

MEETING OF THE BOARD OF COUNTY COMMISSIONERS

REGULAR MEETING

July 29, 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, July 29, 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. Michael D. Pepoon, Assistant County Counselor; Mr. Mark Sroufe, Superintendent, Sedgwick County Park; Col. Richard Powell, Sheriff's Office; Ms. Susan Wilson, Director, Healthy Babies Program, Health Department; Ms. Pamela Martin Bevan, Director, Clinical Services, Health Department; Ms. Iris Baker, Director, Purchasing; Mr. Kelly B. Arnold, County Clerk; Mr. David Miller, Budget Director; Mr. Ron Holt, Assistant County Manager; and, Ms. Katie Asbury, Deputy County Clerk.

GUESTS

Ms. Frances Ervin, TRIO – Education Opportunity Centers Program, Wichita
Mr. Charles Peaster, Arena Sales Tax Oversight Committee appointee

INVOCATION

Led by Reverend Sherdeill Breathett, St. Mark United Methodist Church, Wichita, Kansas

FLAG SALUTE

ROLL CALL

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

PROCLAMATION

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A. PROCLAMATION DECLARING AUGUST 1 – 8, 2009 AS ADULT LEARNERS CELEBRATION WEEK.

Ms. Kristi Zukovich, Director, Communications, greeted the Commissioners and said, “I will read this for the record.”

PROCLAMATION

WHEREAS; adult education is a wide field. For some, it is all about the most basic literacy – about teaching adults to read well enough to function in society. Others see it as the learning that takes place at community centers and continuing education programs.

WHEREAS; adult education is also about earning a GED credential, high school diploma, finishing a bachelor’s degree, or certified skills training to prepare one for career changes in the workplace;

WHEREAS; adult education encompasses linkages between businesses, industry and university to improve employability of learners;

WHEREAS; the TRIO – Education Opportunity Centers (EOC) program, working in cooperation with surrounding educational institutions and community based agencies, provide education related to more than 1,000 adult learners seeking to improve their job opportunities through education.

WHEREAS; Adult Learner Celebration Week activities are designed to recognize, reward and honor 100 adult learners participating in the EOC program that will serve to highlight the importance of global learning.

NOW, THEREFORE, BE IT RESOLVED, that Kelly Parks, Chairman of the Board of Sedgwick County Commissioners, does hereby proclaim August 1 – 8, 2009 as

‘Adult Learner Celebration Week’

in Sedgwick County and encourages institutions of higher education and community-based organizations to continue to promote and widen access to post secondary learning opportunities for adults.

“It is dated July 29, 2009, and signed by the Chairman, Kelly Parks.”
Chairman Parks said, “What is the will of the Board?”

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MOTION

Commissioner Unruh moved to adopt the Proclamation.

Commissioner Peterjohn seconded the motion.

Chairman Parks said, “Motion and a second. This is a Proclamation that we’ve had that is an important item for all of us as we go throughout life and learn, and let’s call the vote.”

VOTE

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

Ms. Zukovich said, “Commissioners, we do have Frances Ervin who is here today from the TRIO program to accept the Proclamation, we’d ask her to come forward and maybe...”

Chairman Parks said, “Yes.”

Ms. Zukovich said, “...make a few comments as well.”

Chairman Parks said, “Please do.”

Ms. Frances Ervin, TRIO – Education Opportunity Centers Program, greeted the Commissioners and said, “Good morning, Commissioners and thank you very much for this Proclamation. My message is very simple, and it is that adults go to college and EOC can help. Whether those adults have stopped out, dropped out, or even partied out of college, our program is prepared to assist them. We look forward to working with other agencies in Wichita, Sedgwick County to assist adults to return to college. This fall we have 240 adults who desire to return prepared through pre-college training and will be entering surrounding colleges and universities this fall, 240. So we are here to celebrate them and thank you very much.”

Chairman Parks said, “Thank you. I do have one question. We’ve talked quite a bit from this bench about the GED (General Educational Development) programs and what not, and there are several of those still functioning and going around the County, is that correct?”

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Ms. Ervin said, "That is correct, and our program works to bridge adults into the GED programs. In fact, we will be honoring individuals in our program who have earned their GED credential, so that is still a very viable program and we encourage any adult who wants to get their GED to apply."

Chairman Parks said, "If this item's not on our website, I'd certainly ask staff to do that and so they can make that connection to you."

Ms. Ervin said, "Thank you very much. I appreciate it, it's an honor."

Chairman Parks said, "And thank you for your work."

Ms. Ervin said, "Thank you."

Chairman Parks said, "Next item."

APPOINTMENTS

B. ARENA SALES TAX OVERSIGHT COMMITTEE.

1. ACCEPT THE RESIGNATION OF MARK DENNETT FROM THE ARENA SALES TAX OVERSIGHT COMMITTEE.

Mr. Richard Euson, County Counselor, greeted the Commissioners and said, "Mr. Dennett has submitted his resignation and it would be appropriate to accept it at this time."

MOTION

Chairman Parks moved to accept the resignation.

Commissioner Peterjohn seconded the motion.

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

VOTE

Commissioner Unruh
Commissioner Norton

Aye
Absent

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|------------------------|-----|
| Commissioner Peterjohn | Aye |
| Commissioner Welshimer | Aye |
| Chairman Parks | Aye |

2. RESOLUTION APPOINTING CHARLES PEASTER, SR. (COMMISSIONER PARKS' APPOINTMENT) TO THE ARENA SALES TAX OVERSIGHT COMMITTEE.

Mr. Euson said, "Commissioners, we prepared this Resolution of appointment to fill the vacancy you just created, and Mr. Peaster will serve on this committee until thirty days after the Arena is open to the public, and I recommend you adopt the Resolution."

MOTION

Chairman Parks moved to adopt 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 |

Chairman Parks said, "And Mr. Peaster is here, if you would move to the podium with the County Clerk."

Mr. Kelly B. Arnold, County Clerk, greeted the Commissioners and said,

"I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Kansas and faithfully discharge the duties of office of the Sedgwick County Arena Sales Tax Oversight Committee, so help me God."

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Mr. Charles Peaster, greeted the Commissioners and said, "I do."

Mr. Arnold said, "Congratulations."

Mr. Peaster said, "Thank you."

Mr. Arnold said, "You want to say anything?"

Chairman Parks said, "Do you want to say a few brief words?"

Mr. Peaster said, "I would. I would, if I can speak this time, last time I kind of got choked up. I would like to thank Commissioner Parks for his trust in me and appointing me to the Arena Sales Tax Oversight Committee. I trust that I can bring the philosophical position that all Sedgwick County residents should have in how this special tax money is being spent and that for the foresight of the Commission to create a committee for checks and balances and independent sets of eyes. Thank you, Mr. Parks for appointing me to this committee. Back in 2007, when you and Commissioner Welshimer were elected to serve as Commissioners, I was informed that this Oversight Committee had been put into place and was made aware that any citizen had a right to attend it. I've attended most of the meetings, and therefore, this is not something that is off the wall or I haven't had attendance to those meetings previous. Thank you, sir, and fellow Commissioners, for appointing me to this committee."

Chairman Parks said, "You just stole my thunder there. I was going to say that you have attended most of those meetings, and have been an interactive citizen participant, even though you haven't been on the board, and we have a comment from Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. I wanted to emphasize that the points that both of you had just made, but since you already have, I'm going to go on and talk about the fact that Mr. Peaster has also been a constituent of mine, who has followed County policy outside the Arena Sales Tax Oversight Committee, too, and has provided a lot of suggestions and ideas in the brief time I've been on the Commission, so I'm delighted to see him participate and be able to do so in an official capacity. And I just wanted to welcome him aboard."

Mr. Peaster said, "Thank you, Commissioner Peterjohn."

Chairman Parks said, "Thank you."

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Commissioner Welshimer said, “And I’ll say something, too. I’ve noticed that you’ve attended most of our meetings, as well, which means that you’re very well informed on County business, and also the tax committee, so thank you for serving.”

Mr. Peaster said, “Thank you, also.”

Chairman Parks said, “Give him a moment to sign the document back there. Go ahead, next item.”

PRESENTATION

C. PRESENTATION OF QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2009.

POWERPOINT PRESENTATION

Mr. Chris Chronis, Chief Financial Officer (CFO), greeted the Commissioners and said, “We are here today to present to you the quarterly financial report for the six months that ended June 30, which is the halfway point in the County’s fiscal year. This is a report that I give to you, as you know, every three months, and the report that you’re going to see today is very similar to the ones that I have given you over the past several quarters, because in fact our financial condition is essentially the same. There have been some changes in the economy in the last three months, and I’ll highlight those, but what you’re going to see is very similar to what you have seen previously. The quarterly financial report is this document that you’ve all received. It is posted on the County’s website for any citizen to read, and if they’d like a hard copy, they can call the Finance division at 660-7591, we will be glad to provide one to them. The report has been prepared primarily by the folks in Accounting; Sara Jantz, Daniela Rivas, Pam Kelly, under the direction of Anne Smarsh and by the folks in the Budget office; principally Chris Duncan and Pete Giroux, under the guidance of David Miller, and some of those people are in the room here. The presentation itself, as always, has been put together principally by Troy Bruun, our Deputy CFO. As always, I didn’t do any of the work, I’m just here taking credit for it, making the presentation.”

“The revenues and expenditures of the County, for the first six months, in relation to the County’s budget, have been essentially the same as for the past several years. There’s a lot of information captured on this one slide, and so I am going to take a few minutes to try and explain it all. What you see in the pink, or red, bars are the County’s expenditures for each of the last three years, reflected as a percentage of the budget, and you see two segments in each red bar. The first segment represents the percentage of budget that had been expended as of the end of the first quarter of the

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year. The second segment is the expenditures as a percent of budget in the second quarter of the year; and the sum of the two bars, of course, is expenditures through six months of the year. So for 2009, you see that we have spent 42 percent of the budgeted expenditures for the entire year. Looking across to the right, the total expenditures for the first six months amount to \$160.9 million. Now, if you compare that to 2008, the second red bar moving down the page, you see that we also spent 42 percent of the budget a year ago, and looking across to the right, the total spending at six months a year ago was \$155.7 million. So our spending has increased a total of \$5.3 million over the prior year. That amounts to three percent.

“The green bars represent revenues for each year, and it’s a similar depiction. The first segment in the bar represents first quarter as a percent of budget; the second segment represents second quarter as a percent of budget; the sum of the two is six months revenue as a percent of budget. For 2009, we have collected a total of about 64 percent of our budgeted annual revenue. And looking across to the right, you can see that that amount that we’ve collected through six months of the year is \$249.6 million. If you drop down to the second green bar, you see that a year ago we had collected about 68 percent of budget, roughly a similar percentage. The amount of revenue that we had collected was \$252 million. And so from one year to the next, at the halfway point through the fiscal year, the County’s revenues have decreased \$2.8 million, which equates to about one percent.

“Now, looking at the major revenues that we receive, and in the next couple of slides I’ll do that, you can see that generally our revenues are running about the same this year as they did last year. The yellow bar represents current year revenues for each of these categories, the blue bar represents 2008 revenues at the same point in time, the green bar represents 2007 revenues at the same point in time. Our property taxes, at the bottom of the chart, are far and away our largest single funding source. The ad valorem taxes to date are \$135 million, which is about 1.8 percent more than we collected at the same point in time a year ago. And you would expect us to have collected more property taxes than we did a year ago because we had an increase in the digest, in the tax base, from last year to this year. Even though we reduced the tax rate by 1 mill, we had, I believe it was a six percent increase in the tax base, which more than offset that 1 mill reduction. So we’ve got about a 1.8 percent increase in property tax revenue.”

Mr. Chronis continued, “The two revenues on this page, in particular, that I want to direct your attention to are investments at the top of the page, investment income, and sales and use taxes in the middle of the page. Those two are the anomalies, if you will. Of all of the revenues that we receive, those are the categories where we are seeing the greatest effects of the economy and of the County’s businesses. Investment income through six months of the year has been \$3.9 million. That is down 56 percent from the same time a year ago. That’s down more than \$5 million from the same time a year ago.

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“The reasons for that are a very sharp plunge in the yields on investments, and those yields are driven by market conditions. And the second reason is that the size of the County’s investment portfolio has decreased in the past year, principally because we have been spending some serious money to build the Arena. So, sales tax money that was invested a year ago has now been spent and is no longer available for investment. Sales and use taxes, in the middle of the page, are at \$12.6 million through six months of the year. That is down seven percent from the same time a year ago, that’s down about a million dollars through six months of the year. And that is clearly a manifestation of the decline in the local economy and in local taxable sales. The other revenues on this chart, charges for services and intergovernmental revenues and motor vehicle taxes, are all essentially the same as a year ago, and we don’t see any reason for concern with any of those. But we are paying pretty close attention to investment income and sales and use taxes.

“Now, I mentioned property taxes being the largest single funding source for the County at about \$135 million year to date, but I always have to follow that statement with a slide like this that explains that the property taxes that I’m talking about are only the County taxes, and you as a taxpayer receive a tax bill that has on it levies for the County, for whatever city you live in, for the school district in which you reside and for various other governments, perhaps the Fire District, perhaps the township, the State of Kansas and other similar governments. On your personal tax bill, the County’s share of the total taxes that you pay represents about one quarter. And so that \$135 million that the County has collected represents about one quarter of the total property taxes that have been collected in this community, but only \$135 million of it have funded the County’s operations.

“Now, drilling down a little bit deeper into revenues, what you see on this chart are the six single revenue sources that produce the most money for the County in the first six months of this year. And for each one, you see how much we’ve gotten through six months, what percentage of the budget has been collected, and how much that revenue has changed from same time last year. We’ve already talked about ad valorem taxes, property taxes; we’ve already talked about the sales and use tax.”

“Medicaid fees are down fairly significantly from a year ago, about 13 percent down from a year ago, and to date we have only collected about a little more than a third of the amount that we had budgeted for the year. Medicaid revenues are down, principally for two reasons; one is that in developmental disabilities, there has been a change in billing practices and so some revenues that we received a year ago now are going straight to providers of services for CDDO ([Sedgwick] County Development Disability Organization), that accounts for about a million dollars. A more significant factor, and one that is going to increase in significance in the last half of this year, is that because of the economic downturn, the number of people who are applying for Medicaid, who

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believe they qualify for Medicaid, has increased very dramatically and the folks who are contracted to the State to perform that qualification process have a serious backlog.”

“They have told us to expect that backlog to grow in the next several months. So the number of people who are eligible to receive Medicaid, many of those people are going to have trouble receiving Medicaid funded services simply because they can’t get through the qualification process. That’s going to have an effect on our revenues, also. SRS (Social and Rehabilitation Services) revenue from the State is down about 12.7 percent at \$6.9 million, that principally funds COMCARE, and you are aware of some of the other County services that that funds, that is in line with our expectations based on the State’s budget actions taken last year and this year. We’ve talked about motor vehicle taxes previously. Medicaid waiver, at the bottom of the page, is something that’s new on this chart. We have received through six months of the year almost the entire amount of revenue that we expected to receive for the year from that funding source. The revenue year to date is up about 33 percent over the same time a year ago. That is attributable, primarily, to a change in our service delivery model. A year ago we were having many attendant care services, which are the principal services that receive this payment; we were having many of those services provided by contracted partners. Some of those partners have exited the business, so now we are providing much more of that attendant care service than we used to, and that’s what’s driving this revenue increase. So the revenue that you see here is offset to a great degree by increases in cost for us to deliver those services.

“Turning now to expenditures. I want to run through the same kind of charts that we just did for revenues. The two major categories of expenditure are personnel costs and contractual service costs. As I’ve said several times before, Sedgwick County government either provides services with its own employees or it hires somebody in the community to provide services to our constituents. So we are either paying people, or we are paying contracted vendors, and that’s what drives our costs. We don’t buy very much stuff, our commodities, our capital outlay, never amount to a great amount of money in the grand scheme of things. Our debt service never is very significant in the overall sense of our budget. Personnel costs through six months of the year have been \$86.7 million. That is a little over seven percent or about \$5.8 million more than a year ago.”

Mr. Chronis continued, “The primary cause for the increase is benefits costs, they have been up about 10 percent, as you will see in a slide in just a minute, and also we have added a number of people. Last year we added the drug court late in the year, I believe it was in October that we started hiring people for that. We have hired a little over 10 FTEs (full-time employees), and so this year our workforce has increased by that 10 positions, and that’s what’s driving our personnel costs also. Contractual service costs through six months of the year have been \$62.2 million, which is a decrease of 1.9 percent from same time a year ago. You see the other categories of expense are roughly the same as a year ago.

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“Now, turning to largest expenditures. What you see on this chart are the nine individual types of expenditure that Sedgwick County has incurred to the greatest extent in the first six months of this year. We have already talked about personnel costs, and on this chart, five of the top nine expenditures of Sedgwick County are personnel costs; salaries and wages, health insurance, and that’s the one that I said had been up 10 percent over past year, retirement contributions are up seven percent, FICA (Federal Insurance Contributions Act) costs and overtime at the very bottom of the chart. Of all of those, overtime is down from a year ago. Everything else is up, and that increase is driven by the general pay adjustment that employees receive, for the pay for performance increases that people received this year, and by those 10 additional new positions for drug court.

“The four items on this chart that are not personnel costs are the same or less in 2009 than they were in 2008. Grant awards are payments that we make to service providers in the community. They are down, as you see, almost four percent from a year ago, a little bit under \$10 million through six months of this year. Fleet Management charges are down five percent at \$3 million, almost \$3.1 million. That is principally attributable to fuel costs. A year ago at this time we were paying \$4 for fuel, now we’re paying \$3 for fuel. Interest costs, interest on the County’s debt, is down about eight percent from a year ago. We’ve spent \$2.7 million on interest costs through six months of the year. And finally, affiliate Medicaid, the payments that flow through us to our affiliate service providers, are the same this year as they were last year. No change.

“Now, moving from operating costs to capital projects, you see on this chart five, actually six because one consists of two projects, but five major project areas that the County is engaged in right now. The foremost project, the one that everybody identifies as being a Sedgwick County project is Intrust Bank Arena. That project has a total budget of \$205.5 million. It is currently expected to be completed and open to the public in January of next year. So as of right now, we’re estimating that we’re 60 percent complete with that project, even though the building from the outside looks like it’s complete, there’s still a lot of work being done on the inside of the building. We have committed almost \$183 million of that \$205 million budget. We have actually spent \$144 million.” “And the difference between those two numbers represents contractual obligations for work in progress that haven’t been completed yet. The NCAT, the National Center for Aviation Training at Jabara Airport, is well underway, also. The Gateway Building, the first of three buildings in that complex, is very near completion and we are expecting that it will be open for WATC (Wichita Area Technical College) to begin occupying next week. The other two buildings, the classroom buildings, are under construction and they are scheduled to be complete about this time next year. That is a total \$48.2 million project. We have committed a total of \$43.1 million of that, and you see on the far right there that we’re estimating building one, the Gateway Building, to be 96 percent complete, and building two, which is actually two buildings, phase two, to be about 27 percent complete as of right now.

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“In fire station relocations, we have two projects underway. Fire Station 35, which is located somewhere, I’ve lost my notes. Thank you. Yeah, 35 is in Goddard, and Fire Station 39 is south of Goddard in southwest Sedgwick County. Those two projects have a combined total budget of \$4 million. We have committed a total of \$2 million of that to date. Station 39 is about a third of the way complete; it is under construction, about a third of the way complete. Station 35 in Goddard is in the design phase right now. The Forensic Science Center expansion is underway. That’s a \$2.4 million project. We have committed \$2.2 million. The construction activity has just recently commenced and so we are about 15 percent complete with that project as of today. Finally, highway preventive maintenance, I think David Spears’ favorite, is a \$6 million project this year. That entire \$6 million has been contractually committed, and about 56 percent of the work has been completed, the rest of the work is in progress.

“Now for fund balance. What you see on this chart is the County’s unreserved fund balance at the end of the second quarter. The blue bars represent the total amount of unreserved fund balance in each of our fund categories; the red dot represents the amount of fund balance that we have established as a minimum target by County policy. For the general fund, our unreserved fund balance at the end of the second quarter was right under \$100 million. The target for the general fund, 20 percent of budgeted expenditures, is \$37 million. You see the other bars on here; the general fund is the one that I want to dwell on, primarily. That amount of revenue, that amount of unreserved fund balance, fluctuates from period to period, based on the County’s cash flow cycle. At the end of June, we have just received the second installment of property taxes for the year, and so that is the high point in the County’s cash flow cycle. As you will see on the next slide, we will be able to illustrate that very clearly. We expect that the general fund unreserved fund balance, would be drawn down fairly rapidly from now to the end of the year until January when we receive the first installment of next year’s property taxes.”

Mr. Chronis continued, “The total amount of fund balance that we have unreserved in the general fund as of June of 2009, is \$4.5 million less than the total amount of unreserved fund balance that we had at the end of June, 2008. Now, I said that there is a cash flow cycle here. That number increases and decreases depending on where we are in the property tax collection cycle. But it is useful to look at the same time in prior years to get a sense of what the trend is, and the trend for general fund unreserved fund balance is down. We are starting to use that fund balance to pay for County operations as the economic conditions have deteriorated and as we’ve lost some investment income and some sales tax revenue. Now, what we were looking at on the prior slide was the unreserved fund balance, which is what we have a policy established to set standards for. What we’re looking at on this chart is the total fund balance for the general fund. And, again, you can see at each dot where we stood at the end of each quarter for the past three and a half years. The red dots, the peak of each year, is the second quarter. So you can see that in 2009, our total fund

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balance, as opposed to the unreserved that we were showing on the prior slide, our total fund balance in the general fund was \$107 million. A year ago at the same time, total fund balance in the general fund was \$112 million, so we've drawn it down about \$5 million over the past year.

"Turning now to County investments. Our investment portfolio at the end of the second quarter, at June 30, was just under \$350 million, and as you will see in just a minute, that is down from a year ago by about \$50 million. The composition of the investment portfolio is illustrated by this pie chart, and as always, about two thirds of our investments are in U.S. agencies, about 64 percent, which is about \$225 million, at the end of the second quarter. That is our principal source of investment, because that is the kind of security that we believe provides the greatest combination of safety and yield for the County. We have significant amounts of money invested in money market accounts. Those are primarily construction funds, and we invest in money markets because they are very liquid, we can get the cash out of them on very short notice as we need to, to pay for construction bills. We also have about \$23 million, 6.5 percent of our money, invested in certificates of deposits with local banks.

"Now, on this chart you can see what the size of the County's investment portfolio has been for the past two years, going back to the spring of 2007, that's represented by the green bars, and you can see what the yield on the County's investment portfolio has been, that's represented by the blue line. The red line represents the County's benchmark, which is a one year Treasury bill. As I have described to you in previous sessions, the benchmark rate started dropping about 18 months ago it's been now, and you can see that very clearly on this chart. Because we invest in securities for a relatively long time, that is, longer than a year in many cases, we have had in our portfolio securities that we bought back when yields were higher, and so we have been able to stay above the benchmark until those securities in our portfolio matured."

"The problem is that when they mature, we have to replace them with market rate securities, and sooner or later, the market is going to turn around, and this red line is going to start to go back up. When that happens, the County will have in its portfolio a lot of securities that we had to buy at low market rates, so what you're seeing here suggests that the County has been achieving a rate of return on its investments for the past several years that is significantly above our benchmark. What you will see going forward in the next several years, once the market has turned around and rates start to rise again, is that the County will lag that benchmark, the blue line will drop below the red line. The size of the portfolio, as I said on the prior slide, was \$350 million at June of '09. It is a little bit difficult to make out on this chart, but if you go back to June of '08, right in the middle of the slide, our portfolio at that time was about \$400 million. So we have reduced the size of our investments about \$50 million, because we have been constructing the Arena and spending money that had been invested. The yield on our investments, the blue line, currently stands at 1.24 percent, one and a quarter percent is not much to earn on your money. But the red line, the benchmark,

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market rates, are at .56 percent. So we are still above the benchmark, but we're not earning very much on our money right now.

"Now I always end this portion of the presentation with this slide that identifies key items that are under discussion that have the potential of creating some impact, either positive or negative, on the County's financial conditions, and on its budget in the coming years. And I'm not going to spend a lot of time dwelling on these. You're familiar with each of them. The two I want to focus on are in red at the bottom: the economic conditions and the State's budget, because those are the two that had the most immediate effect on Sedgwick County's finances. But the decisions that we make about the items in black; inmate reduction programs, workforce development initiatives, downtown development, KPERS (Kansas Public Employees Retirement System) pension system and Arena sales tax transfers, back and forth, all of those will have an effect on the County's financial condition.

"Now, turning to economic conditions, and I'm going to go through this series of slides quickly, and I don't want to focus on, and I'd prefer that you not focus on, the numbers, but rather on the trends, because that's what's really important here. For construction activity, a key indicator of the state of the economy, the number of permits that have been issued is decreasing, has been decreasing for the past seven or eight months, and is continuing to decrease as compared to a year ago same time. The value of those permits also has dropped. The spike that you see here was March of '09 and this appeared on the last presentation that we did, and you see that immediately to the left of that, there is a blank space. I think what happened is that the City of Wichita got its reports in late and so some information that actually happened in February didn't get recorded until March, and that's what's driving that spike. But in general, it is safe to say that the value of construction activity in this community continues to be lower this year than it was at the same point last year."

Mr. Chronis continued, "Employment, also, is down. I mentioned at the last presentation that March of this year was the first month since the downturn began that the Wichita MSA (Metropolitan Statistical Area) total employment had decreased from one month to the next. That decline has continued in the three months since that last presentation, and we now are at fewer than 305,000 jobs in the Wichita MSA. To put that in perspective, the last time we were below 305,000 jobs was last summer, a year ago. So the job loss that has occurred in the past four months basically has taken away all of the job growth that occurred in the prior eight months. Because of those job losses, the unemployment rate has been spiking. We currently stand at about 8.3 percent in the County's unemployment rate. Now, that's good from a national perspective. Nationally, unemployment rate is over nine percent, and very quickly moving towards 10 percent. But it is still high in Wichita, 8.3 percent means that there are a lot of people in our community who are struggling right now.

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“At the last presentation that I gave you, this chart said that we thought that July might be the bottom for Sedgwick County employment, and that was based on information that has been provided to the Workforce Alliance by the businesses in the community. What has happened since then is that we know that we are not going to be at the bottom in July this month. In fact, next month there are going to be additional people laid off, something approaching 2,000 jobs next month alone. So total layoffs in this community, from September of last year through August, will be something above 13,000 by the end of next month. We believe that that number is likely to continue to grow for at least another several months before businesses start hiring once again. So the downturn is somewhat deeper than we thought three months ago. It is going to last somewhat longer than we thought three months ago.

“As we’ve told you in budget presentations that we’ve been having for the past several months, our projection is that Sedgwick County’s budget is going to be harder to put together next year than it was this year. That is because of the lag in the local economy compared to the national economy. Nationally what we’re hearing, what we’ve started hearing just in the past week or so, is that economists are saying they think the recession may have ended. They are seeing positive signs, what some people call ‘green shoots.’ Employment layoffs are down nationally. New jobs created, or jobs lost, whichever way you want to look at it, is down. The income levels are starting to rise; consumer confidence is starting to rise. That’s what’s happening on the national level. If they are right and if the national economy has finally come out of recession, what we know is that Sedgwick County has at least another year to go, because we lag the national economy generally by 12 to 18 months. So we’re going to have at least another 12 or 18 rough months in this community before we start to see a real turnaround. That’s going to affect Sedgwick County’s finances, not only in 2010, but also in 2011 and perhaps the year after that.”

“Now, what’s happened so far with Sedgwick County’s revenues is that despite this bad news in the local economy, the revenues have stalled, but they haven’t dropped very sharply. And what you see on this chart are the monthly net revenues, excluding the Arena, the change from one month to the same month prior year. So you can see that on the far right of this chart, the bars are essentially at zero, with the exception of one month. We have been receiving about the same amount of revenue this year as we received last year. This chart illustrates that a little more clearly. What you see looking at each month is that the receipts for ‘09, the pink bars, are about the same as the bar immediately to their left, which represents ‘08 revenues. We had a decline in May, but that was offset by an increase in June.

“Sales tax, though, as we’ve described earlier, has been somewhat more volatile. Year to date our sales taxes are down seven percent. What you see on this chart, again looking at the far right, is that the reason we’re down seven percent, and only seven percent, is because our January receipts were up about eight percent over the prior year. Every month since January has been down from prior year, and the last two months have been down between 10 and 20 percent. Now, we haven’t yet

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posted the July sales tax, but we've received notice from the State of those receipts, and they will be down five percent from a year ago. So we are continuing to see a decline in sales taxes from a year ago.

"Mortgage registration fees are very sensitive to the economy and because construction activity has been down, and because of problems with home finance generally, mortgage registration fees are down and have been down every month going back into 2007, with the exception of June. And the only reason that June is above the line on this chart is that we received a very large payment from a business of mortgage registration fees that belong to a number of counties. Because we are the home County of that business, we receive the entire mortgage registration fee and then the Register of Deeds remits the appropriate shares of that payment to other counties that have property by that business. The receipt happened at the end of the June. The remittance to other counties happened at the start of July. So what you see on this chart is an anomaly, our mortgage registration fees appear to be higher in June than they were a year ago, but that's all because of that single business activity. Medicaid revenue has been down for a number of years, the pace of the decline has increased pretty dramatically this year. You see that year to date, we have been down consistently in excess of 10 percent over prior year. And I've talked about that in an earlier slide, so I am not going to dwell on it here, but it is a significant funding source for the County, and it is one that we cannot rely on now to the extent that we did a few years ago."

Mr. Chronis continued, "Now, unlike revenues, our expenditures have continued to grow, although slowly. What you see on this chart shows that for the most recent three months our expenditures have increased generally between five and 10 percent. And that's in line with that overall chart that I showed you at the beginning that said that total County expenditures were up, I believe it was about three percent, over a year ago. Typically the County spends about \$30 million every month, right around that number. Our expenditures spike in July, that's what you see in the middle of this chart, because that is when we record our principal and interest payment on County debt, and it spikes again in January because that's when we make an interest payment on that debt. Other than those two months, what you see on this chart shows pretty consistent spending from month to month, and our history for the past six months has been consistent with what I've been describing to you; growth of expenditures generally on the order of three to five percent month in and month out.

"Salaries are the largest expenditure that we incur. What you see on this chart shows for each year, the year to date expenditures for every month so you can see how salaries grow through the year. If you look at the peak of each year, the highest points on these triangles, you can see what the year to date expenditures were for salaries from 2003 on the far left to 2008 on the right, and then 2009 is a partial year. Our salaries are growing, they have continued to grow, and this year, as I described

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earlier, they are up, I believe I said about seven percent. Overtime has been growing steadily, but year to date it is down from prior year. And so we believe that we've gotten some pretty effective controls over the use of overtime. Grant awards I've described to you previously, you can see the trend looking at the peaks of the triangles. We have been spending less each year on grant awards to providers in the community and that trend has continued this year. The bottom line, the net effect of all of this, is that the County's liquidity, as reflected by its general fund cash balances, has been solid for most of the past seven or eight years, but for the most recent six months, that is this year, our liquidity has declined each month. That is another manifestation of the fact that we are starting to draw down the County's reserves to pay for operating costs that are continuing to increase slightly in the face of declines in sales taxes and investment income.

"What are the overall conclusions? My conclusions are that Sedgwick County, so far, has not suffered a great deal because of local economic condition. The impact has been pretty negligible. However, unemployment is likely to rise in the next several months, we think that we are getting close to the bottom, but we are not sure. The impact of that is that County revenues have stagnated. That's kind of a good news, bad news story. The bad news is that revenues aren't growing, and we'd like them to. The good news is that they haven't fallen off a cliff like they have in so many jurisdictions around the country. Despite the downturn in the economy, County revenues have been essentially flat; they are slightly down year to date from a year ago, but there isn't a significant drop in overall County revenues."

"Another thing that we know about the effect of economic conditions is that as our constituents become unemployed, as they start losing income, they need services that they didn't used to need. And so we can expect, and in fact we have started to experience, increased demand for some County services. Workforce development services, people who have been laid off need to be retrained so that they can apply for and qualify for new jobs. People who have been laid off suffer higher rates of mental health problems, and so they need additional counseling. Older folks who may have been employed and been laid off, need aging services that they didn't used to need, or as their portfolios have suffered through the downturn in the economy, they may not be able to rely on their own resources to pay for some services that they thought they were going to, and they have to turn to the County's aging services department for those services. People can't afford to receive primary healthcare once they've been laid off and have lost their health insurance. So we are seeing an increase in people requesting services at the County's primary health clinics. And finally in law enforcement, we know that when people lose their jobs and they go through those kinds of pressures, the instances of domestic abuse increase. Child abuse increases, spousal abuse increases, and we are seeing those kinds of increases, so the Sheriff's staff is finding more cases that they have to respond to. When they make arrests, that means there are more people going into the jail and when those people get to court, that means that the court and the D.A. (District Attorney) have more people to prosecute. So there is an effect of all of that on Sedgwick County's financial activity.

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“That is what is driving our expenditures, and we expect going forward that those effects are going to grow. So we are at kind of a perverse situation here. Our revenues are stable or slightly declining. Our expenditures are increasing slightly, and the demand for the services that those expenditures fund is going to increase somewhat more over the coming months. So revenues down, expenditures up. That’s not a recipe for fiscal health. That is why we have substantial reserves established, and as I’ve explained to you before, the level of those reserves, we think, is sufficient to allow us to ride out this storm, if we continue with status quo. To the extent that we don’t take actions, or the State doesn’t take actions, that changes the picture that we see right now, we believe that we will be able to continue to provide good services to our constituents without having to lay off people or eliminate particular kinds of services. And we think that that’s a very good position to be in, it’s a very enviable position that many governments around the country would like to be in.

“And this just kind of summarizes that. What we have is normal cost increases, an increase in demand for some services, that means that we are going to incur deficits. We are not used to that around here. We don’t like deficits, but that’s what we have reserves for. We’ve been using those reserves the first six months of this year; we are going to continue to use them. Three months ago when I gave you this slide, I estimated that our general fund deficit would be \$2 to \$3 million for the year.”

Mr. Chronis continued, “We have had some changes in conditions and we’ve had some controls over expenditures that we’ve exerted in the past six months and so now we are forecasting that the general fund deficit will be on the order of \$1 to 2 million, a little bit less than we thought earlier. So we’re moving in the right direction, nevertheless, we think that we will have deficits. And our history shows that we will continue to work on those to try and avoid the deficits, but if they occur, we have enough cash balances, enough fund balances, to be able to ride out that downturn.

“Now turning to the State. These are the effects of the State budget that has just been adopted on Sedgwick County, and you’ve seen these before, a total of \$4 million that the State has removed from Sedgwick County. One million of that is in the form of general revenue, the M&E (Machinery and Equipment Tax) Reimbursement, what we refer to as the slider, the rest of it, about \$3 million, represents funding for specific services that the State has declined to fund from July 1 going forward. We have made some tentative decisions about whether or not the County is going to continue to fund those services with local revenues, and how we will do that, and we have included those proposals in the budget that you are considering now, and we’ve talked about them in budget sessions, so I’m not going to dwell on those. We think that the revenue cuts of the State are manageable, we think that the service cuts, so far, are manageable; there will be some effect, both on Sedgwick County, to the extent that we do choose to fund services that used to be paid for by the State, that will have an effect on the County’s financial condition, to the extent that we choose not to fund those services, that will have an effect on our constituents, who won’t receive services that used to be paid for by the State.

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“The real concern here is what actions the State might take going forward. We know that the State adopted a budget that was just sort of balanced. Based on the revenue that they were saying they had and the expenditures that they were saying they were going to incur, they were balanced. I think they had a few million dollars, maybe a few hundred thousand dollars, of excess revenue. But we know that the very next month the State revenues were less than they had been expected to be. So there is every reason to think that the Governor, moving into the last half of this year, is going to take at least one or two whacks at the State budget. He’s going to make some cuts somewhere in order to restore balance in the State’s budget as their revenues continue to decline. We don’t know where those cuts will occur. We don’t know how they might affect us, but they are a concern, and we’re going to be on the lookout for those actions. That concludes this presentation. I’ll be happy to answer any questions that you might have, and if you have no questions, then I would recommend that you receive and file this report.”

Chairman Parks said, “I think there are going to be quite a few comments and a few questions. On the motor vehicle taxes, back towards the front of your presentation, on your next quarterly report I’d ask that the portion of that that’s broken out for WSU (Wichita State University) that the amount of that be broken out in that slide next time.”

Mr. Chronis said, “Okay.”

Chairman Parks said, “And just as a general comment, we’ve been keeping Mr. Chronis and the staff busy. This would be a good time for me to say that we are having a special meeting on Friday, the 31st, at 1:30. We’re going to be discussing more of the 2010 budget. That is an open public meeting. We will certainly be delving into more of the budget for 2010, and it is a special year for us, kind of unique for many of us. I would say on some of those things that the State has cut out, this is a time for churches and non-profits to step up, some of those may be needing, whether it’s a Lions Club, rotary club, whatever, needing a project in their area, in their community, they can certainly fill some of those voids and some of those groups are looking for projects to do, so hopefully our staff and those groups can step up and fill some of those voids because government can’t always do everything for everybody. I did meet with the Appraiser yesterday. Home sales are up slightly, so there might be a little bit of a light at the end of the tunnel. We will see how the next few months go on that, and with that, I’ll turn it over to Commissioner Peterjohn.”

Commissioner Peterjohn said, “Thank you, Mr. Chairman. Chris, great presentation, enjoyed it very much; enjoyed it so much that I’ve got over 15 questions for you.”

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Mr. Chronis said, "Lucky me."

Commissioner Peterjohn said, "Let me try and cover a couple of major points, and then if there are other Commissioners who want to throw in questions, I'm not going to try and go through all 15 right at the moment because some of them may be more appropriate for Friday. On your, I believe it was your third slide in your presentation, you talked about how there was a six percent increase in the property tax base, in terms of revenue for the current year, if you can get back there to that third slide..."

Mr. Chronis said, "That one?"

Commissioner Peterjohn said, "Well, maybe one more."

Mr. Chronis said, "I've got property taxes on that one and that one."

Commissioner Peterjohn said, "I was interested in that slide in particular because, yes, you're showing the increase in the property tax despite the 1 mill decrease the Commission approved last year. Can you break down at all how much of that increase is due to increases in appraisal on existing property or increases due to new property and new construction on that six percent?"

Mr. Chronis said, "That can be done. I don't have that information here. We can produce that for you."

Commissioner Peterjohn said, "Okay, Friday. Jumping to, I think it was your 11th slide, no, I'm sorry, 12th, you showed that the interest rate differential, the interest rate was one and a quarter percent, I was interested in understanding the interest cost that the County is paying on County debt and if that has also changed and declined in steps, so has the spread, in terms of the interest differential between what we receive and what we're paying, has that also moved in parallel with those lines or is it a little bit different?"

Mr. Chronis said, "It would be different and it would fluctuate over time because the interest rate on the County's debt is locked in position when we sell the debt, so as market conditions change after that sale date, the interest that the County pays doesn't change. What we're looking at on investments are much shorter term transactions, and so the interest rate on County investments deviates from the market, as I've explained, because of the difference in how long we're investing compared to our benchmark, but it's a much shorter cycle than the interest on the County's debt. What you would find, looking at the past several years, is that the interest rate on County's debt has generally been about four percent; it's averaged out to about four percent. On shorter securities, bonds that mature in a year or two, what you would find is that the interest rate that we pay is pretty similar to what you see on this chart, to the extent that our bonds mature more than two or three

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years out into the future, the interest rate that we pay on that debt would exceed this, and the farther out in the future we go, the higher the rate will be. But, again, the average interest rate on County's debt for a number of years now has been right around four percent. If we were to sell in today's market, we would get an average rate of return on our bonds of about 3.7 percent."

Commissioner Peterjohn said, "Okay. So how much wider would that be than, say, this time last year, if we were selling debt?"

Mr. Chronis said, "It's about the same."

Commissioner Peterjohn said, "It's about the same?"

Mr. Chronis said, "Yeah."

Commissioner Peterjohn said, "Oh, okay."

Mr. Chronis said, "Yeah, the interest rates on County debt spiked last fall when we went through the banking turmoil, and they increased up to, I believe it was about five percent, but immediately before that crash that happened in late August or early September, interest rates were about where they are right now, so we had a spike, and now things have returned to normal."

Commissioner Peterjohn said, "Mr. Chairman, I'll let one of the other Commissioners ask."

Chairman Parks said, "Well, dovetailing on the back of that, I would say that I have spoke with Mr. Chronis about the possibility of refinancing some of those bond issues in the last month, so that's one thing that I know that he and I are on the same page on, and he's constantly monitoring that. Commissioner Unruh."

Commissioner Unruh said, "Thank you, Mr. Chairman. Chris, you talked about our decline in liquidity, does that create an imminent threat to our bond rating? I mean, is that something we have, I know that eventually it will, are we still pretty secure at this time?"

Mr. Chronis said, "Yes, we are. The County's position, in terms of the level of reserves that we have, is a very desirable position to be in. The credit analysts, the people who determine the rates which we'll be able to sell bonds, understand that those reserves have to be used in downturns in order to provide for continuation of services. They expect that, at some times, we will be incurring deficits and drawing down those balances. What they want to see is that that's an orderly process and that it's not that you don't try and replace permanent funding requirements with nonrecurring funding sources, fund balances or cash balances. They have no problems at all with us using reserves or using cash balances to pay for expenditures, in the short term, during an economic

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downturn. What they want to see is that we have a plan to make sure that that's not going to continue beyond the end of the downturn."

Commissioner Unruh said, "Okay. Thank you. I just want to make a comment to follow up to on one of the Chairman's comments about a lot of activity we've created for our Chief Financial Officer and our Budget Director and the folks in Accounting, and we've all asked for lots of information these last few weeks, and I just want to complement you and all of them in your staff for being responsive and producing a lot of information that we've requested."

Mr. Chronis said, "Thank you."

Commissioner Unruh said, "Yep. That's all I had, Mr. Chair."

Chairman Parks said, "Commissioner Welshimer."

Commissioner Welshimer said, "Well, I just want to respond to Commissioner Peterjohn concerning the Appraiser. I did talk to the Appraiser about what was involved in that slight increase in valuation, and he did tell me it was new valuation on real and personal property. It's not a valuation increase on sales of real estate."

Commissioner Peterjohn said, "On existing property, well, I appreciate that."

Commissioner Welshimer said, "It's all new stuff that came onto the tax roll."

Chairman Parks said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Back to, I think the third slide, Chris. Yeah, you just went by it. There you go. The intergovernmental kind of surprised me there because you had presented a significant decline in the amount of State funding, and I would presume that would all show up in that intergovernmental area and then I thought, well, gee, we've had, while the State's been putting on the fiscal brakes, Washington's been spending, but, of course, this would have been for the last, well, for just the first six months and it's hard to think that events would be moving that quickly, and I was kind of surprised that that intergovernmental figure was basically identical for the same period last year, and I wondered if you might have any insights on that in light of how the State numbers had varied so much?"

Mr. Chronis said, "Well, the State numbers that I described at the end of the presentation have to do with funding that the State will be providing us in the next 12 months. It's for the State's fiscal year that began July the 1st. For last year, which is what we're looking here at the last half of the State's fiscal year that ended on June 30, for that period of time there wasn't much of a change in

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State revenues. Some revenues from the State were down, some were up. But in aggregate, our revenue from the State was about the same as prior year. Regarding stimulus funding from the federal government, we have received nothing to date. We have received an award for the Sheriff, for you approved a grant for ICAC, the Internet Crimes Against Children program, and the Sheriff is in the process of recruiting that position and buying that equipment, but the program hasn't yet begun, and it's a reimbursement based program, so we'll receive the federal funding after we have spent funding locally. We have received awards for a couple of road projects, but, again, we haven't yet accepted the bids for those projects, and so we haven't yet received any federal funding, and one of those projects that we received an award for, in fact, will go to the State, not to us. In a variety of other areas, we have applied for federal funding through the stimulus programs, but we've not received any awards yet."

Commissioner Peterjohn said, "Okay, because I had thought the slider from the State would have impacted us in the first half of this year off of what they decreased, and that was a pretty big hit."

Mr. Chronis said, "Yeah, but..."

Commissioner Peterjohn said, "Overall..."

Mr. Chronis said, "...in the first half of this year it wasn't very big. It will be more next year, that decline. The slider that they paid us the first half of this year was down \$100,000, if I remember right. There's David."

Mr. David Miller, Budget Director, greeted the Commissioners and said, "The first half payment was \$650,000."

Mr. Chronis said, "Okay. And same time last year?"

Mr. Miller said, "We did not receive a slider payment last year."

Mr. Chronis said, "Oh, okay. There you go. It's up \$650,000."

Chairman Parks said, "Okay. Well, thank you, David, for your presentation, and we'll be looking forward to working with you Friday and at other times. Seeing no further discussion, I will move we receive and file."

MOTION

Chairman Parks moved to receive and file.

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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 |

Mr. Chronis said, “Thank you.”

NEW BUSINESS

- D. A SUBLEASE AGREEMENT BETWEEN SEDGWICK COUNTY AND THE WICHITA AREA TECHNICAL COLLEGE (WATC) TO ALLOW WATC TO LEASE THE GATEWAY BUILDING AT THE NATIONAL CENTER FOR AVIATION TRAINING FOR USE AS ADMINISTRATIVE OFFICES AND TO CONDUCT STUDENT SERVICES AND CAREER ASSESSMENT ACTIVITIES.**

Mr. Michael Pepon, Assistant County Counselor, greeted the Commissioners and said, “As Mr. Chronis mentioned in his presentation under capital improvements, the National Center for Aviation Training is going on, and phase 1, which is the Gateway Building, is just about complete. And he mentioned WATC moving into that facility. What you have before you this morning is the sublease agreement which will allow Wichita Area Technical College to move into that facility. This is a sublease because Sedgwick County is part of a lease with the Sedgwick County Public Building Commission, and we actually have the operating authority and lease of that property right now, and we are subleasing this on to WATC. This covers the Gateway Building, which is primarily just an administrative office building and does student intake and assessment, those sorts of activities. It’s a lease that is intended to be a shorter-term lease. This is a one-year lease. It can be terminated at the end of one year. When phase 2 of this facility is completed, which I think is approximately a year

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from now, there will be another operating agreement and sublease which will be for a much longer period of time for operation of that facility out there. If you remember, it's a fairly unique situation where we have been asked to represent both Sedgwick County and Wichita Area Technical College in this matter, and so, in fact, and have consent from both of those bodies to do so. So, in fact, what we did was prepare a lease, and the County Manager and the President of Wichita Area Technical College, Pete Gustaf, negotiated this lease. Some of the terms of the lease are, it's essentially a \$1 a year lease. They move in rent free, for all intents and purposes. They're responsible for the utilities out there. They're responsible for all the maintenance. They cover all the insurance liabilities on this facility except we do cover the actual building itself under our hazard insurance policies."

"Another factor of the lease is that NIAR (National Institute of Aviation Research) through Wichita State University has an office that will be out in this facility, and in effect, the Sedgwick County Technical Education & Training Authority (SCTE&TA), which is the governing body over Wichita Area Technical College, reviewed this lease at their July 16 meeting and approved it and the President of the college has signed the lease. At that board meeting, I think the only substantial questions that came up had to do with the section involving capital improvements. There is a provision in the lease that Wichita Area Technical College cannot make any improvement in excess of \$10,000 without our approval, which would not be unreasonably withheld and there were some other discussions concerning WSU's ability to be out there rent and utility free. By and large, I believe the Authority felt that the lease was a good lease and went ahead and approved the lease. We have present this morning Ray Frederick, who is the Chair of the Facilities Committee of the Sedgwick County Technical Education & Training Authority. Mr. Gustaf had to be out of town today and couldn't be present, but if you want any input from the Authority, I'm sure Mr. Frederick would be happy to come up and answer any questions with regard to that. Otherwise, we'd ask that you approve the lease, and I'll be happy to answer any questions."

Chairman Parks said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Mike, a couple of questions. You mentioned NIAR, will you be bringing a lease to us or are they going to sublease through WATC or through the Sedgwick County Technical Education Authority? I just want to make sure who's ultimately on the bottom line here that we're working with when you say you mentioned Sedgwick County Technical Education but our backup information here has WATC."

Mr. Pepoon said, "And the Sedgwick County Manager can jump in at anytime, but in effect, this facility right now is intended to house both Wichita Area Technical College to do technical education and training and a substantial portion of it will house NIAR, the National Institute of Aviation Research. I do not believe the details, as of this time, have been worked out exactly how we're going to do the operating agreement and enter into further phases of this, but the Manager may want to add something."

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Mr. William P. Buchanan, County Manager, greeted the Commissioners and said, “If it pleases the Commission, Commissioner Peterjohn, it’s my understanding that NIAR and WATC had numerous discussions about how they’re going to share space and what kind of cost sharing would occur. It’s my understanding that NIAR will pay WATC the appropriate portion cost for heat and light and other utilities and all the normal maintenance things that would occur in a building.”

Commissioner Peterjohn said, “Okay. So, we won’t have another, the more folks we deal with in the same facility, the more complexity.”

Mr. Buchanan said, “Yes.”

Commissioner Peterjohn said, “Second question I have for you, Mike. You said this lease is for one year and you plan to do a longer lease. My understanding is that that property the County leased at a cost of about \$3 million from the [Wichita] Airport Authority for 50 years. Would you anticipate that that longer-term lease would be for the balance of that time or some other duration or do you have any idea?”

Mr. Pepoon said, “Again, I think we haven’t got all of that figured out yet. This is modeled, in large part, on the Exploration Place model, and that is a long-term lease. I assume that it will be an operating agreement and sublease, and I would assume that it would be for a very long-term, but probably also allow Sedgwick County the ability to get out of it under certain circumstances if for some reason we thought that arrangement wasn’t working, but it would probably be a long-term lease.”

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

Chairman Parks said, “Okay. Commissioner Welshimer.”

Commissioner Welshimer said, “Well, I just want to remark, too, that I wouldn’t want to see two landlords up there. I would think WATC has the greatest responsibility for the building and their use of it. That would certainly be my preference. And yes, I would like to see something in the contract that would protect us if something happened to WATC. Thank you.”

Mr. Pepoon said, “Okay.”

Chairman Parks said, “Commissioner Unruh.”

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Commissioner Unruh said, “Thank you, Mr. Chair. I wanted to declare at this time that I sat on the Training Authority Board, also, and sat on this Board and been in discussions from both entities as we try to move this forward. And as Commissioner Peterjohn indicated, this is kind of a complex situation, but it’s with a group of partners, all who are focused on the same goal and the same end, and so although this is kind of a bridge contract to get us to the full completion of the construction out at the National Center for Aviation Training, I think it accomplishes what we need to do in the short term and to get WATC in the building and started along with their partner, NIAR, and we can achieve the purpose of providing technical education for our citizens. I’m going to be supportive of it, and at this point for the one-year lease, I think we’ve combed through the details, and this provides the protection and responsibility for the appropriate parties, and I’m going to be supportive. That’s all I have, Mr. Chair.”

Chairman Parks said, “Okay. My one question was for the Manager. The cost ratio that we figured for this facility back in 2007 when we voted on it, we had some, monetarily does this fit into what that program that was presented at that time, will this contract hinder or help or facilitate the monetary side of, it I guess?”

Mr. Buchanan said, “We had planned all along, Mr. Chairman, to provide this building to WATC at no cost to them and that we would not be responsible for operating costs, so this has no fiscal impact on our plan for that building.”

Chairman Parks said, “Okay. Well, if they have an agreement with WSU, if there was something that was forthcoming from WSU, that’s what I just wanted to make sure that there was nothing else that would allow this to happen without WSU kicking in their share of the moneys that had been promised back then.”

Mr. Buchanan said, “I don’t believe this has any effect on that.”

Chairman Parks said, “Okay. Thank you. Seeing no further action, what’s the will of the Board?”

MOTION

Commissioner Welshimer moved to approve the sublease and authorize the Chairman to sign.

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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 |

Mr. Pepoon said, “Thank you.”

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

E. AGREEMENT BETWEEN SEDGWICK COUNTY AND THE CITY OF WICHITA POLICE DEPARTMENT FOR THE USE OF A PORTION OF SEDGWICK COUNTY PARK FOR THE PURPOSE OF HOSTING “NATIONAL NIGHT OUT CONCERT AND FAMILY EVENT” ON AUGUST 2, 2009.

Mr. Mark Sroufe, Superintendent, Sedgwick County Park, greeted the Commissioners and said, “I’m here today requesting the approval of a contract between Sedgwick County and the Wichita Police Department for the use of a portion of Sedgwick County Park for a free concert that is in conjunction with the National Night Out. The concert will be held on August 2 from 3:00 p.m. to 8:00 p.m. This will be a free concert; it will be open to anyone who wants to attend. The Wichita Police Department has requested that we waive all the fees in conjunction with this event and I support that. That’s all that I have, if you have any questions, I’d be glad to answer them at this time.”

MOTION

Chairman Parks moved to approve the agreement and authorize the Chairman to sign.

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 |

Mr. Sroufe said, "Thank you."

Chairman Parks said, "Thank you. And that National Night Out, not only does City of Wichita have activities, other police departments in the area have activities, and I would urge people to go out and participate in their local communities on that. Thank you."

F. DEPARTMENT OF PUBLIC SAFETY.

1. REQUEST TO ADD ONE SHERIFF DETECTIVE POSITION TO THE SHERIFF'S STAFFING TABLE.

Col. Richard Powell, Chief Deputy, Sheriff's Office, greeted the Commissioners and said, "I brought before you two items for your consideration this morning. Actually, items that are a follow-up, as mentioned by our CFO, Mr. Chronis, concerning our Internet Crimes Against Children's group which operates under the EMCU, Exploited Missing Children's Unit with the Sheriff's Office. Earlier this year, we received notification from the Department of Justice that there were potentially additional federal funds available to help support our ICAC group, and in appearance before the Commission here on April 1, we received your permission to submit an application to the Department of Justice in an attempt to receive these funds. The application was approved. The funds were allocated and we now actually have in hand the authority from the Department of Justice saying those funds have been approved. Communications are present and we've received \$557,551 for the increase in staffing and materials with this ICAC investigative group. This is a four-year grant. It requires no matching funds on the part of Sedgwick County. It provides for salaries and benefits of one additional detective, a vehicle and all ancillary training and other materials that may be required as a part of that task that the detective will be assigned to."

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Col. Powell continued, "We have before you, again, two different items because of the requirement to hire an additional staff member. The first Agenda item is to increase our staffing table by one to allow for the hiring and the placement of someone in that position. The second item is to also request your authority to increase our Sheriff's fleet vehicles by one to purchase an assigned vehicle for this particular detective. Again, all these purchases will be included within the moneys that have been set aside for this grant. I would stand for any questions you may have. If there are no questions, we would respectfully request that you approve the submitted."

Commissioner Welshimer said, "Mr. Chairman."

Chairman Parks said, "Yes."

Commissioner Welshimer said, "I'd like to respond to request number one."

MOTION

Commissioner Welshimer moved to approve the addition of one Sheriff Detective position to the staffing table.

Commissioner Peterjohn seconded the motion.

Chairman Parks said, "We have a motion and a second, just a little bit of further discussion. In 2013, when that drops off, that would certainly be up to the Sheriff to decide whether that's incorporated or whether that needs to continue or those moneys back, so..."

Col. Powell said, "That'd be correct, Mr. Chairman."

Chairman Parks said, "...there is a caveat in there that we have, that that does have an expiration on that."

Col. Powell said, "That's correct, sir."

Chairman Parks said, "Okay. Thank you."

Col. Powell said, "And currently the ICAC unit has been in existence now for some time and historically speaking, it has been regularly refunded on an ongoing basis to date."

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Chairman Parks said, “Oh, I’m certainly going to support that and I’ll have some comments later on, also. Commissioner Peterjohn.”

Commissioner Peterjohn said, “Thank you, Mr. Chairman, because you touched upon the issue I originally wanted to talk about, that this was a limited duration grant but unfortunately, sadly, because of the time’s that we live in, it’s a much needed area of law enforcement that’s unfortunately growing all too rapidly and this is not a problem isolated to Sedgwick County, it’s a nationwide problem and I am going to be supportive of this motion. I really hope that this problem, and these crimes, we can get a handle on them and reduce them. It is a very sad commentary for the state of our society that the growth in these crimes against children.”

Col. Powell said, “Thank you, sir.”

Chairman Parks said, “I did want to add that maybe we’ll send a message out to those child predators that Sedgwick County, Kansas, is not the place to try to get on the computer and try to solicit or to go out and try to create these situations where they can abuse children or have this heinous crimes of everything from A to Z that they do on the computer, and hopefully that message will get out and we’ll be able to do some prevention from this end of it, also, but I’m sure that some of those pedophiles will not be watching this broadcast and will slip up and...”

Col. Powell said, “Yes.”

Chairman Parks said, “...those are the ones that I’m proud to pay to put in jail.”

Col. Powell said, “Thank you.”

Chairman Parks said, “And then have a fair trial, and then take them to prison, and then the State can pay for it.”

Col. Powell said, “We’re very fortunate here in Sedgwick County, we obviously, we are one of 59 regional ICAC groups throughout the United States, and then again, it’s very fortunate that we have the opportunity to have one of those right here within our local community and we certainly see it as a value to law enforcement and considering the thoughts that you had mentioned, a very viable asset to the Sheriff’s Office. Thank you.”

Chairman Parks said, “Seeing no other comments, call the vote.”

VOTE

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

Chairman Parks said, "Thank you, next item."

Col. Powell said, "Thank you."

2. REQUEST TO ADD ONE UNMARKED, SEDAN VEHICLE TO THE SHERIFF'S FLEET FOR USE BY NEWLY FUNDED ICAC DETECTIVE POSITION.

Col. Powell said, "Again, this follows with the hiring or placement of an additional detective. This federal grant also allows for the purchase of a fleet vehicle to be assigned to this detective, which is consistent with the other detectives we already have in these positions. Again, this is 100 percent funded. We ran this through Fleet Management, they gave us the actual cost analysis, as far as the budgetary impact or concern, we see no concern with it in relation to the funding amounts allocated. Again, I would stand for any questions. If not, I respectfully request your approval."

MOTION

Chairman Parks moved to approve the addition of one unmarked, sedan vehicle to the Sheriff's Fleet for use by newly funded ICAC detective position.

Commissioner Welshimer 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 |

Col. Powell said, "Thank you, Commissioners."

Chairman Parks said, "Thank you for your presentation."

Col. Powell said, "Yes, sir."

G. HEALTH DEPARTMENT.

- 1. APPROVE THE HEALTHY BABIES GRANT APPLICATION IN THE AMOUNT OF \$141,570 FOR PRENATAL EDUCATION AND OUTREACH, FUNDING OPPORTUNITY #HRSA-09-254, SPECIAL CONGRESSIONAL INITIATIVE; FUNDING FOR HEALTHY MOTHERS AND BABIES, CFDA #93.888.**

Ms. Susan Wilson, Director, Healthy Babies Program, Health Department, greeted the Commissioners and said, "As you already know, Healthy Babies is the only program in Sedgwick County with the sole mission of improving birth outcomes, especially among our high-risk moms. We have group education, and we also have home visitation and in-office visits and we serve moms in all zip codes in Sedgwick County. We do have Federal Healthy Start funding that allows us to target moms in three high-risk zip codes here in Sedgwick County: 67208, 67214, 67219. And as part of that Healthy Start grant that we have, we have also been offered special Congressional Initiative funding for Healthy Babies and Mothers as part of that initiative. And Healthy Start is mandated to reduce the rate of infant mortality and improve perinatal outcomes through grants to project areas with high annual rates of infant mortality. With this grant, it is a onetime funding of \$141,570. No match is required. The grant year would be September 1 of '09, and we would like to use the funding for outreach and community-wide education."

Ms. Wilson continued, "The outreach is so necessary because, as you heard earlier, we know the state of our community; the economic downturn really impacts our moms and babies. They tend to put healthcare very low on their priority list, and so we would like to be able to use outreach to tell more moms, more teens about the program, get them enrolled, so we can educate them on the

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importance of receiving prenatal care and interconceptional, and that's that care they receive after baby is born until they get pregnant again. And also provide some community-wide education and let our community really know what those factors are tied to premature and low birth weight births and how preconception, interconceptional, and prenatal care can really change those outcomes and how we can help change that cycle, because a baby born with poor outcomes, there's cognitive issues, all of those things down the road. So I would ask that you would approve our grant application, and I'm happy to answer any questions."

Chairman Parks said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Yes. Susan, I'd be interested, since this is a one-year grant, what's our longer-term, what is our ability to measure performance because I think that's going to be a factor, in terms of where we'd go after a year. I certainly agree that there is a significant need, and I've seen some ratings where Sedgwick County hasn't scored as high as I'd like us to score, and this was certainly one factor, and there are a whole host of issues included here; if you're able to get better nutrition and breastfeeding and so on, it gives infants a real leg up, but I wanted to get an understanding of kind of the duration of this grant, what position this is going to lead us into next year, as well as, how we can get a handle, in terms of how well the money that we get spent results in hopefully improvement in this problem."

Ms. Wilson said, "I have two answers to that. Two phase answers. We are fortunate with the Healthy Babies Program that we have a very good sustainability plan. We have a number of grant funders. We do get a little bit of local money, but we really rely on our grant funding. For our Federal Healthy Start grant, we were just renewed for another five-year cycle on that funding, and that allows us to really target those moms in those high-risk zip codes. This funding, tied to that Healthy Start grant, is one-time and it's just some extra funding to help us increase our outreach right now at a time when, like I told you, we are really in need of that in our community and other communities across the nation."

"So our measurable outcomes, we're really looking at, are we able to get more moms into the program so that they can at least receive that support and the education that they need? Do we have a lower low birth weight rate in Sedgwick County by 2013, which we expect that we will? Are we able to decrease our infant mortality? Especially among our African American moms right now, we have a rate of about 26.5 infant deaths per 1,000 live births in those three targeted zip codes. For moms enrolled in the Healthy Babies Program residing in those three targeted zip codes, for the five

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years ending in 2007, we did not have an infant death. What that shows us is that the services provided by our program, in combination with all of our other community partners, make a difference in the lives of these moms and babies.”

MOTION

Commissioner Peterjohn moved to approve the electronic submission of the grant application and authorize the Chair to sign all necessary documents, including a grant award agreement containing substantially the same terms and conditions as the application; and approve establishment of budget authority at the time the grant award documents are executed.

Commissioner Welshimer seconded the motion.

Chairman Parks said, “Motion and the second. I do have one comment. A couple of my constituents continually remind me that this is a need of our citizens and I was contacted this weekend by at least one of those that said that they hope that our citizens in this program take priority over any illegals that might be trying to use this program.”

Ms. Wilson said, “Well, we follow grant guidelines to serve area residents, especially those women and infants in areas with very high perinatal health risk factors.”

Commissioner Welshimer said, “I have a comment, too.”

Chairman Parks said, “Go ahead.”

Commissioner Welshimer said, “I think what you’re doing here is quite vital to our community, and they do provide an excellent help to young mothers and new babies and I think we certainly wouldn’t want to reject the money that’s coming in for that.”

Ms. Wilson said, “Thank you.”

Chairman Parks said, “Seeing no further comment, call the vote.”

VOTE

| | |
|------------------------|--------|
| Commissioner Unruh | Aye |
| Commissioner Norton | Absent |
| Commissioner Peterjohn | Aye |

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|------------------------|-----|
| Commissioner Welshimer | Aye |
| Chairman Parks | Aye |

Ms. Wilson said, “Thank you.”

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

2. AGREEMENT WITH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT (KDHE) TO SERVE AS REGIONAL COORDINATOR IN SOUTH CENTRAL KANSAS FOR THE KANSAS BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAM, OTHERWISE KNOWN AS THE EARLY DETECTION WORKS (EDW) PROGRAM.

Ms. Pamela Martin Bevan, Clinical Services Director, Health Department, greeted the Commissioners and said, “The Health Department has served as the South Central Kansas Regional Coordinator for the Early Detection Works (EDW) program since 1998. The Health Department operates an EDW program that is designed to reduce breast and cervical cancer, morbidity and mortality by providing breast and cervical cancer screening, as well as limited diagnostic follow-up testing to income eligible women. The focus of this agreement is the coordination aspect of the program in which the primary functions are to develop a network of providers within the community for the screening and follow-up diagnostic testing, raise awareness of the disease, the importance of early screening and to encourage the target audience to seek the available services. In 2008, 30 women were diagnosed with cancer through this regional agreement; 20 with breast cancer and 10 with cervical cancer. Year to date, 21 have been diagnosed with cancer, 13 with breast cancer and eight with cervical cancer. Non-participation in this program, which provided 1,600 screenings last year, would diminish our ability to reduce breast and cervical morbidity and mortality of income eligible women within these 19 counties. Our proposed recommended action is to approve this agreement and authorize the Chair to sign.”

Chairman Parks said, “Any comments? What’s the will of the Board?”

MOTION

Commissioner Welshimer moved to approve the agreement and authorize the Chair to sign.

Commissioner Unruh seconded the motion.

Chairman Parks said, “Have a motion and a second, Commissioner Peterjohn.”

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Commissioner Peterjohn said, “Yes, I question you when you said 19 counties, can you give a little bit more detail, in terms of how this is working and how Sedgwick County is involved with the other 18 because I’m very much concerned about Sedgwick County tax dollars leaving Sedgwick County, but if we’ve got a grant arrangement or some sort of regional thing, I’d just appreciate any clarification you can provide.”

Ms. Martin Bevan said, “Right. There are 19 counties that are adjacent with Sedgwick, and those would include like Barber, Barton, Butler, Comanche, Cowley, Edwards and Harper County, and we work in conjunction; we have outreach workers that go out into these other 18 counties and they recruit women for these services. We also have providers within those areas to be able to provide the breast and cancer screenings, so that’s how we work in conjunction.”

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

Chairman Parks said, “Okay. There is some pass-through money, I take it, that comes back through there. Commissioner Unruh.”

Commissioner Unruh said, “Thank you, Mr. Chair. I just want to say I’m going to be very supportive of this. I, like many people, have firsthand experience with the fact that early detection does work. It provides lifesaving support to a lot of folks, improves quality of life, reduces healthcare costs, not only individually but in the aggregate, and it’s a positive program that if we can be cooperative and supportive and leverage the quality of life for our citizens, it’s a good thing to do, and I’m going to be very supportive.”

Ms. Martin Bevan said, “Thank you.”

Chairman Parks said, “Seeing no further discussion, call the vote.”

VOTE

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

Ms. Martin Bevan said, “Thank you.”

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H. APPROVAL OF A RENEWAL APPLICATION WITH VALLEY CENTER LIONS CLUB FOR THE SEDGWICK COUNTY ADOPT A HIGHWAY PROGRAM ON MERIDIAN FROM 61ST STREET NORTH TO 69TH STREET NORTH. DISTRICT 4.

Mr. David Spears, Director, Public Works, greeted the Commissioners and said, “Item H is a renewal agreement with the Valley Center Lions Club for the Sedgwick County Adopt-A-Highway program. They will be responsible for picking up litter along Meridian between 61st and 69th Streets North and I recommend that you approve the Agreement and authorize the Chairman to sign.”

MOTION

Chairman Parks moved to approve and authorize the Chairman to sign.

Commissioner Peterjohn seconded the motion.

Chairman Parks said, “Motion and a second. I was the bottom line signer on this document for about 15 years, so now we’re turning this around and Richard Bartel, who wasn’t able to be here today, has taken over the reins of that program, and this is a good program. I want to say a little bit about the program. We started out with two miles and Valley Center annexed some so we’re down to one mile, but it’s a little quicker that way. You know, we have quite a few people that come out, and we usually have a hot dog event at the end at the True Value store there that Mr. Bartel has, so that fits in with his program. This program is out there for anybody, for other clubs and things if they want to participate.”

“As I said earlier, the spirit of volunteerism is not dead, and during these times when we can’t always get the County out or somebody out to pick up trash or we can’t have our prisoners picking up trash for some other reason, we need to go out and help, have some pride in our neighborhood, and this program’s been very good, and I just am very proud to be on the other side of that this time to be able to facilitate this cleanup and this action.”

Mr. Spears said, “Thank you.”

Chairman Parks said, “Any other discussion? Seeing none, call the vote.”

VOTE

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

Mr. Spears said, “Thank you.”

Chairman Parks said, “Thank you.”

I. REPORT OF THE BOARD OF BIDS AND CONTRACTS’ REGULAR MEETING ON JULY 23, 2009.

Ms. Iris Baker, Director, Purchasing, greeted the Commissioners and said, “The meeting of July 23 results in eight items for consideration today. First item;

**1. ADA PEDESTRIAN PUSHBUTTON AND SIGNAL HEADS – PUBLIC WORKS
FUNDING – R316 REPLACE TRAFFIC SIGNAL CONTROLLERS ‘09**

“Recommendation is to accept the low bid from Gades Sales Co., Inc. in the amount of \$54,712 and establish firm contract pricing for one year with two one-year options to renew. Item 2;

**2. CONSULTING SERVICES FOR STORMWATER MANAGEMENT (STRATEGIC BUSINESS PLAN AND PUBLIC AWARENESS STRATEGY) - PUBLIC WORKS
FUNDING – PUBLIC WORKS**

“Recommendation is to accept the proposal from Patti Banks Associates in the amount of \$199,822. Item 3;

**3. LAPTOP COMPUTERS – FIRE DEPARTMENT
FUNDING – FIRE DISTRICT ADMINISTRATION**

“Recommendation is to accept the low quote from Dell in the amount of \$26,670. Item 4;

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**4. FUJITSU SCANNERS AND ACCESSORIES – DISTRICT ATTORNEY’S OFFICE
FUNDING – BJA RECORDS MANAGEMENT SYSTEM**

“Recommendation is to accept the low responsive bid from En Pointe Technologies in the amount of \$17,031.01. Item 5;

**5. CHANGE ORDER #4-AMENDMENT TO CONTRACT FOR BI, INC – ADDITION OF INTENSIVE PRETRIAL SUPERVISION SERVICES – CORRECTIONS DEPARTMENT
FUNDING – DAY REPORTING PROGRAM**

“Recommendation is to accept the change order and amend the contract with BI, Inc. and establish contract pricing. Item 6;

**6. DESKTOP AND LAPTOP COMPUTERS FOR INTRUST BANK ARENA – FACILITIES DEPARTMENT
FUNDING – ARENA SALES TAX**

“Recommendation is to accept the low quote from Dell in the amount of \$88,041.80. Item 7;

**7. ICE COVER FOR INTRUST BANK ARENA 5.14 – FACILITIES DEPARTMENT
FUNDING – ARENA SALES TAX**

“Recommendation is to accept the proposal from SpaceAge Synthetics, Inc. in the amount of \$123,651 and establish contract pricing for six months. Item 8;

**8. CHANGE ORDER, INTRUST BANK ARENA CONSTRUCTION - FACILITIES DEPARTMENT
FUNDING – ARENA SALES TAX**

“Recommendation is to accept the change order and amend the contract in the amount of \$410,510. Would be happy to answer any questions, and I recommend approval of these items.”

Chairman Parks said, “I do have a couple of questions. On number three, there was no bid from Panasonic, like we have from other public safety agencies on this one, or are you familiar with that process?”

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Ms. Baker said, “The Panasonic, which is a ruggedized laptop, is not part of the WSCA (Western Sedgwick County Arena) contract. It’s a heavier duty piece of equipment, a little more expensive. They’re usually above the \$3,000 range. In the assessment of writing the specs, the department and Purchasing decided that this laptop would be sufficient to meet their needs. They’re not pulling it in and out of the trucks. The way in which this equipment is used isn’t as conducive to damage as some of the other higher-end ruggedized computers.”

Chairman Parks said, “Okay. Well, having some firsthand knowledge of that from the law enforcement application, it was, the Panasonics were really tough, so that’s a good explanation, and I appreciate that. And on number six, I guess if the Manager or, I’m not seeing Mr. Holt here, could just expand the discussion on this a little bit for the public on the desktop computers and laptop computers for the Arena. Whoever would be best able to speak to that, just kind of expand what this is for, what they’re going to be using them for.”

Mr. Buchanan, County Manager, said, “This is for the operations of the facilities. When we entered the contract with SMG to operate it, it was our obligation to provide the furniture and equipment in the building, and this is just part of the furniture and equipment for the building. It will be paid out of the sales tax fund, just as item seven is also.”

Chairman Parks said, “Thank you. That was all the questions I had. Commissioner Peterjohn.”

Commissioner Peterjohn said, “Yes. Item six, I had some questions about that, and I don’t think they are as much for Iris as perhaps for Ron. On the 22 laptop computers that are part of that purchase, and also to a degree the desktop, how will we have these marked or identified or protected in some way so that they don’t go wandering off somewhere and they’ll stay with the facility, I mean this question mostly in a broader sense of anything else that is relatively portable and can disappear because I don’t want to have County property start traveling?”

Mr. Ron Holt, Assistant County Manager, greeted the Commissioners and said, “Yes, Commissioner, we, of course, are purchasing these through the County’s purchasing process and procedure, so they will be County equipment. They will be accounted for as if they’re County equipment. All assigned a, I forget the number they’re called, but a, I call them a serial number, but all of our equipment has a numbering system on it, and all of that equipment will be accounted for in that way, turned over to SMG for their use in the facility. Should they have one break or they need a replacement, they’ll have to show us which piece of equipment is being replaced, why it’s being replaced, and if SMG would ever no longer be managing the facility, we would, of course,

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have a full and complete accounting of whatever equipment that the County is providing that will stay with the building; not only those computers but other kinds of equipment, FF&E (fixture, furniture and equipment) as well.”

Commissioner Peterjohn said, “Thank you. Mr. Manager.”

Mr. Buchanan said, “If I may just add an item. Annually we do an inventory check of all our equipment. You probably never see this occur, but your administrative assistants get a letter asking about, you know, making sure the copier is there and make sure the computers are there and make sure the screens are there and we do that on a routine and regular basis.”

Commissioner Peterjohn said, “Okay. Thank you. Next question I’d like to throw out, for Iris, on item number eight, the video production system, I noticed that at the bottom, the explanation on this that the original contract was for just a shade over \$138 million, but our total accumulated change order to date is about, a little more than \$3.2 million or 2.34 percent above that figure. I wanted to be sure that that extra included the million dollars, was what I think the first vote I got to cast, for the extra seating and the modified seating arrangement for that facility; is that correct?”

Ms. Baker said, “That’s correct. That total cumulative...”

Commissioner Peterjohn said, “And if Ron wants to jump in, please.”

Ms. Baker said, “...takes into account every change order that’s been processed.”

Commissioner Peterjohn said, “Okay. Do you have any comment on that?”

Mr. Holt said, “I might just add, while this is called a change order and that’s the way we’re handling it through the Bid Board, in fact, these dollars were set aside and not included in the construction bid process because of technology improving and we didn’t want to be bidding back in 2007 for technology that we were going to be adding in 2009, and so we’re bringing these back to you because, in fact, it makes sense, that now we’ve identified the technology, everybody’s agreed on it, we had a number of people bid on these through Dondlinger/Hunt, but to coordinate and integrate this as a part of the construction project, its why you’re seeing it as a change order with Dondlinger/Hunt.”

Commissioner Peterjohn said, “Thank on you that, Mr. Holt. Mr. Chairman, I’ve got one question on item two. This agreement for consulting services for stormwater management and for 13 months, I was interested in making sure, is this a contract that we’ve had in the past or if this is something brand new we haven’t done previously? This may be more of a question for Mr. Spears...”

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Ms. Baker said, "Go ahead, David."

Commissioner Peterjohn said, "...who's the Director of Public Works, than for you, Iris."

Mr. Spears said, "This is part of SMAB, Stormwater Management Advisory Board. Two of the people on there were on the Selection Committee. In fact, Commissioner Welshimer's representative was there, Clark Sholts, I believe, and then Commissioner Parks, you had a representative on the Selection Committee, also. This is something we've been working on for several years. This is the first contract with that, and it's nothing that has, we haven't done this in the past. If you look at some of your backup there, on page 50 down there, it says it's an outreach to all communities, currently all funding comes from Sedgwick County and the purpose of the services is to deal with drainage in a regional way and to set up standard stormwater management and procedures, creation of the drainage design manual, so that every community is looking at the same type of standard and figure out the next steps of what the business of stormwater management will look like as a regional business and then also what regional funding sources are available and how to bring other moneys and people to the table and how to coordinate every bit of that. So this is an ongoing thing that we've been doing for several years and this is just the next step that we need to go through."

Commissioner Peterjohn said, "Dave, let me ask you a follow-up question because the City of Wichita has had a stormwater program going back to the 1990s, as I recall, and had funding on that, so we would be working with all the communities in the County and is it something that some of the other cities that have their own resources would be working in conjunction with us on these issues?"

Mr. Spears said, "Well, we're always interested in partnering with other communities that want to, some of the smaller cities are pretty strapped for funding right now. Wichita is, as you know, Scott Lindebak was on this committee also and we want to work with them also to get funding, but at this point, I think the County sort of is carrying the ball on their back because, you know, everybody's in the County and all the cities are in the County, so we're sort of supporting it right now."

Commissioner Peterjohn said, "Well, I plan to be supportive of this because we've got a number of stormwater drainage issues that have been a problem in my area, but I wanted to get more details and understanding since this was something that the fact that we had a County and we're working with some other communities on this, was new to me. Thank you, Mr. Chairman."

Chairman Parks said, "Thank you. What's the will of the Board?"

MOTION

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

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 |

Ms. Baker said, “Thank you.”

CONSENT AGENDA

J. CONSENT AGENDA.

- 1. Affiliation Agreements with Personal Support Services, LLC and In Sync Home Health Inc.**
- 2. Re-hire of Former Coliseum Maintenance Employee.**
- 3. One (1) Floodway Reserve Easement for Imbler Estates – Phase 3.**
- 4. General Bill Check Register for the week of July 15, 2009 – July 21, 2009.**

Mr. Buchanan said, “Commissioners, you have the Consent Agenda before you, but I would like to point out that Item 2 is re-hire of a former Kansas Coliseum maintenance employee. We offered the

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person the job; he agreed one day and rejected it the next, and therefore, I recommend that you approve the Consent Agenda without Item 2.”

MOTION

Chairman Parks moved to approve the Consent Agenda without Item 2.

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 |

K. OTHER

Chairman Parks said, “Do any of the Commissioners have anything that we didn’t cover and discuss on the Agenda items today that they would like to bring up, any festivities or anything going on in your districts? Commissioner Peterjohn.”

Commissioner Peterjohn said, “Well, not so much festivities, unfortunately, but I find myself strongly in agreement with the comments of our Chief Financial Officer, Mr. Chronis, earlier today concerning the economic challenges in front of us, and I think it’s important to add for the record that I’ve seen across the street that some of our City leaders have taken a very similar position in their presentation that the local government is a lagging indicator, in terms of our challenges. It’s a real problem out there with the large, and sadly continuing to grow, number of people who have been laid off, and as a public official, I think it’s important that we continue to remain focused on trying to take what actions we can do to not only get the biggest bang for your buck but also responsibly be in a position to help folks who are struggling at this difficult time. I sure hope we get a turnaround soon, but maybe this is my old Boy Scout attitude, the motto is ‘be prepared’ but my

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personal corollary was to 'hope for the best but be prepared for the worst.' That's all I have, Mr. Chairman."

Chairman Parks said, "Well, I'll certainly kind of dovetail in on that with the meeting that we're planning on having Friday, open public meeting, we're going to discuss budget again. It's not something that we need a kneejerk reaction on, so we're carefully studying this. We've been going through some line items and looking at them, and I think we can present our ideas to the Manager with some sense of, and then present that to the public at the next public meeting with some responsibility and maybe even some tax relief on that. During these times when people are out there and unemployed, they need all the tax relief they can get, so I think we're working towards that, and I think we can certainly provide our staff and the Manager with some ideas about how we can arrive at that. Any further action? Seeing none, were adjourned."

Commissioner Welshimer said, "Vote on the Agenda?"

Chairman Parks said, "We're going to go to the Fire Agenda."

Commissioner Welshimer said, "Fire Agenda?"

Chairman Parks said, "Yeah."

L. ADJOURNMENT

There being no other business to come before the Board, the Meeting was adjourned at 11:02 a.m.

**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:

August 26, 2009