

Sedgwick County

525 North Main Street 3rd Floor
Wichita, KS 67203



*Sedgwick County...
working for you*

Meeting Minutes

Thursday, May 26, 2016

1:30 PM

SPECIAL MEETING

BOCC Meeting Room

Board of Sedgwick County Commissioners

Pursuant to Resolution #007-2016, adopted by the Board of County Commissioners on January 20, 2016, members of the public are allowed to address the County Commission for a period of time limited to not more than five minutes or such time limits as may become necessary.

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of Sedgwick County, should contact the office of Crissy Magee, Sedgwick County ADA Coordinator, 510 N. Main, Suite 306, Wichita, Kansas 67203. Phone: 316-660-7056, TDD: Kansas Relay at 711 or 800-766-3777

Email: Crissy.Magee@sedgwick.gov, as soon as possible but no later than 48 hours before the scheduled event. Please include the name, location, date and time of the service or program, your contact information and the type of aid, service, or policy modification needed.

ORDER OF BUSINESS

CALL MEETING TO ORDER

The Special Meeting of the Board of the County Commissioners of Sedgwick County, Kansas, was called to order at 1:30 p.m. on May 26, 2016, in the County Commission Meeting Room in the Courthouse in Wichita, Kansas, by Chairman James Howell, with the following present: Chair Pro Tem Commissioner Richard Ranzau; Commissioner Karl Peterjohn; Commissioner David M. Unruh; Commissioner Tim R. Norton; Mr. Michael Scholes, County Manager; Mr. Eric Yost, County Counselor; Ms. Kate Flavin, Director, Communications; and Ms. Laura Billups, Deputy County Clerk.

Guests:

*Mr. Jason Watkins, Watkins & Schneider Consulting, LLC
Mr. Scott Schneider, Watkins & Schneider Consulting, LLC*

ROLL CALL

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

NEW BUSINESS

16-332

PRESENTATION ON THE 2016 KANSAS LEGISLATIVE SESSION.
Presented by: Scott Schneider, Watkins & Schneider Consulting, LLC.

RECOMMENDED ACTION: Receive and file.

Chairman Howell said, "I'd like to welcome Jason Watkins and Scott Schneider to our meeting today. The reason we called a special meeting really was to hear from you guys, because it's important for us to know where we're at in the session. It's been a very, very busy year and a lot of things have happened. I'd like to hear from you guys and let us know what's going on."

Mr. Jason Watkins, Watkins & Schneider Consulting, LLC, greeted the Commissioners and said, "I'm going to do just kind of a quick over view of the session. Kind of hit some high points. Then Scott has a piece that he would like to go over which, basically kind of covers what we specifically we worked on for Sedgwick County, and a little break down of our communication with the county.

"So 74 day sessions, short a session in 42 years ended on a Monday morning at about 3:00 a.m. it's interesting 61 bills passed during the regular session, 63 bills passed during the veto session, which was five days. So, that's a lot of activity in a very short period of time.

"Budget-wise, and Mr. Chairman you've been up there and are familiar with how the budgets work. Interesting budget bill this year, at one point the Legislature found themselves in about a \$200 million hole, in terms of a budget deficit. To get out of town they basically sent a bill to the Governor, that says: Governor you figure out how to balance, here are some things that you can do, they did prohibit him from giving any cuts to K (Kindergarten) – 12[the grade], but otherwise it's kind of up to the Governor to balance, and that's a unique approach of course to balancing the budget.

So unique in fact that before the Governor could sign it he actually had to make some allotments, which is legislative speech for cuts, in order for the bill to be constitutional. So far the budget is being balanced by transfers from KDOT (Kansas Department of Transportation), a 35 percent cut to the Medicaid provider fee. Along with one cut of \$17 million to higher education, and additional cuts to higher education would be on the way.

"On the tax side of the ledger a few bills of interest. The (inaudible) bill, a clean bill actually to repeal the tax exemption for LSC (Legal Service Corporation) income. That got 35 votes, well short of the 63. I think that was a surprise based on maybe the number of legislators who have been talking about the fact that a change needed to occur with that. A lot of those legislators didn't end up voting for that. I mentioned that it was a clean bill, because previous attempts to roll that tax exemption back might have been coupled with something else that wasn't found favorable by a legislator, and so well I wanted to vote to repeal the LLC (Limited Liability Corporation) tax but I couldn't because of this one provision. This was a clean bill. I share that with you because I think folks are curious about where are we going on this. Maybe, really got the sense after this vote and the days after that vote, that because it did serve poorly that the appetite for folks to try to bring that back up is not going to be very high at least in the next few years. But, we'll see where that goes.

"I think all of you are well aware of the property tax lid that passed last session that was brought back up this session, moved to an effective date of 2018. There are exceptions in there, one of the major exceptions Public Safety. I talked to a business group earlier today, and said you know this CPI (Consumer Price Index) issue where you'll have to vote if there's going to be property taxes increasing beyond CPI, probably unlikely that you see that take place in Sedgwick County, or City of Wichita. Management at both of those cities have slowed the growth of property taxes in the last several years, and I think the other major component of that is if you're going to see a need for that vote to take place it's probably because there has been a natural disaster, or some sort of need on the Public Safety side. Which would forego the requirement of that vote.

"Final thing on taxes, we'll see what happens during the veto session. The veto session is June 1st. Typically the veto, I'm sorry not the veto session, sine die session, sine die typically is just the ceremonial closing of the legislature, no action is ever taken. However, there is a bill that passed the House and the Senate unanimously that would allow or some, or certain tax appeals to go to the District Court level with new information being presented. Again, nobody voted against that bill and the Governor vetoed it, so we're stopped. They are going to try enough people into Topeka to try to override that veto. We'll see what happens from that end.

"I do want to talk quickly about two local government preemption bills that were passed that I think the County will need to pay attention to. Not that this County or the City of Wichita would probably ever do this, but legislators and industry groups were starting to notice throughout the county that say for example, San Francisco passed where it's become known as a Scheduling Bill, where if their scheduling ordinance, components of that ordinance said that you have to give an employee two weeks notice before you change their schedule. If you don't you have to pay them what they would have made had they been able to work that previous schedule. Other components were, you must pay part-time employees what you pay your full-time employees, etcetera, etcetera. Not very business friendly, obviously a concern for industry. The legislature did pass and the Governor did sign a bill that said, local units of government could not pass ordinances regarding fair scheduling. The state could get involved if the citizens of the state decided that was necessary.

But what we did as a government prohibited.

"The other preemption bill was a food labeling, think healthy / unhealthy. Mayor Bloomberg soda ban. That preemption bill basically said that is public policy, that's to be reserved to the state and locals can't require labels as healthy / unhealthy. They can't ban Hot Wheels cars in a Happy Meal, etcetera."

"The final thing I will touch on, and good news to all of us, something we spend a lot of time, frankly before the session even started. So those views on the bench were involved in these efforts, I think a very successful outcome at this point on the City, County Sales tax, a lot of communication with legislators ahead of time to make sure that they understood what that sales tax was about, what the distribution was, spent quite a bit of time with Commissioner Unruh before session and during session talking about this issue. I think you find yourself today in a scenario where there is about zero legislative support for changing that. So, we're going to take a little bit of credit for doing our job. But I also want to give credit to you the Commissioners that were so involved in communicating with legislative leadership and helping us in that effort.

"Mr. Chairman if it's okay with you I'll turn it over to Mr. Schneider and he'll kind of go over the communication."

Mr. Scott Schneider, Watkins & Schneider Consulting, LLC greeted the Commissioners and said, "I was asked by the Chairman to try and summarize the work effort that we made, and in often times in lobbying it is difficult to say, here is the effort, here is the time, the hours spent because it does mold together and flow together.

"But what I did do, is go back through our communications whether their emails, or newsletters and try to quantify the types of communications that we shared, and in the 74 day session, I think the numbers were very interesting from my perspective to see how we, Jason and I, internally managed the communication. We had 304 different emails that I received. There not just individual, emails those are email chains of different conversations that were going on. So, that's about four a day that we had going on at any one time. My query started back in October, but if you just look at it through the session, we had weekly phone calls with both as you guys ask for it, the Chairman and I believe Commissioner Ranzau.

"We also opened ourselves up to anybody who wanted to talk to us and we sure appreciate Commissioner Unruh for reaching out and especially on the sales tax piece, that his voice in that helped us communicate across a broader gap than we might have been able to do ourselves.

"We had 10 weekly newsletters that we pushed out to your communications team, and then you used internally. We tracked in our bill tracker, which is separate from the Legal Departments bill tracker, we tracked 119 bills and assigned those to a Sedgwick County account. Here are the issues in the bottom we actually submitted, except for the first one, but two through ten are bills we actually submitted written testimony on. So, the effort to create the position, submit the testimony, and then once the testimony was submitted, go and try to work that issue, we think is pretty substantial when you look at the number of days that the legislature worked this year.

"I will talk about a couple that did have some success. First and foremost was the tax issues that Jason mentioned. The abandoned property bill was interesting this year. We thought there was momentum working towards that bill actually passing. There were several provisions put in there that made the bill more likeable. The

Commission still chose to oppose that. In the end the Governor ended up vetoing that bill. The concealed carry in a public building, the easy pass concept was something we spent considerable amount of time on. We think that issue still needs some refinement over time. The tax lid bill was unique to the extent that Sedgwick County Commission was the voice that allowed the process to get resolved. How do you actually accomplish this with regards to the notifications, and your testimony and your written testimony and your assistance in that piece actually moved that issue, what may have been on dead center.

"Then the WATC (Wichita Area Technical College) piece is a conversation that the community needs to continue to have understanding, what that means to the institutions of Wichita State [University] and WATC, and the Sedgwick County Board of Commissioners and rolls would change if those entities merged. I think that conversation is going to continue this summer, because that bill did not move because of the questions I think that the Commission proposed.

"That's our activity report. I'd be happy to stand for any questions if you have any."

Chairman Howell said, "Commissioners I do have some questions but before I do that I'd like to ask do you have any questions or comments for either Scott or Jason. Commissioner Unruh."

Commissioner Unruh thanked the Chairman and said, "Scott, what do you think the prospects of the WATC initiative getting some legs and something happening next year for that merger?"

Mr. Schneider said, "The example that was given in committee was Washburn [Institute of Technology], there's already been a consolidation that's happened. The challenge that the committee didn't, couldn't get over, was why didn't we use that example of one to merge the bank accounts, the financial accounts, the responsibilities, because right now there in two different buckets, and the monies appropriated differently, and the solution that was presented in front of the committee was we're just going to blend it all, while the lobbyist for the technical schools said you know that's really not fair to the mission of the technical institution and we think by doing that we will not be able to track for state purposes, not local purposes, the state effort into that technical school if we merge it.

"I think there is a solution to that but I think the different groups are going to have to have that conversation in an open way."

Commissioner Unruh said, "Okay, so we don't have a good sense of whether or not those objections, is there a strategy to overcome them and then be successful in the next session or we just don't know about it yet?"

Mr. Schneider said, "The strategy is to do it like Washburn did it. That's the sense that I got that morning out of committee. To me that didn't seem like a complicated hurdle to overcome. But, it was at the end of session, the time was short and it was a big issue that had to get unraveled and it just couldn't giving the three days left to session."

Mr. Watkins said, "Commissioner Unruh, if I could add, Scott pointed out it was happening, the process on that really didn't get rolling until the end of session. As is typical in Topeka, other groups sometimes have a tendency to use that type of scenario to try to attach something that they need or maybe the appropriate word is hijack. I think that because it got started late, because the communication with the legislature didn't take place until towards the end of the session I think there were

other groups that saw this as an opportunity to kind of hold this bill hostage and make demands for certain things that they wanted. I think by getting the process sooner, as in this summer, this fall working with legislators working with more of a community partners. I think you can avoid maybe putting yourself at risk and maybe have a little more control over your bill and your proposal and where you want it to go.”

Commissioner Unruh said, “Well, thank you.”

Chairman Howell said, “On that particular issue I understand Senator Masterson and Senator Abrams were components of that do you know, on that merger, were they helpful in moving that forward and I think Senator Arpke was opposing that’s all I remember. These were all influential and powerful Senators, I’d just like to say this might be a good time this summer to continue that discussion and find out what are their concerns and see if we can develop some type of solution to basically address those concerns because I have respect for all three of those senators but I think are far ends of the spectrum, different opposing viewpoints. So it’s, an opportunity for us I think.”

Mr. Watkins said, “When we think about the community colleges, their all over the state of Kansas. You’d probably be really challenged to find a single legislator who doesn’t have a community college touching their legislative district. So, if the community colleges are going to step up and voice strong concern that’s going to bring opponents out against your proposal. That’s part of what happened here as well, and I think with Senator Arpke that’s where his concerns were founded.”

Chairman Howell said, “I would say also this came up so quickly towards the end of the session that really the Commission here didn’t really spend much time talking about this and probably not like we need to. Obviously it impacts us a number of different ways, we’ve got funding WSU and funding to WATC. So I think we ought to at least be comfortable with what’s being proposed from those two organizations and take a position. We have not really had that conversation like we need to in my opinion. We have some opportunities for that, from our Commission as well. Commissioner Ranzau.”

Commissioner Ranzau thanked the Chairman and said, “Along that same line, my biggest disappointment, I had some concerns about the whole idea, but one of my biggest disappointments is we weren’t even consulted on this issue, WATC and WSU neither one came and talked to us about this and I’m somewhat perplexed by that. So, I think we need to be included in that conversation.”

Chairman Howell said, “Let me just throw out there that our contract with you, does it continue over the summer and into the, it’s a point to note because some of the best work happens right now. Obviously the election process is going on, but most the, most of the guys that are running, that are incumbents in my opinion is more than likely most of them will be back next year. Do we have a chance to engage them and find out what they’re thinking and continue to move our ideas forward and so this is an opportunity for us to continue work. Just because the session is over doesn’t mean the lobbyist’s sit back on their hands and do nothing, right? So I know the process will continue, we have a chance, I guess to continue there, to talk about this and to work this issue between now and next January talking to the SCTETA (The Sedgwick County Technical Education and Training Authority) Board, WATC Education Board out there, I know there is very much, there is a lot of intention by those members as well as by President Bardo. That this is something to continue to work on from now until next session, so this is not an issue that has died in anyway. It’s just delayed, is what I would say. We certainly need to continue to be engaged on this particular topic.

"I would say also what makes Jason Watkins and Scott Schneider different than what we've had in the past. This is the first time that I'm aware of that Sedgwick County used a professional lobbyist. We have used employees I think to deliver testimony sometimes and perhaps talk to legislators that hasn't been to the same level. I say that from experience, because I was there for four years, and I've seen you guys work. I know how you operate up there. I have interfaced with the representatives of the county that have been sent up there to do lobbying on behalf of the County. My opinion is it's a huge difference.

"Some people think lobbyist are bad people simply because they're lobbyist, like I say they are experts and they are good at moving issues forward. They do represent their clients very well. There was one issue, I'll address it now. We obviously agreed to disagree on and that was Medicaid Expansion. It was on our platform that we are opposed to Medicaid Expansion. You guys also do lobby for Wichita Chamber, so you did let us know that you'd be taking the position for the Chamber in this regard. At least I had a conversation with you, and I think Chairman Ranzau did before the end of the year last session. I think that's been a known topic since the very beginning when we talked about hiring you folks. I don't think there was any hidden agenda there. I think we've known all along this would be one of the things we would have to agree to disagree on. So I do want to address that.

"Let me say also, I am proud of Sedgwick County and I'm proud of the things that you guys have accomplished this year. Usually, most legislators and most organizations are doing great to get anything done. The session is usually just filled with frustration. I do think the Tax Lid was much better at the end of the session. That really wasn't our issue. Just to repeat myself, it was passed last year in the middle of the night without a committee. There was some problems in that bill. We addressed those problems as our strategy this year. Our positions were adopted in whole. Everything we asked for was adopted by the legislature and as a result that bill is a lot better today than it was last year for sure. Even the base bill this year which was talked about in the State Address by the Governor. A lot of those ideas were changed essentially making the bill much more palatable to governing bodies such as ourselves.

"A number of those changes were the negative CPI was removed, Public Safety was added as an exemption. The middle year 2017 from implementation. So we have a year, the base bill issue cut two years off, we split that in half. Obviously, the election option, which was not possible in either the base bill this year or the legislation passed last year the election was not possible. That's a huge win for Sedgwick County, and I think all the governing bodies out here ought to enjoy the work we did this year. Thank you for your work on that, that's probably the most important take away this year. Anything else I can talk about that probably would be the number one accomplishment. I think it's incredibly important.

"Of course the city sales tax, city county sales tax issue. That was a really hot topic going into the session. We had no idea where that was going and I know you guys spent a tremendous amount of time on that. I guess the fact is we, I don't want to say the word we won I think we have a better understanding amongst all legislators exactly what this is, and why it's important that it stays where it's at. Our position was adopted by the legislature. In that regard that was a huge success. I think we needed you to be really strong on that issue, and I think you did that. Probably, just want to say thank you for that.

"We did partner with Wichita on the Fast Pass bill. It wasn't our issue, but we wanted to be able to be good partners with them. That was important to them, so we

supported that. You guys were able to get that one done. Overall the items that you guys have named here, a lot of great successes. I just want to say, thank you very much, I am very satisfied that you guys earned your money. I am pleased with the work you've done. Any other comments or questions from Commissioners?

MOTION

Chairman Howell moved to receive and file the report.

Commissioner Ranzau seconded the motion.

VOTE

*Commissioner Unruh Aye
Commissioner Norton Aye
Commissioner Peterjohn Aye
Commissioner Ranzau Aye
Chairman Howell Aye*

ADJOURNMENT

There being no other business to come before the Board, the Meeting was adjourned at 1:56 p.m.

BOARD OF COUNTY COMMISSIONERS OF
SEDGWICK COUNTY, KANSAS

*JAMES M. HOWELL, Chairman
Fifth District*

*RICHARD RANZAU, Chair Pro Tem
Fourth District*

*DAVID M. UNRUH, Commissioner
First District*

*TIM R. NORTON, Commissioner
Second District*

*KARL PETERJOHN, Commissioner
Third District*

ATTEST:

Kelly B. Arnold, County Clerk

APPROVED: