

**Public Life Foundation of Owensboro**  
**Second Quarter Report to the Board of Directors**  
**Rodney Berry, President**  
**July 7, 2009**

**Two commercial centers**

Despite the national recession and a 9.7 percent unemployment rate in Daviess County, two centers of commercial activity suggest a bullish outlook for our community:

- In the downtown area, work is well underway on the riverbank stabilization-park improvement.
- By the end of August, up to 10 developers are expected to submit proposals for a downtown hotel to accompany a new convention center. Local officials have asked the state to donate the state building (the selected hotel site), but state leaders are trying to make a transfer of Ben Hawes State Park to the city and/or county a condition of the deal.
- A traffic study is underway that will determine the options for rerouting truck traffic and converting Second Street and Veteran's Boulevard to a more pedestrian-friendly area.
- The city is acquiring property north of the courthouse for a plaza that will link the riverfront with the courthouse lawn and accommodate a farmer's market, arts and crafts, etc.
- The arts academy concept, perceived as a collaborative effort of local high schools and colleges, has been well-received and several meetings have already been held to bring together a conceptual goal.
- The Executive Inn contents are being auctioned off and demolition will begin soon. Now that the property is owned by city government, work has begun on a master plan for the 17.5 riverfront acres contiguous to the downtown.

In late June, planners held several days of meetings with stakeholder groups. On October 3, We the People plans a public workshop to examine and select a preference from three-to-four master plan options for the Executive Inn property.

In the suburban area where the by-pass intersects Highway 54, the following projects are planned or under construction:

- a new Courtyard by Marriott
- a new Atmos Energy headquarters
- a new US Bank mortgage headquarters
- misc. restaurants and retail outlets

The Gateway Commons project, the controversial tax increment financing (TIF) project proposed by Gulfstream Development, will likely move forward without the public projects (arena, convention center, etc.) originally proposed.

The Highway 54 area has been the leading location of residential developments for several decades. This growth area was endorsed by the Owensboro Metropolitan Planning Commission since most alternative areas were subject to flooding and drainage problems. It should not be surprising that commercial development has followed the residential concentration.

The traffic count along Highway 54 is now higher than the count in the south Frederica area. Consequently, rather than attempt to obstruct market forces, participants in the We the People Town Meeting did not oppose suburban expansion; they want high standards of planning and design.

Owensboro Medical Health System (OMHS) is charging ahead with plans for a new hospital off the by-pass near Highway 54 despite growing concern over costs, infrastructure, location, accessibility and more.

### **OMU timing adds fuel to the fire**

Owensboro Municipal Utilities recently proposed a 27 percent increase in electric rates. City officials, sensing public outrage, approved a 14.6 percent interim increase pending the outcome of a study to determine the need for a permanent increase.

Even though this was the first increase in 17 years, opposition was intense, particularly on the heels of the unpopular insurance tax increase to finance the downtown master plan.

### **Citizens Committee objects to firing of the OCTC president**

The Citizens Committee on Education (CCE) recently issued a public statement objecting to the reassignment (firing) of Paula Gastenveld, president of Owensboro Community and Technical College (OCTC). The statement pointed to Gastenveld's strong support among the faculty. In particular, the CCE objected to the KCTCS process that did not allow the OCTC advisory board to have a role in the decision.

As a former co-chair, I am an ex-officio member of the CCE. I did not sign the statement because the information I received about Dr. Gastenveld's job performance, support from faculty and staff, and the circumstances of the firing were inconsistent with the statement. The process may indeed be flawed and local advisory boards deserve a substantive role, but both sides of personnel matters should be examined carefully before coming to judgment, and it is difficult to obtain personnel information when it is confidential.

### **Officials increasingly want to demonstrate openness and transparency**

Recent investigative news stories published by the Lexington *Herald-Leader* on excessive spending by the Kentucky League of Cities (KLC) and the Kentucky

Association of Counties (KACo), in addition to previous abuses of the Lexington airport board and public library board, have underscored the need for more openness and transparency in government, quasi-public organizations.

Officials at every level don't always agree on a definition of openness and transparency, but there appears to be increasing interest on the part of elected and appointed officials to demonstrate that they are accountable and have nothing to hide.

In light of the KLC practices, at the July 7 City Commission meeting, Mayor Ron Payne will recommend the city not renew their \$14,000 annual membership. Local officials appear to be willing to sign an openness and transparency pledge, although some tweaking of the language has been required.

## **INFORMATION**

### ***Public Life Advocate***

Our June edition was devoted to openness and transparency and included the following articles:

- A community openness and transparency report card: what grade would we receive?
- An openness and transparency pledge
- The RFP for a downtown hotel: an opportunity to demonstrate an open and transparent process
- Miscellaneous excerpts and quotes on openness, transparency and accountability

### **Freelance writing assignment**

We are exploring various writing projects with freelance writers. This may fall within the scope of the foundation and the *Public Life Advocate*, or it may prove to be more appropriate for *Publius*, an independent blog.

### **Networking**

It has been suggested that I discontinue the practice in these quarterly reports of listing meetings and events in which the foundation was represented during the previous quarter.

## **DELIBERATION**

### **Focus Group Dialogue: How Major Decisions are Made**

On June 15, we assembled 18 citizens (well-informed, engaged in community affairs), led by trained facilitators, for an assessment of how important decisions are made in Owensboro-Daviess County and to what extent openness and transparency characterized the decision making process.

Twelve major community decisions were examined and each was assigned a letter grade. One decision received a C+; all the others received a D or an F.

A comparable exercise is planned for elected and appointed officials on August 17<sup>th</sup>, at which time we will also compare the grades they award themselves with those that were awarded by citizens.

### **Community Spirit, Community Unity Forum**

In light of the recent controversy and hard feelings resulting from the insurance tax increase to finance the downtown master plan and the reaction to the OMU rate increase, a committee is planning a public forum and will invite the community at large to participate in round table discussions on what can be done to bring about a stronger sense of community, a community characterized by teamwork and good will. The foundation and We the People are the lead sponsors.

The August 6<sup>th</sup> event will feature a series of discussion questions for small groups, moderated by trained facilitators.

### **Executive Inn property**

The foundation is partnering with We the People, the Downtown Development Corporation and other groups to host a public workshop to evaluate options for the redevelopment of the 17.5 acre Executive Inn property.

We expect this to be a major community event. Several committees are already at work. The workshop will occur on Saturday, October 3<sup>rd</sup> at the Sportscenter. The event will feature a participant guide, visual presentations, small group discussion, trained facilitators, recorders, Theme Team, and use of individual participant key pads.

## **Coal-Fired Power Plants**

The foundation will likely partner with the Sierra Club, Environmental Impact Council and other groups for a public forum on the energy production capacity, economic impact and environmental consequences of three proposals for coal-to-liquid plants in our area.

A committee is being formed to prepare materials and plan the event.

## **ACTION**

### **“We the People”**

Action teams formed following the “We the People” Town Meeting continue efforts toward community progress in education, community development, environment, health and social services and government.

Neil Bradley is the new chair of the **Community Education and Learning Committee**. The group is supporting a mentoring program and a program to involve senior citizens in our schools.

**The Region of Opportunity Team (ROOT)** continues to monitor the downtown plan and is considering a series of luncheons to focus on economic development issues. A new group promoting a bikeway system to connect with the Greenbelt recently received ROOT’s support.

**The Environmental Impact Council** continues its public education campaign on the need for curbside recycling.

**The Healthy and Caring Community Group** continues to support the campaign to enroll youth in the Kentucky Children’s Health Insurance Plan (KCHIP), expanded substance abuse prevention and treatment, and the work of the Asset Building Coalition.

**Citizens for Good Government** continues to promote the Openness and Transparency Pledge and community education programs. CGG partnered with the foundation on the focus group exercises on community decision making.

### **Center for Civic Engagement/Nonprofit Development Center**

An Amendment to the Hager Endowment Agreement has been executed by all the required parties. This includes the Attachment that describes the Center for Civic Engagement.

The Center's Advisory Committee met on June 26. Prior to that meeting, we met separately with the four college presidents or campus coordinators. The initiative has been enthusiastically endorsed. Some institutions (i.e., Kentucky Wesleyan College's Fellows Program) are already devoting considerable resources to civic engagement projects. All the institutions have pledged collaboration.

Audubon Area Community Services will break ground on President's Place this summer. The project will include a 10,000 s.f. community room that will house the Nonprofit Resource Center – a concept the foundation has promoted since we phased out administrative support of several citizen groups. Still to work out: management and policy issues, purchase of furniture and equipment, staffing and operating support.

In the interim, OCTC has developed a civic engagement program under the direction of Marc Maltby, Professor of History. The college has made available several mini-grants for faculty-student service learning projects.

### **Health Care and the Faith-Based Community**

The foundation was one of the sponsors of a public forum on May 21 to engage local churches in health care issues. Nancy Jo Kemper, outgoing director of the Kentucky Council of Churches, was the speaker.

### **Community Dental Clinic**

Renovation is complete, equipment and supplies have been ordered, and the clinic hopes to have one or more dentists available on at least a part-time basis to begin serving Medicaid and uninsured patients in the Mayfair Square facility. The clinic has adopted the following tag line, "Something to Smile About."

The foundation has provided key support of this initiative since the outset. Nearly \$300,000 has been raised, but renovation and equipment costs exceeded projections. Fundraising efforts will continue to ensure that no one is turned away for basic services. (Some specialized services may be beyond the capacity of the clinic to provide.)

### **Other citizen groups**

Other organizations that the foundation helped establish, strengthen or revitalize – Citizens Health Care Advocates, Citizens Committee on Education, PRIDE, Coalition for the Poor, Goodfellows Club, Owensboro Area World Affairs Council – continue to do important work in our community.

## **Kentucky Commission on Philanthropy**

I have the privilege to represent the foundation on a new mechanism to facilitate communication and cooperation among philanthropic organizations across Kentucky. The commission will host a conference on October 26-27 in Frankfort with a special focus on early childhood education and children's health.

### **ADMINISTRATION**

#### **Endowment**

As of June 30, 2009 our standard accounts valued \$5,989,247, but \$400,000 had been moved from our Custodial Account to a Wachovia Small Business High Performance Fund for a total of \$6,389,590 – a \$30,000 drop from last month after three months of growth.

Advisors are cautiously optimistic that the turnaround has started, but the market will likely be an up-and-down ride for a while.

**Statement of Support/Revenues and Expenses  
For the Period Jan 1, 2009 – Jun 30, 2009**

	2009 Actual <u>Jan 1-Jun 30</u>	2009 <u>Budget</u>	
<b><u>SUPPORT &amp; REVENUES</u></b>			
<b>Donations</b>			
Family	50,000	20,000	We the People contributions, other special projects
Outside	950		
3 <sup>rd</sup> Party Obligations	1,435		
Litigation Settlement	3,289		
<b>Dividends &amp; ST CAP Gains</b>	61,997		
<b>Interest</b>	49,253		
<b>Money Market Income</b>	160		
<b>Net Realized Gain/Loss</b>	<u>(853,721)</u>		
<b>Total Support and Revenues</b>	(686,637)		
<b><u>EXPENSES</u></b>			
<b>Administration</b>			
Personnel (salary/wages, taxes, benefits)	130,657	261,079	Rodney, Kathy, Shelly, Sally
<b>Operations</b>			
Consulting Fees	3,813	3,000	Boeyink, Levy
Furniture/Equipment	0	4,000	
Insurance	1,599	2,600	worker's comp, general liability
Meetings and Travel	12,207	5,000	contribution made to offset Wachovia mtg expenses
Memberships/Subscriptions	1,721	3,000	newspapers, magazines, ASF, Rotary, etc.
Misc.	8,400	5,000	Robinson art (\$2,500) campus vote (\$2,000, 2008 carried over)
Postage	1,112	1,700	machine lease \$500/yr
Printing-Copying	542	800	Christmas cards, business cards
Professional Development	0	0	
Professional Fees	3,926	6,200	legal, accounting/payroll
Rent	8,820	17,640	lease
Repairs and Maintenance	35	700	copier, pest control, etc.
Supplies	988	3,200	
Taxes	0	0	
Technology	6,310	7,700	Knox, DSL, web hosting, etc.
Utilities	849	1,700	telephone
<b>Projects/Programs</b>			
<b><u>Information</u></b>			
<i>Public Life Advocate</i>	9,226	20,000	
<b><u>Dialogue &amp; Deliberation</u></b>			
Panels, Forums, Presentations	813	5,000	
<b><u>Action</u></b>			
We the People	<u>14,567</u>	<u>10,000</u>	Lukensmeyer, fundraising, meetings
<b>TOTAL</b>	<b>205,583</b>	<b>318,319</b>	
<b>Offsetting contributions</b>	<b><u>50,000</u></b>		
<b>Net impact on endowment</b>	<b>155,583</b>		