

State of the County 2015 Speech (10-15 Minutes)
Kiwanis Club of Memphis Luncheon

February 4, 2015, 12:00 p.m. – 1:00 p.m.
University Club, 1340 Central Avenue

Introduction

I would like to start off by thanking you for inviting me here today. It's always a pleasure to stand before this group and talk to you about the state of affairs in Shelby County.

I truly believe that we live in one of the best counties in this nation. We have a low cost of living with all of the amenities of an urban environment. Our community provides something for everyone: museums, theaters, arts attractions, world-class parks and greenways, great colleges and a professional sports team. We are culturally and ethnically diverse and we embrace diversity as an asset. We have great corporate citizens and an increasingly improved climate for companies to do business.

But along with all of the assets in this community, we still have room for improvement in some key areas before we realize the true greatness of this community. Health indicators in this community are too poor, especially given the wealth of great healthcare institutions in Shelby County. Violent crime and unemployment are higher than national averages. 20.8% of the population, or roughly 195,000 people, were living below the poverty line in Shelby County as of 2013. Educational attainment in Shelby County is lower than what we would like to see as we seek to grow and diversify our local economy.

All of these issues connect to what I consider the core functions of County Government: public health; public safety; education; and economic development. During my first term, I worked to put structures and procedures in place to begin to move the needle in each of these areas. And now at the beginning of my second and last term as County Mayor, I believe that we have mechanisms and processes in place that will allow for more rapid progress to be made in each of these areas.

Interconnectivity of Challenges

One thing that has become more evident throughout my professional career is that the challenges that we work to address in the public sector are all deeply interconnected. Too many children are being raised single parents struggling with limited education, relatively low job skills. Too many children are being exposed to poor learning environments; hunger; poor nutrition; domestic violence and criminal behavior, all before they reach the age of 13. The likelihood of a child in this environment growing up to be a tax consumer becomes much higher than the likelihood of that child growing up to become a tax producer. And this cycle continues into the next generation.

This is the reality for far too many young children and families in Shelby County. We know from the great work that is done at the Urban Child Institute that a child's brain doubles in size during the first year of life, and by age three (3) it has reached 80% of its volume. We owe it to our children to do everything we can to increase their chances to succeed. The unfortunate incident that took place in the Kroger parking lot last fall didn't just start there; it goes back to the household and those early years of cognitive formation.

I've worked in the public safety field for the bulk of my career, and I'm not naïve enough to believe that government is going to be able to resolve all of the ills of society. But I do believe that if we can continue to convene the right stakeholders and collaborate with our resources like we have done in my first term, we will improve the lives of children in this community. Once we are able to improve the circumstances of the children of this generation, the community will reap the benefits over the long term. I would like to challenge us all to work to make Shelby County the "Most Child-Friendly Place" in the United States.

Support Quality Public Education

Our educational institutions present the greatest opportunity to have a positive impact on the children in Shelby County. That is why I

have, and will continue to, work to ensure that we provide adequate funding to all seven (7) of the school systems here in Shelby County. Our public education system has gone through some tremendous changes over the past 5 years. I will continue to work with each of the school districts educating our children to make sure that they are equipped to address the challenges and needs of our students.

In FY 2015, Shelby County was able to provide an additional \$3 million to support the expansion of Pre-K classrooms to 400 students. My Administration proposes to continue this level of funding moving forward, as it will be used as leverage for a \$17 million federal grant awarded to the State of Tennessee in December 2014 to support Pre-K classrooms in Shelby County and Davidson County. This funding will create an additional 1,000 new slots for Pre-K in Shelby County over the next 4 years. That's a total of 1,400 new slots that will provide foundational education for 3 and 4 year olds. Combined with the 4,500 students being served by the Headstart Program managed by Porter Leath, that is nearly 6,000 young people that will be served with early childhood education in this community each year.

Over the past few years, my Administration has supported the work of tnAchieves, which is a nonprofit that works to provide scholarships to students for 2-year colleges. I was pleased to see that Governor Haslam expanded this program to all Tennesseans through the TN Promise Scholarship, a move that is now being replicated by the President of the United States. Over 8,000 high school seniors in Shelby County have signed up to take advantage of the TN Promise Scholarship, which means there is a tremendous need for mentors for their program. This year, we have over 60 County employees that have signed up with tnAchieves to be mentors for high school seniors, including myself. I have 9 students that I will be working with over the next few months to encourage and assist them as they take on the daunting task of completing the FAFSA and filling out applications for community colleges and technical schools. I would like to challenge all of you here today to sign up with tnAchieves in the fall, as we need as

many mentors as possible and it can make a significant difference in the lives of these young people.

Economic Development

We continue to see interest from companies that are looking to grow in Shelby County, as well as those that are looking at moving their operations into this community. We have strong leadership in place to support those businesses including EDGE, our local Chambers of Commerce, and Industrial Development Boards. These agencies are equipped to help these businesses secure the incentives they need and even help companies identify the best locations for their operations. EDGE, one of the first efforts I took on as County Mayor, has been fully staffed and operational for the past 2.5 years. So far, it has assisted 33 companies in communities across Shelby County with growth plans totaling 8,846 jobs, \$716 million in associated payroll and \$1.77 billion in new investment. With the most recent PILOT for IKEA, it is projected that there will be \$451,000 in new taxes available for education in the first year. This is excellent news, considering that the site currently generated about \$82,000 per year in property taxes.

We still have a workforce issue that must be addressed. Shelby County, like the rest of our country, is experiencing a “skills gap” — today we have nearly 14,000 unfilled jobs in this community, while at the same time we have high unemployment. If we expect to fill those 14,000 jobs – and frankly if we expect to retain and attract industry – we simply must have a workforce that’s prepared to meet industry hiring needs.

Because of this need, I have partnered with the City of Memphis and business leaders throughout this community to form the Greater Memphis Alliance for a Competitive Workforce, or GMACW for short. GMACW is being led by Glen Fenter, who has done transformational work at Mid-South Community College to align their educational program with the needs of local businesses. GMACW will take a similar approach on a broader scale. It is a business-driven effort to

collaborate with K-12 and post-secondary education in order to meet the hiring needs of employers across the Mid-South region. We want to align our training efforts to the jobs that our companies need to have filled in order to achieve their bottom line results.

Community Health

The physical health of the residents in this community is a paramount concern for me. Right now the Tennessee Legislature is deliberating the Governor's Insure Tennessee Plan. The passage of Insure Tennessee is critical to both the health of the citizens of Shelby County and to the economy. It has been reported that approximately one third of the estimated 200,000 of those eligible for coverage under Insure Tennessee live in Shelby County. The four major hospital systems in Shelby County (Baptist, Methodist, Regional One Health and St. Francis) report the cost of providing care to underinsured patients is approximately \$250 million annually. A study by the University of Tennessee projects adopting Insure Tennessee will have a \$1.5 billion economic impact on the State of Tennessee. Without this plan's approval, very tough cost-cutting decisions are on the table that will have negative health care and economic consequences for this community. I am hopeful that this plan will be approved in the coming days.

We have been diligently working with stakeholders on the Healthy Shelby initiative. Healthy Shelby is a collaboration of public health institutions that I pulled together to combat problem areas in our healthcare community: infant mortality, chronic diseases, and end of life care. We have begun to see results, as we have seen a decrease in infant mortality rates in Shelby County for the first time. We will not rest on our laurels though, our rates are still too high and we will continue the collaboration to keep the needle moving in the right direction.

Last fall, we wrapped up the Mid-South Regional Greenprint Planning process, and this is something that I believe will contribute

greatly to the health and quality of life in our community. The Greenprint is a regional plan to develop an interconnected network of greenways, parks, and trails throughout Shelby, Fayette, Crittenden, and Desoto Counties. The plan was completed through the collaborative efforts of over 80 regional organizations and municipalities and received input from over 1,000 residents. This plan is not something that will sit on the shelf, as the Hyde Foundation and the Greater Memphis Chamber have already agreed to fund a Coordinator position within the Office of Sustainability to ensure that the project continues to move forward. Shelby County is contributing to the implementation of this plan through the extension of the Shelby Farms Greenline eastward into Cordova towards the Fayette County line.

As we address health in this community, we must also begin to view public safety as a public health issue. There are far too many victims of assault, domestic violence, and other traumatic injuries in this community, and our hospitals often bear the cost for treating uninsured crime victims. As we explore resources and partnerships to address our public safety challenges, I believe that we should include our partners from the health community. Through our Operation Safe Community, we are beginning to look at new partners to bring to the table, including schools, faith leaders, and healthcare institutions.

Government Operations

None of the results that we seek to achieve would be possible without the financial affairs of Shelby County Government being stabilized and in good order. Throughout my term as Mayor, I am happy to say that my Administration has been able to do just that. Shelby County has an excellent bond rating with our fund balance at a desired level and our debt being reduced annually. Just last week, we closed on a refunding of debt that saved the County roughly \$23 million in interest payments by taking advantage of the lower interest rates. During my first term, we completed an Efficiency Study of Shelby

County Government to determine the areas where we can reduce costs. To date, the overall impact of the implementation of those recommended measures is at \$15.7 million. This includes direct documented savings, cost avoidance and project savings through June 2015.

Early projections indicate that budgeted revenues for FY 2016 may increase by roughly \$4.7 million, primarily from increased property tax collections. My Administration will propose additional funding of \$1 million for blight control. Inventory of County owned properties that require maintenance is over 6,000 and we must work to maintain these properties and dispose of them as soon as possible. We also plan to propose a pay increase of 1.7% across the board for all employees. This is in line with national cost of living adjustments this year, which are projected to be between 1.7% and 2.5%. The best part is that we will achieve this with NO tax rate increase.

Conclusion

There are exciting things on the horizon here in Shelby County. We are seeing a number of significant projects coming online, such as the transformation of Shelby Farms Park, Sears Crosstown, the Harahan Bike/Ped Bridge, Bass Pro Shops, and Ikea just to name a few. Along with these significant development projects, we must continue to invest in programs that will enhance the lives of our youth. These early investments will eventually reap dividends for the whole community. The initiatives that I have outlined today are just the beginning of what I believe it will take for us to become the “Most Child Friendly County” in America, but we are committed to making the investments that it takes to move us towards that end.

Thank you for having me here today and I look forward to working with each of you in the future.