

**2016 State of the County
August 29, 2016
6:00PM
President-Blaine LaFontaine**

Good evening and thank you for joining us for our 2016 State of the County Address. I am Blaine LaFontaine, President of your Hancock County Board of Supervisors.

I'd like to thank the Hancock County School Board for allowing us to use this state of the art facility, where our community will proudly watch our children apply themselves creatively for future generations.

I'd also like thank the Chamber of Commerce for helping organize this event so we could present this information to each and every one of you tonight.

First, we would like to welcome Pastor Mike Ramsey to lead us in prayer.

Next, let us welcome your Hancock County Circuit Clerk Karen Ruhr to lead us with the the Pledge of Allegiance.

As President of the Board of Supervisors, it is my honor to come before you to discuss our shared future. Tonight, we will focus on the status of our county, the challenges facing us and how we can solve them.

Thank you all for being here tonight.

Please welcome me in recognizing our elected officials.

I'd like to ask my fellow Board members and County officials to stand.

1. Vice President- District 4 Supervisor Scotty Adam
2. District 1 Supervisor David Yarborough
3. District 2 Supervisor Greg Shaw
4. District 5 Supervisor Darrin "Bo" Ladner
5. Sheriff Ricky Adam
6. Tax Assessor Jimmie Ladner
7. Circuit Clerk Karen Ruhr
8. Chancery Clerk Tim Kellar
9. all other elected officials

Let's give them a big hand!

I believe the rest of the Board of Supervisors would agree these last eight months of our term have went much quicker than we could have anticipated. We as a Board must continue to reject the status quo for the sake of ease as we lead our county into a new era.

11 years ago today, Hurricane Katrina barreled into our coastline. The disaster left us homeless, jobless and in many cases hopeless.

No one could foresee that we'd come back this strong. From downtown Bay St. Louis to Caesar-Necaise, Hurricane Katrina is no longer our nightmare, but the benchmark we use to measure our resiliency.

Yet, there remains much to do. We must attract jobs that will be here when our children grow families of their own, and we will do this with a nimble county government, not one that bounces from crisis to crisis and repeatedly asks for more money from its citizens.

Our task now is to modernize county government to make this simpler. And we'll do it while confronting problems that have been ignored for too long.

Within the next year, we'll announce long-range economic and residential development proposals aimed beyond our elected terms, with the goal of benefitting your children and mine when they have families of their own. Within months, we'll address some of our ailing social programs. Within weeks, we will finalize a county spending plan that does not bleed money, hide reality or postpone our present-day problems.

Just as we urge you to hold us accountable, we as supervisors pledge to hold all public entities in the same regard. Hancock County's taxpayer-funded agencies cannot continue to operate separately, secretly or with conflicting priorities.

Tonight we are telling you the facts honestly and we'll answer your questions directly. We'll talk about money, roads and bridges, economic development and some of the ways we can make county government modern and more accessible.

But this gathering is also to introduce us to you and answer your questions. We are a brand-new board you asked to solve this county's chronic problems. Tonight we'll share what we've learned and discuss our expectations for county government.

We are not politicians that are visible only during election years or people-pleasers that will tell you exactly what you want to hear. Instead, we will be direct, open, honest, accountable and questioning. Sometimes this will feel uncomfortable, but that's a good thing.

We will take on obstacles rather than avoid them because otherwise we can't strengthen Hancock County.

Often residents ask us how their tax dollars are spent each year.

The answer is not always simple to explain, and it differs based on where you live. But I find this example to be helpful. It's based on residents living outside our cities and in the Hancock County School District.

Nearly half of your taxes go to the school district, whose test scores exemplify money well spent.

37 out of every 100 dollars goes to the county's general fund, which covers the sheriff's department, jail, justice, circuit and chancery courts, tax assessor's office, parks and recreation, administrative expenses and other services, including the animal shelter, which is almost entirely borne by the Supervisors.

About 5 dollars is collected for fire protection. Bridge construction, road paving and drainage account for less than 4 dollars of collected tax revenue.

The Supervisors also within the last few years designated a separate millage to fund E-911 services for the entire County, without separate payments from the municipalities.

The Hancock County Library system accounts for nearly 3% of tax revenue to fully fund the East Hancock, Kiln, and Pearlinton branches and partially fund the Bay St. Louis and Waveland branches.

An important partnership with Pearl River Community College collects just over 2% of county funds in order to help our youth take the next step in seeking higher education.

Our county's solid waste demands rely on 2 of every 100 tax dollars to cover waste disposal, the public landfill, and multiple recycle bin locations.

Immediately upon taking office, we wanted to identify trends, examine past practices, and establish procedures that ensured the county was best using its share of tax revenue. To move

forward, we have to know what direction we're coming from. The chart displayed shows our county's operating budget over the last five years.

Our county experienced budget shortfalls in four of those five years. Simply: We spent more money than we collected. Repeatedly. As any working family knows, this is unsustainable.

Obviously, this has depleted our cash reserves, or savings account, which was essentially cut in half following a 2.6-million-dollar decline over that period.

That is a direct consequence of not balancing the budget and deferring problems to solve for another day. Continued movement in an unbalanced fashion is not sustainable, and the County cannot afford to avoid tough decisions any longer.

Our cash fund is 10% of our overall budget, or enough to cover just more than a month of operations should we be unable to collect money for whatever reason. The State Auditor's office generally recommends that Governmental entities keep at least 6 months of cash on hand in the event of natural disaster or emergency, or other unforeseen issues.

If Katrina struck today, we may not be able to pay our bills for any meaningful amount of time.

We as a Board are adopting better internal procedures to manage our expenses, account for our revenues, and reverse the trend,

and are seeking to forecast for longer periods of time. It also means being honest with ourselves and taxpayers about how we stabilize the budget.

Yes, this board will raise taxes this year. It is overdue and unavoidable.

That's not designed to cure our problems, nor should tax increases be considered a solution to mismanagement.

Which is why I'm hoping we can soon adopt new county purchasing policies that exceed what the state law requires in the interest of being more transparent, fair and cost-effective.

We are also restructuring how our expenses are tracked so that board members and residents can easily understand how much money is being spent and why.

As we did this year, we will continue putting together our budgets in open meetings. These budget workshops are where we ask tough questions. They're where we learned that our tax revenues have grown at less than half the rate of our expenses.

Some examples of spending spikes: Property insurance is up 55% to nearly \$1 million dollars. Employee benefits rose 57% in 2014 to \$3.6 million. Youth Court has continued with 60% increase to \$850 thousand dollars. For each of these issues, we have sought to curb these increases, critiquing our property coverages, moving from a self-funded plan in 2014 to a fully-funded plan, which reduced health coverage expenditures

resulting in million dollar a year savings. This is not to say these issues are going away, as we routinely monitor our health plans, and are having to budget for 7-9 % price hikes, to ensure we are able to fund those plans without further reducing cash reserves.

We must look at creative ways to ensure quality services are provided to our residents, but stabilizing and reducing costs is a necessity.

Meanwhile, as has been frequently reported by our media, our social institutions are at or nearing crisis.

We are at a crossroads with Hancock Medical Center, which is sustaining a 14% percent annual operating loss.

We could blame management, the uninsured, the state's reluctance to expand Medicaid under the Affordable Care Act, but all of these factors are just part of the bigger picture; Healthcare has changed, is still changing, and the principal type of hospital affected are community hospitals, like ours. It is evolving more quickly than many publicly owned hospitals are adapting, and the result can be devastating to a community. The goal for us is to ensure the sustainability of health care services here. We must act swiftly and smartly to avoid ill-fates.

However, urgency does not excuse closed-door meetings.

We know that more borrowing without long-term solutions won't work. We can't keep pouring water into a bucket that we know is leaking.

In January 2020, the first month for the next board of supervisors, the county is obligated to pay \$7.5 million toward a bond that failed to patch the leak. We have already taken steps to save this money so that the future board does not step into a crisis. Fact is, however, unless alternatives are considered, an additional cash infusion would be necessary, which still would not bring long term stability.

It will take work, discussion and compromise to either fix the leak or hand it off to someone who can. Whatever the solution is for Hancock Medical Center, the county is responsible for ensuring the best result for its residents, who rely on its services daily and whose money built it. That's not a role we take lightly.

We're committed to working with our local professionals and our Board of Trustees to make the best decision about the future of healthcare in Hancock County.

Although it doesn't immediately generate an identifiable impact on the public, it's the type of forward-looking action I'm proud this board is willing to take.

We must also apply this mindset to the Hancock County Library System, which is operating off a 1991 agreement between the county, Waveland and Bay St. Louis that quite frankly is outdated and in dire need of revision.

Five libraries in a county with a population of 45,000 residents will require more revenue than our current governments are willing or capable to provide.

So we must begin to work on a new inter-local agreement that is in the best interest of everyone involved so we can explore ways to stabilize the tax levy and either maintain or improve services.

Make no mistake: Cutting access to education in any Hancock County community is not an option we support. But we also refuse to accept that the outdated way we pay for and manage this system is the best way.

We should continue to support education across the board.

Pearl River Community College emerged as a partner in Hancock County in 2004 and receives 2 mils or approximately \$1 million dollars annually.

Pearl River has played a vital role in providing a quality education at an affordable cost to many youth and adults as they pursue higher education.

It's how we train our hard-working residents for tomorrow's jobs that will help us attract jobs and investment to our region.

Our administration has wasted no time discussing and adopting a new four-year road plan, and will continue to seek funding aggressively to strengthen our county's infrastructure.

This includes the status of our 11 structurally deficient bridges. We've already replaced one and plan to reduce that number to the low single digits by the end of our term.

Roads and bridges are underfunded nationally and statewide, and we're not unique. In Hancock County we fund Road & Bridges with a 3.26 mil tax levy – that is our lowest level in 10 years. This makes prioritization important.

The previous administration deserves credit, meanwhile, for how they utilized federal and state grant funds to ensure public access to our waterways.

We've purchased and upgraded the majority of boat launches in Hancock County, including Cedar Point, Bayou Caddy, Napoleon, Washington Street, Port Bienville, and Pearlington.

We will continue to look at the best ways to utilize those grant funds to improve public access and our residents' quality of life.

Our Parks and Recreation offerings have grown substantially in the past several years as grant funds have built new community fields in Lakeshore, and new splash pad in Rocky Hill community. However, these new facilities and expansion will also require revenue to support them, and the accompanying upkeep and maintenance.

More than \$500 thousand dollars of grant and county funds have been invested in Mcleod Park. Current grant funds have been obtained to create additional RV sites in the near future and

recently our County became the official owner of this asset to our community.

But just as many of our fields have never seen capital improvements, neither have many of our public playgrounds. The current board is committed to modernizing these playgrounds in many of our small communities throughout Hancock County.

The largest project is the new \$5 million dollar Sports Complex located off of Highway 43 in Kiln that upon completion will have 5 new baseball fields and several multi-use fields. We anticipate the new facility to cost taxpayers \$150-250 thousand annually.

The board will be tasked with identifying the most cost effective way to manage so many facilities and provide a quality product to our youth and guests who use these fields.

Now I'm going to use a vague term politicians love to say: economic development.

But without new development, our ability to offer our children a future and maintain our quality of life is in jeopardy.

So I'm also prepared to discuss specifics.

We'll continue developing a plan to encourage both commercial and residential development in targeted areas, like Port Bienville Industrial Park or Coleman Avenue and areas within our retail

trade area that is displayed behind me. We want businesses and people to move here, set roots, create jobs and live.

We're well-positioned to do more. Engineers at the Stennis Space Center are shaping the future of our world. We have an airport, rail line and deepwater access at our seaport. We're a short drive from New Orleans and Biloxi.

Using incentives to build on what we have won't happen overnight, but in the future our tax roll will grow. Individuals will shoulder less of the local government burden. Families will move here and stay.

We will also evaluate whether current tax abatements for some industries are in line with our regional competition to ensure our taxpayers are not giving away more than we need to.

We expect the Hancock County Port & Harbor Commission to be a vital partner in this endeavor.

We must also continue to invest in our infrastructure at our most marketable locations such as Port Bienville and Stennis Airport.

Hancock County consists of 80 companies and agencies. Those 80 companies result in a labor pool of 6,000 and accounts for nearly 9.5 Million dollars in tax revenues annually. Through planning and collaboration, we can grow these numbers.

The industrial sites for development consist of Port Bienville, Stennis International Airport, and Stennis Space Center.

Stennis Space Center accounts for over half of our companies and nearly 80% of our employees at these areas. That's great, but we also desire when possible to diversify our industry and jobs so that we're not so dependent on one sector.

The Hancock County Port & Harbor Commission has done an outstanding job with eliminating long term debt and building a respectable cash balance. This allows them to invest in infrastructure that maximizes our potential to attract industry which is reflected in \$17 million worth of capital investment.

The award of \$10 million in Restore funds has allowed the commission to continue with their investment plan while studying a \$120 million project to connect our Class 1 rail service to Pearl River County which would enhance our ability to provide low cost rail to our Port Tenants.

Right now, we're rebuilding a foundation that will support Hancock County for decades to come.

It starts with transparency and accountability from our elected officials. That's why our meeting agendas are detailed and why we continue overhauling our digital presence. We want to make it easy for you to access information and understand what we're doing and why.

We believe our problems locally are not affiliated with a political party. Addressing these issues does not make us progressives, conservatives or disruptive.

Instead it makes us leaders and problem solvers who are proud of our County and will work diligently, and together, to make sure our best days are ahead.

We have continued to invest in our law enforcement by partnering with Sheriff Adam to purchase vehicles and body cameras.

We will continue to create a tax abatement policy in coordination with our local governments and professionals for residential and commercial investment in targeted areas.

We will continue to work to strengthen our workforce and aggressively pursue new industry and investment in Hancock County.

We will strive to work towards a thorough and detailed budget process annually and adopt new internal policies that increase oversight and control.

We will explore public-private partnerships for certain areas of county government because we believe stabilizing expenses is in the county's best interest.

We will articulate our goals and we will share information and data with residents so that you can judge whether we're hitting or missing our marks. We believe creating a data driven culture is in our best interest.

Without accountability, we're destined to stall and that is unacceptable for Hancock County.

We thank each of you for attending tonight and look forward to answering some questions.