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**CITY OF GLASGOW  
MAYOR'S OFFICE**

## State of the City Report

Looking ahead to Glasgow's future, there are reasons to be optimistic. With an understanding of where our economy has been during the past few years, there are signs of local recovery. One of the best indicators is the trend in unemployment rates. In 2010, our local unemployment rate reached as high as 13.0% as compared around 9.5% currently – a significant reduction. Our local unemployment number, although better, is still not acceptable and local officials are working daily to bring jobs to our community and help existing companies find ways to expand. I have worked with the Glasgow City Council and Glasgow Economic Development Loan Committee along with IDEA and other economic development partners works to effectively leverage state and local incentives available for businesses and industry. IDEA's Executive Director Dan Iacconi actively recruits businesses and works closely with local businesses and industry to help them expand.

By working together, we have benefitted from a formula of strategies and partnerships by using tax benefits, low interest/forgivable loans, grant assistance, workforce training programs and other approaches resulting in employment opportunities for Glasgow. The focus over the past year has been on both existing companies and newly recruited ones with an eye on creating a more diversified employment base.

For example, by working with the Commonwealth Kentucky Business Incentive (KBI) Program, Glasgow has used local incentives such as the City's Economic Development Loan Fund to create and maintain jobs in the community. The money from this fund is provided as loans to local and new companies and the results have been very positive. In the past 12-18 months, several existing companies have expanded their workforce as a result of these incentives such as Medicare Pharmacy (88 existing jobs, 15 new jobs), Amneal Pharmaceuticals (35 existing jobs, 50 new jobs), Innovative Manufacturing Services (3 existing jobs, 20 new jobs) and Akebono Brake (697 existing jobs, 224 new). Several new companies are also bringing jobs to Glasgow as a result of our efforts: Fortis Manufacturing (100 new jobs), Integrated Pharmaceuticals Packaging (100 new jobs), Sitel (800+ new jobs). These new jobs have created \$29,511,706 in new wages for our community.

It is worth noting that after a few hurdles, Sitel was successful this year in securing a contact with Best Buy resulting in many new good paying jobs for our community just since March of this year. We appreciate their efforts and thank them for their confidence in Glasgow's workforce. We extend the same "thank you" to other companies coming to Glasgow as well. We know in addition to a great workforce, we have a lot to offer in the way of quality of life, friendly business climate, proximity to

markets and highways, great schools, low crime and other factors that make Glasgow a great place to live, work and do business.

It is important to note that these new jobs mean a lot for our community well beyond the wages and salaries paid to the employees. Not only does the City benefit by way of increased payroll taxes, these companies are putting millions of dollars into our economy by way of building expansions, new facilities and improved property values. New buildings mean construction jobs as well. For example, Fortis Manufacturing recently purchased the Highland Glen Spec Building and is adding \$5.1 million in capital improvements. New construction, expansions and capital development by companies funded by the KBI and local incentives represent over \$43,000,000 infused into our local economy – a significant boost to our local economy.

One of the bigger projects of the year involving the City of Glasgow is the participation with T.J. Samson Community Hospital in the development of the T.J. Health Pavilion. The T.J. Health Pavilion is located on a 13-acre lot at Barren River Plaza, 310 N. L. Rogers Wells Blvd. (US 31E) in the old Walmart Building. By way of Council approval, the City assisted with the issuance of \$30,000,000 in health care revenue bonds pursuant to KRS 103.200-103.285 on behalf of T.J. Samson Community Hospital to see this project become reality. The Pavilion, which will open in 2012, will consist of approximately 126,000 square feet and will include physicians' offices as well as outpatient diagnostic, preventative treatment and educational services. In addition to remodeling and reusing a large portion of the old Walmart space which has set vacant for many years, the Pavilion will include a new 4 story office complex housing 30 new physicians.

Other positive indicators for our economy include additional restaurants and several new businesses and service industry companies. We also just celebrated the opening of the latest Phase of the Veterans Outer Loop, between 31E North and Cumberland Parkway. This opening results in 6.83 miles of completed project. With the infusion of new employment, business opportunities and infrastructure improvements, City officials are optimistic about seeing an uptick in revenues in the months and years ahead.

Over the past year, some changes have come to the way the City operates. In January 2011, the position of City Administrator was eliminated. The Office of Mayor was relocated to the first floor into the Administrative Offices to provide better access and interaction with the daily activities of the City. The Mayor's Secretary position was also eliminated and the new position of Finance Officer was created. The Finance Officer, working with the City Treasurer and Human Resources, provides increased dual control in matters related to the budget and accounts payable, in addition to assuming many duties related to insurance, labor compliance and risk management.

Across the City's various departments, there are several new department heads. Public Works, Police Department, Fire Department, Recreation Department and the Plaza Theatre all have new leadership. The Mayor has worked closely with each Department Head to set budget goals, evaluate department objectives and look for new ways to make the departments as efficient as possible. In this time of tight budgets, the City's motto has been and will continue to be "do you want it, do you

need it, do you have to have it now” all the time realizing that spending now on some items will save money in the long run. I encourage citizens to visit our City’s website at [www.cityofglasgow.org](http://www.cityofglasgow.org) for a summary of department activities and programs offered by the City.

On the revenue side, we are seeing a slight uptick in our forecast for occupational taxes, property taxes and insurance premiums as compared to last year which is yet another indicator that our economy is turning in a positive direction. In September of this year, the City Council voted to keep property taxes for 2012 the same as the prior year understanding the financial burden many in our community are experiences.

The City is taking proactive steps to assure a positive future with respect to the Regional Landfill. For example, the City recently purchased 92 acres adjacent to the Landfill to serve as a source of clay. Given the demand for clay, purchasing the land in lieu of trucking in clay for the lifetime of the Landfill is expected be a long-term costs savings for the City. In addition, under the guidance of the Infrastructure Committee and Public Works staff, we are investigating options to manage and recover methane generated at the Landfill. Options include conversion to on-site electrical generation, conversion to gas or other uses. Capture and use of landfill methane as fuel for electricity generation is done through the development of well fields and collection systems at the landfill. Collected methane can be used for on-site power generation or pipelined to a nearby existing generating station. Analysis of the best alternative to the Glasgow Regional Landfill is underway and finding the best solution will be a priority in the year ahead. The Landfill also recently upgraded the leachate system to assure proper collection and removal of leachate from the landfill.

The City of Glasgow has also seen a rather positive year with respect to grants and grant-funded projects. The City’s grant writer has worked with each department to assure we are seeking all funding that might benefit the City. In the past year, we received two Kentucky Pride Recycling Grants totaling \$18,200 for household hazardous material recycling and recycling containers for our parks. Other grants include \$10,000 for a hazmat monitor (fire department), \$7,140 for body armor (police department), \$83,600 for mobile data communications (fire, police), \$9,000 for two hazmat suits and ID upgrade, \$80,000 CDGB Disaster Grant (Castleridge Stormwater Project), and \$34,000 FEMA Storm Recovery. We have several applications submitted to various funding agencies and will continue to seek funding when available. We have also secured a great deal of equipment such as emergency generators and lights, cameras, vehicles and other items for our departments via the United States Surplus Equipment Programs.

The City of Glasgow continues to work closely with the Kentucky League of Cities as we review our policies and procedures on items such as general liability insurance, risk management, human resources/employment policy, employment training/workshops and other items. The Administrative staff has worked closely with me to assure we are getting the best rates on health and dental insurance as well as the most beneficial plans for our employees. In addition, in June of 2011 we began offering the Kentucky Public Employees' Deferred Compensation, providing our employees yet one more option for their retirement planning.

Looking back 2011 was a fairly positive one for the City of Glasgow and its residents. We have accomplished a great deal and looking ahead, we are hopeful that 2012 will bring more jobs and

more prosperity for our citizens. I can assure taxpayers that the City Council, Department Heads and I will continue to work hard for the citizens to assure that tax dollars are being spend in the most efficient and effective manner. As always, my door is open for any questions or concerns.

Submitted,

Mayor Rhonda Riherd Trautman

1/31/12