

## MEETING OF THE BOARD OF COUNTY COMMISSIONERS

### SPECIAL MEETING

**January 3, 2003**

The Regular Meeting of the Board of the County Commissioners of Sedgwick County, Kansas, was called to order at 9:00 A.M., on Tuesday, January 3, 2003 in the County Commission Meeting Room in the Courthouse in Wichita, Kansas, by Chairman Ben Sciortino with the following present: Commissioner Tim Norton; Commissioner Thomas G. Winters; Commissioner Carolyn McGinn; Mr. Rich Euson, County Counselor and Ms. Linda Leggett, Deputy County Clerk.

#### **ROLL CALL**

The Clerk reported, after calling roll, that Commissioner Gwin was absent.

**Chairman Sciortino** said, "Next item."

#### **NEW BUSINESS**

##### **A. PRESENTATIONS**

##### **1. NEW FINANCIAL REALITY.**

#### **POWERPOINT PRESENTATION**

**Mr. William P. Buchanan**, County Manager, greeted the Commissioners and said, "We have been dealing with the new reality of our financial condition for some time and that's what I'd like to discuss with you this morning and tell you where we are, what actions we've taken and where we're headed.

I want to talk first of all about the economy and you know that the economy is bad in Sedgwick County. The national trends, the economic downturn and the experts tell us that Sedgwick County will take a while to recover.

We know that 10,000, approximately 10,000 workers who worked in the aircraft industry are no longer there. That's about 25% of the number that worked there two years ago. These have taken . . . these job losses have been mitigated by some other employment growths in other sectors, but what we're seeing now is that those layoffs, those severance checks and unemployment benefits have been exhausted and affected how our revenues are flowing and affected the economy of this county.

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As a result, we see some fiscal stress. Let me just tell you about sales tax revenues a bit. 21.4 million of sales tax was received in 2002, 21.4 million. That's about one and a half million less than we anticipated in sales tax alone. And for the year, and about 300,000 less than we received in 2001. While the final results aren't in for December yet or for the year, we believe that the property tax rates of delinquency are also down. In June . . . December taxes have not all been calculated yet, but the taxes that were paid in June would indicate that approximately \$3,000,000 of uncollected taxes were out and will be out, that we won't collect in 2003. We'll get that money eventually, but we're not going to get it now.

So the effects of the economy have hit us, although our investment income has been down approximately \$6,000,000, some other revenue have increased. The fees that the Register of Deeds collect has been up and we've anticipated those but we don't think that that's sustainable for the people that refinanced or buy new homes will eventually not have the funds to do that. So we have an economy that's not in good shape.

We certainly know what the state has done to us and let me just talk to you about that a little bit. The first quarter the state made cuts last year, Governor Graves in 2002, in December, cut us 1.2 million dollars. That was gone. It was too late in the year really to affect any changes then and then we discovered that 3.2 million dollars would be taken from 2003 budget and that's just in our general fund. The highway fund was hit \$144,000 and fire fund about \$135,000 and so in excess of about three and a half million dollars that we're hit totally by the state, but 3.2 from the general fund and I want to focus on that and I'll explain why in a minute.

Last year, in anticipation of some of this, last year the departments were asked to cut . . . to recommend cuts of up to 10% of their budgets and they did so and we implemented about \$2,000,000 of that if you recall last December and January. We asked again this year and departments did submit cut and for that we are most thankful and most appreciative and we started to take a look at what was recommended.

Part of the process was to review what our responsibility is to provide service to citizens and part of our responsibility, it seems to me, is to provide service to the most vulnerable and to provide for public safety. In making these reductions that I'm going to talk to you about I did not want to affect either of those folks. I did not want to affect the most vulnerable or public safety if we could avoid it and I think we've done that so far.

Since the state has cut social services, I did not think it was prudent to take local tax money away from those programs to fund other programs because frankly the state has done enough. It's hurt the most vulnerable citizens, in my opinion, enough.

In terms of what the state has done to some of our citizens, Kyle is in intensive supervision for possession of drugs, for rape, for kidnapping women. He was on electronic monitor and we supervised

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him on weekends also. Since the state has made reductions, Kyle is now out in the community without electronic monitoring, without supervision. That's not the kinds of things we want to see happen, but it's the kinds of things that we're going to try to make sure our citizens are protected from.

Theda is a mother of 21. No, she's a mother of two who happens to be 21 years old. The sheriff's officer found her and her two children in a home. The children were shaking uncontrollably. The one-year-old son was on the floor, frozen to the floor in his own urine. He had feces on him. His sister was shaking uncontrollably. She is three. The children were removed from the home, placed in foster care, which is a good thing. Theda is now living with her boyfriend who has small children. We have no one now to go check on that family. That program has been discontinued.

And at seven she is physically and mentally disabled. She needs her diaper changed several times a day. Because she's an older child, there's no programs available to provide those diapers. Now it costs her parents maybe \$100 a month and maybe they can afford it and maybe they can't but this also affects foster children who are special needs children. So not only are we asking parents in Sedgwick County, foster parents to buy vans and equip their houses to take care of special needs kids, we're now asking them to spend even more money and the thinking is there's going to be less folks willing to take care of those special needs children in foster care.

And his parents can use in-home caregiver help from time to time, but with the new state cuts they can pay \$7.50 an hour for that help. Now think about the kinds of help that needs, to pick a child up and move them from place to place and feed them and change their diapers for \$7.50 an hour. That's the new hourly rate.

Mary is old, 80, paraplegic, lives alone, has no children. Aging funds were cut. We're trying to figure out how to continue providing these funds. Her services are now four hours a month that someone comes into her home and assists her. We think Mary is headed for a nursing home real soon because there's four hours a month for someone in a wheelchair with no children, with no one else to take care of them probably just isn't enough to sustain her.

I just got off the phone this morning with Evis Cranford from the Boys Club and Girls Club who talked to me about the cuts, the 10% cuts in prevention funds and how many kids, how many vulnerable kids will not be served. Big Brothers and Big Sisters, 50 children who are at risk will not be served in this community and we know Big Brothers and Big Sisters. If you're in the program you get better grades, you're in less contact with the police. It happens. We're trying to continue to hold those issues together and will continue to try to do so for the next fiscal year.

What I'm proposing is I think you have in front of you on this Fax sheet and we have some copies available for folks, we reduced staff yesterday by 10 employees. We've reduced the positions by 18 and a half positions for reduction of \$797,000. We're going to reduce our labor costs by eliminating the

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planned increases of step increases, not the COLA.”

**Chairman Sciortino** said, “Mr. Buchanan, could I ask you just one question to clarify? We’re laying off 10 people. Are the 8.5 things that were in the budget to hire that we’re not going to hire?”

**Mr. Buchanan** said, “The vacant positions that we’re not going to hire.”

**Chairman Sciortino** said, “I got it.”

**Mr. Buchanan** said, “Labor costs, the eliminated plan, the increases of step increases of 1.7 million dollars, we’re going to ask employees to share, those of who are still employed in July, to share in the 18% cost of our dental insurance. We don’t pay anything currently for dental insurance, and we reduced part-time labor in several departments.

We’re going to defer capital improvements for \$944,000. That’s some fiber-optics from Stillwell to here that would make operations there go a little faster, some auto license kiosks and some program. Defer technology enhancement is again programs for inspection department, a lot of . . . some printers and copiers, high-tech printers and copiers that were budgeted for the print shop, DIO’s operation. That’s for \$500,000.

We’re going to reduce fleet costs by \$253,000 by reduction of a motor grader, but I also want to tell you that there is a couple of hundred thousand dollars that we’ve identified in low use vehicles that needs some more analysis and we will be doing that in the next 30, 45 days, of analyzing those whether some of those vehicles could be stripped from our operations. But without careful analysis, we may be doing more harm than good.

We’re going to reduce operating, general operating costs about \$600,000. That’s some banking services that we currently have, some training and funds to the Extension Service and to the Zoo that would be a reduction in those costs.

We’re going to reduce the funding of our partners to about \$250,000. That’s the 10% reduction across the board for the prevention program and Project Access and we’re going to ask for enhanced revenues to about \$108,000 and we’ll be looking at some of those other things. Also, you can see developer application implementation of some other 2002 statutes that were instituted by the state legislature.

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I'm also going to put a requirement on those people that report to me and those that report to you that we're asking that all new positions, all the old positions that are vacant before they're posted be approved by the division director or the appointed official and by me so that we can examine each position to make sure that they're essential to the critical mission of this organization.

I'm going to do the same thing with travel. That travel policy currently suggests that states that all travel must be requested in writing and submitted to the persons immediate supervisor. I want the division directors and I'm going to review all those travel that require overnight stay as a means to take a look at how much savings could be obtained there.

And finally, there's a . . . we're going to review certainly in the next several . . . the next month or so all the cell phone uses and how many cell phones we have and whether the people are on the appropriate plans or not and whether there could be some savings there.

Some of these items might seem minor and some of them might seem kind of silly or some of them may not seem like they're important, but frankly any time that we can save any sorts of money by just looking at things and taking a prudent look at our expenditures I think makes sense. These are unusual times. We have been hit with a double-wammy. They state has reduced services, reduced dollars to us and reduced the dollars to folks who receive services from us and we're trying to see how we can sustain those services for our most vulnerable. At the same time the economy thing, which does not provide us any room for flexibility.

I want to tell you that it has been agonizing and painful to come to these conclusions but the facts that led us to those conclusions were pretty strong. The state is bankrupt. Expecting money from them is I don't think realistic, and the economy in Sedgwick County is bad. Faced with those facts, I don't think you can come to much other conclusions that we need to take some difficult steps today. Be happy to stand for questions."

**Chairman Sciortino** said, "Thank you, Bill. Commissioners, any comments or questions? Mr. Norton."

**Commissioner Norton** said, "What is our principal on our investment income? I know we're losing, but how much money is sitting in a pool gaining that investment income? What is the principal?"

**Mr. Buchanan** said, "Every day it changes, but there's not at any time that we don't have money invested. We have sweep accounts that do it at the end of the day, we have short-term, couple of day notes and then we have long-term 30 and 60 day notes. Chris, do you have a . . . about \$240,000,000 would be invested approximately today."

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**Commissioner Norton** said, "Okay."

**Chairman Sciortino** said, "And I think, Commissioner, the overwhelming majority of it . . . that isn't just idle funds sitting there we don't need. The overwhelming majority of that is already designated to go someplace but there's some float before we have to make a payment or what have you and I believe that's why that number seems really high too."

**Mr. Chris Chronis**, Chief Financial Officer, said, "The overwhelming majority of that money represents property taxes that were collected in December by the County Treasurer and those taxes will be distributed to all 100 taxing jurisdictions in Sedgwick County on the statutory distribution date of January the 20<sup>th</sup> but for this month we get to invest that money and claim the interest on it."

**Commissioner Norton** said, "Okay. How many dollars is the Project Access money?"

**Mr. Buchanan** said, "We contribute \$250,000 to it."

**Commissioner Norton** said, "And how much did we cut?"

**Mr. Buchanan** said, "Ten percent, \$25,000."

**Commissioner Norton** said, "Okay. And that's used for prescription drugs?"

**Mr. Buchanan** said, "Yes, sir."

**Commissioner Norton** said, "Okay. Just personally for me, I'd like the names of the people that we're laying off. I don't need them here today, but I think it's important to know that we're creating cuts that affect real people and we've got to keep that in mind and I'd like to have those names."

**Mr. Buchanan** said, "Let me . . . We'll be happy to provide those to you. Let me tell you that I think almost all of them were notified yesterday. We have a meeting scheduled to review their benefits and package. We plan on providing a severance package of 30 days to them paid, 30 days to them and after that another two months of medical insurance to help ease in the transition. We have set up a program for them to be counseled either for personal problems or job search problems. Job search would include

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resume writing, practice interviews, use of the computer to help find jobs. Mike Mueller will also . . . from Human Resources will rescan the jobs in Sedgwick County to see if any of them make sense to reapply for one of the jobs that we may have open that we allowed to fill.”

**Commissioner Norton** said, “That’s fine. It’s just part of the reality and I’ve laid off a lot of people in my life but it was always personal and I had to look at them across the table and know who they were and understand how it was affecting their lives and I want to continue that practice, even at this level. That’s all I’ve got.”

**Chairman Sciortino** said, “Thank you. Commissioner Winters.”

**Commissioner Winters** said, “Well I certain, Bill, appreciate you and your staff and all of the department level people that have gone through this process of making these reductions. This is not an easy process. I hope the citizens realize and I hope our state legislators realize that we are taking action in this financial crisis and none of it is going to be very pleasant, but I think it does show our management skills in putting where the least negative benefit is going to happen and we hope we continue to do that. We hope there’s not another round, but I’m going to be supportive of these proposals today. I don’t like any of them but I’m not sure there’s an alternative. So I’m going to be supportive of what the management has brought to us today and hope this will stem the tide.”

**Chairman Sciortino** said, “Thank you. Commissioner McGinn.”

**Commissioner McGinn** said, “Thank you, Mr. Chairman. I agree too. There’s been a lot of work that’s gone into this and it hasn’t been easy because this does effect people and not just people in our own organization, but as you cited, Mr. Buchanan, the children and the special needs people out there that don’t have family and need that kind of help.

I guess it’s my hope, as we look forward and move forward to trying to sustain some kind of recovery in our community, that we can work with our legislators and help them understand how it effects us here at the local level. I’ve always felt like perhaps the job wasn’t done last April when it should have been and so then it ended up getting put onto the governor. It was after we passed our budget which gives us no choices at all. But I guess the main thing is and I guess starting next Monday I believe the

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legislators will be in town listening to various groups about some of the needs, the concerns and the challenges that we have here at the local level and I hope that perhaps we can share some of the stories that you've shared, Bill.

And part of that is because I don't think people . . . It's easy to cut some of the little programs that they don't think will make a difference and the unfortunate thing in the long run those make a bigger difference. They cost our community more money. You talk about when we can't keep our aging in their own home and help them with services and they end up having to go to a home. If they can't afford that, it's going to cost somebody more money. You talk about corrections, if we can't have some of our community correction programs that we have, some of our mental health and addiction programs and those kinds of things all we do is throw people back into the system and then they end up going into maximum security, which costs the community more money.

And so I think it's important for all of us, and Bill and your staff, you've got some experts out there in our departments that we help the legislators understand the ultimate effects of some of the decisions that they make and hopefully together we can move forward with them to getting through some of this budget crisis. Thank you."

**Chairman Sciortino** said, "Thank you. Well Bill, let me just echo what my colleagues have said. Number one, we do congratulate you on the hard work. When you're on the firing line, as Sedgwick County is, and we're right in front of human beings that can be adversely effected by decisions that are made in Topeka, it becomes real, like Commissioner Norton was saying. When you have to fire someone, if you're sitting back at corporate office and you make the decision to fire 10 people but it has to get filtered down to five or six managers, it's the manager that has to sit in front of that person and say, 'I'm sorry, you're no longer gainfully employed, thank you very much for your help'. That becomes real and I understand that what Sedgwick County is doing, this is not just an immediate, knee-jerk reaction to a crisis that we just got exposed to. We started working on this anticipating this crisis well over a year ago.

This is our, I think, very honest first step in wanting to be proactive and be part of the solution. We know we are in a crisis. We are an integral part of this state and our message to our legislators, I hope, by the fact that we didn't join in the lawsuit and what have you, is that we don't want to aggravate the problem. We're willing to take on our fair share of the solution. And I hope that they will appreciate that and maybe through some legislative changes give us some other tools that we can use, because I full anticipate this isn't the end. I don't, for the moment, think that the cuts that were made last



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November by Governor Graves are going to be reinstated when their new fiscal year starts in July. I anticipate some other cuts there. We still don't know the magnitude of the impact that Secretary Skilansky is going to make on all of her cuts on SRS. So we're sitting here, we've taken the first step. I anticipate there will be other steps in the future that we'll have to take in reaction to additional cuts, but hopefully this will show the public that we're willing to make the tough calls and we're actually trying our best to at least partially augment some of the additional cuts in services that we anticipate are coming down the line, but I don't want to mislead anybody. We don't for a moment think that we're going to find sufficient enough dollars in our expenses to augment all of the cuts that we anticipate might be coming from Topeka, but at least this is an honest attempt to be part of the solution and I thank you and I think you've heard it from my colleagues, we know these were tough decisions and we applaud you on your ability to do so."

**Mr. Buchanan** said, "Thank you."

**Chairman Sciortino** said, "Commissioners, any other comments on this presentation. If not, what's the will of the Board?"

#### MOTION

Commissioner Winters moved to receive and file.

Commissioner Norton seconded the Motion.

There was no discussion on the Motion, the vote was called.

#### VOTE

Commissioner Betsy Gwin	Absent
Commissioner Tim Norton	Aye
Commissioner Thomas Winters	Aye
Commissioner Ben Sciortino	Aye
Chair Carolyn McGinn	Aye

**Chairman Sciortino** said, "Thank you. Next item."

#### 2. CHANGES TO SEDGWICK COUNTY POLICY.

**Mr. Buchanan** said, "Commissioners, this is unusual times and I'm asking that we change the policy on how to change policies because this organization needs to be flexible, quick and dynamic."

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The reason I'm asking this is that, as we've seen from the state, there are changes that are coming sometimes pretty rapidly. We just discovered, and you received some e-mails, about the residential program and whether that's going to be shut down by the state completely or not. In examining that program and examining some of the other things that we anticipate may occur, it seems to me that giving me some authority to change policies and notify you and then have you either consent to that change or not consent to it makes some sense for this organization.

And this policy would only stay in effect until June 30<sup>th</sup> unless it was reinstated, reenacted by you. I would recommend that you approve this resolution. I have worked with the Attorney's Office on this and we think this is a solution that makes some sense now."

**Chairman Sciortino** said, "Thank you. Any comments or questions? Bill, I just have one. If I could just boil it down to Kansas kitchen English, this would allow you to do your job quicker and more efficiently to be able to react to any immediate crisis that may be coming down from the state without trying to get us all together at the same time to do something, but we would still have override and oversight on anything that you may decide."

**Mr. Buchanan** said, "Yes."

**Chairman Sciortino** said, "Okay."

**Mr. Buchanan** said, "And it's certainly not my intent to get out in front of any place that you want."

**Chairman Sciortino** said, "No, I understand that. Okay. Commissioners, I don't see that there's any other comment. What's the will of the Board on Item A-2 please?"

#### **MOTION**

Commissioner Winters moved to approve the policy change.

Commissioner Norton seconded the Motion.

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There was no discussion on the Motion, the vote was called.

**VOTE**

Commissioner Betsy Gwin	Absent
Commissioner Tim Norton	Aye
Commissioner Thomas Winters	Aye
Commissioner Carolyn McGinn	Aye
Chairman Ben Sciortino	Aye

**Chairman Sciortino** said, "Thank you very much, Bill. Is there anything else to come before this Board at this time? Then if there is nothing else, this meeting is now adjourned."

There being no other business to come before the Board, the Meeting was adjourned at 10:43 a.m.

**BOARD OF COUNTY COMMISSIONERS OF  
SEDGWICK COUNTY, KANSAS**

**Special Meeting, January 3, 2003**

\_\_\_\_\_  
**BEN SCIORTINO**, Chairman  
Fifth District

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**BETSY GWIN**, Chair Pro Tem  
First District

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**TIM R. NORTON**, Commissioner  
Second District

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**THOMAS G. WINTERS**, Commissioner  
Third District

\_\_\_\_\_  
**CAROLYN MC GINN**, Commissioner  
Fourth District

ATTEST:

\_\_\_\_\_  
**Don Brace**, County Clerk

APPROVED:

\_\_\_\_\_, 2003