepared by an adviser

who can show you what a down market will do to your portfolio and help you adjust ahead of time if you need to.

The Lane Report spoke to investment advisers with Kentucky clientele to get their views on the potential for a recession and how they recommend their clients prepare their portfolios. Here's some of what they had to say. The conversations have been edited for length and clarity.

Layne Wilkerson

Wilkerson Financial, Frankfort



Layne Wilkerson

Lane Report: How are your clients feeling about the markets based on the news they see every day?

Layne Wilkerson: I do have clients who don't think about it, and that's what we try to train them to do: Don't worry about the day-to-day. But the past year or two, it just feels like there's something new to ponder and people are worried about the tariffs and reactionary policies.

It used to be that things were telegraphed and nuanced and words were carefully considered before being put out by the Federal Reserve or the Treasury secretary or whomever. Now a tweet in the morning can move the market 300 points.

The clients are expressing more concerns about what's going to happen day to day. But long-term, we've been through not necessarily this situation before, but we've been through lots of bad situations and the market trend is always up."

LR: How are you helping your clients prepare for a potential recession?

LW: Most people we work with are either nearing retirement or in retirement, so as part of our plan we're creating an income strategy or investment strategy.

We always have some funds in cash for their monthly withdrawals or their monthly income expenses, and right now for those who are more conservative we are maybe raising a little bit more cash to fund an extra year of expenses if there is a downturn or recession, which eventually there will be one. For those who are even more conservative, we may raise even more cash. When I say cash, usually that means a money market or CD.

LR: What other advice do you have for investors?

LW: If interest rates continue to fall, if there's any debt people have that we may be able to refinance and make it cheaper, we're also looking at that. Particularly since the fall of last year, rates have really dropped quite a bit.



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Jeffrey Thomison

Community Trust Wealth &
Trust Management, Lexington



Jeffrey Thomison

Lane Report: What's your thinking on a potential recession?

Jeffrey Thomison:
It's been roughly 11
years and counting
since the last
recession. Over that
time frame the stock
market has provided

investors with over a decade-long bull market. The worst year in that period was last year when the market was down just 6%. Also during those 11 years we've had eight years where the stock market produced a double-digit percentage gain.

Having said that, the attention statement would be that we're fairly certain a recession will occur at some point in the future. They really are a natural part of the business cycle but not necessarily to be feared. Extra anxiety currently exists because of the severity of the most recent recession.

LR: What other data are you looking at?

JT: Right now there are more positive factors than negative factors: the employment rate, wage growth, consumer confidence, the leading economic indicator mix, housing starts, dividend growth among public companies, the low interest rate environment and GDP.

On the negative side, there is a slowdown not only in our economy but a lot of economies globally. In the U.S., there's been a noticeable decline in manufacturing and service industry data. And then the whole U.S.-China trade relationship with tariffs and negotiations and so forth creates a lot of uncertainties. Then lastly there's the 2020 presidential election uncertainties.

LR: How do you approach dealing with clients, many of whom may be nearing the end of their work lives and looking toward retirement, for the potential that they could see a more volatile period and with larger downsides?

JT: It goes back to the hallmarks of portfolio management and that is two things, primarily. One is, you tend to lower the exposure to the so-called risk assets – primarily the stock market – as one ages. The other thing would be continue to diversify among the major asset classes – stocks, bonds and cash, so to speak – and also diversify within those asset classes.



The stock market tends to emerge from recessions in robust fashion. The 18-month periods after recessions end have historically been some of the strongest stock market conditions in history. I believe it's overly aggressive to try to time the market. I think it makes more sense to reduce equity exposures in moderation based on one's risk tolerances. That's different from trying to time the market with aggressive, large-scale shifts to the portfolio.

Robert Hawkins

Commonwealth Bank & Trust Co., Louisville



Robert Hawkins

Lane Report: What are your thoughts on a potential recession?

Robert Hawkins:
We thought there
was a higher chance
of going into
recession probably
about two years ago

as the Fed was tightening, and lo and behold what ended up happening was the Fed stopped that process and is now easing. We think that kind of puts the chances of a recession beyond 2021.

I think what a lot of people may have missed, or what didn't get telegraphed by the Fed, is that other (emerging market) economies were cutting their rates, lowering their currencies. That is, I think, a lot of what spurred the Fed to move, because it had a lot of people puzzled with the unemployment numbers. They weren't really as concerned about the slowdown when the Fed first started signaling this in June but these other currencies were falling, and if the Fed hadn't moved we could have very quickly seen our currency rise as much as 10%.

LR: Are you sitting down with clients now to discuss planning for a recession?

RH: We started a couple of years before because we saw some writing on the wall with that and with the Fed we were expecting volatility. Now, if we were

working our way to a lower-risk allocation, we've said we're going to hold right now and wait. We think there's equity upside for awhile. But we know we're going to have to be nimble here, and we may be calling you to downshift. We did the planning and so now the message is more that the plan is good; we're holding off full implementation if we haven't worked our way out and in some cases are working our way back into parts of the equity market.

LR: Which parts?

RH: Emerging markets. We started working our way out of emerging markets and now we've started working our way back in a little bit more. We're more tinkering with the mix of what we own.

We've always systematically sat down with our clients. We build all our port(folio)s backwards from risk. And we define risk as: In a bear market this is how much your portfolio is going to be down. Are you comfortable with that? If not, we'll make it less risky and this what the impact will be to the returns. We spend a lot of time educating our clients around that year in and year out.

Brandon Gaines

*Northwestern Mutual Wealth Management,
Lexington*



Brandon Gaines

Lane Report: What do you think the potential is for a recession and how are you working with clients?

Brandon Gaines: We've looked at this optimistically. For right now, looking at the underlying

U.S. economy, it's still chugging along. We're certainly not having that lifeboat drill right now with our clients.

I look at clients being in one of three categories. The first would be people who are more than 10 years away (from retirement or other investment goal). If you're more than 10 years away from that goal I don't think (a recession) matters at all. When it happens that's an opportunity to put money in and buy shares on sale.

If you're within 10 years ... I think it's a great opportunity right now, while things are still doing well, just to reassess, how much risk should I be

taking? And it's a good time to – if that risk level needs to go down a little bit – maybe reduce some of their equity exposure, to go ahead and do it while things are still remotely positive.

If I have someone within two years of retirement or who maybe is retired, the advice we're giving them is, number one, they absolutely want to make sure they're comfortable with the amount of risk they're taking today because if that changes tomorrow that could affect our plan. Number two, I think it's really crucial for people who are near retirement or in retirement to have an adequate emergency savings, or at least have some assets that are not correlated to equity markets and know that if their stocks did go down in value for a couple of years they have the ability to deplete savings and live for a couple of years off that cash to allow those markets to be able to come back up.

If a client doesn't have a financial plan, if they just have accounts and investments but are not really tracking toward a long-term plan, now's the time to create one.

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Mark Holloway

Stock Yards Bank & Trust, Louisville



Mark Holloway

Lane Report: How are you viewing the economy these days?

Mark Holloway: The outlook for the economy has become more uncertain. There are some stress signs out there.

This inverted yield curve is very seldom positive for the economy; the trade war concerns; the last couple of manufacturing reports that we've seen were pretty weak and that may be due to a labor shortage as much as anything; and then the age of this economic expansion makes it suspect.

And then the last two things are my two big bugaboos: the amount of public and private debt out there. We've got \$22 trillion in debt from our own government and, because it's very close to about the same size as our economy, servicing that debt takes away from the ability to stimulate economic activity. And then the final thing is the Federal Reserve; I think the Federal Reserve has been very politicized by the current administration. They're going to do everything they can to make sure we don't have a recession in 2020 during an election year.

LR: What sort of advice are you giving to clients?

MH: We want to make sure that people aren't falling into the trap of increasing the amount of risk chasing income. I think a lot of people have used common stocks as bond substitutes and haven't had the impact of the increased volatility that they get from owning more common stocks than they probably should. Another thing that worries us is a lot of people are lowering quality right now on their fixed income (assets) and extending maturities at a time when that doesn't seem like it's an appropriate thing to do.

So the first thing we're doing is we're talking asset allocation and making sure that people are in the appropriate mix of assets for their time horizon, their tolerance for risk and their income needs. The next thing we're doing is making sure everyone is very diversified. We want to make sure we're exposing everybody to all different kinds of securities both on the equity and the FI side so that we're kind of weaving a safety net under portfolios to some extent.

The other thing we're doing is we're concentrating on dividend payers and growers. If I'm right about this capital market outlook and that the return from stocks is going to be lower, it's going to give you a leg up to have a portion of that return from the certainty of a dividend and a dividend that grows.

We're staying, on the fixed-income side, very high quality. I think it's very late in this economic cycle to be lowering quality at a time when you may begin to see some increase in default risks if we're right about this economy slowing down.

John Cheshire

Asio Capital, Lexington



John Cheshire

Lane Report: How do you view the potential for a recession?

John Cheshire: It's interesting because when I see the news and I talk to clients, everyone's talking about a recession that's going to

occur. That is typically not the backdrop that you see a recession occurring. Usually recessions kind of sneak up on you and you realize you're in one afterward. So I'm not convinced that we're going into recession. Just from the standpoint that everyone says that we're going to.

However, you are seeing a deceleration in global growth and a peaking of a lot of leading economic indicators. We're also in the longest expansion that we've ever had, but it's also the weakest expansion we've ever had. So if you look at the velocity of the expansion, we've gone less far (forward) than the weakest recovery we've had. In other words, we haven't recovered back up to normalized levels, or even close.

We can keep this going for a while. I do think it's late in the game. I think there certainly is a very strong probability of recession.

We pound the table on (being) neutral; we would be holding some short-term fixed income as a buffer, but

overall we are neutral. I don't see that there's a compelling case to go to cash and reduce your exposure to risk assets, i.e. stocks, but it's hard for me to get aggressively bullish here, too.

LR: A lot of people are going to be retiring in the next 10 years. They're going to be de-risking their portfolios and moving to more conservative investment strategies....

JC: I know where you're going with that. Here's the problem: The 10-year Treasury is yielding, what, 1.8%? So you've got to pay tax on that, and that's going to leave you with about 1.4%. And inflation's 2%, so for 10 years you have a guaranteed loss of almost three-quarters of 1%.

The purpose of fixed-income allocation today is not earning an income or having return; it's the ability to redeploy it in assets if there were distress. So let's say the stock market drops by 20%. I'll have a great day. I'll have a fantastic month, because I'm going to be able to redeploy my clients' fixed-income assets into equities at that particular point at a much higher future rate of return. When the stock market goes down, future returns go up; when the stock market goes up, future returns go down. In times of disruption, returns are made by redeploying cash in the disruption.

Michael Antonelli

*Baird (formerly Hilliard Lyons),
Milwaukee, Wisc.*



Michael Antonelli

Lane Report: What are the chances of a recession?

Michael Antonelli: It's important to remember that people are very bad at forecasting things like recessions. Recessions are born of lots of things –

economic slowdowns, macro shocks, the Fed getting too aggressive. But there are so many inputs that it's hard to predict it in real time. That being said, we don't think one is imminent here at Baird. We're not on recession watch. But that doesn't mean that we're not engaging with our clients around the prospects of one.

LR: How does a wealth manager engage with a client about a possible recession?

MA: Preparation matters. When you go to the dentist, you're doing preventative cleaning to try to avoid problems down the line. It's the same when a wealth manager engages with a client about a recession. We say, let's look at a couple of things right now so that if a recession does arrive, we're better prepared.

The first step is to say, here's your portfolio, here's what we have you invested in, here's what your plan looks like, here's how it acts in a recession. Some of the worst bear markets are associated with recessions. We know that an economic slowdown in a recession, more than likely a bear market will accompany it. So we say, here's what your portfolio would do in a 20, 25, 30, 35% decline. If we present that to our client and they say, 'I can't handle that, I wouldn't be able to sleep at night if this is the case,' then we know right now is a good time to adjust our portfolio.

The second thing we would do is sit with the client and say, in the event of an economic recession, in the event of an economic slowdown and an accompanying bear market, here are my contingencies for your spending. Because looking at investments is only one side of what a wealth manager would do. The other side is managing a client's spending and their savings rate.

One thing about financial plans, they're not carved into stone. These are living, breathing things. The best wealth managers acknowledge that they're living, breathing things and that they be adapted on the fly. ■

*Chris Clair is a correspondent for The Lane Report.
He can be reached at editorial@lanereport.com.*

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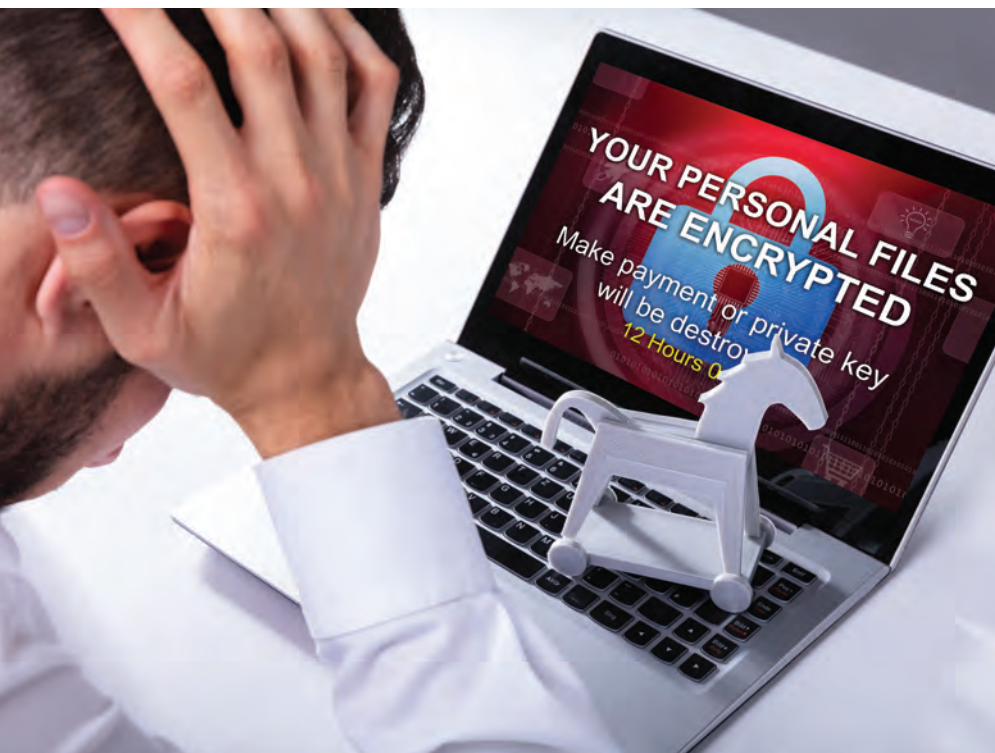
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The Data Hostage Crisis



As ransomware becomes more widespread, IT experts say no company can afford not to be prepared

BY SUSAN GOSSELIN

EVERY 40 seconds in 2016 a business fell victim to a successful ransomware attack on its IT system, according to a recent report in *CyberCrime* magazine. In 2019, it's happening every 14 seconds. And in 2021? It's expected to be every 11 seconds.

Those numbers are not surprising to Kentucky's computer security experts. They report seeing a rash of incursions into company networks by cybercriminals who infiltrate, lay in wait, then rob a company of all the encryption keys to its data. Not content to simply destroy or wipe out files, these data thieves can completely shut down a company's digital operations until a ransom is paid, usually in untraceable bitcoin or cash transfer. The phrase "ransomware" refers to the hacker's coding or malware that they've used to coordinate the attack.

"When it comes to ransomware, I can't overemphasize the threat," said Tucker Oldham, director of technical account management for Advanced Business Solutions, a firm based in Louisville that offers IT security services. "It's a threat that has moved from IT to top-of-mind in every company boardroom. I've had more conversations with C-suite leaders about ransomware than any other subject, (all of them) combined. And that's as it should be. Because even companies who think they haven't been breached by ransomware, probably have been. They just don't know it yet."



Tucker Oldham,
Director of
Technical Account
Management,
Advanced Business
Solutions

Oldham said ransomware hackers generally infiltrate a system and spend weeks if not months gathering information, finding encryption keys and gathering permissions data. When they finally strike, a company without the proper plan in place to deal with it may have no choice but to pay the ransom – or spend tens of thousands of dollars to rebuild and repatriate their systems, or both.

According to the Cybersecurity Research Body, ransomware attack costs are expected to rise to \$11.5 billion this year. In fact, a recent study of 2,700 IT leaders by security software company Sophos revealed that the average cost of a ransomware attack was \$133,000, with 54% of those surveyed saying they'd been hit by attacks last year.

"We generally recommend that companies don't pay the ransom," said Gui Cozzi, cybersecurity practice leader at Kentucky-based Dean Dorton, a CPA accounting firm with an IT security/tech consulting division located in Raleigh, N.C., as well as Lexington and Louisville. "And



Gui Cozzi,
Cybersecurity
Practice
Leader,
Dean Dorton

generally, you don't have to if you have a plan in place to recover data. But sometimes, companies have no choice if they find themselves in a situation where they have no cyber insurance or the criminal's lock on their system is so complete they have no way back in."

How ransomware can sneak up

"Ransomware hackers are professionals. They go into an office every day, and their job is to find ways to break into American networks," said Jim Kramer, partner and information tech team lead at MCM CPAs & Advisors, a business consulting and accounting firm with offices in Louisville, Lexington, Jeffersonville, Indianapolis and Cincinnati. "Usually powered by organized crime or foreign governments, they're attacking companies large and small. And bad actors have nothing but time. They're sifting through tens of



Jim Kramer,
Partner and
Information
Tech Team
Lead, MCM
CPAs &
Advisors

thousands of emails, looking for just the right way to attack.”

Experts interviewed for this article named several types of tools criminals use to gain access to your systems, including in-person attacks, firewall/patching breaches, social engineering/email incursions, and more.

Face-to-face, on-site dirty tricks: Hackers will spend a great deal of time getting to know a company’s habits, office hours and hierarchies to gain access to a company’s network. And they’re not afraid to try brazen ways to get through your company’s security protocols.

“Companies need to look at their physical plant, and also their processes,” Kramer said. “For instance, as part of the security testing we often do with companies, we’ll send someone dressed like they’re with the cable company to the company’s front desk. We’ll say the head of IT sent us and ask to be sent to the computer/server room. It’s surprising how many times we get in, no questions asked.”

Kramer relayed the story of a client who experienced a ransomware attack through a simple bowl of free thumb drives. When the company moved into a new building, someone impersonating the building’s real estate management company came by, setting out the free

logged thumb drives as a “gift” to “celebrate their new offices.” The thumb drives, of course, were full of hidden codes that allowed the criminals to gain access to the system, and they were plugged in and downloaded by dozens of employees.

Email/social engineering incursions: All interviewees for this story mentioned email phishing attacks as a key method criminals use to find a way past your firewalls. While most employees are smart enough not to open attachments from people they don’t know, hackers have found a way around that with a little patience and stealth, Oldham said.

After lurking for weeks in the system, they watch email patterns, download employee lists, and take note of the design of official company communications. When the time is right, they send out a message to all employees from the CEO, with an attachment.

“We do this one as a simulation all the time in our testing and training programs,” Oldham said. “It’s not unusual to see a 60% open rate.”

This kind of attack doesn’t even have to be done through the company’s email systems to be catastrophically effective.

Oldham recounted the story of a client who received an email that one of its vendors had changed its banking information. The “vendor” said the \$40,000 payment the client company owed needed to be sent to a new bank account. As the client had a valid bill from the vendor for that amount, they weren’t overly suspicious. Instead of picking up the phone and calling the vendor directly, they simply emailed the hacker back asking if the request was real. The hacker, of course, said yes.

“This was an example where one small bit of diligence could have averted the problem. As it was, the money was sent overseas, never to be seen again,” Oldham said.

Failure to patch: With thousands of attacks being launched against popular business software every day, new security issues come up on a daily basis. The companies that make software publish



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lists of patches and problems, so IT managers know when to install the changes. The problem is, they've also given a list of security holes to the hackers.

"Patches have to be installed immediately. Even a delay of a few hours could be enough for an attack to break through," said Andy Nuxoll, director of information security at SIS, an IT security consulting firm based in Lexington with offices in Louisville as well as West Virginia, Ohio, Indiana and Michigan. "If a patch isn't done well or fast enough, the consequences can be significant."



*Andy Nuxoll,
Director of
Information
Security, SIS*

Weak passwords: Firms that don't have good protocols in place for password management are at risk as well, our experts said. Many allow weak passwords to go through – those that are too short or don't contain numbers. Furthermore, employees often use the same password, over and over for different sign-ins, ensuring that if a hacker has one password, they can easily guess the others. Even worse, employees often store their passwords in spreadsheets or documents that can be easily found on their computers.

Meeting hackers head on: Our experts unanimously said the first step to improved security is having a security risk assessment done, no matter what the size of your company. "There are two ways to look at your security risks," said Cozzi. "First, what regulations do I have to meet? Do I have to adhere to HIPPA, or marketing regulations regarding the handling of customer

data? Testing to see how well those regulations are being met is step one. Then, you need to look at what services you offer, and how they are exposed to the internet. How does data flow in the company? Where is the data stored? The answers to these questions will have a lot to do with how you shape your security processes in the future."

Part of that assessment is testing to find gaps in training and using that knowledge to craft security training that is required for any employee with a company-issued computer. This might include imposters trying to gain physical access to your plant. Or it might include phishing attacks, attacks on your software, your cloud servers, kiosks and more. Training courses can be online or in person, but they should include concrete examples of what can happen when procedures aren't followed.

"There is a type of security expert called a certified ethical hacker, and we have them on staff," Kramer said. "We run tests and see how long it takes them to break into your system and find its weaknesses. It's often not as long as you think."

Firewalls and anti-virus software: Firewalls to protect against unauthorized users and anti-virus software to scan your system used to be the key tools companies used to protect themselves. And they're still crucial, according to experts. But the company that thinks it can "set it and forget it" is sadly mistaken, Nuxoll said. Firewalls need to be protected and patched.

"And when criminals see the firewalls, they simply change their tactics. They decide to go after your backup vendor, or your cloud storage or log-ins through mobile devices, or any weak point they think they can find,"

Nuxoll said. "Making sure your anti-virus and firewall protections are state-of-the-art, patched promptly and up to date are key to keeping your company safe," he said.

Backup your backup: Companies do well to have backup systems. The problem comes when they don't configure them properly. Nuxoll recommends a backup system that's highly segmented and stored offsite, as opposed to backup systems that are stored on the same server as your main system.

"Backups that are sectioned off under different protocols can often save you in the case of an attack. You might lose some of your data, but you'll be able to recover what counts, and rebuild from there," he said.

Make permissions not so permissive: Sometimes, users can have too much access, or their access is gained too easily. "Two-factor verification should be used, especially when your employees are logging on from a strange computer or a mobile device," Cozzi said. "Scammers are looking through your system to find what they can encrypt. When your employees have access to too many kinds of files and buckets of data on your system, that makes it easier for a scammer to get through your system in record time. Ask yourself, do they really need access to those areas? And make sure your employees only have access to what is necessary for their work," he added.

Cybersecurity insurance: Whether companies purchase it as a standalone policy, or as a rider on an existing policy, our experts agree a good cybersecurity policy is not optional for companies of any size. A good policy will cover the cost of an unavoidable ransom as well as fees for data retrieval and rebuilding a damaged system. Considering that the average ransomware attack costs tens of thousands to mitigate, they agree it's an investment you can't afford not to make.

"The bottom line is, you have to protect your company," Nuxoll said. "All the tips and strategies you can research will help. But it's no substitute for vigilance. You have to constantly be evaluating. Check your systems, and your servers, and your software and your training. Check your patches. Revise everything down the line when new threats emerge. Constantly be on the lookout for your next weakness. Because believe me, hackers will be looking for those weaknesses, too. The secret to having good security is finding them before they do." ■

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

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University of Kentucky graduate Harrison Broadhurst is co-founder of BatBnB.

Flying High

Kentucky company earns 'Shark Tank' investment with BatBnB

Do you like using pesticides and chemicals to get rid of stinkbugs or would you prefer to let nature's own ecosystem take care of the problem?

Billing itself as the natural solution for backyard pest control, a Kentucky-based company has gotten national press in the past year for its ecologically sound products. The owners of BatBnB have appeared in Fast Company, Huffington Post, an NPR podcast and an episode of the television show "Shark Tank."

Christopher Rännfors and Harrison Broadhurst, founders of BatBnB, make designer bat houses. For bats. As the only flying mammals, bats are super talented at pest control. One bat can catch and eat about 1,000 insects per hour, including mosquitoes, stink bugs and Japanese beetles; no chemicals required.

Homeowners and farmers love the work bats do during the night; in the daytime, however, nobody cares to see bats hanging from rafters. The bat houses crafted by BatBnB have an aesthetic appeal for the human eye and scientific specifications for housing bats and their pups.

The episode of "Shark Tank" featuring BatBnB aired on May 12, 2019, but was filmed in Los Angeles in June 2018.

"We were very fortunate that Shark Tank reached out to us and invited us to audition," Rännfors said. To prepare, Rännfors and Broadhurst watched over 100 hours of the show. They reached out to mentors and friends for potential questions and "tried to put ourselves in as many uncomfortable situations as possible to prepare for the environment of the show," he said. "But knew at the end of the day, we just needed to be ourselves and show our passion for making great homes for bats."

"Shark" Kevin O'Leary granted their \$100,000 investment request, taking one-third ownership of the company. Rännfors and Broadhurst primarily interface with O'Leary's team now.

Since its inception in the summer of 2017, BatBnB already has customers in 49 of 50 states. ("We do not distribute in Hawaii because bats that roost in bat houses don't live there," Rännfors said.)

The business is working on setting up distribution in Europe because of the

high cost of international shipping. Even so, they have sold bat houses to customers in Australia, Austria, Canada, Germany, Greece, Sweden and Switzerland.

Using sustainably sourced lumber in the United States, BatBnB products are manufactured in Missouri. The Arroyo, Cascade and Sonora single-chamber models have one long vent across the front and can hold up to 50 bats at a time. The Carlsbad, Meramec and Seneca dual-chamber models comfortably sleep 100 to 120 bats during daylight hours. The largest BatBnB product is the Mammoth, which can fit up to 240 bats.

"The Mammoth and dual-chamber models have two side vents, which give them a greater thermal range within the chambers so they can work more effectively in a wide variety of climates," Broadhurst said. "We are currently looking into offering a few customization options, so stay tuned."

BatBnB bat houses are designed to be installed on the side of a house, barn or building, or on a pole. The higher the better, to keep bats safe from predators and to give them plenty of room to take off for flight when they get out of the house.

Currently taking orders from their website at batbnb.com, Broadhurst and Rännfors are open to having their products available in local or national retail spaces. The University of Virginia, Rännfors' alma mater, bought almost two dozen units to install around campus. Rännfors has a Bachelor of Science in commerce from UVA.

Broadhurst earned a bachelor's in architecture from the University of Kentucky.

"It's a really exciting time to be an entrepreneur in Kentucky," he said. "There is a lot going on in the state, and the investment capital is only getting stronger."

"Harrison and I both currently have day jobs, but we recently added a full-time employee, Sarah Carey, to help with our growing business," Rännfors said. Rännfors is a manager with Google Customer Solutions in Ann Arbor, Mich., and Broadhurst is a senior designer at the Galante Architecture Studio in Cambridge, Mass.

"From our customers to professional organizations in the area, you feel people are rooting for you," Broadhurst said of the Bluegrass State. "We feel very supported by the entrepreneurship community in Kentucky and love to call it home." —Kathie Stamps

UK Teams with Gen.G to Offer Gaming and Esports Program

As part of a strategy to leverage technology to maximize student success and build community, the University of Kentucky on Oct. 21 announced a partnership with the global esports company Gen.G to build a first-of-its-kind global gaming and esports program.

UK wants open access for its students and graduates into the \$130 billion global gaming industry.

“As rapidly as collegiate esports is already growing, the full power of games to impact students’ lives stems from international community more than from intercollegiate rivalry,” said Chris Park, CEO of Gen.G. “We believe the best universities should invest in this vision across the world. The University of Kentucky, with a nationally elite range of academic offerings and an internationally recognized athletic program, is particularly well-equipped to help lead the way.”

The collaboration is being jointly led by two UK offices: Student and Academic Life and Information Technology Services.

A growing number of universities across the country are exploring esports teams and clubs. UK’s formalized partnership, which the university has developed through its multimedia rights holder JMI Sports, promises strategically distinctive steps beyond esports as purely a competitive platform.

The partnership will emphasize access to opportunities and greater inclusivity for all students. Gen.G has been a leader in working to diversify esports, launching the first all-female Fortnite team working to link the best U.S. gamers with those in Asia.

The partnership will also develop new pathways for student recruitment, classroom and internship opportunities; research avenues for scholars across a variety of colleges; and professional development for alumni.

The partnership is part of the Smart Campus Initiative, in which the university is exploring multiple ways to leverage innovative technologies for its teaching, research, service and health missions. As part of the first Smart Campus initiative, announced last year, UK is providing all first-year students and many faculty with an iPad Air, Apple keyboard and Apple Pencil.

“We view technology not as an end but as a tool to help us maximize the

success of our students – in their educations and as they pursue all that’s possible at the University of Kentucky,” said Provost David Blackwell. “We want to provide them tools and learning opportunities that will help them succeed at UK, but also as they pursue jobs and careers that will help them succeed throughout life.”

“This partnership will provide further paths for students to explore these pursuits, using technology – and gaming – as a tool,” said Eric N. Monday, UK’s executive vice president for finance and administration. “At the University of



Kentucky and at Gen.G, we view gaming, esports and technology as a lens through which prospective, recent and current UK students view their lives and opportunities for lifelong growth and development.”

Like much of the Southeastern U.S., Kentucky has many creative and passionate gamers who are underserved by colleges and companies not situated on the coasts. UK and Gen.G will work to develop a research portfolio that will address and probe issues such as repetitive injury motion and societal concerns around gaming and violence.

“We plan to be a leader not only in exploring the vast potential opportunities associated with esports and technology more broadly, but also the challenges posed to society,” said Blackwell. “Indeed, a primary benefit of a partnership between a global leader and national research university is you can explore in depth issues such as gender and racial equity as well as the need for more research around concerns that there are connections between gaming and societal violence.”

The program will focus on three key pillars: academic, community and professional development. Specific initiatives that are already underway, several of which will be developed in close collaboration with the UK esports Club, include:

Starting later this year, the university and Gen.G will serve as hosts for a periodic speaker series on campus, featuring leading gaming and esports executives, athletes and content creators. The series, which also will be streamed globally, will showcase content that is customized for students and alumni from relevant UK majors and degree programs.

In the coming months, the university will run an open call with faculty to discuss the potential new academic

Wally Johnson, president of UK's esports club, says the UK and Gen.G gaming partnership could be an important tool for student recruitment. Gen.G owns and manages championship teams in the world's biggest esports gaming franchises – Overwatch, League of Legends, Fortnite, PlayerUnknown's Battlegrounds, Clash Royale, Call of Duty, Apex Legends and NBA 2K.

program and examine the possibility of a gaming-focused certificate program. Additionally, this strategic partnership will create new pathways through the Gen.G Elite Sports Academy for international students interested in unlocking better academic opportunities through esports. UK will work with faculty leadership for the necessary review and approvals as these components develop.

UK will initiate an open platform for Kentucky high schools, giving local teenagers a head start on careers in the global gaming ecosystems. The platform kicked off with gaming-related programming at Big Blue Open House events this fall.

THE LANE LIST

KY TOP 25 MANUFACTURERS – SERVICE AND TECHNOLOGY FIRMS

Based on combined total full-time employment

RANK	COMPANY	TOTAL KENTUCKY FULL-TIME EMPLOYEES	INDUSTRY
1	Ford Motor Co.	12,960	Vehicle manufacturing
2	United Parcel Service Inc.	12,907	Logistics
3	Amazon.com	12,250	E-commerce
4	Humana Inc.	10,293	Health care and insurance
5	Toyota Motor Corp.	9,819	Vehicle manufacturing
6	Haier US Appliances Solutions Inc.	6,300	GE appliances
7	FMR LLC	4,500	Fidelity financial services
8	Conduent Inc.	3,488	Business process services
9	Deutsche Post AG	3,109	DHL air freight delivery
10	Citigroup	2,840	Financial services
11	Grupo Proeza SA de CV	2,788	Metalsa vehicle frames, components
12	Magna International Inc.	2,638	Vehicle frames, components
13	J&F Participações S/A	2,528	Pork processing
14	Chevron Corp.	2,527	Lubricants, chemicals
15	Berkshire Hathaway Inc.	2,513	Fruit of the Loom HQ, clothing
16	Tyson Foods Inc.	2,465	Poultry processing
17	Hitachi Ltd.	2,379	Vehicle components
18	Hitachi Automotive Systems Ltd.	2,323	Vehicle components
19	Akebono Brake Industry Co. Ltd.	2,201	Vehicle components
20	bpost	2,181	E-commerce
21	Adient	2,146	Vehicle components
22	Itochu Corp.	1,902	Metal components
23	LSC Communications	1,750	Commercial printing
24	UACJ Corp.	1,724	Aluminum
25	Toyota Tsusho Corp.	1,703	Vehicle components

Source: Kentucky Cabinet for Economic Development



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The Lane Report

SPOTLIGHT ON THE ARTS



Creating Connections and Growth

Workshop connects business and arts to strengthen communities

BY CHRIS CATHERS

AS *The Lane Report's Central Kentucky Market Review*, released last month, indicates on its cover, Central Kentucky is primed for growth. Furthermore, the arts and business, together, can play a vital part in that growth, and the Kentucky Arts Council has teamed with the AIR Institute of Berea College to help bring those two seemingly different sectors together through a 2 1/2-day

community development workshop called AIR Shift.

"What if we got all these people in a room together and we discover that we have the same value system and we struggle with the same things?" asked Beth Flowers, the executive director of the AIR Institute. "In fact, if we find common ground and respect each other, we can help solve each other's problems. Our communities get stronger and we become more nimble to deal with this new economy that is still completely unpredictable."

That sums up the premise of AIR Shift – being a connection of art, business and community. Participating in an AIR Shift workshop involves applying a broad interpretation of what and where the creative industry is.

"The first step toward that is working in your community to discover if you have people there who actually care about their local creative economy," Flowers said. "We're defining that very broadly: actor, dancer, artist, musician, writer, but also craft beer, the local food movement, natural beauty products and the businesses that surround cultural tourism and nonprofits."

During the AIR Shift workshop, small teams come up with a project with a one-year timeline that has some connection with art. Past workshops have yielded projects like youth farmers markets, local trail projects and downtown Main Street projects.

The program helps communities grow the creative economy by teaching people

Participants at the 2018 Creative Industry Summit in Georgetown engaged in the AIR Institute of Berea College's Arts Builds Business Builds Arts workshop, a prerequisite for the 2 1/2-day AIR Shift community and economic development workshop.

Creative Industry Summit Set for Dec. 6 in Mt. Sterling

Save the date! The Kentucky Arts Council's sixth annual Kentucky Creative Industry Summit is Dec. 6 at the Clay Community Center in Mt. Sterling. This daylong event promises to be a valuable resource for civic and business leaders, artists and arts stakeholders who want to promote community and economic development in their respective cities and towns. More information on this important gathering is coming soon to artscouncil.ky.gov.

how to collaborate on a project that is for the community and about the value of art and creativity in their community, coming from the people who live there.

"This is the opposite of someone coming in from the outside and telling you what you need. This allows all of us to say, 'This is what we need. This is what we think we can do. It's little, but we're doing it together and making it happen,'" Flowers said. "It's not going to solve all of the world's problems, but it's the beginning of people finding common ground and respect, and using the arts to bring us together."

Emily B. Moses, the Kentucky Arts Council executive staff advisor, is an AIR Shift facilitator and the statewide contact for communities that want to conduct AIR Shift workshops in their area. Anyone who is interested in finding out more about the program and how to bring it to their part of Kentucky should contact Moses first (emilyb.moses@ky.gov or (502) 892-3109).

There is a cost for conducting an AIR Shift workshop, which includes fees for facilitators and other expenses associated with hosting a gathering, but for communities that are in the 54-county Appalachian Region Commission area of Kentucky, the Mountain Association for Community and Economic Development is covering the costs associated with facilitation. The Kentucky Arts Council also has limited funds to pay for project implementation, available on a first-come, first-served basis, for any county in the state. The arts council also has limited funds to cover facilitation costs for any county outside the ARC.

You can learn more about AIR Shift by listening to episode 12 of the arts council's podcast, *KyArtsCast*, at kyartscast.ky.gov. ■

Capitol Exhibit Features Kentucky Wildlife Artist



The work of artist Rick Hill, cover art designer for the Kentucky Department of Fish and Wildlife Resources Kentucky Afield magazine, is featured in an exhibit on display in the state capitol this month. The department is working in conjunction with the Kentucky Arts Council to put a spotlight on more than three decades of Hill's artwork.



Chris Catthers is executive director of the Kentucky Arts Council.



Berea is filled with shops and galleries that showcase a wide array of handmade goods, such as this classic Shaker box.

Craft Your Christmas

Berea overflows with unique crafts – and opportunities to make your own

BY KATHERINE TANDY BROWN

IT'S hard to believe, but the holiday season is upon us again. Already. It's gifting time, and what better offering than one handmade by a talented artisan in the Folk Arts and Crafts Capital of Kentucky...or maybe even one made by you?

Located an easy 39-mile-drive south of Lexington on I-75, that artsy-crafty destination is Berea, home since 1885 to Berea College, one of but a handful of tuition-free institutions of higher

education in the country where students do supervised work in exchange for books, room and board. A hefty facet of that work is learning to make traditional crafts. And the town of 15,147 is rife with artisans and with shops and galleries filled with their gorgeous handmade creations, in several distinct areas of town.

Tucked in the middle of the Berea College campus, picturesque College Square is just that. Known for historic

Boone Tavern Hotel and Dining Room with its towering white columns and wide porches with comfy rocking chairs, the hostelry was built as a guest house for the college in 1909 at the suggestion of Nellie Frost, wife of the then-president. In 2009, it became the first LEED-certified hotel in the state during an \$11 million renovation. (The LEED certification requirements involve the use of recycled material, re-using existing material whenever possible to eliminate or greatly reduce waste, and using natural resources that have been attained without destroying any ecological balances.)

You'll want to make a dinner reservation here ahead of time to try their signature dishes: spoonbread and "chicken flakes in a bird's nest." Once that's done, hit the Square's galleries!

The oldest and largest craft gallery in Berea, Log House Craft Gallery, is the premiere showcase for Berea College student crafts. Current student studios are ceramics, woodworking, broom making and weaving, and the selection and quality of offerings here are simply amazing.

Be sure to pop in the shop of Warren A. May, woodworker and dulcimer maker. This remarkable man has made nearly a dulcimer a day for 46 years, and his instruments are exquisite, as is his handcrafted Kentucky furniture. We're talking Southern sideboards, serpentine tables in walnut or cherry; large, classically constructed cabinets; "adventure" desks with artful, natural edges; trestle benches, tables and kitchen accessories. (And yes, though you're shopping for others' goodies, it's okay to purchase something for your own home.)

Grab a casual, lighter-fare lunch or supper at Papa Leno's and head to the next stop.

Once known as Old Town, Berea Artisan Village features shops and galleries, some with demos. Here you'll find blown glass, wrought iron and metalsmithing, woodworking, jewelers, potters, weavers, a soap shop, candle shop, boutiques, gift shops with various enticements, Old Town Candy Kitchen and Fudge Factory (all sweets are handmade), and the recently opened Apollo's Pizza, where you can munch on a Kentucky Hot Brown Pizza and sip craft beers.

Class offerings include glassmaking at Weston Glass Studio, polymer clay doll workshops at Images of Santa,

Lake Barkley
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A sampling of the colorful pottery available at Tater Knob Pottery, just outside of Berea.

three-hour copper and brass jewelry-making workshops at Gastineau Studio, knitting and crocheting at Fiber Frenzy, and sewing at Old Town Fabric.

You'll want to step into the restored 1917 L&N train depot, home of the Berea Tourism and Welcome Center, for maps, brochures and recommendations of where to go, eat and stay.

Berea's artisan incubator program is also in the Village, as is the renowned Kentucky Guild of Artists and Craftsmen (KGAC), whose gallery exhibits members' work. The organization's Art and Craft School is in this space as well (kyguild.org) and anyone can take their classes.

The other art-centric locality in Berea is a state agency in the Tourism, Arts and Heritage Cabinet of the Commonwealth of Kentucky. Selling works of more than 700 Kentucky artisans, including art, crafts, food, books, and cards, the Kentucky Artisan Center features changing exhibits all year and craft demonstrations every Saturday from 10:30 a.m. to 3:30 p.m.

The center's current exhibit, on view until Nov. 24, is "The Art of the Book: 45 Years of Larkspur Press." The display includes a video produced by CBS Sunday Morning, a bio of the letterpress printer's owner/operator Gray Zeitz, and an array of Larkspur's books and broadsides of works by such notable Kentucky authors as Wendell Berry, James Baker Hall, Ed McClanahan, and Silas House. Any would make much-appreciated, memorable holiday gifts.

Serving Kentucky Proud produce and farm products, the Center's Artisan Café and Grill offers breakfast and lunch, with Bluegrass State specialties that include fried catfish and Kentucky Derby pie.



Now, if you've been perusing all these handmade *objets d'art* and thinking that with a little instruction, you too could create your own work of art, Berea is happy to teach you how to create a potential family heirloom in painting, fiber arts, woodworking, glass and more at their annual holiday Make It, Take It, Give It workshops. Under the guidance of expert artisans and master craftspeople, using their equipment, you can indeed produce a handmade gift. Or you can "gift" a workshop to a special person and let them express their creativity. Better yet, come together and celebrate the joy of making something with your own hands and imaginations in workshops that last from two hours to a full day. You can even bring the kids and grandkids and enroll them in the youth offerings, or register with them and create together.

Make It, Take It, Give It workshop dates are Nov. 29, 30; and Dec. 1, 6, 7, 8, 13, 14, 15, 20 and 21.

Want to watch an expert make a beautiful pot emerge from a lump of clay spinning on a potter's wheel? Head just outside Berea to Tater Knob Pottery & Farm, where Sarah Culbreth will do just that, and serve you a cuppa coffee or her famous punch to sip as you stroll through the studio she owns with Jeff Enge and their son David Enge. Their huge selection

Head East, O Crafty Giver!

- **Berea Tourism & Welcome Center/ Holiday Make It, Take It, Give It Workshops** visitberea.com (800) 598-5263
- **Kentucky Artisan Center** kentuckyartisancenter.ky.gov (895) 985-5448
- **Snug Hollow Farm Bed & Breakfast** snughollow.com (606) 723-4786
- **Tater Knob Pottery & Farm** taterknob.com (859) 986-2167

of handmades includes dinnerware, mugs, and baking dishes, including an honest-to-goodness spoonbread baker.

When shopping and/or creating has tuckered you out, spend a cozy overnight or two just down the road from Tater Knob at Snug Hollow Farm Bed and Breakfast, set on 300 acres of breathtaking Appalachian hill country. Select your room in a spacious farmhouse or cabin and revel in divine food, feather beds with handmade quilts, woods paths to walk, critters to watch, clean mountain air to inhale, and relaxing rockers on porches. All pure "holler hospitality." ■

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

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UK Participating in National Study to Stem the Tide of Opioid Deaths

THE University of Kentucky has launched a study to help stem the tide of opioid deaths that has impacted families and communities across the commonwealth.

The study is part of the National Institutes of Health HEAL (Helping to End Addiction Long-term) Initiative, a trans-agency effort to speed scientific solutions to stem the national opioid public health crisis. The goal is to develop evidence-based solutions to the opioid crisis and offer new hope for individuals, families and communities affected by the devastating disorder. More broadly, the idea is to see if solutions in different communities across the state can be scaled up and replicated as part of a national approach to the challenge.

UK – partnering with the Commonwealth of Kentucky – was one



of four sites across the country selected earlier this year to participate in the HEALing Communities Initiative. UK's grant from the National Institutes of Health totals \$87 million, the largest in its history, and is focused over the next three years on reducing opioid-related deaths by 40 percent in 16 counties across the commonwealth.

Sharon Walsh, director of UK's Center for Drug and Alcohol Research and the principal investigator on the study, said a great deal of work is already underway to help facilitate a successful launch of the grant in the 16 counties that have been established as "highly affected communities." Those include Fayette, Jessamine, Clark, Kenton, Campbell, Mason, Greenup, Carter, Boyd, Knox, Jefferson, Franklin, Boyle, Madison, Bourbon and Floyd. Overall, these rural and metropolitan counties had 764 opioid overdose deaths in 2017 with two-thirds of them involving fentanyl. They also represent about 40 percent of the state's population of more than 4 million people. Kentucky currently is ranked fifth in the United States for opioid overdose deaths.

Kentucky Project Aims to Bring Families Together at the Dinner Table

KENTUCKY behavioral health experts are working to expand a program designed to bring families together at the dinner table, promoting bonding and communication to improve family relationships.

The Dinner Table Project was created by Four Rivers Behavioral Health Regional Prevention Center in 2015, building on research showing families that have dinner together are closer, and function better as a family unit. The program encourages at least once-a-week sit-down meals where families come together to share food and conversation, while distracting items, such as phones, televisions, and electronic devices, are put away.



Wikipedia photo

"The Dinner Table Project is a simple premise that yields many positive rewards for families who adopt its philosophy of taking time to share a meal with loved ones and have open, positive communication," said Koleen Slusher, director of the Division of Behavioral Health in the Department for Behavioral Health, Developmental, and Intellectual Disabilities

(BHDID). "This program fosters good communication, positive emotion, and good self-esteem for kids."

Initially launched in the Four Rivers region, which includes the Paducah area and far western counties, BHDID is working with all Kentucky Regional Prevention Centers to expand the program statewide. This will include providing resources that schools and other youth-serving agencies can utilize to promote parents eating dinner regularly with their children, as well as resources for parents to utilize during these meals to spark conversation with their children.

"The support has been overwhelming and we are excited to see this program grow into something that will support even more families," said Samantha Powell, prevention specialist and creator of the Kentucky effort.

Research indicates children of families that share meals together have better academic performance, higher self-esteem, a greater sense of resilience, lower risk of teen pregnancy, lower risk of depression, lower rates of obesity, and a lower likelihood of developing an eating disorder.

BHDID program staff members are encouraged by the early success of The Dinner Table Project. Statewide, the goal is to build upon the program's efforts to strengthen protective factors that shield young people from engaging in potentially harmful behaviors.

"If children have better relationships with their parents and siblings, they are less likely to try drugs and alcohol," said Patti Clark, program manager for the Prevention and Promotion branch within the Division of Behavioral Health. "We have to equip our young people with the skills that enable them to make good decisions about their lives, and that starts at home. Part of our mission in prevention is supporting families and The Dinner Table Project is a great way to do that."

"The need for evidence-based prevention practices in schools, youth service organizations, and in the home has never been more pronounced," said Slusher. "With alarming rates of substance use and mental health concerns, including the prevalence or suicide attempts and suicidal ideation, our communities must take action to intervene in the lives of young people in a positive way."

The Dinner Table Project includes resources to guide families through positive communication, educational tools and games, and healthy recipes. The program incorporates the Search Institute's 40 Developmental Assets that young people need to succeed and The Strengthening Families and Youth Thrive frameworks developed by the Center for the Study of Social Policy.

"The Dinner Table is a simple concept supported by research and designed to incorporate many evidence-based practices," said Powell. "Through the years, The Dinner Table Project has changed but the core has stayed the same. We encourage families to eat together at least once a week with no electronics!"

Smithsonian Exhibit Opens at East Kentucky Science Center



A new exhibit at Big Sandy Community and Technical College's (BSCTC) East Kentucky Science Center and Varia Planetarium explores the professions and the people that sustain American society.

Previously owned by the Smithsonian Institution and now owned by BSCTC, "The Way We Worked" exhibit explores how work has become a central element in American culture. It traces the many changes that have affected the workforce and work environments over the past 150 years, including the growth of manufacturing and increasing use of technology. The exhibit is adapted from an original exhibition developed by the National Archives and Records Administration and draws from the Archives' rich collections that include historical photographs, archival accounts of workers, film, audio and interactives to tell the story of how work impacts our individual lives and the historical and cultural fabric of our communities.

"The Way We Worked" was previously part of Museum on Main Street, a collaboration between the Smithsonian Institution Traveling Exhibition Service, state humanities councils across the nation and local host institutions. For more information, contact EKSC Director Steve Russo at (606) 889-4809 or srusso0002@kctcs.edu

Kentucky Touts Pro-Business Stance in Illinois Billboard Campaign

KENTUCKY has launched a billboard campaign along I-57 from Chicago to the Kentucky border that drives home a message that Kentucky is open for business. "We've made tremendous progress over the past four years in transforming Kentucky into a strong pro-business state and an excellent location for companies looking to expand or relocate," said Gov. Matt Bevin.

To back up that claim, Kentucky can point to the fact that it is home to three international air-cargo hubs – operated by UPS, DHL and Amazon – along with low taxes (Kentucky's corporate income tax rate is 5% compared to Illinois' 9.5%), low industrial electric rates, a strong manufacturing and ag-tech workforce, and "build-ready" locations across the state. Other positive factors in Kentucky's favor include the passage of right-to-work legislation, tax reform and other pro-business policies. Kentucky's moderate climate is also a selling point, because weather extremes are less likely to interrupt supply chains and production schedules.

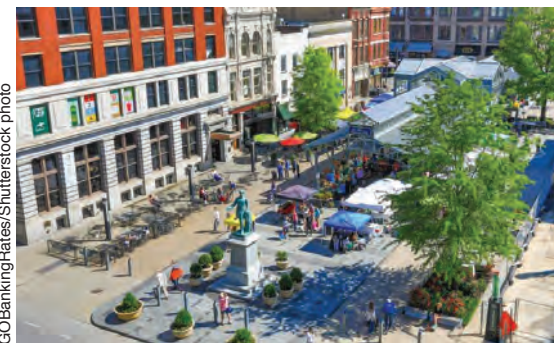
The campaign will run for six months and consists of five different messages running on nine billboards along I-57 in Illinois, a state known for its high taxes and regulation-heavy business environment.

"Our cabinet has received dozens of inquiries from Illinois-based businesses looking to relocate or grow in Kentucky," said Vivek Sarin, economic development cabinet interim secretary. "Clearly Kentucky has more to offer – whether it's a skilled workforce, unparalleled air-cargo options or low business costs with an active initiative by state leaders to cut government red tape that blocks business growth. This campaign is an effective way to share the good news with others and let them know how close they are to a better environment."



Correction

THE Lane List in our October issue on compensation for the CEOs of publicly held Kentucky companies mistakenly included information for HFB Financial Corp. HFB is no longer a publicly held company, and information published was not correct. Our apologies to our readers for the error.



Lexington Ranks Among Best Cities for Work-Life Balance

LEXINGTON ranks among the nation's top 10 cities in terms of offering a good work-life balance, according to a recent study released by GOBankingRates.

To find out which cities are better at providing work-life balance for residents, GOBankingRates examined data from 105 U.S. cities with at least 100,000 workers ages 16 and older. Cities were ranked from best to worst across a number of variables, including the average number of hours worked per week and commute time, sourced from the U.S. Census Bureau. For the cost-of-living index, cities were scored relative to the U.S. average of 100 by Sperling's Best Places, with figures over 100 indicating greater expenses. Livability scores from AreaVibes incorporate a variety of factors, from crime and school quality to weather and amenities.

Lexington's scores put it at No. 6 on the list, with the following stats:

- Average number of hours worked per week: 37.7
- Mean travel time to work (in minutes): 20.9
- Labor force participation rate: 67.9%
- Unemployment rate: 6.1%
- Livability score: 75
- Cost-of-living index: 95
- Median household income: \$53,013

Other cities included in the top 10 were: Madison, Wis.; Lincoln, Neb.; Boise, Idaho; St. Paul, Minn.; Lubbock, Texas; Minneapolis, Minn.; Des Moines, Iowa; Buffalo, N.Y.; and Salt Lake City, Utah.

In a 2018 work-life survey report, the U.S. Office of Personnel Management determined that employees who enjoy workplace flexibility and participate in health and wellness programs are more likely to exceed performance standards. As a result, an environment that's more conducive to work-life balance might result in healthier, more effective workers.

KENTUCKY PEOPLE

BARDSTOWN

KENTUCKY BOURBON HALL OF FAME INDUCTS SIX NEW MEMBERS, PRESENTS LIFETIME ACHIEVEMENT AWARD



The Kentucky Bourbon Hall of Fame has inducted six individuals into its ranks and bestowed its Parker Beam Lifetime Achievement Award on Even Kulsveen, an industry icon who patiently resurrected one of the state's most historic distilleries and returned the family-owned brand to global prominence. Created by the Kentucky Distillers' Association in conjunction with the Kentucky Bourbon Festival in 2001, the Kentucky Bourbon Hall of Fame recognizes individuals and organizations that have made a significant and transformational impact on bourbon's stature, growth and awareness. Pictured here (left to right) are new inductees Peggy Noe Stevens, founder and president, Peggy Noe Stevens & Associates; Larry Kass, director of trade relations (retired), Heaven Hill Distillery; Even G. Kulsveen, executive director, Willett Distillery (Lifetime Achievement Award); Charles W. Medley, master distiller, Medley Distilling Co./Charles Medley Distillery; Wesley Henderson, co-founder/chief innovation officer, Louisville Distilling Co.; and Katrina Egbert, visitor center marketing coordinator, Wild Turkey Distillery.

LEXINGTON

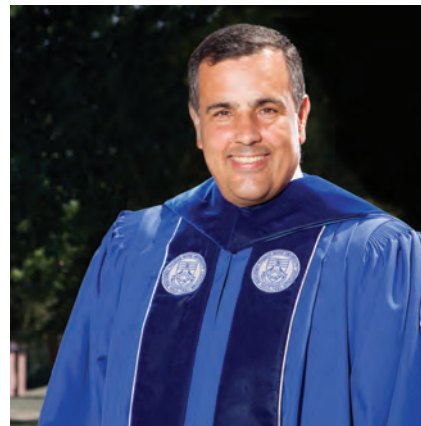
NEW KIPTOO TAURUS SCULPTURE UNVEILED AT LEXINGTON'S LIVING ARTS AND SCIENCE CENTER



The Living Arts and Science Center in Lexington recently unveiled a new sculpture in its garden entitled "Mutation of the Happiness Gene" by artist Kiptoo Taurus. Taurus is known for his large wood sculptures, carved primarily with a chainsaw. The 12-foot-tall sculpture, in the form of an African headdress, was inspired by Taurus's childhood in Kenya. Taurus's work can be seen in other prominent Lexington locations, including Ashland, the home of Henry Clay, and the Lyric Theatre and Cultural Arts Center. Pictured here at the unveiling are (left to right) Lexington Urban County Council Member James Brown, LASC Board President Renee Shepard, Taurus, LASC Executive Director Lori Halligan and Lexington Urban County Vice Mayor Steve Kay.

CRESTVIEW HILLS

JOSEPH CHILLO INSTALLED AS 15TH PRESIDENT OF THOMAS MORE UNIVERSITY



Joseph L. Chillo has been installed as the 15th president of Thomas More University. The university's board of trustees elected Chillo in April after a national search. Prior to coming to Thomas More, he served in senior leadership roles at Colby-Sawyer College, Wheelock College and St. Thomas Aquinas College.

HARRODSBURG

CHURCHILL DOWNS DONATION SUPPORTS ORPHAN CARE ALLIANCE



Louisville-based Churchill Downs Inc. recently presented a \$25,000 donation to Orphan Care Alliance, a nonprofit organization serving some of Kentucky's and Indiana's most vulnerable children and families in the foster care and adoptive communities. The donation will go toward OCA's mentorship program, which connects children in and transitioning out of foster care with volunteer mentors. Pictured here at the check presentation in Harrodsburg are (left to right) Kentucky First Lady Glenna Bevin, Churchill Downs Government Relations Director Betsy James and Orphan Care Alliance Executive Director Darren Washausen.

Winter^{❄️}Pledge

November 30 – December 8



Aretha Remembered

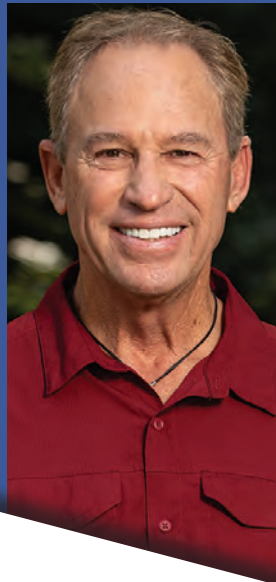
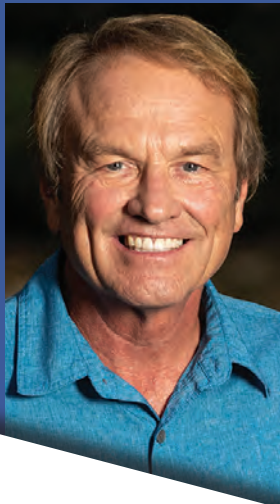


Il Volo: Ten Years



Country Music: Live at the Ryman

Kentucky Life: 25 Years on the Road



Celtic Woman: Ancient Land



Michael Bublé: Tour Stop 148



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