

MEETING OF THE BOARD OF COUNTY COMMISSIONERS

REGULAR MEETING

April 1, 2009

The Regular Meeting of the Board of the County Commissioners of Sedgwick County, Kansas, was called to order at 9:00 a.m. on Wednesday, April 1, 2009, in the County Commission Meeting Room in the Courthouse in Wichita, Kansas, by Chairman Kelly Parks, with the following present: Chair Pro Tem Gwen Welshimer; Commissioner David M. Unruh; Commissioner Karl Peterjohn; Mr. William P. Buchanan, County Manager; Mr. Rich Euson, County Counselor; Mr. David Spears, Director, Bureau of Public Works; Ms. Kristi Zukovich, Director, Communications; Mr. Chris Chronis, CFO; Mr. Troy Bruun, Deputy CFO; Ms. Susan Erlenwein, Environmental Resources; Mr. Bob Hinshaw, Sheriff; Col. Richard Powell, Sheriff's Office; Mr. Michael Pepoon, Assistant County Counselor; Ms. Iris Baker, Director, Purchasing Department; Ms. Claudia Blackburn, Director, Health Department; Ms. Katie Asbury, Deputy County Clerk; and Ms. Angela Lovelace, Deputy County Clerk.

GUESTS

Mr. Mark Dick, Allen Gibbs & Houlik, L.C.
Lt. T. Bridges, Wichita Police Department

INVOCATION

Led by Pastor Brad Riley of First Church of the Nazarene, Wichita

FLAG SALUTE

ROLL CALL

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

PROCLAMATIONS

A. PROCLAMATION FOR NATIONAL PUBLIC HEALTH WEEK.

Ms. Kristi Zukovich, Communications Director, greeted the Commissioners and said, "I'll read this for the record.

PROCLAMATION

WHEREAS, health is affected by many things including one's culture, environment, social influences, individual behaviors and access to healthcare; and

WHEREAS, individuals can help control their health risks by being familiar with their medical

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history, choosing a healthy diet, maintaining an active lifestyle and being screened for early disease detection; and

WHEREAS, hundreds of thousands of deaths per year in the United States could be prevented due to behavior changes; and

WHEREAS, public health professionals recognize that individuals can take charge of their own healthy behaviors, and we can create supportive communities and appropriate prevention programs to build a foundation for a healthy community.

NOW, THEREFORE, BE IT RESOLVED, that Kelly Parks, Chairman of the Board of Sedgwick County Commissioners does hereby proclaim April 6 – 12, 2009 as

‘National Public Health Week’

in Sedgwick County and encourages all citizens to take charge of one’s health and recognize that individually and as a community we can make changes to be a healthier, more sustainable community.

“And it is dated April 1st, 2009.”

Chairman Parks said, “Thank you. What’s the will of the Board?”

MOTION

Commissioner Welshimer moved to accept the Proclamation.

Commissioner Peterjohn seconded the motion.

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

VOTE

Commissioner Unruh	Aye
Commissioner Norton	Absent
Commissioner Peterjohn	Aye
Commissioner Welshimer	Aye
Chairman Parks	Aye

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Ms. Zukovich said, “And Commissioners, we have Claudia Blackburn here this morning, who’s the Director of our Sedgwick County Health Department, to accept this Proclamation.”

Chairman Parks said, “Please step forward.”

Ms. Claudia Blackburn, Director, Health Department, greeted the Commissioners and said, “Thank you. Thank you for recognizing ‘National Public Health Week.’ Health departments and public health agencies around the nation are focusing next week on health issues that affect our respective communities, on recognizing staff and reminding our leaders and our citizens of what we do every day to improve the lives of our community. We are fortunate in Sedgwick County to have the support of our Commissioners, of you, as we tackle complex health issues and strive every day to improve the health status of the residents of Sedgwick County.

“One of the issues that we continue to work on is health disparities, or the differences in health status of a particular group as compared to the majority population. For example, there is a significant difference in infant mortality, low birth weight rates, and adequate prenatal care rates in our community between blacks and whites in Sedgwick County. Hispanics and blacks are much more likely to be uninsured than whites, and cancer rates are nearly three times higher for blacks than whites. These disparities are seen nationally as well as in our community. In our community, though, we are working very hard to better understand the relationship between life circumstances and poor health. As we better understand, we can create policies and programs that give everyone an equal opportunity to be healthy.

“Our healthy babies program, health promotion programs, breast and cervical cancer screening programs in our health access program, all are examples of how we’re working to reduce health disparities through Sedgwick County Health Department. During ‘National Public Health Week,’ we will be hosting a public viewing of the first episode of *Unnatural Causes*, a documentary series that explores racial and socioeconomic inequalities in health. It will be shown on April 8th at 6:30 at the WSU Metroplex. And the show will be followed by a community dialogue. Everyone is invited, and there is no charge. Again, Commissioners, thank you for your support of public health and your leadership on many of these pressing issues.”

Chairman Parks said, “And what time is that, Claudia?”

Ms. Blackburn said, “It is at 6:30 at the Metroplex.”

Chairman Parks said, “Okay. Thank you.”

Ms. Blackburn said, “On April the 8th.”

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Chairman Parks said, “Commissioner Peterjohn.”

Commissioner Peterjohn said, “Claudia, thank you for your leadership on this resolution. I would appreciate it if you could talk a little bit, for all our information, particularly for the folks who are viewing this either with streaming video or outside the audience, could you talk a little bit about the impact that different education levels, different income levels, and when you talk about unnatural causes, I think of particularly youthful behaviors that unfortunately lead to a variety of losing some young people with automobile accidents and other types of unnatural causes, in my view, in terms of what are leading to some of these problems, and what can be done to address those issues?”

Ms. Blackburn said, “Well, there are a whole host of circumstances that seem to be associated with worse health outcomes. I don’t think we completely understand all of it. But we know that for some populations being poor seems to correlate with worst health outcomes, but it’s not just about poverty. We know that African American women, for instance, who are highly educated have the same kind of birth outcomes as women of the United States who graduate with just a diploma from high school. So we don’t really understand all of the circumstances that lead to poor health, and that’s what *Unnatural Causes* begins to explore. We know that people that work probably in lower level jobs, and this has been shown in studies in England, have worse health outcomes. Part of it may be related to accumulated stress over time, but these are things that we’re still sorting out and trying to understand.”

Commissioner Peterjohn said, “Claudia, thank you.”

Ms. Blackburn said, “You’re welcome.”

Chairman Parks said, “Thank you, Claudia. You and your staff are doing a fine job.”

Ms. Blackburn said, “Thanks.”

Chairman Parks said, “Next item.”

PRESENTATIONS

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B. PRESENTATION OF 2008 COMPREHENSIVE ANNUAL FINANCIAL REPORT.

POWERPOINT PRESENTATION

Chairman Parks said, “We’ll allow the room to clear a little bit before we ask Troy to start this. We, as a staff, have seen this presentation, basically, and gone over this with Troy, so this is really a good presentation that demands public attention, I think. Excuse me, Commissioner Welshimer.”

Commissioner Welshimer said, “Nothing.”

Chairman Parks said, “Thank you.”

Mr. Troy Bruun, Deputy Chief Financial Officer, greeted the Commissioners and said, “I am going to summarize the audited results of 2008 here in a minute, but I need to thank a few folks in Accounting first. Starting with Chris Chronis, I want to thank him for being a leader, a mentor to all of us, and for pushing us for continuous improvement. Thank you, Chris. In the Accounting team that worked on the report, led by Anne Smarsh, who did the lion’s share. Thank you, Anne. Pam Kelly, Brandi Baily, Daniela Rivas, Sara Jantz, Ginger Radley and Marty Hughes.

“I’m going to start today, first of all talking about the public sector challenge. What makes it difficult for local government to present financial statements when compared to the private sector? I am going to talk about near term financing at the County, that’s looking basically at our checkbook. The inflows and the outflows of cash. Next, I’m going to look at the financial position, which most closely resembles private sector, and it shows the County’s net worth. Then I’m going to wrap it up talking a little bit about the economic condition, what external factors and circumstances impact the County’s financial position.

“The public sector challenge. The private sector, their main goal is the bottom line, net income. The higher the bottom line, the happier the investors are. You know in government if our bottom line gets too high, taxpayers are not as happy as investors are with private sector. Taxpayers think we’ve overtaxed, we’ve collected too much revenue related to those expenditures. I would say that government also has economic goals, but our principal objective is social. We provide services to citizens.

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“Let’s start by looking at the near term financing perspective. The traditional funds statements. Those are the governmental fund statements that have been around for many, many years. They are measuring our cash inflows and outflows. They do not include assets, and they don’t include the debt we issued to acquire those assets. This is the look at all of the County’s governmental funds. You can see the fund balance increased 33% in 2008, when compared to 2007. The bottom layer on this chart is the general fund, which went down about .9% or 600,000 from 2007.

“The next layer up is our federal and state assistance funds. Those are our grant funds. The next layer up is the debt service fund. You can see a dramatic increase from 2007. Went from \$4.1 million to \$11.6 million, which is a 184% increase. You can remember in 2008 we anticipated making debt service payments on the National Center for Aviation Training (NCAT). That project was slid back. We issued the bonds in December, but our budget was set in August of 2007, so those mill levy funds still flowed into the debt service fund, although we didn’t make the payment.

“The next layer up is the debt proceeds funds. It went from \$14.2 million to \$46.7 million. We issued the bonds for NCAT in December and that’s where those bonds sit at the end of the year. Remember these numbers are from December 31st, 2008. Still looking at near term financing, this is just the general fund, it was the bottom layer on the previous chart. Total fund balance dropped almost 1% in 2007. The very bottom portion of each bar in red, that’s the reserved fund balance. That has legal restrictions on it. We can’t use it for anything else. Most of these are encumbrances from prior years.

“The next section up, the dark blue, is designated, but unreserved. The general fund at the end of 2008 we had \$31 million in designated unreserved fund balance. This money is designated because you have a plan for this money; you can change your mind, but most of this \$31 million is the contingencies. Each year in our budget we plan for natural disasters. We plan for budget shortfalls. We don’t use current revenue to fund those plans. We use the fund balance from the previous year. And that’s what makes up most of that \$31 million.

“The top of the bar, the 29.3, is undesignated and unreserved. You can use this money for current year budget shortfalls if our designation wasn’t large enough, so the question here on the near term financing is does Sedgwick County have enough money to pay its bills? Based on our fund balance, the unreserved portion, if you add those top two colors of the bar, it is \$60.3 million, about 90% of our fund balance.

“Looking at general fund revenues, overall they went down \$9.6 million or 5.5%. In 2008, we did not lower the overall mill levy, but we did lower the amount that flows into the general fund

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by 3 mills. That explains the decrease in the property taxes from \$100 million to \$95.4. About halfway down on the chart, uses of money and property, that's investment income. At the beginning of 2008 we were earning just under 5% on our portfolio, at the end of the year it was down to 1.3%. So our investment income was down \$4.7 million.

"Reimbursed expenditures down \$1.2 million. In 2007, the City of Wichita paid us their share of the land lease at Jabara. That was a one-time payment. That happened in 2007, we did not receive that money in 2008. That explains the decrease of \$1.2 million. General fund expenditures up 6.9%, or \$9.2 million. General government, this is an accounting change. In 2007, we paid our share of the AirTran subsidy out of economic development. In 2008, we paid it out of general government. So \$1.67 million of the \$2 million increase was for AirTran. We also had a couple hundred thousand dollar increase to our merchant service fees. Those are the fees that we pay to allow citizens to use credit cards when paying property taxes and other fees.

"The big number on this page, economic development, about halfway down, went up \$6.2 million. In 2008, we had a onetime payment to Cessna for \$500,000, and we had an \$850,000 payment to Spirit. Our contribution to WATC also went up \$400,000 in 2008. Now, when I put the revenues and expenditures together, you can see that revenues exceed expenditures in each of the last five years. The increase in 2007, we increased the mill levy rate in 2007 by 2.5 mills. And the decrease in 2008 is attributable to the lower investment income returns. But still Sedgwick County is in a good position to pay our bills.

"Now we are going to switch from the near term financing focus to the financial position, the entity wide financial statements. This presentation most closely resembles private sector. This is our net worth. We include all of our assets, our roads, our bridges, our buildings, all infrastructure, we also include the debt that we issued for that infrastructure, and we also include depreciation, which is not in the traditional fund statements. If you focus on the left hand side of this chart is net assets. Net assets have grown dramatically over the last five years. We ended 2008 with \$642.6 million in net assets. The bottom portion, the green portion of the bar in 2008, 315.4, is invested in capital assets net of debt, and also net of depreciation. As we begin to build the downtown arena, the middle section, the blue bar, which is restricted net assets, that's where the sales tax cash is, as that gets spent on the arena, that bottom portion of the bar, the green, will grow. And the very top of the bar, the \$74.6 million, that is unrestricted net assets.

"You can use those funds to pay our creditors. The right hand side of the chart, I have just shown you a pie chart which breaks down the makeup of the restricted net assets. Most of it is capital improvements; the arena sales tax cash is there. The bond issue for NCAT is there. And

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we have some other restrictions, as you can see, federal and state grants, \$28.6 million, debt service, \$29.5, equipment and technology, and many other things; 911 tax that we collect, the fire district, we have some other restrictions.

“I like this slide, statement of activities. This shows all the different functions of government. Entity wide again our network net worth focus. As you can see, no function of government pays for itself. In public safety, which end of the year spent about \$126.3 million, it is not all the Sheriff's Office. It also includes Corrections, Fire, EMS, 911, Emergency Management, District Court and the D.A. The light portion of each bar shows the reliance that each function of government has on the County’s general revenues. The general revenues are property tax, investment earnings, and sales tax.

“Now, still looking at the net worth of the County, I have taken out the Kansas Coliseum and the downtown arena, we’re focusing just on governmental activities. And this is the change in net assets, or change in net worth. Is the County’s financial position getting better or worse? So we’ve taken out the \$206.5 million of sales tax revenue for the arena. Now we’ve stripped down and we’re looking at governmental activities. And over the last five years, each year the net worth of the County has increased, dramatically in 2007 and 2008. The increase, when we issue debt to build a building like the Juvenile Residential, or the Juvenile Court and D.A., when we build the building and have all of the debt outstanding, it’s a wash, our net worth did not increase at all. But those buildings have been built; we’re paying the debt service on those bonds. As we make that bond payment, so our debt is reduced, the net worth of the County increases, and that’s what it is showing on this chart, because our debt payments are faster than the depreciation on those assets.

“Again, we’re looking at government wide revenues. The top three are functional, I can apply those two as we saw on the previous slide where we showed program revenues and then the reliance on general revenues, the top section are program revenues. They were up \$13.6 million in 2008. And the bottom are the general revenues. You can see overall general revenues dropped \$66.8 million. Well, the sales tax for the arena ended December 31st, 2007, so sales tax was about \$84.6 million. The other red number on the page, investment earnings down \$5.8 million.

“These are those same revenues but in a pie chart, just to show you the break down, this is the more traditional look when we had the arena sales tax, it kind of distorted the pie, but now we’re back to normal. Property taxes make up 45% of our revenue, charges for services about 25%, grants, little less than 15%. Entity wide expenses, overall went up \$15.9 million. About a

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5.6% increase. We had lots of reasons why expenses went up. In the general government, the \$4.7 million, our actual payments to AirTran during 2008 went up \$3.5 million; our contract didn't change, but it was a timing of the payments. AirTran earned \$3.5 million more in 2008 than they did in 2007, so that's majority of the increase in general government.

"Public safety went up \$4 million. If you remember in 2008, the Sheriff's Office started their Offender Registration Unit. We also started the Drug Court in 2008. Overtime was up on public safety, and we also added 40 new employees in public safety; ranging from 911, communications, to JDF Residential and the Sheriff's Office.

"About halfway down economic development, went up \$6.4 million. Again, that's a payment to Cessna, the payment to Spirit that I mentioned earlier, and WATC increase in 2008. These are those same numbers in a pie; public safety making up 42% of our expenses, health and welfare 21.8%, and general government 16.4%. And I am putting entity wide expenses and revenues together. At the beginning of my presentation, I said taxpayers aren't happy when revenues far exceed expenses. This chart would show that in 2006 and 2007, revenues in fact far exceeded expenses. But they voted on it, and when I take out the arena sales tax revenue, the revenues and expenses are pretty similar. The increase in 2008 in revenues and expenses are around about the same percent of increase.

"We've looked at the County's checkbook, we've looked at our net worth and now we're going to look at the economic condition, that perspective. What external factors and circumstances impact us in our financial position as we go forward? State budget decisions, we have no control over, we will definitely be impacted by. Local business employment, consumer confidence, and natural disasters. This slide shows principal employers at the end of 2008 compared to ten years ago. You can see the changes, the interesting fact about this ten years ago, our top ten principal employers made up 25% of the civilian work force and today it is only 17%. To me that shows diversification. The unemployment rate, we ended 2008 at 4.9%. At the end of January, it had risen to 5.9%, and in February, it was 6%.

"I think I've shown Sedgwick County has no problem paying our bills. Sedgwick County's financial position has also increased dramatically over the last five years. But the current economic condition appears to be weakening, but we are well prepared for this downturn. If you have any questions, I would be happy to try to answer them. If not, I would ask that you receive and file."

Chairman Parks said, "I do have a comment or two. Back on page 9, I just wanted to clarify something and expand on what Troy has said here. It says when we increased the mill levy, that certainly was an action from the 2006 governing body, not the 2007 or subsequent years of the governing body. Also, just wanted to say a few years ago the state had a surplus, and they

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were asking people what we may do with the surplus, or that was one of the things in the *Eagle* I know they did a little survey on, and I always thought we should have a rainy day fund, and the staff has done a good job, as well as being supported by the governing body here that we do have a rainy day fund, and this is what has positioned us in a better situation than many government entities are out there. And finally, I would like to say something you made right at the first about Anne. You said she did the lion's share of work there; and I would tell you that those of us in Lions Club know that has a secondary meaning also, so thank you. Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. Troy, on page 13, you had a change in net assets, and you mentioned in your presentation that the County had taken in \$206 million in revenue from the sales tax for the downtown arena. Because of the fact that that revenue came in largely before a lot of the expenditures were made, can you give me a ballpark idea how much interest income the County has accrued from that revenue and would that show up in the figures on page 13 in terms of 2007 and 2008, do you have a ballpark number by any chance in what we're looking at?"

Mr. Bruun said, "Investment income for the arena, I think is around \$12 million. But this slide here shows governmental activities. I've stripped out the arena and the Kansas Coliseum."

Commissioner Peterjohn said, "So the \$12 million, where would that be in terms of..."

Mr. Bruun said, "It is in the general fund."

Commissioner Peterjohn said, "Okay."

Mr. Bruun said, "You can see the dramatic increase in investment income beginning in 2006. Our portfolio didn't go down dramatically in 2008, but our return on our portfolio did."

Commissioner Peterjohn said, "Thank you for clarifying that. Appreciate it."

Chairman Parks said, "Commissioner Unruh."

Commissioner Unruh said, "Thank you, Mr. Chairman. Troy, the approved budget in 2008 was about \$386 million, but we show expenses of \$301 million. Can you help me understand that difference?"

Mr. Bruun said, "We try to make it as confusing as possible, so we have three different bases of accounting. We have budgetary, modified accrual and full accrual. Budgetary statements

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differ in the 385 that you talked about and the 300 that I showed in expenses. I am not showing any expense for an asset, because I was focusing on the net worth of the County. Let's say an individual buys a car for \$20,000 cash. If you look at their checkbook, their checkbook went down \$20,000, but if you are looking at their net worth, it didn't change at all. They are still worth as much as they were before. So when we're writing those checks for cars, it increases the budget, but when you look at the financial position of the County, those expenses don't show up until we start depreciating in later years."

Commissioner Unruh said, "Thank you. And I think in our staff presentation I had the same question and you did a great job; you answered it about the same way. That's all I had Mr. Chair."

Chairman Parks said, "Thank you. And in the accrual method of accounting, to start that, staff a few years ago had to go out and do a very comprehensive inventory, did they not?"

Mr. Bruun said, "Yes, we did. In 2002, it was the first year that we were required to put all of our assets in our financial statements."

Chairman Parks said, "I am very familiar with that, but once you get that going, it is a good way to do business, so thank you and thank the auditor and staff of the Finance Department."

Mr. Bruun said, "And when I'm done here, Mark Dick from AGH will give you the results of the audit itself."

Chairman Parks said, "Any other questions of Troy? Seeing none, if Mr. Dick would come forward, please."

Mr. Mark Dick, Allen Gibbs & Houlik, L.C., greeted the Commissioners and said, "Thank you, Troy. Pleased to be here this morning to report the results of the 2008 Audit. We completed that in the latter part of March, and have issued our opinions, and Troy has just stepped through the financial results for the County for 2008. My comments are just going to relate to the audit itself, and how that relates to the numbers that Troy just asked in the used in the presentation.

"There's some required communications that are rather technical that I'm going to go through pretty quickly, and you do have those in written form also. But before we get to that, I kind of like to do one in plain English, too, as far as audits. And in the government environment in my mind there's really three basic audit objectives. The first being, are your financial statements fairly presented in accordance with generally accepted accounting principles? Which really means that, are the numbers that Mr. Bruun just used to give his presentation, are they reflective

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of what happened with County finances, and can you rely on those numbers? And in that regard, the answer is yes. We issued, what we call an unqualified opinion, on the financial statements, which is the highest level you can receive, and it says that yes, you can rely on those and they are presented in accordance with generally accepted accounting principles.

“Now, the second question that I think is very important in your environment, relates to internal controls, and the concept not only do you have adequate interior controls over finances, but more importantly, do they really work? And as part of that audit process, our standards require that we go in, identify these controls, interview a lot of the people involved in doing those procedures, and test the controls to make sure that they are functioning properly. And I’m pleased to report that we did not identify any items that we call significant control deficiencies or material weaknesses in your financial systems. And that’s a very positive. So, again, that’s kind of the highest level of report we can give.

“Then last, but not least, that is of equal importance to your environment, is compliance with all the federal, state, and even local regulations. As you are well aware, the County receives millions of federal funds through grants. Those always have strings attached, and a lot of federal compliance issues, as well as that the state has very stringent laws. The cash basis law, the budget law, depository securities laws to protect the investments and the money that the County has in the local banks. And then in addition to that, you have local laws, as an example, your purchasing policies and procedures. That’s a local law that the County must follow in their procurement of goods and services.

“Part of our audit encompasses testing compliance with all those laws and regulations, both at the federal level, state level, and local level, and in fact we issue separate additional reports related just to the federal funds themselves. Now again, I’m pleased to report that in all of our testing of those laws, at all levels, we did not detect any significant non-compliance at the local level, the state level, or the federal level. So again, that’s the highest level of report you can get. So, in summary, I think in all three questions, the County excelled; and that’s a very positive reflection on the management of the County and the expertise of your financial staff and they need to be commended for that.

“Now, I have to go back in to a little bit of accountese and go through some required communications, but I’ll do that rather quickly. I mentioned one of them, and our responsibility is to audit those statements. They are not our statements; they are those of the County. We just provide you reasonable assurance. We can’t look at every transaction. We just have to go in and test and come up with reasonable assurance. We were able to do that. The other thing we look at, that I think is pretty important, is your application of what we call accounting principles. And the reason this is important, and you are seeing it a lot in government these days, as governments are scrambling for money and it’s happened over the decades and things get tight,

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sometimes they resort to what I call accounting gimmicks, things like we're simply not going to pay the bills that are due at the end of the year to artificially increase our fund balance. Those types of things. We test for those and make sure that the principles are consistent from year to year, and none of those gimmicks, if you will, were employed during the year. And they were not at Sedgwick County, and I wouldn't anticipate that they ever would be.

"There weren't any significant or unusual transactions for which there was no accounting guidance, so you had to use a lot of judgment in the application of it. We didn't encounter any of that. Management didn't visit with us about any alternative treatment for accounting transactions. You might be able to treat it as 'method A' or 'method B' and distort the results. There were no alternatives considered at all, and it was consistent from year to year.

Accounting, in preparing the financial statements, we have to use estimates, and part of our audit includes reviewing the estimates your finance staff used, the methodology, whether they were logical, and we concluded yes, indeed they were. We didn't have any problems with that.

"And let me give you an example of what we would call an estimate. At year end you've got several thousand employees that haven't been paid for some work incurred during the calendar year. They will get paid first part of January, maybe eight days of that pay period was in '08, two days were in '09, so the simple way to 'estimate that' is just take 80% of that payroll and say, okay, 80% of it we're going to charge to '08, 20% to '09. That's the type of estimates we're talking about, and we concur with all the judgments used there.

"The other indicator, which is often important that we advise governing bodies on, is did we come upon any things that we felt required an 'audit adjustment?' And what that really means is did Mr. Chronis present us with a trial balance and draft financial statements, that as we went through and audited, that we found significant variances or errors which would say there might be a deficiency in how you're putting all this together? Happy to report there were no audit adjustments, or no proposed adjustments, and, again, that's a very positive reflection on your staff.

"Last, but not least, we didn't have any disagreements with management, we had full access to all the books and records, and really had no difficulties in performing the audit. So with that, I will conclude my remarks, and be more than pleased to respond to any questions you might have."

Chairman Parks said, "Are there any further questions from the audit presentation?
Commissioner Unruh."

Commissioner Unruh said, "Thank you, Mr. Chairman. Not really a question, Mark, I appreciate your presentation, and very clear on the process that you went through in order to test

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the processes of Sedgwick County. Comment I want to make is just to, I guess, the word is reassure or emphasize, to our citizens the high level of professionalism that we have in our Accounting Department, and that not only do we have great confidence in our day-to-day activities of the folks who work in our Accounting Department and work for our CFO, but the fact that it's being tested by a firm that is expert in governmental accounting and all your procedures are applied to us to find out if we're doing things right, I just think it is an opportunity for us to emphasize to our citizens that Sedgwick County's doing things the right way, and we didn't find anything that you needed to make comment on or corrections needed to be made. This is a big organization with a lot of employees and a huge budget, and a lot of ways improper procedures could be used or mistakes could be made, and so it is refreshing to hear that we are on target, and we have a clean sheet as far as problems are. So appreciate your efforts in testing us, and also want to express appreciation to our Accounting Department for the way they do things decently and orderly on behalf of our citizens. That's all I have, Mr. Chair."

Chairman Parks said, "Thank you. Commissioner Peterjohn."

Commissioner Peterjohn said, "Yes. Mark, I would appreciate just a quick comment from you, because you mentioned the time frame in which the audit was completed. Can you talk in terms of how long it took to conduct the audit and what sort of resources were needed to conduct the audit?"

Mr. Dick said, "Absolutely. That is a great question. The audit process is a very lengthy process, as you can imagine. We start as far as the firm, our staff will begin the process in October, normally of each year, and come over and start testing records, that type of thing. Then you have to wait until year end so you close the books, and we're back in usually mid February, and wrap up the completion of that process in the latter part of March. Our efforts are probably about three fourths of a person year, if you will."

"Probably 1,500 to 1,800 hours overall, from our perspective. And I would suspect that your staff puts in an equal amount of time, at least, just in the preparation of the statements, because that is a difficult task that has to be done after December 31, and they try to have it complete by mid February, which is very good. As I mentioned at a staff briefing, you are the leader, I think, in the area of large governments as far as getting timely audits completed. You have always had a goal of getting those done in the first quarter, and we are very supportive of that effort because it's of much more value to receive the results now versus in August when you're already preparing a budget two years out."

Commissioner Peterjohn said, "Mr. Chairman, I would also like to second the comments of Commissioner Unruh concerning this whole process and for staff, too. I think it is a very helpful

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document, and hopefully it will be available for all the citizens who have an interest in taking a better look and understanding on all aspects of County finances.”

Chairman Parks said, “Since we are kind of tying up some loose ends with staff, I would like to tell them also that I appreciate that every check register that comes out, I pick five to seven things out of that check register and I give them a number and an amount and I want to see the original invoice, so I’m kind of doing my due diligence as a Commissioner also in looking at those things and some of those expenditures, and they are very efficient about getting me the information on those. And I thank them for that. Commissioner Welshimer.”

Commissioner Welshimer said, “You know, I’m always impressed with the results of the job and the work you do in the Finance Department, and so I want to tell you thank you also. Great job. Thank you.”

MOTION

Commissioner Unruh moved to receive and file.

Commissioner Welshimer seconded the motion.

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

VOTE

Commissioner Unruh	Aye
Commissioner Norton	Absent
Commissioner Peterjohn	Aye
Commissioner Welshimer	Aye
Chairman Parks	Aye

C. PRESENTATION OF THE SEDGWICK COUNTY RESIDENTIAL E-WASTE COLLECTION PROGRAM HELD ON JANUARY 24, 2009.

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POWERPOINT PRESENTATION

Ms. Susan Erlenwein, Director, Department of Environmental Resources, greeted the Commissioners and said, “Sedgwick County recently held an electronic waste event for the citizens in our community. Before I review the results with you, I would like to acknowledge the excellent work of one of the members of our Environmental Resources staff. Jo Oliver, who’s here, she did an excellent job in managing and working this program. And I really appreciate it. Thank you very much, Jo for your work. The e-waste event was brought about because of our solid waste plan update in 2008. Kansas Department of Health and Environment requires an extensive review of our solid waste plan every five years and last year was our ten year anniversary.

“Our solid waste committee studied all aspects of solid waste and one thing they recommended, and the Commission approved, was for the County to hold a one-day electronic waste event. And part of this was because of the digital broadcast conversion that was proposed for February of ‘09. And the point was to give the citizens an environmental way to recycle unwanted electronics, including old analog televisions, instead of just throwing them away or storing them in their house forever. So that was one of the objectives. Another objective was to use the data from this event to determine future programs for electronic waste. Is there a need in our community, does the community respond? So those were the goals for the program.

“To put on an electronic waste event the procedure we followed was to select the vendor to help us with this event; someone who works electronics, who can process those and recycle them. The County developed a response for proposal (RFP), went out for bid. Three companies did respond for that RFP. The price we received ranged from eight cents a pound up to 32 cents per pound to handle this material. The Bid Board recommended and the Commission approved the lowest bid of eight cents a pound, and that company received the bid to help us with this program.

“We also had to select a site for the electronic waste collection event. Because we were going to do it in wintertime, we needed a location that was inside a building to protect electronics from that bad weather and also convenient for the consumers coming through the program. Kansas Coliseum Pavilion II was wonderful because it allowed people to drive into the building for the electronics to be unloaded inside, out of any weather, and then they exited. So that’s the location we picked. The date of January 24th was selected due to the availability of the pavilion and also to beat the proposed deadline of the analog to digital conversion for television broadcasts. And then we advertised the event prior to Christmas, so anyone receiving new electronic components, whether it was a computer or television, they would know don’t discard the old one, we have a nice, environmentally friendly way to recycle coming up. And we also

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advertised prior to the event. Obviously from the response we received, the advertisement worked very well.

“The e-waste event had signage that showed the people where to come, what entrance to use to get to Pavilion II. We have them enter off of 85th Street North, go back around the Coliseum, and the pavilion is located southeast of the Coliseum building; so we tried to guide the people to the event. The event was to run from 9:00 a.m. to 4:00 p.m. on Saturday. We saw there were anxious people who wanted to recycle early, so we opened the doors at 8:30 that morning, and by 9:00, when the event was supposed to open, we’d already processed 169 vehicles through the building. So, and it was that way all day long, it just kept rolling through.

“We had a variety of vehicles; the largest I saw was a U-Haul truck that was full of electronics. You could see from this photo a big, rear-end loader that was packed with electronics. And ranging in size, we had cars with trailers behind them, pickup trucks. This is our favorite vehicle, an antique pickup truck that came loaded with electronics. So we had a wide variety of vehicles, the people seemed very appreciative of the event. They appreciated the County putting this on.

“And you can see we had a wide variety of electronics delivered to the event. This photo there in the middle you see an old record player. That’s one thing we did notice, a lot of the materials we received were very old. And so people have been storing these for a long time in their homes. This gave them an opportunity to get rid of them in a way that would be environmentally friendly and recycle the material. Here’s another example of materials that came into the facility.

“There were 64 workers on hand provided by our vendor to unload the electronics from the cars and trucks. The people just drove into the building. We had two lines parallel, there were many stations where the electronics were unloaded. And the people did not even have to get out of their car. So the workers came, unloaded, and then the people drove out of the building.

“And this is an example of what was happening during the event and after the event, like materials bundled together for processing. You can see here computer towers that were bundled together.

“Our vendor has a processing facility in El Dorado, the initial breakdown of the material occurred there, then the material was sent to other processors that were specific, for example, metals were kept in Wichita for metal recycling, other material was sent to Canada or Illinois or Ohio or Texas, Utah, California, and it was further broken down in those areas. All of the companies that received the material were ISO 9000 certified, which means they are certified in the environmental field, it is an international certification, so they must follow guidelines, not

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only by that, but also EPA (Environmental Protection Agency). So the material was handled properly through this process.

“Here you can see the number of vehicles that came to the facility and this is just the Saturday number; 2,520. As I mentioned earlier, the program was to end at 4:00 p.m., the last vehicle came in at 6:23. There was another event at the Coliseum that night, so unfortunately we had to cut off the line and send people away, and another hundred vehicles came back on Sunday to unload material.

“The morning hours, we were processing 350 vehicles per hour, so we were getting through almost six vehicles a minute through that facility. The afternoon slowed down some because we encouraged people in line to share their electronics. Someone who might have a trailer, you only had one TV, add it to their trailer, you could get out of line; and that person was generous enough to take other people’s material through the line. So it kept going all day long. And unfortunately because of the response to this event, people had to wait in line a long time as the day went on. We appreciate that, but that was an unfortunate consequence of the great response we had to the event.

“We received over 1,144,000 pounds of electronics. This is unheard of for a one-day electronic event. Our research and what other communities have done across the nation shows that a one-day electronic event range from 30,000 pounds up to around 260,000 pounds in materials received. So we far surpassed that amount. It was unexpected. We had great response. And of that 1,144,100; 6,915 TVs were received, and that ranged in size, you can see the trailer load full of televisions. I saw televisions come in that one TV took the entire bed of a pickup truck. So huge, big screen TVs came in down to small. It was a great response to our event.

“And we had another 6,783 components that were computer monitors. You can see those bundled up. We also received other materials: cell phones, printers, keyboards, computer towers, so a variety of material. The working cell phones have been donated to the YWCA Women’s Crisis Center. And so that means that they had a phone that worked plus a charger to go with it for that donation. Also, some working computers were given to volunteer fire departments, so that was very important as well, that some good equipment was donated, while most of it was very old and broken down for the components and recycled.

“The conclusion we have from this event is that we had a tremendous response from the community, that they did want to do this program. We also know that a lot of people were turned away because of the long wait in lines and were sitting out there having more material to recycle. We know that also from the phone calls we received from people saying ‘when are you

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going to have another event?’ So we know there’s some electronics out there, we know people have stored it for a long time. There have been estimates of people go through a computer every three years as they update computers. So we know electronics will continue to be generated, but there’s a backlog out there of people wanting to do the right thing, and not just throwing it away.

“So the next step is to determine what do we do in the future? And the options range from do nothing more than we’re currently doing to the most expensive, which would be build a facility.

All of these have positive aspects and negative aspects and options, and I’d like to go in to each one briefly.

“The first one is do nothing more than we’re currently doing, has to do with the fact that we have on our County website information on where people can take electronic equipment for recycling. We have a list of businesses; I have a few here on this slide. They range in price, some of them, for instance Best Buy, will charge you ten dollars, but they also give you a ten dollar coupon. They have limitations on the size of the television that can come in. They say, you know, anything greater than 32” they will not take.

“So, all of these may have costs associated with them, they may have restrictions on the type of material they will or will not take, and it could mean someone wanting to get rid of computers and TVs and other components may not find a home for all of them, or may have to go to several locations to recycle the material. And there are various fees associated with them. But we currently have that information out there, and it does change with the analog to digital conversion; some of the companies that used to take televisions stopped taking them. So what businesses will take varies over time as well.

“Another possibility is a one-day event like we held at the Coliseum. We could do it once a year, or every other year, however, we know from our experience on the one we just had in January, that the response from the public was not adequately met in a one-day event due to the long lines and people waiting. So this one has that negative aspect. We had such a wonderful response.

I think we would have long lines again. The cost to the County for this would be promotion of the event and paying a vendor to handle the electronics.

“Or we could have a multiple day event where we have, again if it was at the Kansas Coliseum Pavilion, set it up for a week or two, people know that they have multiple days to come to the event, so you would not anticipate the long lines like we had with the one day event. It spreads it out, we would expect more material from an event like this, which obviously increases the final cost of the program.

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“There’s also a possibility of having multiple events, just like the Household Hazardous Waste (HHW) Facility, has five events out in the community, it would bring it closer to the public so they would not have to travel to one location. However, because of weather conditions, it’s best to have electronic collection inside a building instead of out in a parking lot. You really don’t want the material to be rained on or snowed on, so we would have to consider locations and arrange for that. We would also have an increased volume of total material by spreading it throughout the community and the events. We could look for contractors, businesses who are out there currently receiving electronic waste; a contract with them to provide the service for the County on an ongoing basis. This is convenient for the public because they know any day of the week I can go to this business and it could take my electronics.

“The question becomes, what programs does that business currently have, how do we merge ours into that? So it would require negotiations and reporting by that company. Again, the cost just increased because you were collecting more material throughout the year. Or there are plenty of facilities out in our community that are large, empty and the County could rent those facilities and either staff electronic waste collection, like the HHW Facility, or hire a vendor to staff that for us. Then you have increased cost from operation and the lease of the building for this event. And the most expensive would be to build a facility to have electronic waste collection similar to the Household Hazardous Waste Facility and then that could, again, be staffed by the County or by hired vendor to do that.

“So there’s a wide range of options; each one has its positive and negative. Something like this last one would be very convenient for the public, they know the hours of operation, they can go down there any time. One thing we need to consider, though, is what does the future hold for electronic waste? There’s been talk of federal regulations coming down in the future, but that talk has been going on for years, so we don’t know if there will or will not be federal regulations. Some of those may require the manufacturer of the electronic device to take back that device when they sell a new one.

“Some may say, okay, I’ll only take back my brand and no one else’s brand. Well what if your company is no longer in business? How do you get rid of your electronic device? So, will there be more manufacturers going into a program to take material back? Or there’s been talk of a mandatory fee, if I buy a new television, just like when you buy new tires and there’s a fee there for disposal of your old tire, there might be a fee for disposal of your old electronics. None of this has taken place yet. We don’t know what the future may hold for that. Should we allow

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flexibility in any option that we choose, accounting for regulations that may come in the future that may help take care of some of the electronic waste?

“Next steps for my recommendation is to narrow down the options and associate a cost for each and see where the County may want to head in the future from those options or any other options that may be developed. Thank you and I’d be happy to answer any questions you might have.”

Chairman Parks said, “Just for the record, the name of the company again that received the low bid?”

Ms. Erlenwein said, “I.T. Global.”

Chairman Parks said, “I.T. Global.”

Ms. Erlenwein said, “They have an office in Wichita and the processing facility is in El Dorado.”

Chairman Parks said, “Thank you. As far as I’m concerned, as one Commissioner, I certainly think that this was a great event. I don’t know that I would be for expanding it at this time beyond the fees that we’ve put on the property tax for that and getting those, certainly not any more, for raising the property tax to fund this. However, I do like the idea of the private companies out there, the Best Buys and the other people that are jumping in and at least attempting to alleviate some of this problem.

“One of the people in my district told me that he took a TV set that had been sitting in his garage since 1963. So now I think this *Guinness Book of World Records* event that we had here would probably not happen again with some of those. I don’t think there are a lot of those TVs left in Sedgwick County after seeing some of the things out there. But there was a lot of wood in with that electronics, I know.”

Ms. Erlenwein said, “Yes, there was. We had a lot of consoles come through.”

Chairman Parks said, “I saw one of the turntables on there and I saw a similar one on eBay that went for \$400, so hopefully he’s recycling some of those turn tables. But the gist of it is that I think it was a great event. It was something that was talked about in my district quite a bit. The event happened right in the area close to where I live, and there were a lot of people who took advantage of it, and that was obvious. I thank you and your staff for doing that.”

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Ms. Erlenwein said, “Thank you.”

Chairman Parks said, “I didn’t see which one was first here. Commissioner Unruh.”

Commissioner Unruh said, “Thank you. Susan, what was the cost for having this project?”

Ms. Erlenwein said, “The vendor charge of 8 cents a pound ended up just under \$92,000 for processing the electronics.”

Commissioner Unruh said, “If we were to do this again in 90 days or six months or something, do you anticipate as much demand, as many people, or do you have a feel for that?”

Ms. Erlenwein said, “The feel I have is the fact that the cars that were turned away, a lot of those were calling back saying, you know I waited in line for several hours, didn’t make it. When are you going to have another event? So I agree that we did get a lot of the material out of people’s basements or garages, but I think there’s still a lot out there. Once you clear that out, then I think the numbers would drop because you’re just getting the normal several year replacement of electronic device.”

Commissioner Unruh said, “Are we seeing now any sort of significant problems from people, did we see a lot of it in the landfill or have we tested that yet? Are we seeing a lot of it in the ditch on County roads or are we able to identify that?”

Ms. Erlenwein said, “I’ve talked to some of the township employees and they said that they have seen an increase in electronics in the ditches, especially television sets with this analog to digital conversion. Also, in our waste analysis that we’re performing at the transfer stations, we’ve seen an increase in electronics from ten years ago. That doesn’t mean there’s a significant amount, it’s just, really ten years ago we didn’t see electronics in our waste analysis. Now we’re seeing cell phones and computers and televisions that we didn’t see before; so I think we’re really not seeing that much in the waste analysis, so I think people are still holding on to it right now.”

Commissioner Unruh said, “Okay. Thank you.”

Chairman Parks said, “Just to kind of follow up on that a little bit. That Sunday afternoon and Monday after that, I know Grant and Park township had a few TVs in their ditches along the County roads. So that would say to us that maybe those were some frustrated people from the area out there that decided not to take their TV set home.”

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Ms. Erlenwein said, “Right.”

Chairman Parks said, “Commissioner Peterjohn.”

Commissioner Peterjohn said, “Susan, just in light of the fact I spent a good deal of the weekend knocking down ice on my driveway, I was thinking the County was kind lucky in terms of, as I recall it was a fairly cold day, but weather was not a problem. Would you have any recommendations in terms of if we did this again, what time of year might be optimal or what might be something to avoid? Because I’m sure glad we didn’t hold this event last weekend.”

Ms. Erlenwein said, “You and me both. I mean, that’s something we were concerned about when we picked the date. Because of the February conversion, we had to have it in winter and we picked a date between Christmas and the conversion so we could hopefully get both sides of that. I would recommend a drought period in the summer so that we don’t have the spring storms coming in. So, you know, typical look at the weather patterns and pick a dry area in July and have it then.”

Commissioner Peterjohn said, “Thank you.”

Chairman Parks said, “We certainly have to remember that the pavilions are also used during the summer quite a bit for horse and livestock shows and things like this.”

Ms. Erlenwein said, “That’s true, and Coliseum staff worked very well with us on getting the pavilion and helping us set up and helping guide the traffic through, so I really want to thank them as well.”

Chairman Parks said, “I think staff was great on that. Any other comments?”

MOTION

Commissioner Peterjohn moved to receive and file.

Chairman Parks seconded the motion.

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

VOTE

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Commissioner Unruh	Aye
Commissioner Norton	Absent
Commissioner Peterjohn	Aye
Commissioner Welshimer	Aye
Chairman Parks	Aye

Ms. Erlenwein said, “Thank you very much.”

Chairman Parks said, “Thank you, Susan. Next item.”

NEW BUSINESS

D. ADOPTION OF RED FLAG POLICY ADDRESSING IDENTITY THEFT PROTECTION PROGRAM.

Mr. Chris Chronis, Chief Financial Officer, greeted the Commissioners and said, “In 2003, Congress adopted the Fair and Accurate Credit Transactions Act which, among other things, required financial institutions and other credit providers to design and implement written policies and implement programs that are designed to identify and reduce the risk of identity theft of customers of those businesses.

“The Federal Trade Commission (FTC) is charged with the responsibility of implementing that law and the FTC adopted what are commonly referred to as the Red Flag Rules to implement that. Those rules required entities that were subject to the law to adopt their policies initially by November the 1st of last year. The problem with that is that the FTC neglected to let those entities know that they were subject to that law. So as that date approached, it became apparent to everyone that was affected that that date wasn’t going to be complied with by very many people, so the FTC extended the enforcement deadline to May the 1st of this year.

“The policy that you have before you for consideration today is our way of complying with those Red Flag Rules. The Rules require us to identify relevant warning signs. In other words, the red flags. Things that might include patterns or specific activities involved in our accounts that might be indicative of the presence of identity theft. To detect those red flags when they occur, to take steps to respond to those red flags, in other words to be proactive once we know that there is a risk of identity theft, to do something about it. And finally, to detail a plan that periodically updates the policy, that reviews what we’re doing and how we’re doing it and how effective that is in achieving the objective of eliminating identity theft. The rules identify a

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creditor as any entity that regularly extends or renews or continues credit, including the provision of a service for which payment is made after the service is delivered. The creditor must comply with the rule if the customer has what is called a covered account. That is one that is for a personal or family or household purpose.

“So this doesn’t apply for creditors who serve only other businesses. But it does apply to creditors, people who extend credit to individuals or families or households. In the case of Sedgwick County, we have determined that we fall under the requirements of the Red Flag Rules in several specific areas of County services. We believe that we are subject to the law with regard to special assessment infrastructure improvements, ambulance transport services, mental health services, public health services, solid waste services that are paid for through a special assessment process and perhaps other programs that we’re still reviewing. Those specific programs, we believe we are subject to the requirements of the law.

“The proposed policy that you have before you establishes reasonable, but not absolute, protections from identity theft. In short, the policy that is before you codifies in large degree what we have already been doing to protect our customers from the risk of identity theft, but the rules require us and we’re happy to do it, require us to put those in a formal policy and make sure that we have a structured program to implement that policy.

“The policy that is being proposed is one that has borrowed heavily from other governments that have already gone through this process. We have relied on policies that have been adopted by Olathe and Johnson County here in Kansas, as well as by a city in Colorado and by the states of Wisconsin, Kentucky and Georgia. Putting all of those together, we have come up with a policy that you have before you. If you have questions, I’ll be happy to try and answer them. If you don’t, then I would recommend that you adopt the policy that’s before you and following that adoption, we’ll proceed with staff training to implement the policy.”

Chairman Parks said, “I do have one question, either of you or of Legal. Does this in any way stifle the Open Records Act of Kansas or is there anything in there that might have shown you that it’s in opposition to the Open Records Act of Kansas and maybe I can refer this to Rich Euson, County Counselor.”

Mr. Rich Euson, County Counselor, greeted the Commissioners and said, “I can’t think of any.”

Chairman Parks said, “Okay. Well, if in the future we run into any of those problems, I am certain that you would bring it back before this Board.”

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MOTION

Commissioner Welshimer moved to approve the Resolution.

Commissioner Peterjohn seconded the motion.

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

VOTE

Commissioner Unruh	Aye
Commissioner Norton	Absent
Commissioner Peterjohn	Aye
Commissioner Welshimer	Aye
Chairman Parks	Aye

Mr. Chronis said, “Thank you.”

Chairman Parks said, “Thank you. Sheriff Hinshaw.”

E. AMERICAN RECOVERY AND REINVESTMENT ACT GRANT.

Mr. Bob Hinshaw, Sheriff, greeted the Commissioners and said, “As you know, part of the President’s American Recovery and Reinvestment Act included job creations. Part of that stimulus package included money set aside for the 59 ICACs scattered throughout the United States. ICAC standing for Internet Crimes Against Children. The Kansas ICAC is actually part of the EMCU, Exploited and Missing Child Unit, that is a combined agency of ourselves, the Wichita Police Department and SRS. Specifically, what we’re asking you here today is to approve the grant that we want to apply for. The grant is for approximately four years. A little over \$557,000 and we plan to add another detective to the staffing tables for the Sheriff’s Office that will be assigned to the ICAC unit, along with all necessary training and equipment in order to do their job. There’s definitely a need for this.

“What I have here is approximately 2,359 child pornographic images that have been exchanged over the internet right here in Sedgwick County. This is strictly for a two week time period, is all. Since 2000, there’s been a 381% increase in online solicitations of children, and I do want to emphasize when I’m talking about child pornography here, there are over 60 million catalogued images of child pornography at the national ICAC center. We’re not talking about where proud

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parents are perhaps taking a photograph of baby's first diaper change. We're talking about very graphic, explicit children that are being sexually abused. By adding this detective, we think that we're going to be able to investigate approximately 60 additional cases a year and end up with approximately 20 additional arrests.

"Over the last two years, we currently have two detectives assigned; one from the Sheriff's Office, one from the Wichita Police Department, and those two alone are averaging about 125 investigations a year. So we hope to expand that by approximately 33% at this point. That's what's before you. I would recommend and ask that you sign it and if you have any questions, I will try to answer them."

Chairman Parks said, "These investigations are not only within Wichita, Sedgwick County and SRS, this is other agencies, maybe smaller agencies that don't have the resources to investigate such crimes and computer crimes and things like?"

Sheriff Hinshaw said, "That's correct. Part of the ICAC, which is nationally funded, there's 59 in the United States, we have responsibility here for all of Kansas. We have approximately 20 associated agencies. Part of what we do in ICAC, or actually Lieutenant Bridges who's here today actually oversees this, provides funding through the federal government, he has a certain amount of money set aside to assist other agencies in Kansas in investigating these crimes.

"What we're talking about here again, these are what they call peer to peer. This is one individual that has one of these catalog images that is sending it to someone else on the internet. Since we all know you can't just send it directly one person to the other, it has to go through several computer servers, those servers, by law, are looking for these pictures and when they locate one, they send it to the national ICAC unit, who in turn sends it to the local ICAC unit for investigation, and that's what this list represents.

"Unfortunately, what they have discovered many times is when they have the resources to follow up and follow through and bring one of these people and charge them, they have often talked to them and they readily admit that yes, they are exchanging the photos, but oftentimes, they will also indicate that, well, something else I need to tell you. I have also been touching my six year old niece. So, we are actually also able to get children out of an environment where they are asking for some help. Not only are we talking about images, we are also stopping real-time abuse of children."

Chairman Parks said, "I would certainly like to see these locked up in priority over failure to appear on a seatbelt violation, so I am certainly going to be in favor of this and have some more discussion with Commissioner Peterjohn."

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Commissioner Peterjohn said, “Thank you, Chairman Parks. I agree wholeheartedly with your comment there. Sheriff, could you talk for just a moment, you mentioned additional arrests that you would anticipate with this new position. Can you give me a ballpark idea in what sort of conviction rate we have with the arrests from this unit?”

Sheriff Hinshaw said, “Well, we are confident with now, last year we did approximately 128 investigations that probably resulted in probably 25 or 30 arrests, I believe. 40? That resulted in 40 arrests with these two detectives that have been doing this for a while. What we are proposing in the grant proposal is at a minimum, 60 additional investigations and increasing that by 20 arrests each year of the grant.”

Commissioner Peterjohn said, “Okay. I was just, if you had a ballpark idea in terms of what sort of conviction rates were getting. That’s really where we get the pedal to the metal in that regard, because arrests are good, but gee, it’s too many stories I’ve heard where the convictions are better.”

Sheriff Hinshaw said, “Like any good law enforcement officer, I’ve got backup here. This is Lieutenant Bridges and since he runs the unit, he might be able to answer some of the more detailed questions that you may have.”

Chairman Parks said, “Thank you Sheriff.”

Lieutenant T. Bridges, Wichita Police Department, greeted the Commissioners and said, “To answer your question, as you can imagine, dealing with the computer technology and digital evidence as we do, these are very complex investigations or they can be. We invest a tremendous amount of investigative time and effort into these cases. The bottom line, to answer your question is we do not lose cases once they are charged.”

Commissioner Peterjohn said, “Okay, thank you very much. That’s what I wanted to get you to say in public what I had already heard elsewhere. Thank you.”

Lt. Bridges said, “Thank you.”

Chairman Parks said, “Commissioner Unruh.”

Commissioner Unruh said, Thank you, Mr. Chair. Well, I’m going to be very supportive of this. I am absolutely stunned by the volume of traffic in this despicable activity. I doubt if the general public realizes. Most folks are good law abiding folks. I would not be surprised if anyone is aware that 2,300 images in a two week period that went across the internet or

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computers, however it goes, but we can't control it if we don't address it. This opportunity to have greater emphasis with some of this grant money, I think, is the appropriate thing for us to do. Especially with your success in prosecution once we get to that point. Appreciate your efforts. Sorry we have to deal with that in this community. I'm glad that we're able to find some federal support to try to control it, so I'm going to be supportive."

Chairman Parks said, "And these people, when convicted, do go to prison, it's a felony and hopefully we have a speedy trial so we can get them out of our local County jail and into the proper state facility."

Lt. Bridges said, "As long as the state has sufficient bed space, that's the plan."

Chairman Parks said, "Thank you."

MOTION

Commissioner Welshimer moved to approve the grant application.

Commissioner Unruh seconded the motion.

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

VOTE

Commissioner Unruh	Aye
Commissioner Norton	Absent
Commissioner Peterjohn	Aye
Commissioner Welshimer	Aye
Chairman Parks	Aye

Chairman Parks said, "Thank you, Sheriff, Lieutenant. Next item."

F. ACCEPTANCE OF BUFFER ZONE GRANT FROM THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY.

Colonel Richard Powell, Sheriff's Office, greeted the Commissioners and said, "Before you, you have a request item to approve the grant contract and approve budgetary authority for Department of Homeland Security grant that the Sheriff's Office has received in the amount of

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\$192,500. This grant is to provide equipment to enhance the Sheriff's Office capability to develop an effective preventative and protective measure plan to protect what is defined as highly critical infrastructure within Sedgwick County. I would be open for any questions if you have any. If there are no questions, our recommendation from the Sheriff's Office would be that you approve as requested."

Chairman Parks said, "I'm familiar with this plan and this is one of the things that, due to homeland security, we can't have a lot of open discussion on, but we can certainly address those things that can be addressed. Commissioner Welshimer."

Commissioner Welshimer said, "Well, I know we're going to have to approve this and accept these funds. We can only assume they're going to be used for purposes that are going to carry out what Homeland Security feels is necessary. It does give me a little concern to vote on an appropriation or receipt of monies that we're not totally familiar with how it's spent, but I understand the circumstances and I just want to make that known."

Col. Powell said, "Yes, ma'am. Your considerations, your concern are well taken. As part of the grant process, there are provisions set forth that there are internal auditing procedures that happen on a regular basis. There's also a required inventory of any equipment or devices that are purchased as part of this grant project. And of course, we have our own internal review policies within the Sheriff's Office that will ensure the requirements of the grant are appropriately met and the fund is spent as required as part of the grant process."

Commissioner Welshimer said, "Okay."

Chairman Parks said, "In response to that, I will say that I sat on the committee in years past on one of these. I can tell you that I certainly didn't see any waste in the past. Those things that come up that need to be held secure, we do have in Sedgwick County and there is a need out there. In light of the things that have happened in the last 48 hours, that's about all I'm going to say about it. With what has hit the national news, I'm going to be supportive of it."

Commissioner Peterjohn said, "Mr. Chairman..."

Chairman Parks said, "Yes."

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Commissioner Peterjohn said, "...I would like to second the comments that Commissioner Welshimer made in terms of the concern of not having all the information available, but I hope the public and everyone in the audience today will understand within the context of the atrocities that were committed on September 11th and the fact that there is still evil in this world and there are still enemies who feel like the American dream is something that needs to be attacked, I am going to be supportive of this measure and would move to approve the grant contract and approve establishment of the budget authority."

MOTION

Commissioner Peterjohn moved to approve the grant contract.

Chairman Parks seconded the motion.

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

VOTE

Commissioner Unruh	Aye
Commissioner Norton	Absent
Commissioner Peterjohn	Aye
Commissioner Welshimer	Aye
Chairman Parks	Aye

Chairman Parks said, "Thank you, Colonel."

Col. Powell said, "Thank you."

Chairman Parks said, "Next item."

G. A RESOLUTION AMENDING SEDGWICK COUNTY RESOLUTION NO. 33-07 AND PROVIDING FOR APPOINTMENTS TO THE WICHITA/SEDWICK COUNTY ACCESS ADVISORY BOARD.

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Mr. Mike Pepoon, Assistant County Counselor, greeted the Commissioners and said, “You have before you today a Resolution which amends a Resolution adopted by this Board a little over two years ago, Resolution number 33-07; which relates to the County’s appointments to the Wichita Sedgwick County Access Advisory Board. This is a board that we combined with the City of Wichita to make appointments to that oversees a lot of the activities we do to be in compliance with the American’s with Disabilities Act (ADA).

“When we updated our transition plan and self-evaluation plans, we ran these by this Board and a lot of new programs that the County is undertaking and current programs we still run by this Board to make sure we are in compliance with this law. The County has seven appointments to this board. Our ADA coordinator, Lindsey Mahoney, is one of the appointments. The County Manager has an appointment, who is John Sullivan with the County, CDDO (County Developmental Disability Organization). And each County Commissioner has an appointment. In the previous Resolution you can make appointments at any time and they were for one year.

“We have decided to make our appointments consistent with the Access Advisory Board’s policies, which make the appointments from May 1 to May 1. We also changed the Resolution to make our appointments consistent with the criteria that this board uses for appointments. The criteria the board uses is that we will endeavor to include substantial representation by persons with disabilities, design professionals and representatives from businesses or organizations who provide goods or services to persons with disabilities.

“So your new appointments would be from May 1 to May 1. I will be coming back to you to get information about these appointments. There is no board meeting in April for this board, so we hope about the first week of May, first Wednesday in May, have some new appointments for this board to approve for the May meeting. Unless you have any further questions, we recommend you approve this Resolution.”

Chairman Parks said, “Any questions of Mr. Pepoon on this?”

MOTION

Commissioner Welshimer moved to adopt the Resolution.

Chairman Parks seconded the motion.

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

VOTE

Commissioner Unruh	Aye
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Commissioner Norton	Absent
Commissioner Peterjohn	Aye
Commissioner Welshimer	Aye
Chairman Parks	Aye

Mr. Pepoon said, “Thank you.”

Chairman Parks said, “Next item.”

H. REPORT OF THE BOARD OF BIDS AND CONTRACTS' REGULAR MEETING ON MARCH 26, 2009.

Ms. Iris Baker, Purchasing Department, greeted the Commissioners and said, “The meeting of March 26th results in five items for consideration today. First item:

- 1. CONSTRUCT FIRE STATION #39 AT 3610 S. 263RD ST. WEST, GODDARD, KS – FACILITIES DEPARTMENT
FUNDING – CONSTRUCT NEW FIRE STATION 39**

Recommendation is to accept the low bid from Compton Construction in the amount of \$1,411,000.

- 2. MODULAR FURNITURE – FACILITIES DEPARTMENT
FUNDING – SHERIFF EQUIPMENT RESERVE OFFENDER REGISTRATION UNIT**

Recommendation is to accept the quote from John A. Marshall in the amount of \$29,783.06.

- 3. PETERBILT LABOR AND PARTS FOR REPAIR – FLEET MANAGEMENT
FUNDING – FLEET MANAGEMENT**

Recommendation is to accept the bid from Doonan Truck and establish contract pricing for two years.

- 4. PORTABLE BASKETBALL FLOOR FOR INTRUST BANK ARENA – FACILITIES DEPARTMENT
FUNDING – ARENA SALES TAX**

Recommendation is to accept the low proposal meeting specifications from Connor Sports Flooring

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in the amount of \$92,730.

**5. ELECTRONIC PATIENT CARE REPORTING (ePCR) SYSTEM –
EMERGENCY MEDICAL SERVICES
FUNDING – EMERGENCY MEDICAL SERVICES**

Recommendation is to accept the proposal from Sansio for first year acquisition cost of \$58,269, and a total estimated five year cost of \$271,005 and establish contract pricing for three years with two one-year options to renew.

We'd be happy to answer any questions and I recommend approval of these items."

Chairman Parks said, "I do have a question on number 2. Was that the lone bidder on that item?"

Ms. Baker said, "Number two, modular furniture, John A. Marshall, that is a state contract. John A. Marshall is the approved vendor installation, setup, maintenance vendor for what is considered Herman Miller which is HON furniture, modular work station type furniture. We do occasionally bid this type of furniture and we cannot beat the pricing."

Chairman Parks said, "Okay."

Ms. Baker said, "State contracts are 73% percent discount off of retail."

Chairman Parks said, "Okay. I'm familiar with those state contracts also and that answered my question. Commissioner Peterjohn."

Commissioner Peterjohn said, "Iris, I noticed that there were a large number of bids, looked like about a dozen, it was sent out to 73, on the construction for the new fire station. Compared to past construction on fire stations, was this about the same number of responses or more or less than we've had in the past?"

Ms. Baker said, "This is actually a few more responses than what we normally get and we expect to see that over the next couple years as the economy adjusts, if you will; 73 vendors is an all inclusive list. Small construction vendors as well as medium and large. Often in the past only the small vendors would participate in your smaller projects. But with the economy and the community conditions as they are today, you'll see more and more of the vendors overlapping to take what work they can get."

Commissioner Peterjohn said, "Thank you very much."

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Chairman Parks said, “Commissioner Unruh.”

Commissioner Unruh said, “Thank you. Iris, the item 4 the basketball floor for the Intrust Bank Arena, that was part of the original estimated cost of the arena, included in the...”

Ms. Baker said, “It is in the budget.”

Commissioner Unruh said, “Okay. That’s what I meant to ask. Secondly, the material here in our backup indicates we considered the floor form the Colisuem, moving it down, and it’s just not a good choice?”

Ms. Baker said, “That’s correct. It’s not in good condition at all.”

Commissioner Unruh said, “Okay. Another question I had on the item for the electronic patient care reporting system. This is an effort to upgrade our services, I mean, this doesn’t replace old?”

Ms. Baker said, “It does replace an old system. The system in use right now is very antiquated. It was highly customized at one point in time and it’s completed its useful life. The system that’s being recommended today is a hosted system, which is a web based. It’s going to be a whole lot more dynamic and efficient for them. Plus, it will be maintained and kept current. So it’s going to help out EMS tremendously over the current system.”

Commissioner Unruh said, “But this will cover our entire ambulance fleet?”

Ms. Baker said, “Correct.”

Commissioner Unruh said, “Okay. Alright. Thank you. That’s all I had.”

Ms. Baker said, “If I could say something for the record, going back to that basketball floor. We have a budget in the program for the arena that’s called an FF&E, which is furniture, fixtures and equipment. Over the next several months, between now and probably middle of October, you’ll start to see a lot more of these purchases because all of the equipment and the furnishings needed for that facility are going to be competitively bid. So we’re just now working on the longest lead time items right now. In the upcoming months, you’re going to see a whole lot more of this activity.”

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Commissioner Unruh said, “Okay, well thank you for that explanation. You know, as you know, there’s a great deal of sensitivity about this whole project and I think it’s good for folks to know that original budget, we’re bidding things competitively item by item.”

Ms. Baker said, “Correct.”

Commissioner Unruh said, “Thank you.”

Chairman Parks said, “Thank you. As a follow up, to the Manager, that would come out of those sales tax funds, still coming out of those for the record?”

Mr. William P. Buchanan, County Manager, greeted the Commissioners and said, “Yes.”

Chairman Parks said, “Thank you.”

Ms. Baker said, “All of it.”

Chairman Parks said, “Commissioner Peterjohn.”

Commissioner Peterjohn said, “Iris, Commissioner Unruh raised a question and since it involved the arena and as the new Commissioner up here, I would be interested in knowing, was there a projection that you had on the cost for the floor for the new arena and how did these bids compare with what you projected?”

Ms. Baker said, “We did have a projection and when we went out for bid we were concerned that it was going to be very, very close. That’s one of the reasons that we considered options of the used floor. These bids have come in very, very competitively and came in about, for the floor, the low bid we’re recommending came in about \$9,000 under what we had anticipated for the floor.”

Commissioner Peterjohn said, “Iris, thank you.”

Chairman Parks said, “Thank you.”

MOTION

Commissioner Peterjohn moved to approve the recommendations of the Board of Bids and Contracts.

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Commissioner Welshimer seconded the motion.

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

VOTE

Commissioner Unruh	Aye
Commissioner Norton	Absent
Commissioner Peterjohn	Aye
Commissioner Welshimer	Aye
Chairman Parks	Aye

Ms. Baker said, “Thank you.”

Chairman Parks said, “Thank you.”

CONSENT AGENDA

I. CONSENT AGENDA.

- 1. Affiliation Agreements with People First and The Looking Glass.**
- 2. General Bill Check Register for the week of March 18, 2009 – March 24, 2009.**
- 3. Payroll Check Register for the week of March 14, 2009.**

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

MOTION

Chairman Parks moved to approve the Consent Agenda.

Commissioner Welshimer seconded the motion.

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

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VOTE

Commissioner Unruh	Aye
Commissioner Norton	Absent
Commissioner Peterjohn	Aye
Commissioner Welshimer	Aye
Chairman Parks	Aye

J. OTHER

Chairman Parks said, “We have the ‘other’ section and I will yield to my other Commissioners before I have mine. Commissioner Welshimer.”

Commissioner Welshimer said, “Well, next Tuesday we’re going to have meetings with Justice Concepts who will be here. We will be going over some plans and suggestions on how to implement some of their recommendations, and hopefully Wednesday we’ll be able to make some kind of an announcement that shows a little progress in that area.

“Also, yesterday Ron Holt and I went with some people from the Art Council and we drove around the arena looking at areas, trying to identify some areas that would be a good place to put the sculpture bases for the artists who win the right to display their art for certain periods of time, it’s called the Walk About. Nothing definite on that yet, but we’ll be getting that finalized and a letter of recommendation to the Board to determine if we are going to participate in that. Thank you.”

Chairman Parks said, “Thank you. Commissioner Peterjohn.”

Commissioner Peterjohn said, “Yes, Mr. Chairman. Two of the Commissioners, Chairman Parks and myself, will both be participating in the Greater Wichita Economic Development Coalition retreat that’s going to be held Thursday and Friday. Since we are in a situation where we have got some more bad reports in terms of unemployment situation here in the community, I think the efforts to try and get our economy back on track locally as well as obviously at the state and national levels, that’s going to be a focus that I will be working on and wanted to make everyone aware out there that the County is participating.”

Chairman Parks said, “Thank you. I have a few announcements just in and one outside my district. ‘Death by Chocolate’ is this weekend; I have given my ticket that I received as a Commissioner to a needy family. If you want to partake in that, I should probably stay away from that event. Saying that, also on the 4th, noon until 5 p.m., I have been asked to announce

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that Park City has the ‘Party in the Park’ at McLean Park. Also 81 Speedway opens up for cruisers and a demolition derby, so if you’re inclined to, like to see wrecks at the speedway instead of just good racing, this would be the weekend to do it. Provided the weather is sufficient. Both those items are on the website of Park City.”

K. ADJOURNMENT

There being no other business to come before the Board, the Meeting was adjourned at 10:45 a.m.

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

KELLY PARKS, Chairman
Fourth District

DAVID M. UNRUH, Commissioner
First District

TIM R. NORTON, Commissioner
Second District

KARL PETERJOHN, Commissioner
Third District

GWEN WELSHIMER, Commissioner
Fifth District

ATTEST:

Kelly B. Arnold, County Clerk

APPROVED:

_____, 2009