

MEETING OF THE BOARD OF COUNTY COMMISSIONERS

REGULAR MEETING

NOVEMBER 4, 1998

The Regular Meeting of the Board of County Commissioners of Sedgwick County, Kansas, was called to order at 9:00 A.M., Wednesday, November 4, 1998, in the County Commission Meeting Room in the Courthouse in Wichita, Kansas, by Chairman Mark F. Schroeder; with the following present: Chairman Pro Tem Paul W. Hancock; Commissioner Betsy Gwin; Commissioner Thomas G. Winters; Commissioner Melody C. Miller; Mr. William P. Buchanan, County Manager; Mr. Rich Euson, County Counselor; Mr. Daryl Gardner, County Controller, Accounting Department; Ms. Louanna Honeycutt Burress, Economic Development Specialist; Major Lyman Reese, Sheriff's Department; Stephanie Knebel, Project Manager, Capital Projects Department; Mr. Mark Masterson, Director, Department of Corrections; Mr. David C. Spears, P.E., Director/Engineer, Bureau of Public Works; Mr. Darren Muci, Director, Purchasing Department; Mr. Fred Ervin, Director, Public Relations; and Ms. Lisa Davis, Deputy County Clerk.

GUESTS

Mr. Robert Hanson, Director, Greater Wichita Area Sports Commission.
Ms. Liz Weyman, Waste Control and Recycling Coalition.
Ms. Margaret Miller, Waste Control and Recycling Coalition.
Mr. Dean Frankenbery, Wood Recycle and Compost Center.
Mr. Jack Ranson, Financial Advisor for County, Ranson Municipal Consultants.
Mr. Dan Ray, Vice President, Denver Office, Piper Jaffray.
Mr. Dick Brillault, Vice President, Public Finance, Piper Jaffray.

INVOCATION

The Invocation was given by Mr. Pete Morris of the Christian Businessmen's Committee.

FLAG SALUTE

ROLL CALL

The Clerk reported, after calling roll, that all Commissioners were present.

CONSIDERATION OF MINUTES: Regular Meeting, October 14, 1998

The Clerk reported that all Commissioners were present at the Regular Meeting of October 14, 1998.

Regular Meeting, November 4, 1998

Chairman Schroeder said, "Commissioners, you received the Minutes of the meeting, what's the will of the Board?"

MOTION

Commissioner Hancock moved to adopt the Minutes of October 14, 1998.

Commissioner Gwin seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. Next item."

CERTIFICATION AS TO THE AVAILABILITY OF FUNDS

Mr. Daryl Gardner, County Controller, greeted the Commissioners and said, "I certify that there are funds available for those items that we have identified on today's Agenda requiring the expenditure of funds. A listing of these items has been provided to you previously."

Chairman Schroeder said, "Daryl, I see no questions. Thank you. Next item please."

Regular Meeting, November 4, 1998

PROCLAMATION

A. PROCLAMATION DECLARING NOVEMBER 4, 1998 AS "DICK VITALE DAY."

Chairman Schroeder said, "Commissioners, I have that Proclamation which I will read into the record.

PROCLAMATION

WHEREAS, the Greater Wichita Area Sports Commission is a non-profit organization with a mission to enhance the quality of life and the economy by taking a leadership role in promoting, acquiring, and supporting a diversity of youth, amateur, professional supporting programs and events; and

WHEREAS, the Greater Wichita Area Sports Commission, in conjunction with Pepsi-Cola of Kansas, Via-Christi Sports Medicine, Kentucky Fried Chicken and Wichita State University, are the proud sponsors of "Dick Vitale Day" for Wichita and Sedgwick County communities; and

WHEREAS, Dick Vitale, the legendary broadcaster, provides motivational speeches to many of the nations leading corporations and on November 4, 1998 at Henry Levitt Arena he will deliver an inspiring message entitled, "The Game of Life"; and

WHEREAS, in October of 1998, Vitale was awarded the prestigious Curt Goudy Media Award by the Basketball Hall of Fame, the highest honor awarded to a journalist outside of enshrinement;

NOW THEREFORE BE IT RESOLVED, that I, Mark Schroeder, Chairman of the Board of Sedgwick County Commissioners, do hereby proclaim Wednesday, November 4, 1998 as

"DICK VITALE DAY"

in Sedgwick County in recognition of his efforts to encourage youth to stay in school, stay off drugs and to succeed in life."

Regular Meeting, November 4, 1998

MOTION

Chairman Schroeder moved to adopt the Proclamation and authorize the Chairman to sign.

Commissioner Miller seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Today we have Bob Hanson with us, who is the Director of our Sports Commission. Welcome, Bob."

Mr. Robert Hanson, Director, Wichita Area Sports Commission, greeted the Commissioners and said, "Thank you very much. I appreciate the opportunity to come and accept this Proclamation on behalf of the Board of Directors of the Greater Wichita Sports Commission of which the County is one of our Board members. We're very excited about today. Mr. Vitale arrives this afternoon at 2:47 and we have over 3,000 young people coming to hear him at Levitt Arena this afternoon. We have over 350 people coming to the banquet tonight. We're very excited about this day and our progress as a Sports Commission and we really want to thank everybody and we want to thank the Commission particularly for declaring this. Thanks very much."

Chairman Schroeder said, "You're quite welcome. We hope that you have a successful day. We look forward to more of these great successes, as I know you are working on them. We hope the banquet tonight is a great one."

Mr. Hanson said, "I've heard him speak about five times and he is tremendous. I heard him speak to Boys Town Youth about fifteen years ago. He's tremendous. I thought then, if I can ever get him, we'll make great use of him. He has a great message."

Chairman Schroeder said, "We're happy to have him here because youth are so important today. As you know, we are struggling here with our juvenile detention problems and others."

Regular Meeting, November 4, 1998

Mr. Hanson said, "I've been in touch with him about having some young people from that area come to our event this afternoon also."

Chairman Schroeder said, "Fantastic. That sounds great. Good luck to you. Next item please. I'm sorry, we have an Off Agenda Proclamation."

MOTION

Commissioner Winters moved to take up an Off Agenda Proclamation.

Commissioner Gwin seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Commissioners, I have that Proclamation which I will read into the record."

Regular Meeting, November 4, 1998

PROCLAMATION

WHEREAS, the second annual “America Recycles Day” will be held Saturday, November 14, 1998; and

WHEREAS, the theme for the 1998 nation wide celebration is “buy recycled”; and

WHEREAS, currently in Sedgwick County 20,530 tons of wood products are generated and 91,816 tons of yard waste. A ban on grass and leaves from any disposal facility in the county would reduce the flow of Municipal Solid Waste by 19.8%; and

WHEREAS, on October 10, 2001, Sedgwick County will ban grass and leaves and construction and demolition debris from Transfer Stations; and

WHEREAS, Sedgwick County has a goal of 40% reduction in the current waste stream by the year 2003;

NOW THEREFORE BE IT RESOLVED, that I, Mark Schroeder, Chairman of the Board of Sedgwick County Commissioners do hereby proclaim Saturday, November 14, 1998 as

“AMERICA RECYCLES DAY”

and encourage the public to reduce, reuse and recycle.

MOTION

Chairman Schroeder moved to adopt the Proclamation and authorize the Chairman to sign.

Commissioner Gwin seconded the Motion.

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

Regular Meeting, November 4, 1998

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Commissioners, today we have accepting our Proclamation Marlene Hayes, Margaret Miller, Dean Frankenberry and Liz Weyman. You're welcome to come to the podium. It's nice to see all of you here today."

Ms. Liz Weyman, member, Waste Control and Recycle Coalition, greeted the Commissioners and said, "We appreciate the Proclamation very much. We think it is important that recycling and recycling efforts are recognized. We are here to help put forth a message and we appreciate the Proclamation very much. Margaret, do you want to say anything?"

Chairman Schroeder said, "Margaret, she always has something she'd like to tell us."

Ms. Margaret Miller, member, Waste Control and Recycle Coalition greeted the Commissioners and said, "These are the posters that are going up around town. If you're not buying recycled, you're not really recycling. On November 14 we'll be at about eighteen places in Wichita having people sign cards pledging to recycle and getting our new environmental calendar, of which this is just the proof. We appreciate very much your help with that. Also, when people sign these cards, they are also entering a contest for prizes, both local and national. The stores will be giving gift certificates. Dean is giving a prize, Weirhauser is giving prizes. There are quite a few prizes that we'll make drawings for. The big national prizes are a \$200,000 green dream house that somebody in the country will win. Green means it is made mostly of recyclable materials. The other main national prize is a trip to Disney World for four people by someone under 18 years old. So we hope to see all of you at one of our sites, which are mostly Dillons stores, but also Leekers, Dean's Place, Weirhauser, and the Hazardous Waste Collection site, Saturday morning, November 14. See you all there."

Chairman Schroeder said, "Thank you Margaret, very good. Commissioner Winters does have a comment."

Regular Meeting, November 4, 1998

Commissioner Winters said, "I just want to make one comment. I certainly appreciate the four of you coming today, as we declare this day a National Recycling Day. Recycling is going to continue to be a very important part of our strategies for the waste streams. We continue to get reaffirmations from this community that they want recycling. We had another one yesterday. I think that we're committed to a recycling process that will work. It is going to take a lot of help from Commissioners and citizens, such as yourself, and business people who, as Dean is in this business of making composting and recycling work. We appreciate your being here and this is going to be on one of our front burners for a long time. Thank you."

Chairman Schroeder said, "Thank you for being here."

Mr. Dean Frankenbery with the Wood Recycle and Compost Center, greeted the Commissioners and said, "I just would like to thank the Commission for the stand they've taken on the recycling in Sedgwick County and encourage you to continue to go forward. There are a lot of things happening that probably a lot of people are not aware of. I do know that the County is working on an educational program for recycling. We're doing some test projects with KDHE (Kansas Department of Health and Environment) and the County and Sedgwick County Extension on grain waste and flour mills, with all the mills that we have in Sedgwick County. Also, we're doing one with the Wichita School Board on food waste and also will be moving into Dillons and some of the other areas on those items. Then we just completed a project that Sedgwick County was involved with and also Sedgwick County Extension, with paper waste for agricultural use. I thank you for your support and encourage you to continue that support so we can go on down the road."

Chairman Schroeder said, "Thank you very much. Betsy Gwin has a question."

Commissioner Gwin said, "Dean, I have a question of you and first a compliment. You were out in front of this and probably a lot of us were lagging behind where you were headed. But you have relocated your facility, have you not? Where are you now?"

Mr. Frankenbery said, "In a couple of weeks we'll be at 302 West 53rd Street North. We have purchased 70 acres of property up there to increase our composting facility so that we are going to be available to take on these additional projects. When the wood waste and yard waste bans comes in, we should be ready."

Commissioner Gwin said, "I wish you well with that, obviously, and much success at your new location."

Regular Meeting, November 4, 1998

Mr. Frankenbery said, "Thank you. It's been a long hard project but it is finally coming around. Thank you."

Commissioner Gwin said, "Thank you. Thank you, Mr. Chairman."

Chairman Schroeder said, "Thank you. Before we go onto the next item, we have an Off Agenda item that we need to take up."

MOTION

Commissioner Gwin moved to take an Off Agenda item.

Commissioner Winters seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Mr. Euson."

Mr. Richard Euson County Counselor, greeted the Commissioners and said, "Commissioners, due to encroaching territory from annexations by the City of Wichita, the Kechi Township Board has lost two of its members. They are required to be electors of the township and since they now live in the City of Wichita, their positions have been vacated. We have two recommendations for you for action. The first one that I would recommend to you is to accept the resignations of Bill Stein from the trustee position of Kechi Township trustee and Francis Keimig from the clerk's position of Kechi Township. I'd recommend you accept both those resignations."

Regular Meeting, November 4, 1998

MOTION

Commissioner Gwin moved to accept the resignations of Bill Stein and Francis Keimig from the Kechi Township Board.

Commissioner Winters seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Mr. Euson said, "Then the second action Commissioners, we have prepared two Resolutions, one of which would appoint Willard Ocker as Trustee for a term to expire on January 8 in the year 2001 and a separate Resolution to appoint D. W. McEntire as Clerk for a term to expire January 11, 1999, and he is the elected Clerk, so he will continue on. We would recommend both of those Resolutions for your approval in one motion."

Chairman Schroeder said, "Okay, thank you."

MOTION

Commissioner Hancock moved to appoint Willard Ocker as Trustee for a term to expire on January 8 in the year 2001 and to appoint D. W. McEntire as Clerk for a term to expire January 11, 1999.

Commissioner Gwin seconded the Motion.

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

Regular Meeting, November 4, 1998

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. Betsy, I know that Mr. Ocker is here today. We have a bomb threat and so what we'd like to do is have Mr. Ocker be sworn in at another time or after we come back in. We need to get the courthouse evacuated. If that's okay, Betsy. I apologize."

Commissioner Gwin said, "I think he'd understand."

Chairman Schroeder said, "We will be back in approximately, hopefully, in about 20 to 25 minutes, roughly."

The courthouse was evacuated and the meeting recessed at 9:15 a.m. due to a bomb threat. The meeting was reconvened at 10:00 a.m.

Chairman Schroeder said, "I'll call the meeting back to order. We apologize for the interruption, but it was a necessary interruption. Commissioners, back to our Agenda. I believe we're at Agenda item, Citizen Inquiry, Item B."

CITIZEN INQUIRY

B. REQUEST TO ADDRESS THE BOARD OF COUNTY COMMISSIONERS REGARDING CONCERNS ABOUT A MOVIE SCHEDULED FOR VIEWING NOVEMBER 6, 1998.

Chairman Schroeder said, "Commissioners, this individual has asked that we withdraw this Item from our Agenda."

Regular Meeting, November 4, 1998

MOTION

Chairman Schroeder moved to remove the Item from the Agenda.

Commissioner Gwin seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. Bill, did you have anything to add on this one? Okay, next item."

PUBLIC HEARING

C. PUBLIC HEARING REGARDING AMENDMENT OF THE 1998 BUDGETS FOR EMERGENCY MEDICAL SERVICE (EMS) AND WICHITA STATE UNIVERSITY (WSU) PROGRAM DEVELOPMENT.

Mr. William P. Buchanan, County Manager, greeted the Commissioners and said, "You have before you this Agenda Item. This is a process by which the State has allowed municipalities and counties to amend their budgets. To do so requires us to have a public hearing. We are increasing the budget for Emergency Medical Service (EMS) from \$7,680,988 to \$7,958,738, an increase of \$277,750, for the purpose of recognizing additional revenues that we've received because of aggressive collections that we've gone through and also because the rates were raised in the middle of last year. We anticipate spending those funds on additional medical supplies and increases of personnel activities. The other budget is for WSU (Wichita State University) Program, that's to recognize additional monies we received from that and to settle the issue that we had with them a year and a half ago regarding motor vehicle taxes. That would increase their budget by \$663,880. It would settle up the past years and also include what we believe would be the increased expenditures for '98 because of additional revenues there. It would be appropriate, Mr. Chairman, to hear from the public at this point regarding those two budget Amendments."

Regular Meeting, November 4, 1998

Chairman Schroeder said, "Okay, thank you, Mr. Manager. At this time, we'll open up the commission meeting to a public hearing. Anybody that would like to be heard on this item please come forward. Is there anybody here today who would like to be heard on Item C? If not, we'll close the public hearing and limit discussion to bench and staff. Mr. Manager."

Mr. Buchanan said, "Commissioners, it would be appropriate for you to adopt those budget increases."

Chairman Schroeder said, "Very good, thank you. Commissioners, what's the will of the Board?"

MOTION

Commissioner Hancock moved to adopt the budget amendments and increase the 1998 budget for EMS from \$7,680,988 to \$7,958,738 and increase the 1998 budget for WSU Program Development from \$3,876,476 to \$4,540,356.

Commissioner Miller seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. Next item please."

Regular Meeting, November 4, 1998

NEW BUSINESS

D. PRESENTATION OF THE 1999 SEDGWICK COUNTY BUDGETS AND 1998-2003 CAPITAL IMPROVEMENT PROGRAM (CIP), AND APPLICATION TO THE GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) FOR ITS DISTINGUISHED BUDGET PRESENTATION AWARD.

Mr. Buchanan said, "Commissioners, this is the first week of November and we are presenting to you the final adopted budgets. They've been printed. The new tax levy is ready. Here is not only the budget but the Capital Improvement Program. There is an executive summary in this document and finally we have a budget brief or budget overview which is a fold-out, which we think is user friendly for the public.

"We need to say a couple of things. As you know, you adopt the budget in August and it is based upon what our estimated expenditures are going to be. At some point later, after the assessed value is finalized, the treasurer does his work, submits it to the clerk, and then those figures are calculated. We have the new figures for 1999.

"The good news is that this is an election year and people in election years always promise no new taxes or tax cuts. We've had some people suggest, in fact, that the County's finances are suspect. We hear that from time to time. We need to let you know that the mill levy for the general fund of Sedgwick County is reduced by .5, almost half a mill. In 1999, taxes will go down half a mill for Sedgwick County residents. That's unusual. That's for two reasons. You need to understand that. You adopted a budget that would be steady, would not increase taxes at all, but because of additional growth that has occurred, because of the conservative nature of your addressing fiscal issues for this County, in fact, after all the numbers got crunched, taxes have gone down for the residents of Sedgwick County."

Commissioner Miller said, "Isn't that a reason to celebrate?"

Mr. Buchanan said, "That's a great reason to celebrate. It is good news. This is in a year when we've prioritized, when we've set goals, when we've asked departments to use performance measures to measure their outcomes and to do business in a way that has been different. We've been working on these programs for years. We will continue this continuous improvement, providing quality public service to the residents of Sedgwick County. Now we're going to do it for less, less dollars out of their pocket. I don't know how much better it gets than that. So that is good news.

Regular Meeting, November 4, 1998

“The people that have put this document together, of course I take credit for all the success and all the good color and all the brilliance. When it is lousy, we’ll blame others. But the people who really did the work are certainly Tammy Brandt, John Rollin, Kim Dorsey, and Renfeng Ma the Budget. Mary Orr has just joined the Budget Department, so we’re glad she’s here. Kristi Zukovich, who is handing the books out, made sure that the colors matched and the pictures were right and in a way that was readable and presentable. Kathy Sexton, the Interim Budget Director, certainly led that effort and certainly with Becky Bouska’s help. Ken Arnold and Stephanie Knebel for the Capital Improvement Projects, Capital Improvement Plan. You’ll see that again, this is unusual for this community, not for the County but for the community, to have a Capital Improvements Plan that is a study, that is reviewed by the elected officials, that is adopted and used as a planning document. We use this on a routine and regular basis. Often times municipalities don’t adopt them or don’t get around to doing them for a couple of years. We’re pleased that we use that as a management tool. Finally, the people who really do great work, Ben Brehon back there and Lori Westphal of the print shop and their colleagues who I assume are still out on the sidewalk or waiting to come in or working real hard are Jack Lancaster, Terry Masters and Tony Rich. So it really is a team effort and those are the people who did the good work and we’re thankful to them.

“The good news is that we worked hard on this budget. It is a good looking document. It is readable and understandable. The best news is taxpayers of Sedgwick County are going to pay less money.”

“What we need from you is a vote not to increase taxes and not to levy more taxes, but to submit this to the GFOA for their review. I would recommend that you do that.”

Chairman Schroeder said, “So the action today is to receive and file the 1999 Budgets and 1998-2003 CIP and authorize the Interim Budget Director to submit the application to GFOA. Okay.”

MOTION

Commissioner Hancock moved to receive and file the 1999 Budgets and 1998-2003 CIP and authorize the Interim Budget Director to submit the application to GFOA.

Commissioner Miller seconded the Motion.

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

Regular Meeting, November 4, 1998

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Great job, Bill. To your staff, thank you. Excellent job. Job well done. We appreciate it. As usual, our staff spends a lot of evening hours working on this budget and you did an excellent job. We really appreciate the hard work. Thank you again. Print shop did very good. You ought to see that machine work down there, too. It's fast. Thanks guys. Next item please."

NEW BUSINESS

E. ECONOMIC DEVELOPMENT.

- 1. RESOLUTION AUTHORIZING SEDGWICK COUNTY, KANSAS TO ISSUE ADJUSTABLE MODE AIRPORT FACILITY REFUNDING AND IMPROVEMENT REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$34,000,000 ON BEHALF OF FLIGHTSAFETY INTERNATIONAL, INC.**

Ms. Louanna Honeycutt Burress, Economic Development Specialist, greeted the Commissioners and said, "Back on September 30 you approved a Resolution of Intent to issue not to exceed \$34,000,000 in industrial revenue bonds on behalf of Flightsafety, Inc. As you may recall, the purpose of this was for them to acquire additional flight training simulators and to add a building addition to their facility on East Central Street. This morning I'm here recommending that you approve a Resolution for the actual issuance of these bonds. In addition, what the company intends to do is to refund the 1992 issue that was in the amount of \$14,000,000 and they'll get a little better interest rate and that would be included in this issue. If you have questions I will address those and recommend that you adopt the Resolution and authorize the execution of the appropriate documents."

Chairman Schroeder said, "Thank you, Louanna. Discussion on this item?"

Regular Meeting, November 4, 1998

MOTION

Commissioner Gwin moved to adopt the Resolution.

Commissioner Hancock seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. Next item."

2. RESOLUTION AUTHORIZING PIPER JAFFRAY, INC. TO PREPARE THE NECESSARY DOCUMENTATION FOR THE OFFERING AND SALE OF TAXABLE SINGLE FAMILY MORTGAGE REVENUE BONDS.

Ms. Burress said, "Recently the firm of Piper Jaffray approached the County with a proposal for a taxable mortgage revenue bond program. You know, for years we've been issuers of the tax exempt mortgage revenue bonds. This program, while it is a new concept, has been done in Wisconsin, Illinois, and Arizona, so we wouldn't be the first jurisdiction to do this.

"I think Commissioner Gwin and Commissioner Winters sat in on the presentation that was made to staff on this program and at that time it was recommended that the company visit with some of the lenders and others and see what the support might be for a program of this type. They have done that and are here this morning to explain the program and answer questions. What I would like to do at this time, Jack Ranson is with us, he is the County's Financial Consultant on these types of issues. I would like for him to introduce the folks from Piper Jaffray and give you a little overview. I would recommend that you adopt the Resolution following that."

Chairman Schroeder said, "Thank you, Louanna. Good morning, Jack."

Regular Meeting, November 4, 1998

Mr. Jack Ranson, Financial Advisor to Sedgwick County on housing issues, greeted the Commissioners and said, "As Louanna said, the firm of Piper Jaffray approached us a number of weeks ago. They first contacted Kim Wells, our traditional bond counsel on housing matters. He referred them to me and we met with them with the staff and two of the Commissioners. They were asked to contact a number of lenders. We had those meetings about a week or ten days ago with five of the lenders that have been active in the tax exempt programs and we also conferred by telephone with a Topeka and with a Kansas City lender that has been very active.

"This program that they're proposing is pretty new. It has been done in several other states, Illinois, Wisconsin and Arizona, that I'm certain of. The lenders seem to receive it with a lot of enthusiasm, enough so that we are asking that the board consider authorizing Piper Jaffray to proceed, finalize agreements with the lenders, prepare to market a bond issue, depending upon the amount of lender interest, come back to the Chairman for authorization for marketing and then come back to the Commission when and if a project is finalized for final action by the Commission.

"The program has a lot of similarities to the tax exempt program but it has some important differences. The main difference is that because there isn't tax exemption involved, we get away from a number of federal restrictions, one of them being the restriction of a first time home buyers. The program also, and I will ask the Piper Jaffray people to explain it and answer questions in more detail, but in general it is a somewhat similar program to the tax exempt programs we've done in the last few years, in that there is cash available to the home owner for payment of down payment and closing costs in the amount of 5% of the mortgage. There is no restriction on house price, unless established by you. Kim Wells, our Bond Counsel, recommends because we are issuing this under the same statute as the tax exempt mortgage revenue bonds and that law calls for these bonds to be for low and moderate income, he is recommending a 150% of median income limit on the program. If you approve this today, that will be embedded in the final bond document papers. I think with that, I'm going to introduce Mr. Dick Brillault with Piper Jaffray. Piper Jaffray, by the way, is a Minneapolis based regional investment banker with a very active Kansas City office. They are an established, well recognized, investment banker. We've dealt with numerous investment bankers over the years and they are capable and have brought us an innovative program that I think, or the lenders at least think, will fill a niche in the mortgage market in the State of Kansas. At this point, I'd like to introduce Mr. Dick Brillault."

Chairman Schroeder said, "Good morning, welcome."

Regular Meeting, November 4, 1998

Mr. Dick Brillault, Vice President, Public Finance, Piper Jaffray, greeted the Commissioners and said, "I work out of our Tucson, Arizona office. I worked with several of our housing investment bankers at Piper Jaffray over the last year to try to develop the housing program that satisfies certain needs and gets around the restrictions opposed upon by the federal government on the tax exempt bond structure. After lengthy discussions with lenders around the country, it was determined that one of the important features for people to get into buying a house, getting their mortgage, was they needed help with the down payment and closing costs assistance. What we found out with the mortgage rates down at the levels that they are the monthly payment requirements are able to be met by potential homeowners but again it is the down payment and closing costs dollar amount that keeps a lot of people from entering the home buying market. So we developed a program that provides up to a 5% down payment closing cost assistance. We developed it, we think, with substantial flexibility so that the municipal authority that is issuing the bonds and helping develop the program can set the requirements that they want for their own particular locale.

"One of the things, as Jack mentioned, it is not restricted to first home buyers, so you open up the market to a larger population. The program has been developed and is operating in Puma County, Arizona, which is the Tucson area, Maricopa County, which is up in the Phoenix area. It has been done in Illinois. We are currently working in Wisconsin, primarily because that is where my background is from and I've got pretty good contacts with the local housing authorities in Wisconsin. We're working . . . we've got two programs we're developing there, one in the Greenbay area and one in the city of Madison in Wisconsin. We're able to work with the local municipalities and do it in their area rather on a state wide basis like some of the other regions are.

"As Jack mentioned, Piper Jaffray is headquartered in Minneapolis. We're a major underwriter of municipal bonds, primarily in the 17 states where we have offices and employees, Kansas being one of our major areas. We're a major underwriter of Kansas municipal bonds, too.

Regular Meeting, November 4, 1998

“The key to the program, as we found out, investment bankers can develop these programs and structures, financing structures, municipalities can get on the band wagon and do those things, but the key to it is meeting with the local lenders and developing the parameters of the program that meet the needs of the people in those areas. The local lenders are the ones that drive the success of the program. So with that, we came down and met with some of the local lenders here in Wichita a couple of weeks ago and had a couple of telephone calls with other lenders in other parts of the state. Upon passing the resolution today authorizing us to proceed with further development on the program, the key again is to meet with a large number of lenders here, Kansas City, Topeka, wherever else we need to be to get their support and their endorsement of the program so that they’ll roll up their sleeves and work with their clients to get the people into the process of buying a home. That’s kind of a summary of where we’ve been and what we’re trying to accomplish, the theory being that home buying is one of the features that provides for stable and safe communities and we’re real interested in seeing if we can provide that here in Kansas.”

Chairman Schroeder said, “Very good, thank you. There are some questions and comments. Commissioner Miller.”

Commissioner Miller said, “Thank you, Mr. Chairman. I’m sorry, I was busy writing and I did not get your last name.”

Mr. Brillault said, “The last name is Brillault, first name Dick.”

Commissioner Miller said, “Interesting presentation. I do have several questions actually, probably I’ll begin with your description of what a low to moderate income family would be. I understand that you’re saying, I thought I heard from Jack Ranson, a 150% median income.”

Mr. Brillault said, “That’s right. What we attempt to do is meet with the bond counsel people in that area and in this case it is with the folks at Gilmore and Bell, and get their interpretation and suggestion as to what they would recommend in developing the program. It kind of goes back to the flexibility of it. The program gets developed from your input and from the mortgage lenders input as to what the need is out in the market place and how we can fit the program to take care of most of those needs.”

Commissioner Miller said, “So your description of a low to moderate income?”

Mr. Brillault said, “With me is Dan Ray, a Vice-President of Piper Jaffray out of our Denver office, who is working on this housing program along with me.”

Regular Meeting, November 4, 1998

Commissioner Miller said, "I understand."

Mr. Dan Ray Vice President, Denver Office, Piper Jaffray, greeted the Commissioners and said, "I just want to add that our program has no requirements on income restrictions. We simply leave it up to you to decide what target market you want to fix this program to. We're going to leave it up to you to decide who you want to focus on or limit it to or not limit it to. As far as defining who is low and who is moderate income, that is really not our job. We have a program that will work to your parameters. You define the parameters and we'll make it work."

Commissioner Miller said, "So then really we don't need to say that it is designed to assist families and individuals that are low to moderate income then."

Mr. Brillault said, "It is probably a little broader than that. For instance, in the City of Madison, we had our meeting last week defining the parameters. There, they are talking about an income level up to around \$70,000, because that is what they are looking at in their market place."

Commissioner Miller said, "Okay, because I also noted that in your key features of this, the flexibility of program parameters set by municipal housing authorities, such as income limits, purchase price limits, target areas. You don't have that, correct? Is that what I'm reading? Or there is flexibility in that?"

Mr. Brillault said, "There is flexibility in that, but what bond counsel will probably suggest and recommend is that we have a ceiling somewhere so that you're not providing this program, the down payment assistance, to somebody that has an income of, say, \$200,000. That's not the market that should be helped with this program."

Commissioner Miller said, "I do agree. Another question would be, how do you prepare to dispense the money or distribute the monies to lenders? How do you identify what lenders would actually house these dollars?"

Regular Meeting, November 4, 1998

Mr. Brillault said, "The process that works is there is a taxable bond issue. The bonds are issued. The bond proceeds are held at the bond trustee. Meanwhile, the local lenders are submitting their reservation allocation for what they think is the number or the amount of bond proceeds they'll need for their mortgages over a 30 month loan origination period. We have a long loan origination period. So if a local lender says we have a \$5,000,000 capacity we think with this type of a mortgage program over the next 30 months, they'll reserve a \$5,000,000 allocation from the bond issue and then, as they start processing the mortgage applications and start originating those mortgages, then they ask the master servicer, which is a mortgage servicer that is involved, and document that they have \$1,000,000 of mortgages ready to be finalized, and that is how the money gets transferred over to the home buyer to buy the house."

Commissioner Miller said, "So there is a master servicer."

Mr. Brillault said, "There is a master servicer that is involved in the program."

Commissioner Miller said, "Is that sited here locally or who would that be?"

Mr. Brillault said, "Each program has its ability to request proposals from master servicers and there is a handful of master servicers around the country and in Kansas that could be interested in a program like this."

Mr. Ray said, "We've worked with some of the national services. We're going to look for a servicer who has a national reputation. For example, a Country Wide, a First Nationwide, servicers who have the ability to service loans. They specialize in that. Ones that we have confidence that they will be able to handle this job without any problem. We're going to look for someone and we'll accept proposals from firms like that, just like we did in Wisconsin."

Commissioner Miller said, "What are you projecting would be the amount of bond issue?"

Mr. Brillault said, "Again, we're not trying to dodge your question here, that is all based upon the reception we get from the mortgage lenders and their interest in developing the program and working on the program."

Regular Meeting, November 4, 1998

Mr. Ray said, "The answer to that will actually come out in the next few weeks, as we have discussions with lenders. I think, at this point, we've kind of set a not to exceed of \$100,000,000. This program is going to be based on the demand here within your markets. It is just going to be like any other traditional FHA (Federal Housing Authority) or VA (Veterans' Administration) loan, except that, in being included in our program, you'll be allowed to receive the down payment assistance and closing cost assistance. So, beyond that, it is a traditional mortgage."

Mr. Brillault said, "I can give you an example of the dollar amounts that were done elsewhere. Puma County, which again is Tucson, is \$45,000,000 bond issue earlier this year. Maricopa County was just over \$50,000,000, that is the Phoenix area. We're doing the first one in Wisconsin, which is \$10,000,000, which is right around Greenbay, it is a one county financing program. The city of Madison is just for the city of Madison, and that city is about the same population as your city. They're expecting reservations in next week, somewhere in between \$20,000,000 and \$30,000,000. That will kind of give you an idea of what we've seen in other places."

Commissioner Miller said, "Sure, thank you. For reference, what is the tax exempt bond issue dollar amount from the State?"

Ms. Burress said, "The current mortgage revenue bond issue that we have issued is \$65,000,000."

Commissioner Miller said, "So \$65,000,000 and we're proposing or there is going to be a request for an additional millions of dollars that would go into the lending market, for the most part. Okay."

Mr. Brillault said, "The \$65,000,000 is a function of your private activity bond volume cap allocation, which is a restricted number allocated throughout the State."

Commissioner Miller said, "I understand, and the majority of it is allocated in Sedgwick County. I do understand, thank you. Another question. When you say that this is proposed to fill a niche that lenders have identified, the niche?"

Mr. Brillault said, "The niche being families that want to buy a home and can't afford the down payment or the closing costs associated with a mortgage."

Commissioner Miller said, "Depending upon how we set the guidelines."

Mr. Brillault said, "Absolutely."

Regular Meeting, November 4, 1998

Commissioner Miller said, "Okay. What other restrictions would we be getting around, other than there being the ceiling, the volume cap, the first time home buyer?"

Mr. Brillault said, "In this particular program, there is no volume cap."

Commissioner Miller said, "Right. Are there any others?"

Mr. Brillault said, "Restrictions that we are getting around? Not really, no. The idea here is that you've got a taxable bond that is sold to the taxable debt market, as opposed to the tax exempt debt market, and really the big difference is there is no restriction on the amount that you can issue. It is a function of what your local lending markets can support and a function of whether or not we on the underwriting side can find an investor who is willing to buy these bonds at a 4% or 5% premium, because that premium becomes the monies that pays for the closing costs and down payments. It is pretty unique to find a buyer who will buy a premium taxable bonds, so it is a story issue. Really, that is what we're trying to do, is create a bond that works in your community but also meets an investors needs."

Mr. Ray said, "We've worked in other localities and because of the flexibility of the program, they can develop target areas, where more of a down payment assistance is identified, maybe 6 or 7% and in other areas maybe 1 or 2%. We're doing that in the Greenbay area. They've got target areas where they want to have added incentive for people to buy those homes in those areas. You don't have that in some of these other programs."

Commissioner Miller said, "Well, that does exist within the mortgage revenue bond program, through the State of Kansas. There is a 10%, I believe, set aside for a designated target area. The question is, is that target area really reflective of the area that is feasible for home buyers to actually buy in. I think that is probably the question that surrounds it, but it does exist. That is something that I have definitely been supportive of, understanding how very important core areas are for urban counties or counties that are moving in the direction of being urban counties. Another question that I have is the slightly higher interest rate. How do you justify that? I know what the trade-off is, it is they're getting a down payment."

Mr. Brillault said, "You're talking about taxable versus tax exempt?"

Commissioner Miller said, "Exactly."

Regular Meeting, November 4, 1998

Mr. Brillault said, “Well, in a tax exempt bond, you are selling bonds at a tax exempt rate and the gap between tax exempt rates and taxable rates becomes your down payment and closing costs assistance pool of money. In this case, it is just the opposite. You’re selling bonds at the taxable rate and it is the premium that you sell those bonds at that becomes the dollars available for down payment and closing cost assistance. Essentially, the mortgage is the same.”

Mr. Ray said, “What we found out was the local lenders in every area we’ve worked in is that . . . and they’re the ones that are in direct conversation and communication with the people who want to buy the houses in this type of a program. If they can access a 5% down payment closing cost fund of money, that the extra or higher interest rate on that financing, which may half a point or three quarters of a point over the ‘conventional’ market, which they can’t access anyway, it is not a big draw back to them. They can afford it, especially with the lower interest rate world that we’re sitting in. They can afford the mortgage payment at a 7 or 7.5% interest rate but they don’t have the funds available to get to the down payment world level. That’s what the lenders are telling us and they’re telling us there is a big demand out there for this type of a program.”

Commissioner Miller said, “And they’re willing to pay for that.”

Mr. Ray said, “That’s right.”

Commissioner Miller said, “One final question, and I do appreciate your going through this. I just have several questions. This is definitely an important topic and issue for me. The final question I have is, what is the real benefit for Sedgwick County to issue bonds to a for-profit taxable entity?”

Mr. Brillault said, “Who is the for-profit taxable entity?”

Commissioner Miller said, “Piper Jaffray.”

Mr. Brillault said, “You’re not issuing bonds for us?”

Commissioner Miller said, “Okay, who are we issuing bonds for? The lender?”

Mr. Brillault said, “You are issuing bonds for your constituents.”

Commissioner Miller said, “But it goes through . . . so then give me the tie-in to Piper Jaffray then.”

Regular Meeting, November 4, 1998

Mr. Brillault said, "We're essentially the underwriter of those bonds, but we're not the recipient of those dollars."

Commissioner Miller said, "Not those dollars, but then how do you get paid?"

Mr. Brillault said, "We get an underwriting fee that is paid for from those lenders who are paying to participate in this program. But every dollar that is underwritten and every dollar of proceeds that comes from these bonds goes directly to underwrite single family home loans and, in addition, we create a 4% premium that goes to pay for the down payment and closing cost assistance. So we are not the recipient of these dollars. It is, hopefully, your constituents."

Commissioner Miller said, "I recognize that. I guess the question is, why are we expanding this market then? We have access to a non-exempt tax bond issue. You've told me, basically, is what you are hearing from lenders is that there is a niche that is not being filled and that these additional dollars, by way of your underwriting it, this program would fill that. Is that what I'm hearing?"

Mr. Brillault said, "That's true. I would say that if you believe that your \$65,000,000 has met your demand and you have no more demand for low to moderate income closing cost assistance with down payments, if you don't have any demand for that then there is no need for us to underwrite a bond issue. But if you think there is a demand, there is a market, there is a need, then I think this particular structure will meet that need."

Commissioner Miller said, "I will say to that, that it depends upon how the guidelines are actually set up, but you're not able to tell me that today."

Mr. Brillault said, "What I'm telling you is, we can recommend to you some guidelines, but essentially you have to determine what your need is and what market you're trying to meet and what segment and develop the guidelines for the program that will focus on and meet that need. We certainly can provide you some recommendations on how it could be structured."

Regular Meeting, November 4, 1998

Mr. Ray said, "What we get out of that, Commissioner, is that after we meet with the local lenders in this large group here in Topeka and Kansas City, they're the ones who are going to tell us this is how the features of the program will work and this is the audience that we're addressing. Then we'll come back to you folks and say this is what we hear from the lenders. This is what they're looking at. If you want to make some adjustments or changes it is your call because you're issuing the bonds. Then you make whatever changes you want to do to fit the scenario here and then we go back and try to structure a bond issue that will meet the demand out there from the lenders. The size of the bond issue is totally based upon what the lenders submit reservations for. They could come back with \$1,000,000. Economically, it doesn't make sense to go through all this for 100 mortgages or something like that. They could come back and say there is a \$50,000,000 market out there, they've got a thirty month window to originate mortgages and then the bond issue is structured in that fashion."

Commissioner Miller said, "Thank you Mr. Ray, and Mr. Brillault. I really appreciate it. Counsel, and I'm talking Mr. Euson. The action that we're going to be taking today, can you explain it to me? Is it indeed where Sedgwick County will be issuing these bonds, if indeed we do vote to adopt this resolution?"

Mr. Euson said, "The action you are taking today is to authorize Piper Jaffray to prepare the necessary documentation."

Commissioner Miller said, "For the sale of . . . or?"

Mr. Euson said, "For the sale of the taxable mortgage revenue bonds, and that would include all of the documentation necessary to perfect that bond issue."

Commissioner Miller said, "Okay, thank you. Thank you, Mr. Chairman."

Chairman Schroeder said, "Thank you. Commissioner Gwin."

Commissioner Gwin said, "Thank you, Mr. Chairman. Jack, I don't know if this is for you or for Mr. Brillault or Mr. Ray. You indicated to me when you came to my office that you had some discussions and maybe Mr. Brillault and Mr. Ray have to, with lenders in this state. Did they express any interest or express any advantages that they could see with this kind of program?"

Regular Meeting, November 4, 1998

Mr. Ransom said, "I think it is fair to say that, almost unanimously, they felt that this would fill a niche in a market that is not being filled right now. That is normally a two income family that has not been able to save up enough money for the down payment but could afford and can qualify for a normal mortgage. I'd also like to comment on the tax exempt program, the \$65,000,000, which we issued in August and started closing loans on September 1. As of two weeks ago, over half the lenders were out of funds on that. I think we're probably 75% finished with that particular bond issue, as far as funds being available. So we don't see any conflict between this. This program is geared to a different market. We think it will help first time home buyers and if it enables home owners to move up, so to speak, it also opens up housing for first time home buyers. We think the two programs work together rather than against each other."

Commissioner Gwin said, "When Commissioner Miller was asking about where are we headed with this, because the word niche had been used. The tax exempt programs, I think, have been very successful over the years of getting folks in their first home, because of their limitation to first time buyers. I see this one as being an assistance to the next step to those young families that are in their starter home, to those families who have worked hard and been successful in that work. As you said, in a lot of cases, both of them work outside the home. Maybe their family is growing and they've outgrown those starter homes and they need to expand. As we discussed in the meeting and I think any of us would acknowledge, that one of the difficulties is being able to save money to make that move. Their incomes could justify a larger house payment, but it is the cash up front that plagues them. I see this program, based upon parameters recommended by lenders and approved by us, as maybe just an easier step to folks next house, if you will."

"I see it working in tandem, if you will, with the tax exempt program in helping people move from a starter home to the next home, since you don't have those restrictions. I am interested in it, particularly interested in understanding the parameters that the lenders may suggest to us. I'm most interested in that because they know the market better than, certainly, I do. They may see some other things that need to be added. I see it as working very well in tandem with the current programs. I believe I'm prepared to support this today and find out A, is their interest, B, what kind of money amounts are they talking about, does it make sense to proceed. If the lenders out there tell me we don't need it right now, we're in great shape and thanks but no thanks, then I need to know that, too. I kind of like give you the go ahead today to go find out what you can find out, talking to the people who make loans in the state and then come back and give us that information. Thank you all. Thank you, Mr. Chairman."

Chairman Schroeder said, "Thank you. Commissioner Winters."

Regular Meeting, November 4, 1998

Commissioner Winters said, "Jack, I had a couple of questions and I think we've probably already talked about them. I think I'm ready to move forward today, too. Again, this will have no negative effect on our tax exempt program. We won't lose any of that allocation or it won't affect it in the future for future allocations."

Mr. Ransom said, "Not that we can determine. We actually think it works a little bit with the program. When we issued \$65,000,000, we had about \$130,000,000 of requests for that money."

Commissioner Winters said, "When we get that allocation, the state of Kansas Housing Commerce Department tells us how much that can be, so we're limited by what allocations we get?"

Mr. Ransom said, "Limited by allocations we get from the State. Only \$20,000,000 of the \$65,000,000 came from the state allocation under the program we're continuing to proceed with, with George K. Baum, we're continuing to do recycling, we'll recapture some of the target area money that came off the '97 program, things like that will contribute, hopefully, to the pot of money that we can use for next year's tax exempt program."

Commissioner Winters said, "But there are some limits."

Mr. Ransom said, "Definitely limits."

Commissioner Winters said, "On this program we're not limited by any of those factors."

Mr. Ransom said, "That is correct."

Commissioner Winters said, "The guidelines that we talked about, here around, are we deciding on those today? Is that part of the proposal that is before us today?"

Mr. Ransom said, "No. I think after they've met with the lenders and asked for lenders to actually make commitments under certain conditions. Let me address the guidelines issue. There is one guideline that should not be left to the lenders or the underwriters. That is the income limit, because, and I've had extensive conversations with Joe Norton and Kim Wells on this, because the State law says that you can issue these bonds if it is for only low and moderate income. An acceptable definition of low and moderate income and the upper limit seems to be 150% of median income. The tax exempt program is limited to median income. In Sedgwick County right now, for a one or two person house, that is \$49,000 of income per year. A 150% guideline, which we're recommending to the Commission would be about \$73,500. That will vary a little in Johnson County and Topeka and out in the rural areas, but it is all pretty close. That is the guideline you need to decide on."

Regular Meeting, November 4, 1998

“Purchase price is totally optional. We’ll come back to you with some suggestions. Probably people buying \$300,000 to \$400,000 houses aren’t going to be participating in this but you don’t want them to do it, just from common sense and political standpoint, so we’ll probably be recommending a price limit, which is totally optional with you. But it ought to be established from public policy, be recommending one.”

Commissioner Winters said, “And those do not need to be decided today.”

Mr. Ransom said, “No.”

Commissioner Winters said, “All right. Last question, what are the exposures to Sedgwick County if something goes wrong, housing development goes bad, defaulted loans. What kind of exposure does Sedgwick County have?”

Mr. Ransom said, “I think you have no liability. The same thing as with the tax exempt programs. The County does not have liability.”

Commissioner Winters said, “Thank you very much. Thanks, Jack.”

Chairman Schroeder said, “Thank you. Commissioner Miller.”

Commissioner Miller said, “The challenge area that I have and I have it also with the tax exempt bonds, by way of, and not totally but the state of Kansas, is the fact that the dollars are not getting to the population or the group that I felt definitely needs it. When you’re talking about income guidelines of \$73,000, that they can indeed qualify for a loan and we are indeed going to propose to assist them with a down payment, we’re not talking about that, and it doesn’t necessarily need to be a first time home buyer, but that individual that is back at the lower end of the income rate that supposedly the monies that are set aside and are tax exempt bond issue are supposed to target in the target area. That program doesn’t work in the manner in which it does, it doesn’t reach the people that it is intended to reach. So my question would be, when we say low to moderate income and yet we have a ceiling of 150% of median income, who are we really attempting to reach here and how do we back up and actually pull in those individuals that we know really need this type of assistance. That’s the challenge.”

Regular Meeting, November 4, 1998

Mr. Ransom said, “You and I have discussed many times the target area problems. We have done, as you know, some business in the target areas but there is nothing you can do in designing a program which qualifies somebody who isn’t otherwise qualified to get a mortgage to participate in the tax exempt program. I think what this program does that is not . . . this targets an entirely different category of people. In the target area, we also have the first time home buyer restriction removed. So this program isn’t aimed there, but if they want to, if somebody wants to move into a non-target area, then it would be of benefit and housing stock would be increased in the target area. I’d have to say that these programs don’t solve all the problems but they are a tool that helps solve and in certain cases I believe home owners, first time home buyers in the target area, have been able to finance homes under pretty favorable conditions where they might not have otherwise. We have the same current tax exempt program has 4% up front cash income contribution to down payment and closing costs and that has been very helpful to a lot of people, not just in the target areas, but every where. We think this program will be the same thing.”

Commissioner Miller said, “In being able to draft the guidelines, I’m listening to both Commissioner Gwin and Commissioner Winters saying that today is not the day that we do the majority of that. This is not the time.”

Mr. Ransom said, “That’s correct. We will come back to you before those are finally set.”

Commissioner Miller said, “And who will set them?”

Mr. Ransom said, “You will set them.”

Commissioner Miller said, “We will set them. Okay.”

Mr. Ransom said, “You’re authorizing an investment banker, as has been our pattern in the past, you are authorizing an investment banker to go out and find out in the lending community what will work, how the program will work the best, and we’ll come back with a set of recommendations for you to make the program work.”

Commissioner Miller said, “So you will come back with a set of recommendations and from there we’ll . . .very good, thank you.”

Commissioner Hancock said, “Are there any further questions? Anyone have anything else they’d like to offer? Thank you very much for coming today.”

Regular Meeting, November 4, 1998

MOTION

Commissioner Gwin moved to adopt the Resolution.

Commissioner Winters seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Absent at vote

Commissioner Hancock said, "Thank you. Thank you, Louanna. Thanks everyone for being here today. It looks like a good program. Next item please."

F. AGREEMENT WITH PREFERRED MEDICAL ASSOCIATES, INC. TO PROVIDE MEDICAL SERVICES TO THE SEDGWICK COUNTY ADULT LOCAL DETENTION FACILITY.

Mr. Lyman Reese, Major, Sheriff's Department, greeted the Commissioners and said, "Three years ago we entered into a contract with Preferred Medical Associates to provide medical care for the inmates within the facility. I like to think of it as a three year plan. We've increased each year, with coverage and the type of hours and so forth. We've met all those goals. This is the last year on that contract. We would like to enter into an additional three year contract with Preferred Medical Associates, in anticipation of the opening of the facility with the addition.

"Currently, the medical staff is operating twenty four hours a day, seven days a week. They're seeing, on an average this year, of 1,683 people per month. The contract, of course, is a three year contract. The first year has additional personnel in anticipation of opening the new facility. The next two years is strictly cost of living. I would be happy to answer any questions that you might have."

Chairman Schroeder said, "Thank you, Major. Any questions? If not, what's the will of the Board?"

Regular Meeting, November 4, 1998

MOTION

Commissioner Gwin moved to approve the Agreement and authorize the Chairman to sign.

Commissioner Hancock seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you, Lyman. Next item please."

G. CONTRACT MODIFICATION NUMBER THREE WITH THE LAW COMPANY, INC. FOR WORK RELATED TO THE ADDITION AND REMODEL OF THE SEDGWICK COUNTY ADULT LOCAL DETENTION FACILITY. CIP #1995 PB-258.

Ms. Stephanie Knebel, Project Manager, Capital Projects Department, greeted the Commissioners and said, "This agenda item requests your approval for contract modification number 3 with the Law Company. The total amount of this modification is just under \$330,000 and can be funded from the existing project budget. There are thirty five items, both additions and deletions included in this modification. Some of the highlights of the thirty five items include adding and revising camera locations, intercom and door controls, and light fixture locations and types. Adding items is required by city code review, primarily fire and smoke dampers and fire alarm pull stations. We also included a revising telephone and data cable locations, water proofing above the new master control area in the basement, installing a portion of the pneumatic tube system. The remaining portion will be taken care of as the rest of the facility progresses. The final highlight item is revising the type of vent piping, exhaust fans, and return air grills.

Regular Meeting, November 4, 1998

“As a reminder, two previous contract modifications have already been approved by you. The first one, earlier in the year, in February, for just under \$315,000, and the second modification was in July to extend the number of contract days for the contractor. If this contract modification is approved by you this morning the total amount of our contract with the Law Company will be just under \$32,000,000. Ed Koser, the project architect and I, as well as Joe Johnson are here if you have questions. I request your approval.”

Commissioner Hancock said, “Was it over or under \$32,000,000.”

Ms. Knebel said, “It will be \$31,700,000.”

Chairman Schroeder said, “All right. Questions? If not, what’s the will of the Board?”

MOTION

Commissioner Hancock moved to approve the Contract modification and authorize the Chairman to sign.

Commissioner Gwin seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, “Thank you, Stephanie. Next item please.”

Regular Meeting, November 4, 1998

H. ADDITION OF ONE SENIOR COUNSELOR POSITION, RANGE 20, GRANT FUNDED, TO THE DEPARTMENT OF CORRECTIONS STAFFING TABLE.

Mr. Mark Masterson, Director, Department of Corrections, greeted the Commissioners and said, "The department has received a grant from the State Department of Corrections to fund one senior counselor position to provide mental health services to offenders assigned to community corrections. I request you approve adding this position to the department's staffing table."

MOTION

Commissioner Gwin moved to approve the addition to the Department of Corrections Staffing Table.

Commissioner Miller seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thanks, Mark. Next item please."

Regular Meeting, November 4, 1998

I. BUREAU OF PUBLIC WORKS.

- 1. MODIFICATION OF PLANS AND CONSTRUCTION, REQUEST NUMBER ONE AND FINAL, WITH DONDLINGER & SONS CONSTRUCTION CO., INC. ON SEDGWICK COUNTY PROJECT NOS. 807-COUNTY COMMISSIONERS-265, BRIDGE ON 103RD STREET WEST BETWEEN 103RD AND 111TH STREETS SOUTH (B-305); 644-23-1136, BRIDGE ON 103RD STREET SOUTH BETWEEN HOOVER ROAD AND WEST STREET (B-375). DISTRICT #2.**

Mr. David C. Spears, P.E., Director/County Engineer, Bureau of Public Works, greeted the Commissioners and said, "Item I-1 is a modification of plans and construction for two bridges included in one contract. This includes the bridge project on 103rd Street West between 103rd and 111th Street South, designated as B-305; and the bridge on 103rd Street South between Hoover Road and West Street designated as B-375. Both of the bridges are in accordance with the Capital Improvement Program. These projects have been constructed and are ready to be finalized out. There will be a net decrease of \$7,993.20 due to variations in plan quantities from actual field measurements. I recommend that you approve the modification and authorize the Chairman to sign."

MOTION

Commissioner Hancock moved to approve the Modification of Plans and Construction and authorize the Chairman to sign.

Commissioner Miller seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. Next item."

Regular Meeting, November 4, 1998

2. MODIFICATION OF PLANS AND CONSTRUCTION, REQUEST NUMBER ONE AND FINAL, WITH RITCHIE PAVING & CONSTRUCTION, INC. ON SEDGWICK COUNTY PROJECT NO. 811-S½ K, L; RIDGE ROAD BETWEEN 29TH STREET NORTH AND K-96. CIP #R-222. DISTRICT #4.

Mr. Spears said, "Item I-2 is a modification of plans and construction for the Ridge Road construction project between 29th Street North and K-96, designated as R-222 in the Capital Improvement Program. This project has been constructed and is ready to be finalized. There will be a net decrease of \$5,725.62 due to variations in plan quantities from actual field measurements. I recommend that you approve the modification and authorize the Chairman to sign."

Chairman Schroeder said, "Thank you, David. Discussion on this item? If not, what's the will of the Board?"

MOTION

Commissioner Hancock moved to Approve the Modification of Plans and Construction and authorize the Chairman to sign.

Commissioner Miller seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. Next item."

Regular Meeting, November 4, 1998

3. MODIFICATION OF PLANS AND CONSTRUCTION, REQUEST NUMBER ONE AND FINAL, WITH CORNEJO & SONS, INC. ON SEDGWICK COUNTY PROJECT NO. 628-815; INTERSECTION IMPROVEMENTS AT MACARTHUR ROAD AND WEST STREET. CIP #I-46. DISTRICT #2.

Mr. Spears said, "Item I-3 is a modification of plans and construction for the intersection improvements at MacArthur Road and West Street, designated as I-46 in the Capital Improvement Program. This project has been constructed and is ready to be finalized. There will be a net decrease of \$21,374.25 due to variations in plan quantities from actual field measurements. I recommend that you approve the modification and authorize the Chairman to sign."

MOTION

Commissioner Miller moved to approve the Modification of Plans and Construction and authorize the Chairman to sign.

Commissioner Hancock seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thanks, David. Next item please."

Regular Meeting, November 4, 1998

**J. REPORT OF THE BOARD OF BIDS AND CONTRACTS' OCTOBER 29, 1998
REGULAR MEETING.**

Mr. Darren Muci, Director, Purchasing Department, greeted the Commissioners and said, "You have Minutes from the October 29 meeting of the Board of Bids and Contracts. There are eight items for consideration.

**(1) UTILITY VEHICLE - FLEET MANAGEMENT
FUNDING: FLEET MANAGEMENT**

"Item one is a utility vehicle for Fleet Management. You'll note that no bids were received for this particular items. We'll re-tweek our specifications and vendors list and resolicit as soon as possible.

**(2) 12 PASSENGER TRANSIT VAN - FLEET MANAGEMENT
FUNDING: FLEET MANAGEMENT**

"Item two is a 12 passenger transit van for Fleet Management and COMCARE. It was recommended to accept the low bid of Mel Hambelton Ford. That amount is \$33,700.

**(3) JANITORIAL CARTS - CAPITAL PROJECTS
FUNDING: CAPITAL PROJECTS**

"Item three is janitorial carts and service stations for Capital Projects and the detention facility. It was recommended to accept the individual bids of Global Computer Supplies. That amount is \$2,322.95. And, Huber, Inc., for cleaning carts, that amount is \$2,074.84. Grand total for this purchase is \$4,397.75.

**(4) HORSE STALLS - KANSAS COLISEUM
FUNDING: CAPITAL PROJECTS**

"Item four, horse stalls for the Kansas Coliseum. It was recommended to accept the only bid received of Oilfield Shelters. That amount is \$21,000.

Regular Meeting, November 4, 1998

**(5) DELINQUENT PERSONAL PROPERTY TAX COLLECTION - TREASURER
FUNDING: TREASURER**

“Item five, delinquent personal property tax collection for the Treasurer. It was recommended to accept the proposal of Berlin-Wheeler. That amount, 33.3% contingency fee. A complete synopsis of this recommendation follows.

**(6) ROUTERS - INFORMATION SERVICES
FUNDING: INFORMATION SERVICES**

“Item six, routers for Information Services. It was recommended to accept purchases from the State of Kansas contract as listed. This is an estimated amount, totaling up to \$102,000. Commissioners, if I may, we have facilitated the purchase of many of these types of items over the past several months as we worked to integrate and update our networks. Putting this contract in place will allow us to facilitate the purchase for these items very quickly. Again, this is an estimated not to exceed amount during the next calendar year.

**(7) PERSONAL COMPUTER HARDWARE & SOFTWARE - INFORMATION SERVICES
FUNDING: EQUIPMENT RESERVE**

“Item seven, personal computer hardware and software for Information Services. It was recommended to accept the bid of Computerland. That amount is \$55,000.

**(8) PERSONAL COMPUTER HARDWARE & SOFTWARE - PERSONNEL
FUNDING: PERSONNEL**

“Item eight, personal computer hardware and software for the Department of Personnel, Division of Human Resources. It was recommended to accept the low total bid of Ikon Technology Services of \$22,179.62. A complete tabulation of this item follows.

“I will be happy to take questions and recommend approval of the Minutes provided by the Board of Bids and Contracts.”

Chairman Schroeder said, “Commissioner Hancock.”

Regular Meeting, November 4, 1998

Commissioner Hancock said, "Maybe one of the Commissioners can remind me or maybe the Manager. On the delinquent personal property tax collection bid, I remember discussing it, but I need to have someone refresh my memory of what it was about. Does anybody know?"

Mr. Euson said, "Maybe I can help a little bit. Not too long ago, this matter appeared on your Agenda and we asked that it be removed because we believed that it was necessary for it to be bid out because it did not qualify as a professional service. So it was removed from the Agenda. It was bid out and now it is back before you as a bid item. The collection proposed to be done in the Contract is for delinquent personal property taxes that have already gone to judgment. Which means, in essence, they are more than a year old. The collections that we do in our department, under the delinquent tax unit, are for matters or collections that have not gone to judgment and they are the most recent year of tax collections. So this is not anything that duplicates anything that we already do. It, in essence, is doing something that we don't do right now. The only way we pick those up is when somebody sells a piece of property or somebody goes in to tag their car."

Commissioner Hancock said, "Okay. What department is requesting this?"

Mr. Euson said, "The Treasurer."

Commissioner Hancock said, "Okay. In my early experiences here in the County, we had very bad experiences with private tax collectors. I can't support this today unless I know a little bit more about what is going on on this. I know we pulled it off our Agenda before and I was satisfied. We've had very bad experiences on this sort of thing. This is nothing new, having a private collector. What would be new is satisfied customers."

Mr. William Buchanan, County Manager, said, "If there are questions about this issue, there is nothing about timing constraints that would get in our way. I would suggest that you table this until the next meeting, which is in two weeks. In the meantime, I'm sure the Treasurer can come around and assist you and have discussions about why this is a necessary program."

Commissioner Hancock said, "I know most of these contracts are on commissions and sometimes the collections get a little bit vigorous for my taste. I think we need to talk about that just a little bit. I may be in the minority, but that's my view today."

Commissioner Gwin said, "I'm perfectly comfortable in considering the rest of the recommendations and setting item five aside for two weeks. If you need more information on it, let's get it."

Regular Meeting, November 4, 1998

Commissioner Hancock said, "Okay."

Chairman Schroeder said, "Do you want to make a motion to that effect?"

MOTION

Commissioner Hancock moved to approve the recommendations of the Board of Bids and Contracts with the exception of Item 5, and that we table it and reconsider it in two weeks.

Commissioner Miller seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you, Darren. Next item please."

CONSENT AGENDA

K. CONSENT AGENDA.

- 1. Consideration of the Check Register of October 30, 1998.**
- 2. Plat.**

Approved by the Bureau of Public Works. The County Treasurer has certified that taxes for the year 1997 and prior years are paid for the following plat:

Savanna at Castle Rock Ranch 9th

- 3. Order dated October 28, 1998 to correct tax roll for change of assessment.**

Regular Meeting, November 4, 1998

4. Budget Adjustment Requests.

<u>Number</u>	<u>Department</u>	<u>Type of Adjustment</u>
980536	COMCARE Prevention Funds	Transfer
980537	Finance/Accounting	Transfer
980538	Finance/Accounting	Supplemental Appropriation
980539	Corrections Juvenile Detention	Transfer
980540	Corrections-JRBR	Transfer
980541	Corrections-JRBR	Transfer
980542	District Court Judges	Transfer
980543	District Court Judges	Transfer
980544	Foreign Trade Zone	Transfer
980545	Wichita State University	Supplemental Appropriation
980546	Emergency Medical Svc.	Supplemental Appropriation
980547	Sheriff	Supplemental Appropriation
980548	Corrections	Supplemental Appropriation
980549	Aging	Appropriation Reduction
980550	Aging	Supplemental Appropriation
980551	Aging	Appropriation Reduction
980552	Aging	Supplemental Appropriation
980553	Aging	Supplemental Appropriation
980554	Aging	Supplemental Appropriation
980555	Aging	Supplemental Appropriation
980556	Aging	Supplemental Appropriation
980557	Aging	Supplemental Appropriation
980558	Aging	Supplemental Appropriation
980559	Aging	Supplemental Appropriation
980560	Detention Facility Expansion	Supplemental Appropriation

Mr. Buchanan said, "Commissioners, you have the Consent Agenda before you and I would recommend you approve it."

Regular Meeting, November 4, 1998

MOTION

Commissioner Winters moved to approve the Consent Agenda as presented.

Commissioner Hancock seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. We'll recess the Regular Meeting."

The Board of Sedgwick County Commissioners recessed to the Sewer District meeting at 11:06 a.m. and returned at 11:09 a.m.

Chairman Schroeder said, "I'll call the meeting back to order of the Board of Sedgwick County Commissioners sitting as the governing body of the Regular Meeting of November 4, 1998. Other business Commissioners?"

L. OTHER

Regular Meeting, November 4, 1998

MOTION

Commissioner Hancock moved that the Board of County Commissioners recess into Executive Session for 30 minutes to consider consultation with Legal Counsel on matters privileged in the Attorney Client relationship relating to pending claims, litigation, legal advice, and personnel matters of non-elected personnel and preliminary discussions relating to the acquisition of real property for public purposes, and that the Board of County Commissioners return from Executive Session no sooner than 11:40 a.m.

Commissioner Gwin seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. We are in Executive Session."

The Board of Sedgwick County Commissioners recessed into Executive Session at 11:10 a.m. and returned at 11:55 a.m.

Chairman Schroeder said, "I'll call the meeting back to order. Let the record show there was no binding action taken in Executive Session. Mr. Euson."

Mr. Euson said, "While in Executive Session, among other things, we discussed a case involving a workers compensation claim filed by a former employee the name of Benny Vaughn. This is a matter that involves a compensable low back injury. We have recommended a settlement in the amount of \$11,000 and we would like you to approve that claim please."

Chairman Schroeder said, "Thank you. Discussion on this item? If not, what's the will of the Board?"

Regular Meeting, November 4, 1998

MOTION

Commissioner Gwin moved to approve a workers compensation claim settlement in the amount of \$11,000 to Benny Vaughn.

Commissioner Miller seconded the Motion.

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

VOTE

Commissioner Betsy Gwin	Aye
Commissioner Paul W. Hancock	Aye
Commissioner Thomas G. Winters	Aye
Commissioner Melody C. Miller	Aye
Chairman Mark F. Schroeder	Aye

Chairman Schroeder said, "Thank you. Anything else Rich?"

Mr. Euson said, "No sir."

Chairman Schroeder said, "Any other business? If not, we're adjourned."

M. ADJOURNMENT

Regular Meeting, November 4, 1998

There being no other business to come before the Board, the Meeting was adjourned at 11:56 a.m.

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

MARK F. SCHROEDER, Chairman
Fifth District

PAUL W. HANCOCK, Chairman Pro Tem
Second District

BETSY GWIN, Commissioner
First District

THOMAS G. WINTERS, Commissioner
Third District

MELODY C. MILLER, Commissioner
Fourth District

ATTEST:

James Alford, County Clerk

APPROVED:

_____, 1998