

MEETING OF THE BOARD OF COUNTY COMMISSIONERS

SPECIAL MEETING

August 10, 2010

The Regular Meeting of the Board of the County Commissioners of Sedgwick County, Kansas, was called to order at 9:04 a.m. on Tuesday, August 10, 2010, in the County Commission Meeting Room in the Courthouse in Wichita, Kansas, by Chairman Karl Peterjohn, with the following present: Chair Pro Tem Gwen Welshimer; Commissioner David M. Unruh; Commissioner Tim R. Norton; Commissioner Kelly Parks; Mr. William P. Buchanan, County Manager; Mr. Rich Euson, County Counselor; Mr. David Spears, Director, Bureau of Public Works; Mr. David Miller, Budget Director, Finance; Ms. Irene Hart, Director, Community Development; Mr. Chris Chronis, Chief Financial Officer; Mr. Robert Hinshaw, Sheriff; Ms. Kristi Zukovich, Director, Communications; and Ms. Katie Asbury, Deputy County Clerk.

GUESTS

Mr. Dave Trabert, President, Kansas Policy Institute
Mr. Max Weddle, 862 S. Zelta Ct., Wichita, Kansas
Mr. Kelly Wendeln, P.O. Box 1817, Wichita, Kansas
Mr. John Todd, 1559 Payne, Wichita, Kansas
Mr. Charles Peaster, 9453 N. 135th St. W., Wichita, Kansas
Mr. Gerry Lichti, 3671 N. Rushwood Ct., Wichita, Kansas
Mr. John Stevens, 3125 E. Boston, Wichita, Kansas
Ms. Sam Schrepel, 326 N. Madison, Wichita, Kansas
Ms. Susan Estes, 12224 Bracken Ct., Wichita, Kansas
Mr. Keny Estes, 202 N. Rock Road #1210, Wichita, Kansas
Mr. Craig Gabel, 150 E. 44th St., Wichita, Kansas

Chairman Peterjohn said, “I want to welcome everyone here to the public hearing that we’re going to hold today on the proposed 2011 budget. I appreciate the fact that we’ve got some conflicting events across the street, and I’ve been told that there might be some folks who want and try to be in both places at the same time. I’ve often had that feeling myself, and if I could figure out a way to patent it, I would have made a lot of money. But, having said that, we do have a list here of some folks who are wanting to speak to us. I would like to begin by recognizing Mr. Dave Trabert from the Kansas Policy Institute, who had put together a presentation, and has put out a recent publication on Kansas County Budget Analysis, and looking at all 105 counties. And I think it’s an excellent document, so I’m going to begin this, open this public hearing on our 2011 budget and recognize Mr. Trabert.”

Mr. William P. Buchanan, County Manger, greeted the Commissioners and said, “Mr. Chairman,

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it might be appropriate to call the roll, since this is a...”

Chairman Peterjohn said, “As a public hearing?”

Mr. Buchanan said, “...this is a special meeting of the Board of County Commissioners sitting as [inaudible].”

Chairman Peterjohn said, “Well...”

Commissioner Welshimer said, “Okay, I’ll say present.”

Chairman Peterjohn said, “Okay, well let’s go ahead, I’m sorry, if starting the meeting to order, we’ll go ahead and do the roll call.”

ROLL CALL

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

C. PUBLIC HEARING REGARDING THE 2011 SEDGWICK COUNTY BUDGET.

Chairman Peterjohn said, “We’ll I’ve already got us kind of started on the public hearing side of things, and I’ll hasten to add that our normal rule is to, and I hope everyone who’s wanting to testify has had a chance to sign up, if they haven’t, we’d like to get your name, and address and any groups you represent on the list, and give everyone at least five minutes. But I want to welcome Mr. Trabert to the Sedgwick County Commission and this public hearing.”

VISUAL PRESENTATION

Mr. Dave Trabert, President, Kansas Policy Institute, greeted the Commissioners and said, “Thank you, Mr. Commissioner and all Commissioners. I’ll try to go through as quickly as I can, of deference to others who would like to make comment. There is, you should have a full copy of the presentation in front of you, so some of this I’m just going to go through rather quickly. The goal of this study was to give taxpayers and county officials some information and better ways of comparing counties against each other. We used benchmarking, and to our knowledge, there wasn’t anything of this nature done before. There’s a number of caveats here listed on this screen. I’m not going to go through each.”

Mr. Trabert continued, “What we found...when we set up to do this, our intent was to try to determine which county was the most efficient in certain services. That really wasn’t possible because of all of these things on the screen here. The biggest issue is there is no standardized

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reporting among counties, we discovered. It is kind of all over the board the way counties report and account for their expenditures, so we couldn't come out and say which was most efficient, but we can show how everybody is spending their money. I'll be happy to go through, if there's any questions on those, but just wanting to get through the...to get to the meat of the report. The reason with benchmarking we think is so important is because, obviously, budgets set mill levies. And taxes impact the decisions of individuals, businesses and families. Higher taxes hurt an economy, lower taxes stimulate an economy. So trying to be as efficient as possible is a critical element of running any government, or business for that matter.

"Just to drive the point home here on how people react to tax burdens, this is a study from the Tax Foundation for the last 10 years that shows the 10 states with the highest state and local tax burden had 3.3 percent net loss in domestic migration. That means more U.S. (United States) residents are moving out of those states than moving in. The 10 states with the lowest state and local tax burden had a 3.8 percent net gain, a very remarkable difference. And in fact, if you take Louisiana out of that top 10, one of those low tax burden states, who had a lot of population loss as a result of Hurricane Katrina, those 10 states would go to a...or the nine remaining states would go to a five percent net gain. Kansas, according to the Tax Foundation, or actually to the Census Bureau, I'm sorry, is ranked number 38. Kansas has lost 2.5 percent migration, or population due to migration, over the last 10 years. In fact, it's 11 years in a row that Kansas has had more U.S. residents moving out than moving in.

"This gives you a picture of why our tax burden is pretty significant and is growing. Over the last 10 years, local government tax collections in total, that's all governments: schools, cities, counties and so forth, are up 80 percent. This is according to the state Department of Revenue. State government collections are up 46. You have a combined increase in taxes of 59 percent, as opposed to income growth in Kansas of 38 percent. So, you can see when the taxes are growing faster than the incomes, the burden is going up. We're at a point now where state and local taxes consume 15 percent of Kansas income, and that burden is growing. Part of that is property tax, and that's, of course, the biggest tax that most local governments collect. In Sedgwick County, property taxes are up 112 percent since 1997. This includes all elements of government. The Minnesota Taxpayers Association says Wichita has the thirteenth highest effective tax rate on commercial industrial property. That's because it's assessed at 25 percent of appraised value. And property taxes impact relocations. It's one of the major factors in small businesses and large businesses, and we've all seen some of the headlines about some of the aviation companies and others that are considering. This is all by way of setting up that having a low tax burden is the best way to generate economic growth."

"The report was put together using 2009 budgets. Rather than go to each individual county, we got these all from the Department of Administration, and we grouped counties by population size. Sedgwick County is in the group with the population of over 100,000, and you can see the five

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counties there. We broke down spending into nine categories, and there is no...I mean, this was just our way of doing it. There is no absolutely correct way of doing it because there is no standardized format for this. And we also did this on a per-resident basis, so, I mean, obviously, to compare total spending, it depends on the size of the county in a lot of cases. So everything you're going to see is based on per-resident.

"Here's the total. And, by the way, we did this net of transfers. The transfers, as you know, in government accounting get counted twice as an expenditure, so we netted that out. And this is the peer group. These are those five counties where the high, which happened to be Johnson County, was almost \$1,300 per resident. Sedgwick County is about \$750 per resident, where a median was, Sedgwick is a little bit above median and considerably above the low, which in this case was Wyandotte County. General governments, which would be things like commissioners, auditors, appraisers and so forth, the high was 187. Again, Sedgwick here was a little bit less than median; above the low but less than median at \$54 per resident.

"Law enforcement, Sedgwick County is the median. Not as high as Johnson County, again, but in the middle of that five county group. Emergency services, Sedgwick County is the high at \$50.61. And keep in mind that all of these are subject to...this is just based on the budgets that we had seen, whether they were adopted or proposed budgets for 2009. There can be a lot of differences based on how something was accounted for, or reported, or whether there were a lot of those factors on capital and so forth that we pointed out.

"The conclusions here, we have, Sedgwick County has the second highest spending per resident among the peer group. It's well below Johnson County, about \$500 below Johnson County, but much higher than others in 2009. The situation has declined though. Of your 2011 operating budget that we're looking at, net of transfers, of course, is \$60 million, or almost 18 percent more than the reported 2009 actuals in the recommended budget. The good news, we think, is that there are multiple opportunities to reduce budget, and the mill rate accordingly, and preserve services. Just by going through and using those benchmarking. Not that you can just absolutely say, these are the right numbers, but you have to do the research, but the basis is there to be able to see where there are some significant differences and start to see how we can find how other counties are operating at lower cost per residents."

Mr. Trabert continued, "Recommendations would be to try to build anticipated savings into the budget. I know when I've done a lot of budgets, there's always things that never happen. For example, turnover. There's always people who leave, and that always results in a savings to the budget. Building those kinds of things in can reduce your budget, and in the case of a government,

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can reduce the mill levy, because it's going to be set based on the budget. In fact, I went back and looked at your 2009 CAFR (Comprehensive Annual Financial Report), the financial statement, and it showed that the general fund, I think, was about \$18 million under budget. In fact, many of the funds in 2009 were under budget. So that's...I didn't have a chance to look at prior years, but that's a good indication that anticipating savings and building it in can lower your budget.

"Compare real spending dollars. If you just look at what's in the proposed budget, it looks like a \$4 million increase, but it's really a \$10 million increase, because the budget includes transfers, and transfers are counted twice. So if you subtract transfers and get to net expenditures, you're really looking at a \$10 million increase. And then, of course, compare to spending. When you compare to budget, that's only relevant if you spent the budget. To look at how much your spending is growing, you have to look at actual. And in this case, looking back over time, it's a \$60 million increase.

"And this is the last slide. Review all spending, and this is something that businesses and governments alike, and individuals for that matter, should do on a regular basis. Asking questions like, does it clearly fill a necessary function that only government can fill? It's kind of the yellow page test. If the service can be purchased in the private market, why should the government be doing it? Privatize necessary functions wherever possible. We had a great example last year with the City of Wichita privatizing the care of city parks, and saving a lot of money having the service done. Privatizing is another great way to reduce budget and still provide the services. And make efficiency a priority. Using benchmarking in independent reviews to reduce costs helps bring down the tax burden, and as we've seen, the tax burden is critical to how, and not the only thing certainly, but it is a critical factor in how people and businesses decide to relocate their capital. Thank you. I'll be happy to stand for questions."

Chairman Peterjohn said, "Thank you. Questions for Mr. Trabert? Commissioner Parks."

Commissioner Parks said, "I do have a couple. When you were doing your studies on the law enforcement and emergency services, did you realize that the Sedgwick County's kind of lumped in with the whole public safety realm, where you comparing Johnson County to Sedgwick County and to other counties in the state, basically, our DA's (District Attorney) even in the public safety realm, and I didn't know if..."

Mr. Trabert said, "We didn't make mention of that in the document that there are any number of factors that can impact how...because there is no standardized form of reporting and accounting for local units of government, any of these variances should be investigated to see how much factors like that bear into it. That's why we didn't say, this is the most efficient or the least efficient because there's way too many factors that aren't, because there's no standardized reporting. Those are the kinds of things that should be undertaken so that you can make those absolute comparisons."

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Commissioner Parks said, “Well, in saying that they’re a mean, or an average, or something, that might be skewed a little bit then, would you agree with that?”

Mr. Trabert said, “Well the...if you’re looking at individual categories, that’s certainly a possibility. If you’re looking at total expenditures, however, that’s all washed out, because it’s, I mean, total expenditures is still going to eliminate any of those reporting or accounting variances.”

Commissioner Parks said, “I just wanted to kind of make that clear. Did you...was this just merely property tax that you were looking at, or did you include like the Johnson County 0.3 percent public safety sales tax in there?”

Mr. Trabert said, “No, the study was based on expenditures...”

Commissioner Parks said, “Expenditures.”

Mr. Trabert said, “...just expenditures...”

Commissioner Parks said, “Okay.”

Mr. Trabert said, “...right.”

Commissioner Parks said, “Thank you. That’s all.”

Chairman Peterjohn said, “Commissioner Welshimer.”

Commissioner Welshimer said, “Well your point’s well taken, and we have been, we’re aware of a difference between the increases in the taxes that our constituents are paying and the amount of their income increase. And we have been working on that. We are working on reducing spending, and we did roll our mill levy back two years in a row. One thing, one question I have, and I know we need to do more, and we are, we’re working on more, the 112 percent increase since 1999 for Sedgwick County, and that includes school mill levy, right?”

Mr. Trabert said, “Right.”

Commissioner Welshimer said, “Well, you know, that is out of our control, of course, that’s by a vote of the people. That mill levy increase for the schools is for buildings, new schools, and that was on the ballot, so we have a problem there when we try to control that total figure. Anyway, appreciate your comments and we’ll take them seriously.”

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Mr. Trabert said, "Thank you."

Commissioner Welshimer said, "Thank you."

Chairman Peterjohn said, "Let me ask you some questions, you mentioned, keep mentioning the phrase, and you used the term benchmarking, could you walk me through, in terms of an operational definition and how benchmarking could be useful for us, or is mainly because you've got some problems with this study because some of the budgets that came in to the state Department of Administration were a proposed budget as opposed to the actual budget, or what they actually ended up spending, all of which could be a little bit different depending upon..."

Mr. Trabert said, "It can. Well benchmarking is...if in a perfect world there was standardized accounting and reporting, so that you could make the absolute judgment that's what's reported is on an equal basis, then you can look, for example, Sedgwick County Commissioners, what's reported, for 2009 was about a \$1.50 per resident. Johnson County Commissioners' line was \$4.42 per resident, almost three times as much. So Johnson County Commissioners would be able to look at, there's a huge difference there, why is that? And assuming, of course, now, in this case, you would have to do the investigation to see, I mean, it's an opportunity for, when you're looking to, as Commissioner Welshimer said, you're always trying to do more. This gives you a basis to start that research to say where are the big differences? So you can benchmark against similar sized counties against counties with perhaps similar circumstances, whether it be law enforcement or whatever the case may be, to see why is there such a difference. In many cases, there may be not much of a difference, but it's an opportunity to try to determine why is there a difference. Are you...is one county providing, or one government providing more services or just spending more to provide a very similar service?"

Chairman Peterjohn said, "Well I very much appreciate, I appreciate that additional information on the benchmarking side, because I thought that's what the direction you were going to take this, and except for the census data that comes out, and it lags several years at best, comparisons between similar forms of government, whether it's at the county level, or other forms of local government, it's hard to get much comparative data. And this is one of the few that I've seen, and it's the only one I've ever seen done, that I can recall in the thirty some years I've lived here in Kansas, that's looked at county government, and all 105 counties and tried to measure them, and kind of qualify against them in some ways.

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“You talked about, in terms of the expenditure side of it, would you be recommending any sort of changes, in terms of how we budget? And I’m thinking of, I’ve heard some discussions about zero based budgeting and other forms of...most governmental bodies, when they do budgets, basically take the previous year’s spending, and have some adjustment to the next year and proceed down the road. We’re in an unusual situation because property tax appraisals countywide, unlike the last, since reappraisal classification almost 20 years ago, and they actually shrunk this year, albeit by a very small amount compared to last year. So, we are entering a new era in a sense because our operations will vary if this unfortunate event this year turns into a trend in the future. So I’m curious, in terms of from the expenditure side that this study looked at, if you’re making some recommendations, in terms of how we’d go about doing a budget.”

Mr. Trabert said, “Certainly. Well first of all, I would not really call what most governments do a real budgeting process. I was providing some testimony to the House [Committee on] Appropriations committee last year and talking about a budgeting process, and one of the legislators corrected me and said, sir, we don’t have a budgeting process, we have a spending process. It is simply taking, with the way that most governments operate, and in fact, if you look at the budget reports that governments issue, it’s a comparison to the prior budget. The focus is always on how this budget is changing relative to a different budget. That type of method doesn’t exist in individuals’ budgeting. It doesn’t exist in how businesses budget. They budget either, the comparisons are always to actual, but more importantly, budgeting, either a zero based budget, which can be very cumbersome for governments, especially because of, of course, Commissioners are full-time employees. Legislators are part-time employees. So zero based is often very difficult to pull off in a lot of government settings. But priority based budgeting, which is based on outcomes, it’s measuring not what we’re spending, but what we’re achieving, and measuring are we achieving our goals.”

Mr. Trabert continued, “And looking at everything, every...Washington state, for example, and a number of local governments; Georgia has done, has saved remarkable amounts of money by implementing priority based budgeting, where they’re going through and analyzing, what are we getting for what we’re spending? Are we being as efficient as we can? Reviewing almost kind of a sunset provisions, in some cases, on departments or programs. Let’s tear this apart. We set aside so many each year, to fully analyze and say, should we be in this business? Is this program doing what it’s doing? If we’d want to keep it, can we do it less costly? Unless you’re doing that, whether as a government, or an individual, or a business, you’re going to be spending more money than you need to to accomplish it, unless those hard questions are asked. And that has to be the focus of the entire

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budget process, not here's what we spend last year and we only want to spend this much more. That's sometimes referred to as the appropriation plus method of budgeting."

Chairman Peterjohn said, "Well I appreciate that, because within our 2011 budget, to talk about how Sedgwick County's doing, we've mentioned a number of outcomes that we focus upon by each department, so I think we've made some progress and some accountability. The frustration I have, in terms of prioritizing on the budget is, is there isn't necessarily a dollar figure that's connected with performing each of those outcomes. So, but I think compared to some other budgets I've seen, I think Sedgwick County has some positives, in terms of that..."

Mr. Trabert said, "Well certainly the ability to, even small amounts, roll back the mill levy over the last year or two is a tremendous step in the right direction, and one that many other governments should be paying close attention to."

Chairman Peterjohn said, "Well, as Commissioner Welshimer pointed out, we're kind of like, I feel sometimes like local government is like, oh, several hot people on a hot Kansas August afternoon outside in the sun, and we've all got a straw and there's one can of pop. And that can is labeled property tax, and everybody gets to dip their straw in that can of pop. And we've rolled back the mill levy a bit last year, and other local units have more than offset that roll back, so it's an ongoing challenge for, I think, all levels of local government..."

Mr. Trabert said, "Of course, the mill levy, if I could interject there, the mill levy is just one part of the equation. If you look at how population has changed, if you just look at a factor of population and inflation, and then look at how the property tax revenue has changed, the mill levies don't have to change much because the appraised values go up pretty significantly in most years. And that's the big driver in the case of Sedgwick County's property tax, total property tax increase of 112 percent since 1997, most of that is because of appraised values. And so while you can say you didn't do anything as elected officials to drive that, you certainly didn't, but did you need all that revenue?"

"Should the mill rate have been rolled back more, or every year, so that the net increase in property tax is to cover inflation and population change? That's, Kansas is one of the, has some pretty significant growths in property taxes, and our discussions with taxpayers, and I'm sure you've heard a lot of the same, is that people feel like they're being taxed out of their homes across the state. And mostly those are people with small incomes, or fixed incomes."

Chairman Peterjohn said, "Well, you are correct, I've heard many comments that would second what you just expressed, Mr. Trabert. I'm going to turn this over to Commissioner Unruh."

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Commissioner Unruh said, “Thank you, Mr. Chairman. Mr. Trabert, thanks for being here today, and I appreciate the challenge that you have given us to continue to look for efficiencies and excess in the budget, and try to get rid of that. I think most of us are absolutely committed to doing that, and your information that you give us is helpful in trying to understand how we achieve that goal, so I appreciate it. But I wanted to make a couple of questions so I can understand your data is, the study caveats that you’ve mentioned, those are pretty significant, and I think you acknowledged that, but is your data, can we rely on it in light of the fact there’s difference in capital outlays reported, co-mingling of budget data, incomplete information, all that sort of stuff, can you still boil this down to where your information has some validity? I mean, that’s a lot of caveats, I guess is what I’m trying to...”

Mr. Trabert said, “Well it is. But it’s, in our view, and we had to take a serious look at that when we saw how many unusual circumstances there were. But it’s, as I said, in total, looking at total spending, anything to deal with fund transfers, capital outlays and so forth, co-mingling of certain funds, that all goes away. That’s all washed out. You can absolutely rely on the net spending, the total spending net of transfers. The alternative, if we had not done the study, is you wouldn’t have...this study at least provides the basis to start. And one of the biggest challenges, I know from personal experience in doing an awful lot of budgeting, is knowing where to start. Where are you going to spend your...you could spend, you could have the entire budget department and all of the Commissioners working together, you have an enormous budget, where do you start putting your, focusing your attention? So this allows you at least to say, here’s where the variances are. There may be, one of the biggest things I would hope that the Commissioners, and maybe encourage the Kansas Association of Counties, is to push for uniform accounting. Push for uniform reporting. We’re certainly recommending that to the state legislature. There’s, so, yeah, there’s always things that you could say that would be different because of those things. But this is the starting point. You can absolutely count on where the total differences are.”

Mr. Trabert continued, “So even if you find reasons to explain away some of the variances, and of course not all of them were high, some of the variances in every county, including Sedgwick, are below median, maybe not always at the low end. But the more that you find it explains one away could also say, well then there’s some bigger variances somewhere else. So knowing that, in the case of Sedgwick County, there’s about a \$300 per resident difference between what Sedgwick County spent and are budgeted to spend in ‘09, and what the low end was. And I would point out, also, that while the low end in your grouping was Wyandotte County, and that’s one of the variances we’ve pointed out because they have a unified government. We’re reporting what they allocated to county government. Harvey County just to the north spent just a few dollars more per resident than did Wyandotte, so there’s another basis where there’s a county providing pretty good services for \$300 less per resident in total.”

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Commissioner Unruh said, “Well, and I appreciate that, appreciate your explanation. You know, some of them, and I can...variances that I can think of, you know, just off the top of my head without studying, but I mean like there’s not too many counties that have a community mental health center, which is a pretty big, it’s a big part of our budget, I think our COMCARE alone’s a \$50 or \$55 million piece of our budget. You know, and I don’t know if you factor in things like we’ve got in our Capital Improvement Program (CIP) the \$25 million project to redo our radios, and probably not all counties have that.”

Mr. Trabert said, “Well actually we were looking, when I was talking about your 2011 budget, I wasn’t looking at your capital budget, that was just your operating budget, but, sure, you can. I mean, and that’s, unfortunately, that’s what’s absent, this time of information, that’s what a lot of governments have been forced to do is just make some assumptions and you, I think it’s just human nature. You know, it’s like when I look in the mirror and I can say, well, you know, I’ve gained a few pounds, but really I’m getting older and it’s just, you know, I can explain that away. We’re very good as human being at explaining away variances.”

Commissioner Unruh said, “You’re not calling me fat, are you?”

Mr. Trabert said, “No, I said when I look in the mirror. We have the same first name, but I’m talking about when I look in the mirror. There’s, you have to have some basis to do a comparison, and until this, I mean, and those were the very hard decisions we had to look at when we saw how poorly information is reported. It’s appalling that taxpayers and elected officials don’t have better information to look at, to make these hard decisions. Because you’re left without it, of just making some broad assumptions.”

Commissioner Unruh said, “Okay, well, and I appreciate that and I understand what you’re telling us. One other question I might ask, that I wanted to ask is, you said the 10 states for the lowest state local tax had a 3.8 percent net gain in folks coming in, can you name me a couple of those states, just so I have a reference...”

Mr. Trabert said, “Oh, sure. Let’s see, that would be Texas, South Dakota, Tennessee, Florida, I mean, they have, what a lot of those, in fact, those four have no state income tax. That’s part of getting that burden down. The burden in Kansas continues to grow. Tax Foundation just, with the new sales tax increase that went into effect July 1 statewide, pushed Kansas to the twelfth highest average state and local tax rate in the country. Kansas is more and more being seen as a tax estate where taxes continue to go. It’s not what you would call maybe a high tax state overall yet, but it’s getting there. It’s certainly not a competitive tax state.”

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Commissioner Unruh said, “Alright. Thank you.”

Mr. Trabert said, “Okay.”

Chairman Peterjohn said, “Okay. Thank you. Seeing no further questions, thank you.”

Mr. Trabert said, “Thank you.”

Chairman Peterjohn said, “I’m going to kind of preface this, we’re going to be holding, not only this hearing, but also one for the Fire District, too, but I know for the public out there, if people have a tendency to talk about the budget, the budget, this document, does include the Fire District, and so I’m going to provide a little leeway if people want to make general budget comments that go beyond the county as a whole in covering the Fire District as part of their comments. And I’m going to work through the list, we’ve got, I’ve got nine names. And the first one on my list is Mr. Max Weddle. Welcome to the County Commission.”

Mr. Max Weddle, 862 South Zelta Court, Wichita, greeted the Commissioners and said, “Thank you. And I’m going to take it down a notch. It’s a hard act to follow, in his case. That budget is a work of art, if nothing else, but I don’t have a PowerPoint, but I do have three little pieces of paper here that I’d kind of like to show you. And one of the things I’d like to request is that the City Manager and County Manager get together and don’t schedule their budget hearings on the same day, same time, because had they not been at the same time, I would’ve taken this one to the city. And what it is, is you can all see what the...and that’s where they are. In my opinion, compared to the county. Now, the county is going to get to here if they’re not careful. And what it says here is, fund balances, and these fell off the cliff.”

Mr. Weddle continued, “The one that...I don’t really want anything from the county, because the county, in my opinion, has been doing a very good job. I feel safe when I’m in the county. The Sheriff’s Department takes care of business out there. My tags are pretty easy to renew. My taxes are very easy to pay, unfortunately. But so, there’s nothing I really want up here, except one thing, and that is this little guy. He’s called taxpayer, and this is a little device called taxes. And what it says is, go ahead, give it another turn, and that’s what I don’t want to happen. Now that’s pretty simple. You have a 700 page budget out here that says the same thing to most citizens. That’s what we get out of this budget. Now, there are some detailed questions, and I may, I guess now’s the time to ask them. The one reason about the falling off the cliff is that the fund balance has turned red. Now, when I was younger, I used to go borrow money with the full knowledge that I was going to pay it off in the future with cheaper dollars. But I’m not sure that’s the case right now. This budget is not really neutral, because you’re using surplus, or unencumbered funds, to buoy it up. So if you didn’t have those funds, you’d be back to where the city was. So be very careful in how long we think this downturn or whatever is going to last. I understand we can’t predict the future, but there’s

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some indicators it's going to get worse before it gets better. I've got a couple of questions about the arena versus the pavilions.

"And back to the, the budget is a...it's a budget that's a hold your own. The county employees, the count hasn't gone down, so there was no cut in that regard. That's a question. The FTEs (full-time equivalents) remain the same, and I assume the county headcount's remaining the same, so it's a preservation budget to preserve the organization in its current state. And that may not be a bad thing, I mean, there's reasons for doing that. But in that regard, I look at Code Enforcement, and I noticed that in the building inspection, they lost three personnel, but the three personnel showed up in land usage, so it looks like there's a little bit of warehousing going on. Either that, or else the county's not been doing a very good job in the land usage area. And you can draw your own conclusions. I'm concerned about the bonded indebtedness, there's some graphs in here where it shows that we're running a little bit above the red lines for the policies, and my old doctor told me one time, you run above the red lines on too many things, you're going to have a heart attack sooner or later. So, again, that's part of a cautionary tale.

"I have a handout here that is a great concern to me personally for two reasons. I carry a medallion on my key ring. It was given to me in 1994, and it's the thirtieth anniversary of the King Air. Well I was there in 1964 as part of the design team that built that airplane and designed it. It's still in business right now, and I tell you that for significance as you'll read this article, and I'm not going to read this article now, but I'm going to give you the handouts. And what it says is, The Teetering State of Hawker Beechcraft, and it kind of breaks my heart, because we've got a world class industry that's about to go down the tube. It's going to be where the city is shortly."

Commissioner Parks said, "I had a..."

Chairman Peterjohn said, "You have a question?"

Commissioner Parks said, "I had a question of Mr. Weddle. On the Code Enforcement, were you on page 360, is that where that starts there? And, the number of employees, and can you kind of expand on, did you get your question answered on that?"

Mr. Weddle said, "Well, the question would be, is it fact, are we just holding them in [inaudible], hoping that the times are going to get better and there's going to be more housing starts and more inspections to do, and they'll transfer back out of the field work, the nuisance work, back into the inspection?"

Commissioner Parks said, "Yeah, I'd like an answer to that, also, if I could from staff or somebody."

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Mr. Weddle said, “One of the things I did was I took a little drive in northern Sedgwick County, and I only found one housing development that’s digging holes right now, it’s in Park City. And the rest of them, there were zero new starts this last month. So to assume that the housing part of it’s going to come back in the very near term is a little bit wishful thinking, in my opinion, particularly if Hawker [Beechcraft] leaves. There’s another thing about Hawker is, if you go on the Google, and you Google Hawker Beechcraft, and you go down there in the column and it says Hawker Beechcraft bankruptcy, and there’s a lot more, that’s one of the articles that talk about this guy, why they’re going where they are. And the impact of that to Sedgwick County is, is not only you going to lose the 6,000 actives, you’re going, the pension’s down the tube with. So I don’t know how many people are retired that still live in Sedgwick County from that company, but those, that income’s going to shrink and they’re not going to be buying anything either. So your sales tax is going to get hurt, also.”

Chairman Peterjohn said, “Well we’re still looking for that...”

Commissioner Parks said, “Well the Manager was away when I made that statement a little bit ago. Mr. Weddle was asking about the three employees moved around in Code Enforcement, and I’d just like a quick explanation from staff if I could on that.”

Mr. David Miller, Budget Director, Finance, greeted the Commissioners and said, “It is not unusual for departments to move positions around between different programs within the department individually to address needs that they might have. In regards to Mr. Weddle’s comment, I do not believe it’s in relation to warehousing the positions, but in relation to the department assigning those positions to where they believe they are most needed. And I believe Irene Hart is also in the audience, she may have a different comment than what the one that I...”

Commissioner Parks said, “Certainly.”

Mr. Miller said, “...just made.”

Mr. Weddle said, “Well I would respond to that a little bit, a 300 percent increase is a little bit stiff. I mean, that either points out that we’re going to do a lot more code enforcement in that area or else we’ve been deficient in the area in the past. I mean 300 percent’s 300 percent.”

Chairman Peterjohn said, “Let’s let Ms. Hart get to the microphone.”

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Ms. Irene Hart, Director, Community Development, greeted the Commissioners and said, “And I’m the reason that those positions shifted, because I insisted that the positions be in the category where they actually functioned. Those three positions had been budgeted under the building inspectors, but what they actually did was land use compliance, and I asked that they be shifted over to more accurately reflect the kind of work that they did, since they weren’t building inspectors, they were in land use. So it was merely a budget transfer to a different category. It didn’t involve people changing jobs or finding new tasks for them to do because they were inactive. It was just simply an alignment of their tasks with the budget category.”

Mr. Weddle said, “Thank you.”

Commissioner Parks said, “Thank you.”

Mr. Weddle said, “Good answer. I guess the bonded indebtedness is going to be with us like the poor; forever. We’re never going to achieve a cash basis. It’s a five percent drag right now, and I’m sure there are people in the audience that are going to ask for things of the county, and wouldn’t it be nice to have that \$20 million a year to give it to them? A rhetorical question.”

Chairman Peterjohn said, “Well we’ve, when I say we have, the county incurred that debt in the past, and we’ve got some of it that continues, and projects that have been approved and put in place years ago. We continue to have to pay off that principle and interest on that debt and there’s a whole section in the budget with information on that, and I think if we stop borrowing today, we’d go and make normal payments on the debt, it would pay off in about 20 years.”

Mr. Weddle said, “2029, but that would require an extreme amount of discipline. And that discipline is already evidenced by not being there, because you’re going to, in 2011, you’re going to put in another \$79.8 million of bonded indebtedness. So I understand that you’re going to keep bonding on out because you can’t get in front of it. It’s like a minimum payment credit card; it’s going to go on forever.”

Chairman Peterjohn said, “Well we do have a challenge. I’d be remiss, but I think Commissioner Unruh mentioned it, I mean, when the Federal Communications Commission (FCC) changed the frequency for emergency communications and forced a shift that’s going to transfer the frequency in which we’re using, that’s ahead of, I think the total cost is around \$25 million, and a cost for next year projected at \$22 million. And that mandate is a big part of that chunk that you alluded to, in

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terms of the borrowing. And it's something that I wish we didn't have to confront and there was a way around it, but if you've got a solution, Mr. Weddle, this Commissioner's all ears."

Mr. Weddle said, "All I'm saying is it would've been nice to been able to pay for those radios out of your balance, that you didn't have to pay an interest."

Chairman Peterjohn said, "Well I think a small portion of that was partially cash funded, but we are facing a \$22 million CIP item for that next year..."

Mr. Weddle said, "And next year there'll be another one..."

Chairman Peterjohn said, "...for 2011."

Mr. Weddle said, "...and the year after, and that's just, that's life. I mean, it's never going to go away, so I think it has to be, and it's been addressed and dealt with, but the danger is to let it grow. If you let it grow, that burden's going to keep eating away at you, and pretty soon it'll be 6 percent, and then 7 percent, and pretty soon you're looking at 15 percent of your budget that's been, you know, all out of the federal government. We're going to see an example how that's going to work real well here in a few years. Back some minutia now, what was the, on the arena, there was contractual services of \$32,000 in 2010 and now it's jumped to two, is it two or three, \$392,900. What did that entail?"

Commissioner Parks said, "Mr. Weddle, what page are you on?"

Chairman Peterjohn said, "Yeah."

Mr. Weddle said, "Page 593. It's Budget Summary by Category, and it's the Contractual Services and it jumped...1,327 percent, am I reading that? I put a circle around it and now I've lost the number, but anyway, it's a huge number of increase."

Chairman Peterjohn said, "You know, it's under the Expenditures, Contractual Services 2010 is \$32,000, like you said, and 2011 is \$392,900."

Mr. Weddle said, "Okay."

Mr. Miller said, "As we transition in the arena and the pavilions' budget, especially in arena, from being a capital budget to now an operating budget, you'll see some operating expenditures that are going to appear in there. For the 2011 budget, that \$392,900 that Mr. Weddle is referencing to, \$32,000 of that is for the Q-Line transporting folks around to the arena events, \$260,000 is for a payment to SMG for naming rights servicing costs and \$100,000 is allocated for major repairs and

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capital equipment that's not specifically itemized, but we want to make sure that the funds are budgeted and available if something should appear and come up."

Chairman Peterjohn said, "I'm sorry, could you give me that number again for the naming rights, naming rights, go through that again, please."

Mr. Miller said, "Sure. \$260,400."

Chairman Peterjohn said, "For naming right..."

Commissioner Welshimer said, "What do they spend that on?"

Chairman Peterjohn said, "Yeah, you...naming right, I'm..."

Commissioner Welshimer said, "How do they use that money?"

Mr. Miller said, "It's in relation to the sale of the suites."

Mr. Buchanan said, "David."

Mr. Miller said, "Yeah?"

Mr. Buchanan said, "Let Chris. We sold the suites [inaudible]."

Mr. Chris Chronis, Chief Financial Officer, greeted the Commissioners and said, "The county sold the naming rights to the building and receives the naming rights fees from those partners. As a part of our deal with the naming rights partners, we are providing to them, at no cost to them, the usage of a suite and tickets to the events in the arena. SMG, who we've contracted with to operate the facility, bears costs to provide those services. We have to pay SMG for those costs. That money that you're seeing in our budget is what we're paying to SMG to provide the suite and the tickets to the naming rights partners, and we're funding that expense with the naming rights fees that we're collecting from those partners."

Mr. Buchanan said, "And we retain some of those [inaudible]."

Mr. Chronis said, "Sure."

Commissioner Welshimer said, "What's our net, what's our net?"

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Mr. Chronis said, “Significant, but I don’t recall the number right off the top of my head, I can produce that. I’ve given it to you in the past and I can give it to you again.”

Commissioner Welshimer said, “Is it more than the \$392,000...”

Mr. Chronis said, “Oh absolutely.”

Mr. Buchanan said, “Yes.”

Mr. Chronis said, “Yeah, well actually, the total naming rights revenue that we receive each year is \$590,000.”

Commissioner Welshimer said, “Okay. I didn’t realize we were turning around and paying that back, but, in other words, SMG could sell those seats otherwise so we’re buying them for our...”

Mr. Chronis said, “Absolutely.”

Commissioner Welshimer said, “...advertisers?”

Mr. Chronis said, “For our naming rights partners, yes.”

Commissioner Welshimer said, “Naming rights partners. Okay. That did take away some money.”

Mr. Weddle said, “Would that be this \$590,000 here too?”

Mr. Chronis said, “Yeah.”

Mr. Weddle said, “Okay. Thank you. One last thing about the pavilions, will the pavilions’ budget go down in the out years? It seems like that the, we’ve got a few sheds out there that’s costing us \$1.3 million to keep them going. And it seems like a little bit exorbitant to me, I assume there was some parking lots or something in there that made that get that big.”

Chairman Peterjohn said, “Yeah. We had, the Commission had earlier this summer had approved an expenditure, no maintenance have been done on the parking lots since 2004, and I’m not sure exactly how many square feet of parking lot was done, maybe Mr. Spears may know off the top of his head, but I think we put \$300,000 is my recollection into the parking lots. And if, Mr. Spears, you can correct me if I’ve got any of those numbers wrong, please do so.”

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Mr. David Spears, Director, Public Works, greeted the Commissioners and said, “\$290,000 plus or minus Parking Lot B, B-1 and C; the parking lots north and south of the pavilions.”

Mr. Weddle said, “That was included in the contractual services then? Where does that show in this budget, page 586? Here you are again.”

Mr. Miller said, “I think I’m going to grab a bell here soon. What the Chairman and Mr. Spears were referencing to was a capital project, this is an operating budget. That project is not reflected within these numbers. For the contractual expenditures, there’s a couple of items going on. The main thing is that some additional funds in the contractual services have been allocated in case we need additional building maintenances and that type of thing that might come up during the year.”

Mr. Weddle said, “Thank you.”

Mr. Miller said, “Yes, sir.”

Mr. Weddle said, “The last thing, since it was in the budget, it kind of opened the door, so I’m going to talk about arena funds, and how they were allocated, and where they went and all that. What I’m going to read you is full-time equivalents, the definition of that that’s in page 720 of the budget; ‘A method of qualifying [quantifying] and allocating staffing levels, based on a full-time (FTE) work schedule. One worker may perform functions for several programs, and that person’s salary and benefits would be divided among these [those] programs for funding according to how much [of] the person’s time was [is] spent on [for] each program. For example, a person who devoted 3 days of work per week to one program would be assessed against that program 0.6 (24 hours divided by 40) FTE.’ That’s all we were trying to do when we were transferring those funds out of the arena back to the general fund. Thank you.”

Chairman Peterjohn said, “Thank you. Mr. Kelly Wendeln, welcome to the County Commission.”

Mr. Kelly Wendeln, P.O. Box 1817, Wichita, greeted the Commissioners and said, “I’ve got a couple of different subjects here I’d like to, about the budget, I’d like to talk about. Eight years ago, just over eight years ago, there was an article in The Wichita Eagle dated May 23, 2002, page 4B concerning some people would call a junket taken by a couple of county officials. There’s this organization called the North American International Trade [Corridor Partnership] association. Chairman Ben Sciortino and County Manager William Buchanan went to Mexico, and they came back and they recommended the county joint this organization at \$5,000 per year annual dues. And

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can you tell me, Mr. Buchanan, is that still in effect? Does the county still pay \$5,000 to the North American International Trade [Corridor Partnership] association?"

Mr. Buchanan said, "No."

Mr. Wendeln said, "No?"

Mr. Buchanan said, "No."

Mr. Wendeln said, "How many years did they belong to that?"

Mr. Buchanan said, "You know, I don't know that we ever did that. I think..."

Chairman Peterjohn said, "Well, let's address, let's address this to the Commission and we'll take it from...we'll take the questions, Mr. Wendeln."

Mr. Wendeln said, "It says here in this article, the Commission voted to join was unanimous, that was eight years ago."

Commissioner Welshimer said, "This is the hearing on..."

Chairman Peterjohn said, "The hearing on the budget for 2011..."

Mr. Wendeln said, "Yes."

Chairman Peterjohn said, "...I'm not aware that there's anything, do you have anything, Mr. Wendeln, that this is in the proposed, or even in the current..."

Mr. Wendeln said, "Yeah, I wanted to find out if that was still in the budget?"

Mr. Buchanan said, "No."

Mr. Wendeln said, "Okay. And how long, it was..."

Chairman Peterjohn said, "Well, let's, we're talking about this year and next year, and it's not in here so..."

Mr. Wendeln said, "It's not in there, okay. And I may get back to you some more with more questions about that, Mr. Buchanan. I see you are, on this other subject, I see you are now funding the Wichita [Metro] Chamber of Commerce. Last year you gave their Greater Wichita Economic

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Development Coalition (GWEDC) \$300,000 of taxpayer money. They are the one big reason, they are one big reason the electric bills are going up. Last January they had a conference at the Hyatt [Regency Wichita] hotel trying to get businesses to invest in expensive wind power. Now, the Greater Wichita Economic Development Coalition wants you to give them \$25,000 to \$50,000 more taxpayers' dollars. This is one place where you could trim the waste, the pork, the fat and the blubber out of the budget. I understand Chairman Peterjohn and Commissioner Welshimer are on their steering committees. Are you giving the Wichita [Metro] Chamber of Commerce any other taxpayer money? Does this mean you think electricity from windmills is a good idea? Can you address any, is that right you're going to give them more money in increase, wouldn't that be a good place to cut the budget?"

Chairman Peterjohn said, "Is that your all...well I'll be happy to take a shot at that question, but I didn't know if you were finished."

Mr. Wendeln said, "Go ahead."

Chairman Peterjohn said, "Well, let's try and proceed. We'll take your questions after you've finished..."

Mr. Wendeln said, "Yes, I'm..."

Chairman Peterjohn said, "...do you have some other points you want to make, too?"

Mr. Wendeln said, "I'm finished. Thanks."

Chairman Peterjohn said, "Okay. You're finished. I'm going to, Commissioner Welshimer beat me to the punch here, so I'm going to...okay. Well, Commissioner, you know, the Commission voted last year to approve \$300,000 for the Greater Wichita Economic Development Coalition, and you are correct that both Commissioner Welshimer and I are currently serving on that board, and some other Commissioners, I believe, have served on it in the past. The purpose of the board is to try and promote economic development in this community as broadly defined, and we've worked on a number of projects. And if we can attract businesses to this community, and there was recently a very successful effort in a neighboring community up in Reno County; Hutchinson attracted a Siemens plant and they do manufacture windmills up there, and there was an effort down here to bring one of their key suppliers into this community. Personally, I'm supportive of energy from all sorts, and whether it's expanded oil drilling, expanded use of, I supported and continue to support, the Holcomb [Station] power station, and I'm open to energy resources from all sources. So I don't have any problem with wind energy, per se. I want the market place to be allowed to compete and we can have a fair shot at it. In terms of an increase in the budget, I will take that under advisement.

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And I'm interested, last year we had a proposed increase of \$25,000, and we rolled that back and froze it at the 2009 level, at \$300,000 where it is for 2010. In terms of 2011, I'm going to defer to Mr. Miller, in terms of what the amount is that's in the proposed budget, because off the top of my head, I'm not sure."

Mr. Miller said, "It's proposed or recommended to remain frozen at \$300,000."

Chairman Peterjohn said, "Okay. Thank you. And I think it's very important that we have, in this very trying economic times, when we've got an awful lot of people who are hurting, people are out of work, people who've given up even looking for jobs, I'm going to be working to try and strengthen our local economy as best I can. I believe in the political Hippocratic Oath, which is, from an elected official side, to try and do no harm. And when I look at what goes on in Washington and up in Topeka, I do see harm that's been done. The uncertainty over federal taxes, what's going to be in place come January 1, 2011, is massive, and I think creating all sorts of problems, but that goes way beyond the scope of this budget hearing."

Chairman Peterjohn continued, "All we can do is focus on what goes on here in Sedgwick County. And the Greater Wichita Economic Development Coalition is an entity that includes both private sector players and public folks from both the county and the city, and we are trying to improve the business climate, the jobs, the payrolls, the economic growth in this community. And it's a challenge and it's one that I think there are a lot of people working hard on, but we at least got an answer to your questions, in terms of whether there's going to be an increase for next year. I'm going to turn..."

Commissioner Welshimer said, "You've covered it for me."

Chairman Peterjohn said, "Okay."

Commissioner Welshimer said, "Okay."

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

Commissioner Parks said, "What area is that under in GWEDC payments? I'm not finding it under Community Development. That line item [inaudible]."

Mr. Wendeln said, "I have another question or two."

Chairman Peterjohn said, "Well I thought you were done?"

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Mr. Wendeln said, “Well, until you said something I’d like to respond to. Are you aware of the drawbacks of wind power? Have you ever...”

Chairman Peterjohn said, “Well, like I said, I’m open to letting the market place and economic competition sort out among, whether it’s wind or anything else, but people, you know, Kelly, Kansas had windmills for a long, long time and I don’t think we’re, they’re going to be, they were here long before I was born and I think they’re going to be here a long time after I’m gone.”

Mr. Wendeln said, “Windmills for pumping water but not making electricity. And from what I’ve seen, they are not really very practical and they are very expensive, and that’s why electric bills are going up right now.”

Chairman Peterjohn said, “Well that’s going beyond the budget hearing. Commissioner Parks.”

Commissioner Parks said, “I believe I have a question for David Miller. There you go, thank you.”

Mr. Miller said, “Commissioner, GWEDC contract is included within Economic Development which is in the Community Development section of your budget on page 627.”

Commissioner Parks said, “Okay, so that, we don’t have a separate line item showing that then? Okay. It’s in Community...”

Mr. Buchanan said, “Page 627...”

Commissioner Parks said, “Yeah, I’m there on 627, what...”

Mr. Buchanan said, “...and under the program summary at the bottom, it says Economic Development total...”

Commissioner Parks said, “That looks...”

Mr. Buchanan said, “...2011 budget is \$470,359...”

Commissioner Parks said, “And that looks like it’s down 34 percent?”

Mr. Buchanan said, “\$300,000...”

Commissioner Parks said, “Yeah.”

Mr. Buchanan said, “...yes.”

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Commissioner Parks said, “Okay. Thank you.”

Mr. Buchanan said, “You’re welcome. Next?”

Chairman Peterjohn said, “Okay. Mr. John Todd, welcome to the County Commission.”

Mr. John Todd, 1559 Payne, Wichita, greeted the Commissioners and said, “Appreciate the opportunity to speak this morning. My background, I spent 12 years working for corporations, and even though I understand that the corporation is a private sector actually responds to the economy different than the public sector, I think there are some things that can be gained from taking a look at the private sector and what they do in tough economic times. This is a bell curve, and this is what I observe during my 12 years working for a corporation before I became self-employed, is that corporations will do research and development, and they are very lean, they start moving up the profit cycle, and finally reach the top. And when they reach the top, they become complacent, they become overloaded and bloated. They start bringing on additional staff and the staff looks for ways to take customers on junkets and all sorts of things, and they neglect some of the things that got them to the top, and so they start going downhill. And as they begin the decline, they cut the sales staff, they cut the advertising budget, they cut the very things that they need to be bolstering to continue the profit. And they finally reach the bottom. The board of directors step in and they fire about half to three-fourths of the home office and get rid of the overhead, and then they start back here again with the basics of research and development, the things that made them profitable.

“Now I fully recognize that government doesn’t operate that way. Government, my observation, state and local government, that this is certainly not a straight line, but the line for government growth tends to be up, and unlike the private sector, we don’t see the downward cycles and we don’t see the shedding, the tough decisions that are made to make it more streamlined. And that is what I see as your job here today when you’re looking at this budgeting process. I can tell you that you have folks out there in the community who are suffering because of the economic downturn. I read in The [Wichita] Eagle last week where we have businesses, the collections from the Treasurer’s Office are difficult because of business conditions. You’ve got, if I’m proposing to speak for anyone, I would like to say that I’m speaking for the literally hundreds of taxpayers out

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there who live at addresses like 8th and North Market who are struggling to make, no cost of living adjustments, paying their taxes is a big chore for them.

“I would complement the Board of County Commissioners for their actions the last two budget cycles. We’ve seen some tax relief. We saw the mill levy reduction the last two years, and as a tax paying citizen, I would like to suggest that you continue that by offering it another mill levy this year. A second thing, I think, you know, going back to this one, I love at the State of Kansas, we don’t have a taxing problem, we have a spending problem, and I think that’s what I’ve noticed in government, because we don’t have the opportunity to cut the spending, we’re getting rid of programs that we have to, making tough decisions. And so this year, our state solved the problem by raising the sales tax; that one percent amounts to an 18 percent tax increase. That impacts your constituents.”

“Another recommendation, to cut spending, I think you need to take a serious look at top management, like they do in the corporate sector. This is no time to take on additional debt, and if we do take on additional debt, then I think it needs to be something that the taxpayers, the voters have a chance to weigh in on, so I’d recommend a vote on that. And I clearly see this is no time for employee raises, and I don’t think constituents out there who have had no cost of living adjustments, people who are unemployed right now, they’re not taking too kindly to this thing, the government not participating in the economic situation that we’re in. Thank you for allowing me to speak.”

Chairman Peterjohn said, “Thank you. Just a quick question, you mentioned voting on debt, a number of states around us have the provision for voting on debt, but there are few states that prefer, that require, a super majority for certain debt approval. Is that part of your proposal or are you just simple majority type of requirement for approval on debt by governmental bodies?”

Mr. Todd said, “You know, I’m not really prepared to discuss that today, but I think, I mean I haven’t weighed in on that, but I really do think that there’s some merit to letting citizens, the people who have the stake in this thing, having some say, particularly on large capital improvement type projects, where the money’s being spent.”

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

Commissioner Parks said, “The personal knowledge you have of the elderly people, you said a general area, and that’s also in my district, just wondered if, do you know if they use the [Kansas] Affordable Airfares [Program] project?”

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Mr. Todd said, “I don’t know the statistics on the Affordable Airfares, it would be of my opinion that a lot of these people are lucky to pay their taxes and put food on the table, so...”

Commissioner Parks said, “Do they fly?”

Mr. Todd said, “I doubt it.”

Commissioner Parks said, “Okay.”

Mr. Todd said, “I don’t know that for a fact, but...”

Commissioner Parks said, “Thank you.”

Mr. Todd said, “...it would be my opinion that they don’t.”

Commissioner Parks said, “Okay. Thanks.”

Mr. Todd said, “Thank you.”

Chairman Peterjohn said, “Thank you, Mr. Todd. Charlie Peaster, Mr. Peaster. Welcome to the County Commission.”

Mr. Charles Peaster, 9453 North 135th Street West, Wichita, greeted the Commissioners and said, “I appreciate being able to speak today. I picked up a budget on Friday and I went through it. And there’s a question, the approved budget for 2010 was \$398,616,220, is that correct?”

Chairman Peterjohn said, “That sounds about right to me, but I’ll defer to Mr. Miller. He’s nodding his head yes, so I’ll take Mr. Miller’s word on that.”

Mr. Peaster said, “Okay. Then it shows the revised at \$410 million, so when you adopted the budget, was it not set at \$398,000, which meant you couldn’t go over that budget, is that not correct?”

Chairman Peterjohn said, “I’m going to let Mr. Miller...”

Mr. Miller said, “Mr. Peaster is referencing to some funds that do require us, per the state budget law, to not go over the amount that was adopted by the Commission, and those are essentially the funds that have a property tax levy against them and/or some type of fee that’s authorized by the state statutes, such as a solid waste fund. All the other funds are not certified, meaning that the budgets can increase. If you look at the budget summary on page 53 that Mr. Peaster is outlining,

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what you'll notice is that the majority of the increases occurred in the federal state assistance funds. You know, as we work through each year, new grants come before us, we have opportunities to either apply for those grants and bring additional dollars into this community to accomplish things, or we have an option to not pursue those grants, and we've made the choice to pursue those grants, which increases our budget as you see in the revised column."

Chairman Peterjohn said, "Thank you."

Mr. Peaster said, "So the budget you're asking for now is \$414 million, but that could go up to \$420 million?"

Chairman Peterjohn said, "If we have additional grant proposals, and then the majority of the Commission agrees to do it, that could happen, Mr. Peaster."

Mr. Peaster said, "I know that last year the County Commission didn't take a raise, and they set a raise not to be given to employees that had \$75,000 salaries or greater. I don't know whether the citizens of Sedgwick County understand that there's over 40 employees at Sedgwick County that make in excess of \$85,000 a year, and they're up for a raise this year along with everybody else. Now we're in an economical times where...Spirit just signed a contract for 10 years that their employees, that basically the people that work there, by a margin of over 50 percent, didn't want the contract, but because of a clause in their contract that says you got to...two-thirds of you have to not want it in order for it not to go in effect automatically. But here we are, we're asking for an increase in taxpayers' money for raises for employees. The city's fixing to cut 65 positions, the county hasn't cut any. In fact, we shifted three but Irene Hart made an explanation for why that went from one to four and where they went. On page 53, it shows that the fares is \$7 million, but if you go back to page 627, it shows it's \$9 million. This is a budget that I'm trying to read, and I had a short period of time to do it, that's my fault, but I don't understand how you got \$7 million on one page and \$9 million on the next. What else can we go through this budget and find that is not consistent?"

"I recommend that we not give the employees a raise. I know that the last time, what happened was that their healthcare went up. If we did anything, to do them a favor, decrease the amount they have to pay for healthcare. I have a wife that's 64 years old. When I retired, my insurance covered her three years after I turned 65. I'm 71, which makes me 8 years older than my wife. Because of preconditions existing health conditions, she has no insurance; period. The state mandates that you can get insurance companies, some insurance companies have to give you insurance, the problem is, we retired on a set income and there's no way we can afford the insurance. So until she reaches 65 and gets Medicare, all of her medical bills and medicines come out of pocket. I didn't get a raise, and I don't have good health insurance on my wife, because I have none. If you're going to do

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anything, give them better health coverage, don't give them a raise. Thank you."

Chairman Peterjohn said, "Thank you. You raised a question that I'm going to ask Mr. Miller to speak, come up to the microphone, because I see what you're talking about. On page 53, under the expenditures for Affordable Airfares, it lists a figure of \$7 million as both revenue and the expenditure, and then on page 627, we've got Affordable Airfares and we list 2011 expenditures proposed at \$9 million, so."

Mr. Miller said, "Mr. Peaster has suggested that there was an inconsistency between those two pages. I would suggest that it's more a reflection of how governmental budgeting works, in that governmental budgeting works within different funds. What you're looking at on page 53, if you look at Affordable Airfares, you do see \$7 million within the Affordable Airfares fund. That is a grant fund. On page 627, if you look at Affordable Airfares, you do see a budget of \$9 million. What occurs there is, as you know, the grant funding that comes from us from the state is maximized at \$5 million. You also know that based on the contribution for AirTran and the potential contribution from Frontier [Airlines], the county and the City of Wichita's contribution is \$2 million. If you add those two up, it's \$7 million. But a complexity of this issue is that REAP, the Regional Economic Area [Partnership] program..."

Mr. Buchanan said, "Partnership."

Chairman Peterjohn said, "Partnership."

Mr. Miller said, "...Partnership. Thank you. Is the managing organization for these funds. Our contribution; \$1 million, and the City of Wichita's contribution of \$1 million; the city pays their contribution to us, we take that \$2 million combined of both of our funds and we pay that to REAP. REAP then turns around and they pay the \$5 million grant fund from the state to us for payment to AirTran and Frontier. They also return the \$2 million that we paid to them to our grant fund for payment to AirTran and Frontier, also. So there is some double counting, if you will, which isn't unusual in governmental budgeting when you have different funds, such as a grant and a property tax supported fund."

Chairman Peterjohn said, "Commissioner Parks."

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Commissioner Parks said, “David, so the amount that we set for that has been static for the last three years at a million dollars, is that correct?”

Mr. Miller said, “Not completely. Last year, we adopted a smaller amount because we did not expect the Frontier contribution to occur. And as you know, that hasn’t occurred, but there’s a possibility that a new contract will be coming before you shortly.”

Mr. Buchanan said, “So it’s been less than \$1 million?”

Mr. Miller said, “Yes; \$873,000, I believe.”

Commissioner Parks said, “Well that was kind of confusing to me, also. I had that tabbed on mine too for the 10.2 percent increase, so that explains it. Thank you.”

Chairman Peterjohn said, “Thank you.”

Mr. Peaster said, “The other thing I have is that on page 57 under Sedgwick County parks, at one time you were talking about possibly reducing or charging to have to use the parks. If you go to the budget for the previous on page 57, you’re talking about \$414,000. Now it’s going up to \$997,000. That’s a heck of an increase, and the number of employees stay the same. What are we doing here?”

Chairman Peterjohn said, “I’m struggling a little bit to follow you, you said on page 57?”

Mr. Peaster said, “The new one is on page 57, and in the budget it shows \$942,340. The previous one was \$412,000. That’s double...”

Chairman Peterjohn said, “More than double.”

Mr. Peaster said, “...the employees stay the same. It shows...”

Chairman Peterjohn said, “Do we have a...well let me ask Mr. Miller to come up. Did this include any of the, it says all operating funds, would this include the CIP, because I’m thinking there is some CIP items for Sedgwick County Park?”

Mr. Miller said, “Correct, Chairman. If I direct your attention maybe to page 580, which is the detailed page of the budget for the Sedgwick County Park, you can see a breakdown by commitment item for this budget. And the thing that you’ll notice is in the Capital Improvements line for 2011, a one-time allocation of \$525,000 within the CIP. That’s for two projects. One is for replacement of a maintenance building and construction of a south restroom. Those are cash funded,

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capital projects in which we allocate cash from the property tax supported fund and then transfer it to the capital projects fund in order to complete the project and fund it.”

Chairman Peterjohn said, “Okay. And since this is all operating funds, that \$500,000 would provide a 128 percent increase, Mr. Peaster.”

Mr. Peaster said, “And I understand that now. The problem I had, and like I said, I didn’t pick this up until Friday, I don’t envy you five up there, because you have to go through and approve this budget, and if I can’t understand it, I’m not sure you guys can understand it without going direct questions to Mr. Miller, which we’ve all had to do up to now up here. And I’m sure that, and the Budget Department, they can come tell you, if you find out a particular item in this budget book you want to go to, the whole thing is, the citizens of Sedgwick County are seeing that we’ve got a \$414 million budget and the one last year was approved for \$389 [million] but shows they spent \$410 million. Now that may be grants coming in to that to let you spend it on up. I don’t have them grant money coming to me to help fund my medical bills, or pay my groceries, or even the taxes. In the paper just the other day, there’s over 15,000 Sedgwick County people that haven’t paid their taxes, so instead of going to the money that you’re getting, you’re having to go to the money that’s in reserve, and eventually, like Mr. Weddle said, that’s going to go from black to red. And so, I would appreciate you looking at what this has been proposed, and possibly reducing it, and do away with the raise for the county employees. Thank you.”

Chairman Peterjohn said, “Thank you. I would just express appreciation for going into the tall weeds of the Sedgwick County proposed budget, because you dug up a couple items that I found, from a budget point of view, very interesting. Thank you. Gerry Lichti. Mr. Gerry...welcome to the County Commission, sir. I hope I didn’t mispronounce your name.”

Mr. Gerry Lichti, 3671 North Rushwood Court, Wichita, greeted the Commissioners and said, “And I appreciate this opportunity to present for a few minutes. I represent National Alliance on Mental Illness Wichita, that’s NAMI Wichita. I think most of you have some awareness of that organization. We’ve been around for a bunch of decades. And provide support groups, and education programs, and advocacy, and some support for research for persons who experience mental illness in their lives. And we also have programs that support their families. I’m here this morning to talk about the mental health pod. I know there’s been discussion about that program and I just received the copy of the proposal that you had prepared, Commissioner Welshimer, and I appreciate many of the ideas that are in there, and it certainly targets some of the programs that have proved effective, very effective, in our community.”

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“We could mention a number of those, that you had mentioned, some of those, the Pretrial Services, that have made a significant difference. SCOAP, the Sedgwick County Offender Assessment Program, which has proven very effective. The Crisis Intervention Team (CIT) program that was started a couple of years ago has now trained 180 some law enforcement officers, and so we are experiencing a very different approach on the part of these officers as they deal with persons who experience crisis because of their mental illness and need critical services. Now that program does not receive any kind of county funding, it operates on a shoe string, I can attest to that as the treasurer of that council, but we have been able to provide two trainings per year and those will continue.

“The Mental Health Court, that’s part of the Municipal Court, the Drug Court in the District Court, all of these are critical kinds of programs that make a difference and are about as close, if they are not classified as evidence-based practice, they’re about as close to that as one can get, in terms of identifying outcomes and knowing what behaviors, what treatments are going to be the most effective for achieving positive results. The mental health pod is another program of that nature, and we have a current and continuing need within the jail structure for that kind of program. We have been interested in that as an organization, and a number of other organizations within the community, for the last couple of years in seeing that program implemented, because of the increase safety that it provides for persons who are experiencing significant and critical crisis at that moment who need to be in jail, but need services, need assessment, which is often so delayed that they are not able to get to appropriate treatment as quickly as possible.

“That program provides a little more safety then for the officers that are involved, for other persons within the jail environment and the most important element there is that it gives us a system, a method, for making sure that in the short run, we are probably spending a little more money to get it implemented, but in the long run, it will join this other list of programs as showing a tremendous amount of positive benefit. And that’s basically the message that I have. It is important to look at some of the other needs within the community. Many of our members and the persons that are part of our organization are receiving services and support through COMCARE, and we know that through their agency, and then also through some of the agencies they support with the funneling of funds those directions. It’s critical for us that those be enhanced. We are in dire straits, in terms of the numbers of people that need services. Our hospitals and mental health hospitals are full. There

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aren't a lot of available options along that line, so we have some critical needs and the mental health pod is a different kind of structure, though, because it's needed now rather than, you know, to wait for a longer period of time, until some of the other services can be enhanced. I appreciate your consideration in keeping that in the budget."

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

Commissioner Norton said, "Gerald, I appreciate you being here today. I'm in support of a mental health pod. I think there's going to be continued conversation among the Commission and the Sheriff as to how we move that along, and what's appropriate, what money we can encumber for it. I think, to take care of mental health and our community, there's a lot of moving parts to that. And, obviously, we've worked with the homeless and the..."

Mr. Lichti said, "Right."

Commissioner Norton said, "...mental health part of that. And I think working in the jail with that mental health component is going to be very important. I don't know how it shakes out this year with the budget we have to look at, but I can tell you, I'm very supportive of looking internally into the jail and trying to support those folks that come at-risk on two different planes; the risk in the criminal court system, but their risk with their emotional stability and their mental health problems. So hopefully we'll talk about that, come to some conclusions and can move that forward in our community. But thanks for being here."

Mr. Lichti said, "I appreciate your response."

Chairman Peterjohn said, "Commissioner Parks."

Commissioner Parks said, "Well there are several things I agree with you on. Of course, the CIT, I was very vocal and urged Chief Williams to maintain that program when..."

Mr. Lichti said, "Right."

Commissioner Parks said, "...they were thinking about cutting that..."

Mr. Lichti said, "We thank you for that."

Commissioner Parks said, "...a few years ago, and have attended a couple graduations, and in fact, I have contributed personally to that as one of my charities that I, or one of my programs that I give to out of the excess that we didn't cut our own salaries at a few years ago. But getting back to

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that, I, and I'm sure you would take checks from the other Commissioners, too, if they so desired..."

Mr. Lichti said, "Absolutely. Thank you."

Commissioner Parks said, "...since the treasurer's right here today. Anyway, but getting back to the CIT program. It was needed. It's good. I identify that. Now, I'm going to kind of go back into a story mode, and those of you who don't like my cop stories, I guess you're just going to have to listen to another one. Thirty-three years ago, when you picked up somebody that was mentally ill on the street, you thought maybe they were mentally ill, you took them to an assessment..."

Mr. Lichti said, "Right."

Commissioner Parks said, "...a hospital, a medical facility, or whatever, and then if they, depending on their severity, sometimes they would go directly to a state facility..."

Mr. Lichti said, "Right."

Commissioner Parks said, "...an Osawotamie [State Hospital], a Larned State Hospital..."

Mr. Lichti said, "Right."

Commissioner Parks said, "...something like that. And I'm telling you that the state has done us a big inservice in not having..."

Mr. Lichti said, "Right."

Commissioner Parks said, "...kept those facilities..."

Mr. Lichti said, "Right."

Commissioner Parks said, "...like they were. Now I'm not saying that within that facility there shouldn't be technology, and improvements..."

Mr. Lichti said, "Right."

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Commissioner Parks said, “...and better treatment of those people, but they have shut down some pods in those. And if they shut down a pod and say, well now we’re 100 percent full, no you have the capability, you have just decided to shut down and force this back on the local people.”

Mr. Lichti said, “Right.”

Commissioner Parks said, “So, I’ll make my statement again that I don’t want to see the jail become an insane asylum...”

Mr. Lichti said, “Right.”

Commissioner Parks said, “...but apparently that’s one of the things we can’t just dump them out on the street.”

Mr. Lichti said, “Right.”

Commissioner Parks said, “Thank you.”

Chairman Peterjohn said, “Commissioner Unruh.”

Commissioner Unruh said, “Thank you, Mr. Chairman. Well, Gerry, I just want to say that I appreciate your comments. I think you’ve been very clear, and I’ll tell you that I am supportive of the recommendation that you’ve made, and we will, as the year goes forward, then next year we’ll see if we can’t provide that mental health pod, which I think is a necessity in our [Adult] Detention Facility. But I further want to say, I just want to thank you for your outstanding leadership and commitment to helping provide solutions and bring resolution to some of the challenges that are faced in the mental health community. You’re an outstanding servant to our community and I appreciate your efforts.”

Mr. Lichti said, “Thank you.”

Commissioner Unruh said, “That’s all I have.”

Mr. Lichti said, “Appreciate it.”

Chairman Peterjohn said, “Okay. Commissioner Welshimer.”

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Commissioner Welshimer said, “Well, as we move along with the plan that I introduced, we’ll get into several different categories. I’d like to include you in some of that and have your input, if you would agree to that?”

Mr. Lichti said, “That would be great.”

Commissioner Welshimer said, “Great. I’ve got your phone number.”

Mr. Lichti said, “I appreciate that. Thank you.”

Commissioner Welshimer said, “Thank you.”

Chairman Peterjohn said, “Let me throw in a question...”

Mr. Lichti said, “Yes.”

Chairman Peterjohn said, “Of other Kansas counties, how many of them have a mental health pod within their detention facilities?”

Mr. Lichti said, “I do not have an answer for that. I think, possibly Sheriff Hinshaw would know if there are any other pods in the state. I know that the mental health pod is a concept that is used across the country in a number of places and follows sort of the pattern we’ve talked about with these other kinds of programs.”

Chairman Peterjohn said, “Welcome to the County Commission, Sheriff Hinshaw.”

Mr. Robert Hinshaw, Sheriff, greeted the Commissioners and said, “Well, thank you, Mr. Chairman. Going from memory, based on my original presentation, Johnson County and Shawnee County, and I believe Wyandotte County have some version of this. For example, in Shawnee County, they had an issue, I think a few years ago, with an uptick in suicidal inmates, so it’s more of a medical watch, but they’re starting to put those people that also are suffering from other mental issues in that group. We also look at Jackson County, Missouri, which is just right over the border, but is one of our peer jails, that being a large jail as defined as one that holds a minimum of 1,000 inmates.”

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

Mr. Lichti said, “Thank you.”

Chairman Peterjohn said, “John Stevens, welcome to the County Commission.”

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Mr. John Stevens, 3125 East Boston, Wichita, greeted the Commissioners and said, “Chairman Peterjohn, members of the Commission and Mr. Manager, my remarks are not intended to be critical. They are an opinion that I have that our entire country is in a serious state of condition due to borrowed money. You guys here have really done a pretty good job considering the state of some of our other institutions. Kansas needs to be transformed into a free enterprise zone of competing in the world market place. Changes should include lower tax rates that business can trust and compete with in the world market. Businesses need less regulation and a state of regulatory certainty with the law and the bureaucracy. Enterprises will not invest large sums of capital without seeing a stable outlook. The freezer burned economy that we’re in today is in a lot of states, not just Kansas, and some of these other locations have a head start on us in fixing their budgets and policies. Kansas and Sedgwick County needs business capital to come here so we can gain the jobs of the future and restore our damaged economy.

“Let’s build a county spirit of free enterprise so the folks who pay the bills are able to get things done with the least possible bureaucracy cost. We need to make Sedgwick County the best place to be if you own and operate a business of any size. So I would say, please use common sense free market solutions when making decisions about our county budget. And like I say, that wasn’t intended to be critical. I think in the past you’ve done a good job, and I think financially you’re in a reasonable state, but don’t blow it. I noticed in the Wall Street Journal that Ben Bernanke is thinking that us citizens need to buy those bonds. You know, he could say tomorrow that we’re having a trouble selling those bonds and we might have to cut seriously some of those federal programs. And if they don’t cut them, then they have to print money, and of course that means they steal money from all of us, in terms of inflation. So, consider where we are, in terms of what could be, as well as where you’re at. Thank you very much.”

Chairman Peterjohn said, “Thank you.”

Commissioner Welshimer said, “Thank you.”

Chairman Peterjohn said, “Ms. Schrepel?”

Commissioner Welshimer said, “Schrepel.”

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Chairman Peterjohn said, “Schrepel. I’m sorry, I try and pronounce everybody’s name well, but I’m struggling a little bit here on what I’ve got written down in front of me. Welcome to the County Commission.”

Ms. Sam Schrepel, 326 North Madison, Wichita, greeted the Commissioners and said, “And I came before you at another previous session, speaking up about the, I’m getting nervous now, the mental health pods. And what I said before would be what I would say this time, that it’s a great benefit when those services are possible for people like me that are consumers of mental health services. And a one-stop shopping center is a great help to helping someone like me when I come before strangers, then I’m nervous, and I can’t focus my attention to the way that if I could if I were relaxed. And the mental health pods help a person get served and help get the services flowing better. That would be all that I could say. I appreciate CIT. I’m a member of NAMI, and Project Independence, and Breakthrough [Club] and support groups like that, and we do appreciate the services that helps with the services that are given in this area.”

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

Commissioner Parks said, “I just had a comment for Ms. Schrepel. Thank you for coming in and testifying today. I would ask you when you get a knock on your door, or you see somebody, or you get a phone call from a state representative or senator wanting their vote, tell them to reinstate some of those state programs that they have done away with so we can handle the severe mentally ill in the long-term back in their facilities instead of our jail. Thank you.”

Ms. Schrepel said, “I try to do my advocacy part.”

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

Commissioner Welshimer said, “Well, Ms. Schrepel, regardless of being nervous, you did a very good job in delivering your message.”

Ms. Schrepel said, “And I did read your article and the Sheriff’s article.”

Commissioner Welshimer said, “Okay.”

Ms. Schrepel said, “Thank you.”

Chairman Peterjohn said, “Thank you. I’m going to call a recess for five minutes until 10 ‘til 11:00 and we’ll come back at 10 ‘til 11:00 and resume the hearing.”

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The Board of County Commissioners recessed at 10:44 a.m. and returned at 10:52 a.m.

Chairman Peterjohn said, “I’m going to call the hearing back into order from recess and next person, Susan Estes. Ms. Estes, welcome to the County Commission. Susan Estes?”

Ms. Susan Estes, 12224 Bracken Court, Wichita, greeted the Commissioners and said, “My apologies, I didn’t hear, and also my apologies for the sunglasses, I’m just having a terrible time with light and headaches, so thank you for allowing me to be here. I’m here to speak to you about the budget today and thank you for including the public in this opportunity. If you, I kind of took a look at this budget from a bird’s eye view and looked, and thought about it on an overall global level. And if you look at the general fund revenue expenditures from 2009 to 2011, revenues to the general fund have dipped by 2.5 percent, while our spending overall was increasing by 14.44 percent, so this puts the general fund alone in a nearly \$24 million deficit for 2011. And if you look at some of the special review funds, we could be looking at a \$43.6 million deficit. And this gives me massive concern, especially when you consider that meanwhile the recession is hitting businesses and Kansas is already in one of the highest tax burdens of its neighboring states. We usually come in the second highest of almost every tax category.

“And I think you guys have been very aggressive in helping to lower the mill levy over the years, to help keep businesses competitive, and I applaud that move. I think you have made a difference in helping some businesses to survive. So when you look at a difficult, when you look at an increase in budget, we have to ask ourselves, how do we lower taxes and provide essential services? My message to you today is that it’s time for us to look at everything we do and ask ourselves if there’s a way that we can do it better. Are we measuring department performance on every department, and asking ourselves if we’re doing it well, if there’s a reason that we’re doing it? Are we setting the right priorities? Are we looking at what is most essential in our community? So I encourage you to dig deeper.

“When I look at the county operations, I see an increase of personnel expenditures by 32 percent between 2009 and 2011, but yet I see the number of FTEs remaining basically, fairly stable during that same period. So, I kind of ask, wonder about that major expenditure since it’s such a huge part of our budget. How do county benefits measure up to private sector benefits? Are there creative ideas that we’re not looking at? I don’t know if you have a health savings account program or if you’ve looked at higher deductibles. I know you’ve looked at that, and I apologize for not remembering the answer to that question, but I encourage you to see what we can do to be creative in finding solutions to the hole that we’re in.”

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“One area that I looked at in the Division of Finance, and I think it’s obviously a very important function of government to audit what we do, but I looked at the department’s budget and seen that it’s increased by 16 percent through 2009, and I had a question and I wonder if, again, we could look at being creative. Maybe there’s parts of what they do, such as payroll, that we could put out for public bid. And this is just a few examples, because like the gentleman, I think his name was Mr. Trabert, who spoke earlier, sometimes you find out that there’s a little footnote that you wish was in the budget that explains why some of these things happen, so I’m not really looking for a definitive answer from you guys right now. What I’m looking for is will you go back and really dig deeper and question some of the things that we’re doing, and take a look over the last few years, where we’re growing and see what we can maybe put out for bid, or what we could be doing differently and ask ourselves if we should even be doing what that item is. So thank you very much.”

Chairman Peterjohn said, “Thank you. Any questions? I’d like to throw out just a quick comment that personnel has been an issue, and last year we did impose for the folks who, in the county payroll, who are making \$75,000 a year or more a freeze, and we did that before some other local governmental bodies did so, and that’s one of the things that I think the Commission will need to take up, in terms of where we go, not only for the employees, for all county, all 3,000 full-time county employees and not just those who are in the higher income level. So I appreciate the...”

Ms. Estes said, “In an effort to be very transparent, we are one of the families whose salary was frozen, and I’m actually very comfortable with that because I have a very hard time looking at taxpayers who are making very hard choices and saying, you need to pay my husband more on that, and I think you guys made a good decision when you did that. It’s hard on taxpayers out there.”

Chairman Peterjohn said, “Thank you very much. Mr. Keny Estes, welcome to the County Commission.”

Mr. Keny Estes, 202 North Rock Road #1210, Wichita, greeted the Commissioners and said, “There’s been a lot said today, and I’m not going to belabor many of the points that have already been said, I think there’s been some great discussion. I actually feel pretty bad for the gentleman that has to come up here, I almost sat in his seat right here because he kept having to get up, but decided I wouldn’t do that. Anyway, I guess I’m just going to say and leave you with a plea. I’m not originally from Kansas. I had an opportunity to come out here in 2000 to 2002 in a unique situation and I fell in love with the people in the area. But I went back home to my state home of California, and while attending law school and doing some other things there, I realized and recognized that the spending problems, the tax structure and the regulations structure was not something I wanted to raise my family in and grow a business.”

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Mr. Estes continued, “And so, I talked my wife into moving to Kansas, because I felt, not only that this state has some of the greatest people on God’s green earth than in these United States, but also that it was a place where I could afford a home, where I could start a business and where we could live out the American dream. I understand, from my short experience being here, that the County Commission has done a good job of keeping the mill levy low, and also holding back some of the spending. I am not proud of our state right now in the way the legislature’s handled things, and I’m not proud with how much money the city’s been giving out, and I guess I just ask that the County Commission continue to show the example that Kansas should be more like Texas and less like California. And that’s all I wanted to say to you today. Thank you.”

Chairman Peterjohn said, “Thank you. That’s the last name I have on the list that came in, oh, we’ve got an updated list. Mr. Craig Gabel, welcome to the County Commission.”

Mr. Craig Gabel, 150 East 44th Street, Wichita, greeted the Commissioners and said, “Thank you, Commissioners, for letting me speak today. And I also want to commend you on your fabulous ability and whatnot to cut the mill levy over the last few years and show the example. We’ve, you know, the city across the street and whatnot has done a terrible job. It’s just spend, spend, spend, and I was just in their hearing over there and I said it looks like we’re going to see about a 10 to 15 percent increase in budget over there, a 25 percent increase in indebtedness, and I said I thought I’d come over here and make my feelings known about this. You know, this budget appears to be an increase, or it is an increase. It also has an increase in indebtedness. You know, indebtedness eventually comes back to you in mill levies or you need funds to pay that indebtedness back.

“You know, outside the ivory towers here and whatnot, the world is pretty bleak for those of us that are in business. Over the last year or two since the financial crisis, I’ve seen a, I’ve had to cut back on my staff by 30 percent. You know, we’re not making any investments. There are no merit raises for my employees. The only way an employee gets a raise is to go from one job to the next job. You know, as opposed to, a lot of merit raises are based, in the public sector, on the number of years somebody spends there and they automatically get their little step up or whatever. I said the only way you can get it outside in the private sector right now is to go from a dishwasher to a cook job and get an increase. You know, our budgets are cut back 20 and 30 percent. You know, to propose a budget here that’s an actual increase seems, and, you know, no decrease in, no serious decrease in staff, no serious decrease in budget, seems hard to those of us that are outside of here. You know, it’s not as bad here as say across the street, other places, but the simple fact of the matter is, it has the appearance of being just like the whole government system, and that is, you know, I believe that the increase indebtedness is between 20 and 25 percent.”

“You know, we’re seeing, if we only figure from 395 to 415, you’re talking a four percent increase in the overall budget. If you include the additional indebtedness, which is probably going to pay for

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something, you know, it could easily be construed by the general public as a 10 percent increase. You know, we don't want to follow those guys down the road over there. You know, when there's an increase in this budget, I believe in inspectors. Well the last thing in the world we need is more inspectors out there. You hire three more inspectors, go running around out there, I'll guarantee they'll find something to do and, you know, the general public are having a terrible time just paying their mortgages, and if you, you know, somebody starts sticking, like in the city here or whatnot, they start sticking yellow stickers on there and you can't rent that house or whatever, it just makes things a lot worse. You know, we need to cut regulation, we need to cut the budget, we need to continue the fine job that you've done over the last couple of budget cycles and bring another mill levy down, and continue the conservative policies that you've done an excellent job of over the last few years. Thank you for your time."

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

Commissioner Parks said, "I did have one..."

Chairman Peterjohn said, "Mr. Gabel."

Commissioner Parks said, "...comment back, you weren't here, Mr. Gabel, when Irene Hart explained about the movement about the..."

Mr. Gabel said, "No. Sorry."

Commissioner Parks said, "...and if, I'm sure she'd be glad to explain it to you after the meeting or if you have some time to call her."

Mr. Gabel said, "Alright. Thank you."

Chairman Peterjohn said, "Thank you. I'm going to...that's the last name on my list, and unless there's anyone else who would like to speak at this time, I'm going to close the public hearing. And we're going to proceed to the next Agenda item. Seeing no one, we're off to the next item."

D. PUBLIC HEARING REGARDING AN AMENDMENT TO THE 2010 BUDGET FOR THE EMERGENCY MEDICAL SERVICES FUND.

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Mr. Miller said, “This item on your Agenda is a public budget hearing regarding a proposed budgetary amendment to the EMS (Emergency Medical Services) funds to increase the personnel category by \$370,000 and increase the total budget to \$15,940,050. You’ve each previously been briefed about an issue with the 2010 EMS budget was identified earlier this year in which budgetary personnel costs were not properly calculated in a SAP (Systems, Applications and Products) personnel report used for budgeting purposes; calculating personnel costs of paramedics on a 40 hour work week as opposed to the correct 42 hour work week, with the discrepancy creating an error in the 2010 adopted budget. The proposed budget amendment would allow the county to maintain current EMS services, funding 169.9 full-time equivalent positions. The amended budgetary expense would be covered by EMS revenue collections in excess of the adopted budget. And with that said, I’d recommend that you open up the budget hearing.”

Chairman Peterjohn said, “And we will do that to open the public hearing and receive any public comment concerning the EMS issue that was identified by our Budget Director, Mr. Miller. Is there anyone in the audience who wishes to speak on this issue that was identified and had quite a bit of publicity recently. We’ll recognize Mr. Peaster.”

Mr. Peaster said, “How is it the Director of the EMS didn’t know that their employees were to work 42 hours of straight time wages? The firefighters for Sedgwick County work in excess of 40 hours and their salary is based on a number of hours they know they’re going to work per year, same as the City of Wichita. Now, the Sheriff’s officers may be on 40 hours, the jailers may be on 40 hours, Court Clerks are on 40 hours, which now are taking furloughs. How is it that the Director of EMS doesn’t know how many hours per week his employees are supposed to work, and therefore budgeted on that amount? And where did...how did this happen in the past that it wasn’t made aware of before the fact that evidently now, because of the times being hard, nobody’s moving from job to job, so therefore, they don’t have the vacancies in the EMS, which is evidently where they were using somebody else’s committed salary, because if you employ 200 people and you only got 180 of them, then you got an excess of 20 wages that they were using to pay these people. Is this another, kind of like, look at the budget and don’t see what you see? Thank you for your time.”

Chairman Peterjohn said, “Thank you. Anyone else who wishes to comment on this issue? Seeing none, I’m going to segue off of Mr. Peaster’s comments, because this issue has gotten a lot of attention and we do need to be in a position to have a full transparency and clarity, in terms of how the accounting end is being handled, and I think we’ve got a correction that’s in place and I’m

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comfortable that this won't reoccur in the future. But it certainly is something that this Commissioner's concerned about. Commissioner Parks."

Commissioner Parks said, "I have a comment when we close the public hearing..."

Chairman Peterjohn said, "Okay.

Commissioner Parks said, "...about that."

Chairman Peterjohn said, "Before we close the public hearing?"

Commissioner Parks said, "No, after we close the public hearing."

Chairman Peterjohn said, "Okay. Well, seeing no one, does anyone else wish to speak on this Agenda item or public hearing? If not, I'm going to close the public hearing. And I'll recognize Commissioner Parks."

Commissioner Parks said, "On this, I think staff is prepared to give an explanation of this if Mr. Buchanan, or Mr. Miller, or somebody wants to come to the podium, I think that to keep it open and transparent, we need to explain to the public what happened here."

Mr. Miller said, "What occurred is when we load budget information into our spreadsheets to create the budget each year, we utilize information out of SAP that identifies the salary for each individual employee. And this situation actually occurred back in 2006. I had asked for some adjustments in that SAP personnel report, the programmer accidentally programmed in the salaries for those positions as 40 hours as opposed to 42 hours. That error was made in late 2006, which means we would have been pulling that information in early 2007 for 2008 budget development. One of the things that happened in the 2008 budget is the county allocated 10 additional positions in EMS for additional crews and capital ambulances, that type of thing, to enhance the services. The EMS budget went up over 17 percent that year. The personnel line item, because of those 10 new positions, increased by almost 7 percent."

Mr. Miller continued, "Because of those increases, if you will, it kind of obscured the fact that the salaries were not calculating correctly. For each year after 2008, because of salary savings within EMS, we never reached the point in which their actual salary expenditures were projected, or actually did exceed the budget, until we got to this year, for 2010. As turnover has slowed down, as folks aren't looking for new jobs anymore because they're simply not out there, more of our

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employees are staying within EMS, meaning that those salary savings now aren't available to absorb the shortfall."

Commissioner Parks said, "I did have another comment, and correct me if I'm wrong, you said that the budget went up 17 percent in that transition time..."

Mr. Miller said, "In 2008, yes, sir."

Commissioner Parks said, "Right."

Mr. Miller said, "In the 2008 adopted budget."

Commissioner Parks said, "And I do know that in the north side of my district, that the housing and the population growth did go up 20 percent, 20-21 percent since the last EMTs (Emergency Medical Technicians) were added, or EMS service was added in some of those areas. So I think if we're looking at 20 or 21 percent growth, and our EMS growth only went up 17 [percent], I know there's probably some other areas out there that it attributed to, but I certainly think the people of the Valley Center and Park City area appreciate the additional time that they have, first responders and additional people at that station up there. So, I just wanted to say that."

Chairman Peterjohn said, "Thank you."

Commissioner Parks said, "Thank you."

Chairman Peterjohn said, "Commissioner Unruh."

Commissioner Unruh said, "Thank you, Mr. Chairman. Well I just wanted to express my perspective on this. This is obviously a very serious issue, and I think that it was brought to us as soon as it was discovered by our staff who gave us a clear explanation, similar to what you just gave us, David, and had the Manager, and our CFO (Chief Financial Officer) and David telling us what happened, why it happened, how it happened, and that it is a grievous mistake. But it was clearly explained, and I asked, what's the appropriate way to handle it? I mean, what are our options? And the answer I was given was that the appropriate best way is that we have to recertify the budget and

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do it in the public meeting, so there has been no effort to not disclose this issue, and this is the appropriate way to handle it. You know, it's not something that we like to have happen, but the fact that our staff, when they became aware of it, immediately called it to our attention and suggested this way to correct it, I think it's the right thing to do and so I'm going to be supportive of this. And I appreciate that as soon it was known, it was brought to our attention and a remedy was suggested. That's all I have."

Chairman Peterjohn said, "Thank you. Seeing no further comment, next item."

E. OTHER

Chairman Peterjohn said, "Seeing no lights up here, Commissioner Parks."

Commissioner Parks said, "I wanted to say this on top of [inaudible] budget situation, but a friend mine showed me the Sunday paper this week, and it showed a suspended license on here and thousands drive and shouldn't. Once again, there's an underlying article to a headline, but in this case, it was more of a case study, but I feel that since I've been saying this every three years for the last 30 years, I'm going to say it again. I'm sure there were people that read that article that are suspended and don't know it. There's probably some of the crowd out here that has assembled today that are suspended and don't know it. The article in the paper was kind of a case study and really didn't get into what some of the things are that you can be suspended over, and you may be suspended, not to spin off of you may be a redneck, but if you've had a change of address, if you've changed insurance companies, or if you've changed your name through a divorce or marriage. Now, these things, and there's a reason I'm getting into this and saying, well why is a County Commissioner saying this and talking about this particular issue? And it's because it fills up our jails. Any given day that you look at that jail list, 30, 40, half of the people percentage wise are drive while suspended's their original charge that comes out, so even if they're in there for 8 or 10 hours, that's jamming up our system and it is a travesty for our jail to have to deal with administrative things like this."

Commissioner Parks continued, "Those three things that I said about the change of address, the change of insurance company and the name change, if you have all three of those, you're very likely in a category of a majority of people that have had correspondence from the State of Kansas, and that correspondence, when it comes out, says right on it, do not forward. So that mail is not forwarded. And you can understand, if you think about it a little bit, why the Department of Revenue doesn't want you to have that forwarded, because then they don't know where you're living, they don't have the correct information, and so that goes back to Topeka and they suspend you. In fact, I heard a person say that several times from the Department of Revenue, they don't want us to know where they're living, we're going to suspend them, so that you get suspended

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when a mere insurance company, or a name change, or an address change could've taken care of that. You get stopped for a seatbelt or a minor speeding violation now, and bingo; you're suspended so you go to jail.

"So, stay out of our jail if you've...I've been working on something, also, and I've asked several times of Mr. Lamkey, Director Lamkey, about walking into and being able to have, if you think you may be suspended, how do you know? A lot of the answers I've been getting is call Topeka. Well, I know that they have about 18 people up there, if you've ever been up there, it's a, a lot of those peoples' desk looks worse than mine, and that's pretty bad. Anyway, if you've been, if you're fortunate to be a Derby, Haysville or Valley Center resident, you can go in and get that from their dispatch. I think we need someplace for people in Sedgwick County, and I would challenge Wichita to be able to do that with some of their records divisions, also, that you can walk in. There is a fee. The state says that there has to be a fee, and those agencies do collect that, so. Just wanted to say that if you looked at that, said, oh my goodness this person's suspended, you might want to check out to see if you are suspended also. Thank you."

Chairman Peterjohn said, "Thank you. I'm going to make a motion at this time that we recess the Board of County Commissioners meeting and call the special meeting of the Board of County Commissioners sitting as the governing body of Fire District #1 and go through our public hearing agenda there."

MOTION

Chairman Peterjohn moved to recess into the meeting of Fire District #1.

Commissioner Parks seconded the motion.

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

VOTE

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

Chairman Peterjohn said, "We're in recess."

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The Board of County Commissioners recessed into the meeting of the Fire District #1 at 11:18 a.m. and returned at 11:28 a.m.

Chairman Peterjohn said, “We’re back on the item ‘other’ on the County Commission meeting. And I basically repeat the comments I made at the end of the Fire District meeting concerning the increased delinquencies on property taxes, an item that bears close watching and a potential concern, especially in light of some of our earlier discussion. I believe we have Executive Session?”

MOTION

Commissioner Welshimer moved that the Board of County Commissioners recess into Executive Session for 20 minutes to consider consultation with legal counsel on matters privileged in the attorney-client relationship relating to pending claims and litigation, and legal advice, preliminary discussions relating to the acquisition of real property for public purposes, and that the Board of County Commissioners return to this room from Executive Session no sooner than 11:50 a.m.

Commissioner Parks seconded the motion.

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

VOTE

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

Chairman Peterjohn said, “We’re in recess for Executive Session.”

The Board of County Commissioners recessed into Executive Session at 11:30 a.m. and returned at 12:04 p.m.

Chairman Peterjohn said, “I call this meeting back to order and recognize the County Counselor, Mr. Euson.”

Mr. Rich Euson, County Counselor, greeted the Commissioners and said, “Thank you, Mr. Chairman. Commissioners, while in Executive Session we discussed a couple of items, none of

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which require any action at this time and the record should show that no binding action was taken while in Executive Session. Thank you.”

Chairman Peterjohn said, “Thank you. Seeing no further business, I’m going to entertain, I’m going to make a motion to adjourn.”

MOTION

Chairman Peterjohn moved to adjourn.

Commissioner Welshimer seconded the motion.

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

VOTE

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

Chairman Peterjohn said, “We’re adjourned.”

F. ADJOURNMENT

There being no other business to come before the Board, the Meeting was adjourned at 12:05 p.m.

BOARD OF COUNTY COMMISSIONERS OF
SEDGWICK COUNTY, KANSAS

KARL PETERJOHN, Chairman
Third District

DAVID M. UNRUH, Commissioner
First District

TIM R. NORTON, Commissioner
Second District

KELLY PARKS, Commissioner
Fourth District

GWEN WELSHIMER, Commissioner
Fifth District

ATTEST:

Kelly B. Arnold, County Clerk

APPROVED:

September 1, 2010