

# Sedgwick County

525 North Main Street 3rd Floor  
Wichita, KS 67203



*Sedgwick County...  
working for you*

## Meeting Minutes

Wednesday, February 11, 2015

9:00 AM

BOCC Meeting Room

### **Board of Sedgwick County Commissioners**

*Pursuant to Resolution #131-2010, adopted by the Board of County Commissioners on August 11, 2010, members of the public are allowed to address the County Commission for a period of time limited to not more than five minutes.*

*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 Robbie Berry, Sedgwick County Interim ADA Coordinator, 510 N. Main, Suite 306, Wichita, Kansas 67203*

*Phone: (316) 660-7058, TDD: Kansas Relay at 711 or 800-766-3777*

*Email: Robbie.Berry@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 Regular Meeting of the Board of the County Commissioners of Sedgwick County, Kansas, was called to order at 9:07 a.m. on February 11TH, 2015 in the County Commission Meeting Room in the Courthouse in Wichita, Kansas, by Chairman Richard Ranzau, with the following present: Chair Pro Tem Commissioner Karl Peterjohn; Commissioner David M. Unruh; Commissioner Tim R. Norton; Commissioner James M. Howell; Mr. William P. Buchanan, County Manager; Mr. Rich Euson, County Counselor; Mr. David Spears, Director, Bureau of Public Works; Mr. Kelly Arnold, County Clerk; Ms. Adrienne Bryne-Lutz, Health Department; Mr. Rick Durham, Deputy Chief Financial Officer; Mr. Ron Holt, Assistant County Manager; Ms. Kristi Zukovich, Director, Communications; Mr. Rick Durham, Deputy Chief Financial Officer; and Ms. Jill Bailey, Deputy County Clerk.*

### **GUESTS**

*Mr. Al Besser, Appointee, Physical and Developmental Disabilities Advisory Board  
Mr. Jeremy Alessi, Appointee, Public Building Commission  
Mr. A.J. Boleski, General Manager, Intrust Bank Arena*

### **INVOCATION: Pastor Terry Fox, Summit Church.**

### **FLAG SALUTE**

### **ROLL CALL**

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

### **CONSIDERATION OF MINUTES**

**A**

[15-0049](#)

REGULAR MEETING OF DECEMBER 10, 2014.

Commissioner Ranzau was absent.

*Chairman Ranzau said, "Commissioners are there any additions or changes?"*

#### **MOTION**

*Commissioner Peterjohn moved to adopt the meeting minutes from December 10th, 2014.*

*Chairman Unruh seconded the motion.*

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

VOTE

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

Chairman Ranzau said, "Next item, please."

**Approved**

**B**      [15-0050](#)

REGULAR MEETING OF DECEMBER 17, 2014.

All Commissioners were present.

Commissioner Peterjohn said, "Mr. Chairman, if it's acceptable with all my colleagues, I move that we adopt the meeting minutes for December 17th, 2014 and January 7th, 2015."

Chairman Ranzau said, "Did you say all three?"

Commissioner Peterjohn said, "I wanted to leave the last one out since Commissioner Howell wasn't on the bench at that time."

Chairman Ranzau said, "That's fine."

Commissioner Unruh said, "I will second that motion."

Commissioner Howell said, "Mr. Chairman, if I could make a comment. I would like to change my last vote to abstain, if it's okay. Is it possible to do that? I wasn't actually at the meeting. I did read about it, but I didn't actually get to be here. So it would be better for me to abstain, if that's okay. Thank you."

Chairman Ranzau said, "We have a motion and second to adopt B and C."

Ms. Jill Bailey, Deputy County Clerk said, "Who seconded?"

Chairman Ranzu said, "I did."

MOTION

Commissioner Peterjohn moved to adopt the meeting meetings from December 17th, 2014 and January 7th, 2015."

Commissioner Ranzau seconded the motion.

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

VOTE

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

**Approved**

- C**      [15-0051](#)      REGULAR MEETING OF JANUARY 7, 2015.  
All Commissioners were present.

*Action on Item C was taken with Item B.*

**Approved**

- D**      [15-0052](#)      REGULAR MEETING OF JANUARY 14, 2015.  
All Commissioners were present.

MOTION

*Commissioner Peterjohn moved to adopt the meeting minutes from January 14th.*

*Commissioner Howell seconded the motion.*

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

VOTE

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

*Chairman Ranzau said, "Next item, please."*

**Approved**

**APPOINTMENTS**

- E**      [15-0037](#)      RESOLUTION APPOINTING WENDY LEE (COMMISSIONER DAVE UNRUH'S APPOINTMENT) TO THE SEDGWICK COUNTY PHYSICAL AND DEVELOPMENTAL DISABILITIES ADVISORY BOARD.  
Presented by: Richard Euson, County Counselor.

RECOMMENDED ACTION: Adopt the Resolution.

*Mr. Richard Euson, County Counselor, greeted the Commissioners and said, "With*

*your indulgence I would like to include Item F, involving the same board. Item F would appoint Al Besser, who is Commissioner Karl Peterjohn's appointment to the Physical and Developmental Disabilities Board. These resolutions are in proper form and I would recommend that you adopt them."*

**MOTION**

*Commissioner Unruh moved to appoint Wendy Lee and Al Besser to the Sedgwick County Physical and Developmental Disabilities Advisory Board.*

*Commissioner Peterjohn seconded the motion.*

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

**VOTE**

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

*Chairman Ranzau said, "And I don't believe Wendy Lee is here, but Mr. Besser is. Would you step forward, Kelly Arnold will swear you in."*

*Mr. Kelly Arnold, County Clerk, greeted the Commissioners and said, "Raise your right hand. I do solemnly swear that I will support the constitution of the United States, the constitution of the state of Kansas, and safely discharge the duties of the office of Sedgwick County, physical developmental disabilities advisory board so help me God."*

*Mr. Al Besser, Appointee, Physical and Developmental Disabilities Advisory Board, greeted the Commissioners and said, "Thank you. All I can say is I thank you for the honor that has been bestowed upon me, and I will give you every fiber of my being, intellect, heart, soul. I feel keenly about those who are challenged, those with disabilities, and, again, I will give you everything that I have. Thank you."*

*Chairman Ranzau said, "Thank you. Next item, please."*

**Adopted**

**F**      [15-0038](#)      RESOLUTION APPOINTING AL BESSER (COMMISSIONER KARL PETERJOHN'S APPOINTMENT) TO THE SEDGWICK COUNTY PHYSICAL AND DEVELOPMENTAL DISABILITIES ADVISORY BOARD.

Presented by: Richard Euson, County Counselor.

RECOMMENDED ACTION: Adopt the Resolution.

*Action on Item F was taken with Item E.*

**G**      [15-0085](#)      RESOLUTION APPOINTING JEREMY ALESSI (COMMISSIONER RICHARD RANZAU'S APPOINTMENT) TO THE SEDGWICK COUNTY PUBLIC BUILDING COMMISSION.

Presented by: Richard Euson, County Counselor.

RECOMMENDED ACTION: Adopt the Resolution.

*Mr. Euson said, "Commissioners, here again there is a companion item with Item H, which is a resolution appointing Greg Sevier, who is Dave Unruh's appointment, to the County's Public Building Commission. Both of these items, G and H, are in proper form. I recommend you adopt them."*

MOTION

*Commissioner Unruh moved to appoint Greg Sevier and Jeremy Alessi to the Sedgwick County Public Building Commission.*

*Commissioner Peterjohn seconded the motion.*

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

VOTE

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

*Chairman Ranzau said, "And Mr. Alessi is here."*

*Mr. Arnold said, "Good morning. Raise your right hand. I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of Kansas, and faithfully discharge the duties of the office of the Sedgwick County Office of Sedgwick County Public Building Commission, so help me God."*

*Mr. Jeremy Alessi, Appointee, Public Building Commission said, "I do."*

*Mr. Arnold said, "Congratulations."*

*Mr. Alessi said, "Commissioners, I just want to thank you for the opportunity to serve the people in this way, and I will give my best effort. So thank you for that. And I appreciate the honor."*

*Chairman Ranzau said, "Thank you, Jeremy, for your willingness to serve."*

*Mr. Alessi said, "Thank you, sir."*

*Chairman Ranzau said, "Next item, please."*

**Adopted**

**H**      [15-0045](#)

RESOLUTION REAPPOINTING GREG SEVIER (COMMISSIONER DAVE UNRUH'S REAPPOINTMENT) TO THE SEDGWICK COUNTY PUBLIC BUILDING COMMISSION.

Presented by: Richard Euson, County Counselor.

RECOMMENDED ACTION: Adopt the Resolution.

*Action on Item H taken with Item G.*

- I      [15-0086](#)      ACCEPT THE RESIGNATION FROM SABRINA PEREZ GLATT  
(COMMISSIONER RICHARD RANZAU'S APPOINTMENT) FROM THE  
SEDGWICK COUNTY ADVISORY COUNCIL ON AGING.  
Presented by: Richard Euson, County Counselor.

RECOMMENDED ACTION: Accept the Resignation.

*Mr. Euson said, "Commissioners, you have received this resignation, and it would be proper to accept it at this time."*

*MOTION*

*Chairman Ranzau moved to accept the resignation.*

*Commissioner Unruh seconded the motion.*

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

*VOTE*

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Norton</i>	<i>Aye</i>
<i>Commissioner Howell</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Chairman Ranzau</i>	<i>Aye</i>

*Chairman Ranzau said, "Next item please."*

**Approved**

## **NEW BUSINESS**

- J      [15-0072](#)      SCHEDULE A PUBLIC HEARING FOR ADOPTION OF NEW  
RESIDENTIAL BUILDING CODE WITHIN THE WICHITA-SEDGWICK  
COUNTY UNIFIED BUILDING AND TRADE CODE ("UBTC") TO  
REPLACE THE EXISTING RESIDENTIAL CODE WITHIN THE UBTC.  
Presented by: Tom Stolz, Director, Metropolitan Area Building and Code  
Department.

RECOMMENDED ACTION: Set a public hearing for the April 22, 2015  
Board of County Commissioners meeting and instruct the County Clerk  
to publish the Notice of Public Hearing once in the official county  
newspaper.

*Mr. William Buchanan, County Manager, greeted the Commissioners and said,  
"Mr. Chairman, Commissioners, if it would suit you, I request that we pull this item until*

*some future date."*

*Chairman Ranzau said, "Do we need a motion for that?"*

**MOTION**

*Commissioner Peterjohn moved to postpone Item J to a future date.*

*Commissioner Howell seconded the motion.*

*Chairman Ranzau said, "Basically I think we want to postpone this until we get closer to a final document so that citizens will have that available to review before we even set the hearing so they will be able to speak to it. And we will discuss this more in the future."*

*Mr. William Buchanan said, "Yes sir."*

*Chairman Ranzau said, "Thank you, Mr. Manager."*

**VOTE**

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Norton</i>	<i>Aye</i>
<i>Commissioner Howell</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Chairman Ranzau</i>	<i>Aye</i>

*Chairman Ranzau said, "Next item please."*

**K**      [15-0089](#)

**AMENDED AGREEMENT WITH THE NATIONAL ASSOCIATION OF COUNTIES (NACo).**

Presented by: Adrienne Byrne-Lutz, Interim Director, Health Department.

**RECOMMENDED ACTION:** Approve NACo's change in dental discount provider from Careington to CAREMARKPC.

*Ms. Adrienne Byrne-Lutz, Interim Director, Health Department, greeted the Commissioners and said, "Three weeks ago I presented an amended agreement with the National Association of County Officials (NACo) because they changed their dental carrier from Careington to Caremark. At that time it was requested that information be obtained on comparing both plans, and with the help of Brandon Mills, I have that. There are a lot of similarities between the two plans, but there are some key differences.*

*Careington My Dental Care dental plan offers 60 dental providers at 21 locations with the cost of discount rates that are similar to the NACo Caremark Plan. Careington does require a one-time registration fee of \$10. The NACo dental plan offers 89 dental providers at 55 locations, with no registration cost. The biggest difference is that the Careington One card is one cost of \$89 for an individual or \$99 per family per year,*



*where the NACo health card and discount card both cost approximately \$7 per card per month. So the Careington Card One Card does offer the dental, health and prescription card at a lower rate. These three options that we have put together, is that we enter into the agreement with NACo and Caremark providing all of the services. The second is that we continue with the NACo Caremark health and prescription and enter into contract with Careington for the dental services or we discontinue the NACo Caremark and enter into the agreement with Careington for their one card. I would be happy to answer any questions."*

*Chairman Ranzau said, "Commissioners, do you have any questions? Commissioner Unruh?"*

*Commissioner Unruh said, "Thank you, Mr. Chairman. Adrienne, we have three alternatives, but do you have a recommendation of which one is the superior or better choice for us?"*

*Ms. Byrne-Lutz said, "Well, the NACo caremark does have more points of access. However, if someone needs both dental and medical plan, the Careington one card offers those services at a lower rate."*

*Chairman Ranzau said, "All right, thank you. Commissioner Peterjohn."*

*Commissioner Peterjohn said, "Thank you. I just want to get on the record. If both of these proposals are through the end of this calendar year, December 31st, 2015, is that correct?"*

*Ms. Byrne-Lutz said, "Our current contract will with NACo for the prescription and medical ends in April. So we have our membership with NACo through 2015, but would need to renew our agreement for those cards."*

*Commissioner Peterjohn said, "Okay. Just for the public record, then, I want to make sure, the agreement with NACo's card on this is through April 1st or April 30th?"*

*Ms. Byrne-Lutz said, "Let me check. It's April 24th."*

*Commissioner Peterjohn said, "April 24th?"*

*Ms. Byrne-Lutz said, "Yes".*

*Commissioner Peterjohn said, "Oh. Okay. Appreciate it."*

*Chairman Ranzau said, "Let me clarify. Now, that agreement will automatically renew; is that correct?"*

*Ms. Byrne-Lutz said, "That's correct."*

*Chairman Ranzau said, "As long as we are a member of NACo. If we want to terminate that we have 30 or 90 days?"*

*Ms. Byrne-Lutz said, "60 days."*

*Chairman Ranzau said, "So if we do nothing and we continue to have a membership through December of this year with NACo, that card is good. Even if we decide to go*

*with Careington, we could have overlap."*

*Ms. Byrne-Lutz said, "That's correct."*

*Chairman Ranzau said, "Madam Clerk? I have prepared a motion that I would like to make. It actually has four parts to it. That's why I wrote it down. I make a motion that we take the necessary steps to enter into a contract with the Careington one card. Number two, that we not approve the new agreement with NACo and CVS Caremark dental. Number three, we terminate our participation with the NACo/CSV health plan effective December 31st, 2015. And number four, we terminate our membership in NACo itself effective December 31st, 2015. That's the motion."*

**MOTION**

*Chairman Ranzau moved take the necessary steps to enter into a contract with the Careington one card, not approve the new agreement with NACo and CVS Caremark dental, terminate our participation with the NACo/CSV health plan effective December 31st, 2015 and terminate our membership in NACo itself effective December 31st, 2015.*

*Commissioner Peterjohn seconded the motion.*

*Chairman Ranzau said, "Commissioner Unruh."*

*Commissioner Unruh said, "Thank you Mr. Chair. We have expanded this agenda item from just being a discussion about the healthcare and dental card costs to also include termination of the membership of the National Association of Counties. Is that correct?"*

*Chairman Ranzau said, "That's what the motion is."*

*Commissioner Unruh said, "Would you mind giving me some rationale why we would withdraw from NACo?"*

*Chairman Ranzau said, "I will allow you to make your comments, then I will make my comments at the appropriate time."*

*Commissioner Unruh said, "That's all I have."*

*Chairman Ranzau said, "Any other comments? Okay. We have discussed in staff meetings continued participation in NACo. I believe it is not in our best interests as a community to belong to this organization. We spend money to participate, they take a lot of positions that are contrary to what we have here as a county, and it is not worth the money to put into it. I think it would be better suited to invest time and money in other things. For example, KAC (Kansas Association of Counties), which assists us more effectively. This is a way to break our ties with NACo, which I think is good in the long run. It's dominated by the large cities in the country and that's why they take the positions they do. So I think this is in our best interests to move forward. Commissioner Peterjohn?"*

*Commissioner Peterjohn said, "Thank you, Mr. Chairman. Since I seconded your motion, I think it is my responsibility to provide some comment here. The primary*

*reason I have understood that we kept a NACo membership is because we had the card that they provided, and there is an alternative that is at least comparable, and hopefully better.*

*"I think that is a compelling reason that we can proceed with this motion this morning. In terms of going through the NACo membership by the end of the year, I have had a number of concerns, and I got to attend one of their summer conferences two summers ago down in Fort Worth, and in terms of the large counties, they definitely had a disproportion of influence, and an interesting conference to attend. But in terms of the best value we can get for our taxpayer dollars, that was my criteria, and as we struggle with the number of budget-related issues and establishing priorities for the county, I have concerns in terms of NACo's overall direction and where they are proceeding. This is going beyond just the agreement on the One Card to a much broader discussion on NACo. I would like to get those reasons onto the record, and appreciate having the opportunity to do so. Thank you."*

*Chairman Ranzau said, "Commissioner Howell."*

*Commissioner Howell said, "Thank you, Mr. Chairman. I just want to ask a few questions for clarification to make sure I understand what this all is about. Can someone confirm, the Chairman or staff or the director. The Careington One Card, does that provide the same services as what they have currently?"*

*Ms. Byrne-Lutz said, "That provides very similar service."*

*Commissioner Howell said, "The cost is."*

*Ms. Byrne-Lutz said, "It's less."*

*Commissioner Howell said, "A little bit less. I wanted to make sure I understood that correctly. And what is our membership cost for NACo?"*

*Chairman Ranzau said, "Mr. Manager?"*

*Ms. Byrne-Lutz said, "It is approximately \$10,000."*

*Commissioner Howell said, "\$10,000 a year. And how long have we been a member of NACo? Anybody have any idea? No? Is there anything that NACo has done that we have benefited for, or anybody think back to anything that NACo has done that we as a county has benefited from membership in NACo?"*

*Mr. Buchanan said, "Excuse me, Commissioners. Off the top of my head, I can think of a number of training sessions that some staff have gone to. I know the NACo work in juvenile justice has been important to how we formulated our thinking. That's also occurred with some other programs, but without doing any homework, that's the best I can do."*

*Commissioner Howell said, "All right. I have done a little bit of work on my own reading about NACo, and so far, I have not seen anything, I think that adds a lot of value to our county. I will just make a comment on that. I am just listening to the conversation. Thank you for the chance to speak."*

*Chairman Ranzau said, "Commissioner Norton."*

Commissioner Norton said, "I won't be supportive today. I have been involved with NACo since I have been a County Commissioner. I very seldom go to the mid-year conference. It is usually pretty expensive and around, but I have gone many years to the legislative conference in Washington, DC. It gives us a chance to get up on the hill and visit with not only our delegation, but maybe some other elected officials from around the United States on issues that are of concern to counties. I know one of them that they are really working hard on is Waters of the U.S. We certainly have a dog in the fight, and some ideas about how that should turn out. Based on what the legislation looks like. But I have always found value. I do participate in quite a few meetings. Most of them are teleconference or video conference. I am on the Health Steering Committee. I sit on seven subcommittees, everything from mental health to other health steering committees.

"I have proctored and been to a number of criminal justice program committees, and I know Commissioner Unruh sat on that for quite a few years, and has brought back great information about criminal justice program, juvenile justice programs, and evidence-based programs throughout the United States that other counties may participate in. Certainly we have done the same thing with the Health Steering Committee. Much of what I have learned about the health departments and health in general has come from NACo and those committees, and my interaction with other County Commissioners. Many of them from very small counties, in fact, the Health Steering Committee has very few large counties on it, many of them are I would say modest counties from around the United States, from all states. So I found value in it. I think for what little we put into it monetarily, if you participate, and show up and listen and access the information they have, it can be of value. If you don't participate, if you don't go to the meetings, if you don't read their literature, if you don't participate in their meetings, you probably get nothing out of it. So I am a real believer that you have to put something into it before you will get anything out of it, and I tried to do that over the years. I have a little problem, I don't mind voting on the Caremark and the Careington thing, but to add onto it that we are going to get out of NACo that quickly, I will not support that. Thank you, Mr. Chair."

Chairman Ranzau said, "Commissioner Unruh?"

Commissioner Unruh said, "Thank you, Mr. Chair. Two or three comments or questions, I guess. First of all, Adrienne, does this change of our provider, our healthcare provider for this particular card, does that change the operation in the Health Department of how we distribute these, how we make them available? I mean, without being in NACo, without using their card, does that change the way we make this available at all?"

Ms. Byrne-Lutz said, "I believe we would be able to make the one card available as well."

Commissioner Unruh said, "Okay."

Ms. Byrne-Lutz said, "We would still distribute to individuals, navigators are out connecting people to primary homes. Medical homes, and also providers, businesses call and ask for those cards to have at their own locations so we would be able to continue to do that, I believe."

Commissioner Unruh said, "Okay. So our process is going to be pretty much similar, even if we change cards."

*Ms. Byrne-Lutz said, "Yes."*

*Commissioner Unruh said, "Okay. Second comment I would make, I can support changing our health card if it seems like it provides nearly the same benefit, and it is as you have stated, it's less expensive. So it seems like perhaps that's the wise move. My problem with the motion, we have coupled it with something that is not particularly the same issue. We had a health card on our agenda, and now we have added to it a membership in a national organization. Mr. Chairman, since this is separate can we have it on two motions so we can support one move that we think is reasonable and still not support another move that we don't agree with? Because actually the NACo membership, I was not advised this might be an item on the agenda. It is kind of a surprise. Would you consider withdrawing your motion and making two motions?"*

*Chairman Ranzau said, "Would you consider making a substitute motion?"*

*Commissioner Unruh said, "Okay."*

#### **SUBSTITUTE MOTION**

*Commissioner Unruh moved to approve items 1, 2, and 3 of the motion.*

*Commissioner Norton seconded the motion.*

*Chairman Ranzau said, "We have a motion and second."*

*Commissioner Unruh said, "Substitute. I don't know exactly how to do that, but..."*

*Chairman Ranzau said, "Are you saying, is your motion that you want to do items 1, 2 and 3?"*

*Commissioner Unruh said, "Sure. I think that covers it."*

*Chairman Ranzau said, "What this does, we are in NACo until the end of the year. It allows us to continue and the people who have the card, continue it, and then have a transition period to the new card."*

*Commissioner Unruh said, "Okay. I would make my substitute motion say that we approve items 1, 2, and 3."*

*Chairman Ranzau said, "Is that okay?"*

*Mr. Euson said, "Yes."*

*Mr. Buchanan said, "Would it be possible to have a copy of that so we make sure the press has that, please?"*

*Chairman Ranzau said, "Yes, the Clerk has one. All right, I can give you another one. That's her copy, though."*

*Mr. Buchanan said, "We will give it back."*

*Chairman Ranzau said, "I think we have a motion and second, a substitute."*

*Commissioner Peterjohn?"*

*Commissioner Peterjohn said, "Thank you. Because of the way we are taking this up, and for clarity and public purpose, I want to make sure. I am going to direct a question to Commissioner Unruh. Did his substitute motion consists of taking the necessary steps to enter in a contract with Careington One Card, not approve the new agreement with NACo and CVS Caremark, and we will terminate our participation in the NACo CVS Caremark Health Prescription Plan effective December 31st, 2015. Is that your substitute motion, Commissioner Unruh?"*

*Commissioner Unruh said, "That's items, 1, 2, and 3, yes."*

*Commissioner Peterjohn said, "I thought it was important, because sometimes if we just use numbers and it can get kind of confusing. I think it is important to get the specific mention out there in terms of what the substitute motion is, and how it varies only with that last item, number 4, with the original motion. So I wanted to get that onto the record, Mr. Chairman."*

*Chairman Ranzau said, "Rich, so if this passes, this would substitute for the first motion and we would have to make another motion to do the last thing if we wanted to do that, correct?"*

*Mr. Euson said, "Yes, that would be appropriate."*

*Chairman Ranzau said, "Okay. Madam Clerk, call the vote."*

#### **VOTE**

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Norton</i>	<i>Aye</i>
<i>Commissioner Howell</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Chairman Ranzau</i>	<i>Aye</i>

*Mr. Buchanan said, "Mr. Chairman, if you are going to take up the next item, I know we don't have rules, but we have some processes, it might be appropriate to take it up as an Off Agenda item."*

*Chairman Ranzausaid, "Is that necessary, Mr. Euson?"*

*Mr. Euson said, "Well, the agenda item amended the agreement with the National Association of Counties, so, yes, I believe that would be appropriate to take the removal of membership in NACo as an Off Agenda item."*

*Chairman Ranzau said, "Okay."*

#### **MOTION**

*Chairman Ranzau moved to take an Off Agenda item to deal with the participation with NACo.*

*Commissioner Howell seconded the motion.*

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

VOTE

Commissioner Unruh	Aye
Commissioner Norton	No
Commissioner Howell	Aye
Commissioner Peterjohn	Aye
Chairman Ranzau	Aye

OFF AGENDA ITEM

MOTION

*Chairman Ranzau moved to terminate Sedgwick County membership with NACo effective December 31st, 2015.*

*Chairman Ranzau said, "I will say that I actually do think that is completely germane and relevant. As Commissioner Peterjohn said before, the card was the main justification for participating in NACo in the past. When I first became a Commissioner, I had lots of people tell me we should get out of NACo way back then. I did attend two of their meetings to find out for myself if it was worthwhile. The first one was the meeting in Washington, DC in which Nancy Pelosi attended, and said, if you want to find out what's in the healthcare bill, you have to pass it to find out what's in it. That kind of tells you about the slant of the organization that she went to say those sorts of things. But beyond that, as far as juvenile justice, my understanding is we really haven't gotten anything out of them. We have been a leader in that area, and it's really been more of us telling them how to do things, than them telling us. So I am not convinced we will lose anything in that area. I think it is time to cut the ties and move on. Madam Clerk, call the vote. We have a motion. No, we don't."*

*Ms. Bailey said, "I believe we do not have a second."*

*Chairman Ranzau said, "We do not have a second. Do we have a second?"*

*Commissioner Howell seconded the motion.*

*Chairman Ranzau said, "Commissioner Unruh."*

*Commissioner Unruh said, "Thank you, Mr. Chairman. I just want to make a comment that I won't support the motion. I think that NACo does bring value to our county organization, not only to Commissioners, but to the various departments that are members, and that are involved at various levels. I think it is a way to share best practices, to see what people are doing around the country, to take advantage of educational opportunities, and specific areas of our responsibilities as county government. I was at the same meeting when the comment was made that the Chairman referred to, and I agree that was that particular statement was an ignorant statement. However, I don't think that it would be an example of the reason to get out of NACo. I think it's valuable to the county; we do get value out of it. So, I won't be able to support the motion."*

*Chairman Ranzau said, "Commissioner Peterjohn?"*

*Commissioner Peterjohn said, "I find myself in the interesting position. I agree with some of what Commissioner Unruh just said. There is value in the NACo membership, but I have got to make a decision in terms of much is it worth the cost. And that's an issue that I have struggled with, and when I come down on it, I don't think at the current cost, and with the challenges we face financially, this would be a nice to have in some ways. I think the comments of the former speaker of the house at the NACo conference were very regrettable, unfortunately, also very revealing. But that's water over the political dam at this point. The concern I have with organizations, and it is not just NACo, but any of the ones going forward, I mean, the focus is basically how to generate in the case of events in Washington, federal dollars to bring back to the old bring home the bacon argument. And problem is, is that we are, at least I hope, one country, and the idea that you basically have 535 spigots in Washington and the job of Congress is to fill them up. And when local officials go to Washington and basically are seeking. Whether it's grants, whether it's other financial breaks, used to be earmarks were the major thing. I don't think that's in the long-term public interest.*

*"So I am torn in a sense, because I do think there is some value in talking with our colleagues, I think our membership, for instance, with KAC is very useful and valuable and talking with our colleagues, but I want to respond to a comment that Commissioner Norton made, because I think he's right in terms of NACo has recently suddenly started to see the light on the waters of the United States. I think it's because, frankly, counties all over the country are realizing that the edict is coming down from our masters in Washington are going to have water flows downhill, and when it gets to the county level, we are going to have problems. So my challenge is at what price and what cost does this make sense. At this juncture, this morning, bringing up this item, I really struggle with that. And I do want to try and you know, we have suddenly seem to have had I think back to our very first meeting of this year, we had \$50,000 appropriation pop up off agenda, and so I really like to, we have got major policy decisions, we need to have these hashed out more fully, because I really want public input and public comment. And I do think that the action we are taking today is a sign of fiscal responsibility and good fiscal stewardship, considering the value we receive for the cost of a NACo membership. Thank you, Mr. Chairman."*

*Chairman Ranzau said, "Thank you. Commissioner Unruh."*

*Commissioner Unruh said, "Thank you, Mr. Chairman. I have a question, I think maybe the Manager might best answer it, but if we take this action, how would it affect memberships with some of the other entities in county government, like the Treasurer's office, and the County Clerk. Is there membership in their professional organizations related to NACo, is that in any way jeopardized by the action we take?"*

*Mr. Buchanan said, "I don't know that answer. I do know that for National Association of Counties Administrators that you have to be part of NACo. So that membership would be severed. I would assume that's true of other professional affiliates of NACo. but I don't know."*



*Commissioner Unruh said, "So the County Association of Administration, is that also the city county...oh that's a different organization. Okay. Well, I mean, I think there's some... that's a clarification I would like to have before we vote. Maybe we don't have time or that's not the will of the Board, but if that jeopardizes the ability of our Treasurer, Clerk or Register of Deeds to be involved in their professional association as it relates to NACo, it might make a difference to our decision. Mr. Chairman, I will leave that to you. That's all I have."*

*Chairman Ranzau said, "Commissioner Peterjohn?"*

*Commissioner Peterjohn said, "A question for the Manager, please. County administrators, do we pay for that membership, too?"*

*Mr. Buchanan said, "Yes."*

*Commissioner Peterjohn said, "Do you have an idea what are our annual dues, Bill?"*

*Mr. Buchanan said, "\$50."*

*Commissioner Peterjohn said, "Thank you."*

*Chairman Ranzau said, "Madam Clerk call the vote."*

VOTE

<i>Commissioner Unruh</i>	<i>No</i>
<i>Commissioner Norton</i>	<i>No</i>
<i>Commissioner Howell</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Chairman Ranzau</i>	<i>Aye</i>

*Chairman Ranzau said, "Madam Clerk, next item please."*

L      [15-0059](#)

PRESENTATION OF THE QUARTERLY FINANCIAL REPORT.  
Presented by: Rick Durham, Deputy Chief Financial Officer.

RECOMMENDED ACTION: Receive and file.

*Mr. Rick Durham, Deputy Chief Financial Officer, greeted the Commissioners and said, "Good morning, Commissioners. Rick Durham, your deputy chief financial officer. And at the end of each quarter the Division of Finance produces a report on the financial condition of the county. That report has been delivered to you, and today I would like to give you some highlights about that. Note that this is for the quarter ending December 31st, which also coincides with the ends of our fiscal year. The information in this report is the unaudited figures. So at the end of our audit, some of these numbers could change, but we don't expect much change.*

*"Before I get started, I would like to recognize the folks that are responsible for producing this report. That would be the budget division led by Lindsey Rousseau and her staff and then also the Accounting Department led by Sarah Jantz and her staff. Those are the people responsible for this report. This report will also be placed on the county's website for review. So we begin with truly an overview of everything that I am*

*going to show you subsequently after this slide. So what this slide shows you is an overview of the governmental funds, both tax funds, non-tax funds, and then Fire District No. 1 in there also. We see revenues, expenditures, net income, transfers, and then change in fund balance, and then an ending fund balance for each of the funds.*

*"So if you look at the first column, the general fund, it shows that we had 168 million in revenues, then expenditures, net change in fund balance of 1.75 million, with an ending fund balance of 64.5 million. And then you can follow that over to the right with the debt service fund. The other county tax funds, the non-tax funds, the Fire District, and then the far right column, totals all of those for a net change in fund balance of all governmental funds of \$6.2 million, and ending fund balance for all those of 104.38 million. So we start with talking about the tax fund. So I am going to, like I said, first slide was just an overview of everything you are going to see. Here we talked about the tax funds. And those funds are supported with the county's tax funds.*

*"Here we have the revenues. Here we see the revenues for those funds. At the end of the fourth quarter, we end with 229.9 million in revenues. What is important here, I think, we can see that there's been an increase in revenues from 2010 to 2014, but still we are behind where we were in 2009. You will see that's a common theme as we move ahead and we look at expenditures, which are \$227.2 million, more than 2012 and 2013, but less than in 2011. So as we look at those years over year, the revenues have increased 1.6 percent, expenditures .6 percent. So if we look at that as a net income, you see for 2014, we end net income of 2.7 million.*

*"Here we move on and look at the top ten revenues in that funds, and you see property taxes are the largest source of revenue. Followed by sales and use taxes, and then you can follow down, you see motor vehicle taxes and the increases of percentage based on the far right column. Moving on, we look at personnel expenditures, and personnel expenditures represent the largest expenditure in this fund. You can see salaries and wages at the end of the fourth quarter were 80.8 million, or 2 percent increase. Insurance premiums, increased 8.9 percent. And then pension contributions increased 15.5 percent, and that's a function of KPERS trying to make that program right. So here we look at key non-personnel expenditures for that fund, and you see grant awards is the largest expenditure here, which was a 2.7 percent increase in grant awards. So if we look at our total non-personnel expenditures, they start at 104.5 million, or a decrease of 3 ½ percent.*

*"We move on to the non-tax funds. Here we see revenues of 80.6 million. Once again, if you will note, the trend here from 2013 to 2014, is an increase, but if we look back as far as 2009, those revenues are significantly less this year than they were in the past. Similarly, we can say the same thing for the expenditures, is that we ended 2014 at 77.3 million in expenditures, but those are significantly less than 2009, 2010, and 2011. So if we look at the year over year, we can see that revenues have increased 6.3 percent, while expenditures only increased 2.5 percent. Once again, like we did before, with the tax funds, we look at the top 10 revenues. You see Medicaid fees are the top revenue in that category, with an increase of 1.8 percent. I think I need to draw attention to the affordable air fares, in that 274% increase, and what that represents is a difference between the state fiscal year and the county's fiscal year, so we received essentially two years' worth of revenues, because we received payments in April, which is state fiscal year 2014, and then again in November, which is state fiscal year 15 so*

*that accounts for that increase, the 274 percent. Here we take a look at key expenditures, and again, salaries and wages is our largest category of expenditures in the non-tax fund. With an increase of 1.6 percent. So if we draw down and look at all expenditures, including transfers, ends of the year at 77.2 million, or increase of 2.5 percent. Moving now to the total fund balance, the slides that we have looked at previously were based on a budgetary basis. Here we move into what we call a gap basis, or the look at it on generally accepted accounting principles.*

*"What you see is we end the 2014 with a fund balance on a gap basis of \$68 million. And you can look back over time, and you can see that pattern as we spend down the fund balance after we receive our revenues for taxes. Clear pattern is there, and we end the fiscal year at \$68 million, which is within the range going back to 2009."*

*Chairman Ranzau said, "I have a question. Go back to that. We voted to take 5.3 million for the elephants."*

*Mr. Durham said, "Correct."*

*Chairman Ranzau said, "We took that out of this year's fund, correct?"*

*Mr. Durham said, "2014?"*

*Chairman Ranzau said, "No, 2015. That's not reflected in here."*

*Mr. Durham said, "The commitment was in 2014. The payment was in 2015."*

*Chairman Ranzau said, "So that doesn't affect the fund balance for 2014. I am getting a no. Otherwise that would be closer to 63, is that right? Okay. Thank you."*

*Mr. Durham said, "Okay. So here we look at the fund balance as a percentage of unrestricted balance as a percentage of our budgeted revenue. So as you can see, once again, there's that clear pattern going back from 2009 to now. So we end 2014 with an unrestricted balance of 41percent. We move now into the investments of the county, or investment portfolio. And the county at the end of the quarter had about \$478 million invested, represented by the tan bars.*

*"Again, you can see the pattern of the investment going back to 2009, December of 2009. The yield that the county gets is represented by that blue bar and then the bench mark is represented by the dash bar underneath, and that benchmark is the yield rate on a one-year treasury bill. Now, there was an uptick in December, but if you look at it today, it is back down to .17percent. So it's dropping again. So that ... we're well above our benchmark, so at this point, I think it is important to recognize the individual and publicly thank the person who manages our portfolio, that's Brandy Bailey. She does a good job with this in a difficult market.*

*"We are going to move here to significant capital projects. These are the same projects that you saw last quarter on the report. The difference is that the statuses of some of those projects have changed, and the two that have changed is the 45th Street contract. That contract has been let. And then the next to the bottom one,*

*167th Street West, that contract has also been let, since the last quarter. And these are just significant projects that we pull up that complete list of capital projects are in your quarterly report. Okay.*

*"Here we switch gears and we move away from actual performance of the county, and we look at some of the indicators of the economy and how they affect the county. Here we look at fiscal stress. And these are pretty standard measures. If you notice the first two, the liquidity and the flexibility, both are trending down. The rest of the measures are either stable or improving. I am going to move on to the next slide, I am going to show the exact same data, but here what we do, we measure that against benchmark counties. Those benchmark counties are decided upon from a database that we receive from the Government Finance Officers Association (GFOA), and we use counties that are of similar size, population, and who report their financial data in the same way we do, so we get an apples to apples comparison.*

*"So if you see the first two on the previous slide, we are trending down. Here, when we compare them to the benchmark counties, we are actually better than those benchmark counties. This is 2012 data, since we haven't received an update from GFOA on the most current data yet. And as you can see, the two that trend down are property values and then debt burden. The debt burden is one percentage point off the benchmark counties, and then the property value is a figure that we have been aware of for some time. This chart is actually data that comes from the Center for Economic Development and Business Research from Wichita State University. They provide a lot of data. There is a lot of data on the website.*

*"This is a leading economic indicator index that they publish, and this data is current through November of 2014. So December's numbers weren't out there yet. But as you can see, over time, the steep incline from 3 to 7, the decline, and then a slow climb out. If you pay particular attention to the last year, you will see that there's actually a slight uptick there that I have circled for November 2014. Here we look at long-term trends, or the metrics for the county. You can see all trends are up, with the exception of mortgages registered, which is down significantly. And that's a year over year comparison, so we look at from 2009 through 2014. So all of those trend up with the exception of mortgages registered.*

*"Here we look at short-term trends, and what this chart shows is, it is changes or we measure changes from the fourth quarter of 2014 and how they compare to the fourth quarter of 2013. So if we look at that, all but two trends are trending upwards. The trends down is home sales, which is down, again, measuring fourth quarter of 2014 to fourth quarter of 2013, is the measure. And then total unemployment numbers are down or trending downward. So to wrap up, here are the things that we see as potential threats to the county are state programs, looking to fill funding gaps, the budget from the state, and then legislation from the state. Then the local economy, continued layoffs in aircraft manufacturing sector that we've seen, and then slowing rate of property sales. So to review, revenues continue to be lower than six years ago. There was no general fund deficit in 2014. Sedgwick County is smaller and more focused. The economy continues to recover slowly, but the aviation the loss in aviation jobs are offset in other sectors. And we see the greatest risk to the county is posed by the*

state. So 2014, the financial performance was better than we expected. We had year-end surpluses in each of the operating fund groups. So sound financial position is based on the fundamentals we have. We obviously have more work to do in 2016 which will be coming up here very shortly. With that, I would be happy to attempt to answer any questions you might have."

Chairman Ranzau said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. Let me kind of walk through this as a starting point, one chart that you had up there I think it was page 20 of your presentation. Talking about the reliance on the property tax and I think we have an up arrow there, if we can jump back to that chart. It looked like Sedgwick County was much more reliant upon the property tax than I think peer counties. And I wanted to make sure that was clearly identified, if indeed that is, if my understanding of ...

Mr. Durham said, "Is this the chart you were looking at?"

Commissioner Peterjohn said, "Actually the reverse. We are much less reliant."

Mr. Durham said, "That's correct."

Commissioner Peterjohn said, "Although we are trending slightly upward, and that is an important point in any of these discussions, because when I talk with citizens, they are asking in terms of property taxes in general, and some degree the county property tax in particular, as a yearend number, I basically tell folks that ask me, they say, well, what mill generate in Sedgwick County? I tell them it's a little over 4 million dollars. Do you have a more exact number we can throw out as a public discussion this morning, or should I save that for another day or another budget discussion?

Mr. Durham said, "Perhaps we can wait for another budget discussion, we can give you a more accurate number."

Commissioner Peterjohn said, "Okay. I was going to also throw out the same thing on the Fire District in terms of what one mill generates, too. Because public, when they talk about property tax, I mean, you have got different levels of government going after it, and everybody gets to impose it. You get one property tax bill, but you have got a state portion, you have got a county portion, you have got a school district portion. You are in municipality; you got your city portion. If you are not in the municipality, you have your township. And then there are special taxing districts too. So I think it's important for us to get that under discussion. If you would jump to page 14 there, please. I wanted to point out and get a clarification. Pension contribution, it shows a rather large percentage change of 15 percent while salaries and wages went up only a 10th of that amount. Does that include the employer contribution to KPERs (Kansas Public Employees Retirement System) or KPNF as well as the county's portion?"

Mr. Durham said, "That's the county's portion."

Commissioner Peterjohn said, "Strictly the county's. The employee's portion has been going up, too."

Mr. Durham said, "The data is and the largest increase we are seeing is in the KPNF fund and not KPERs. Those are the two greatest increases."

*Commissioner Peterjohn said, "Okay, if we could jump to page 16. I was going to say, this chart has a regular rhythm and pattern to it, but as Chairman Ranzau pointed out with the expenditure on the elephants last year, the encumbrance might be a better way of putting it because we paid it, as you put it, this year, and some other functions, that would show up when you give the first quarter report roughly three months from now?"*

*Mr. Durham said, "Correct."*

*Commissioner Peterjohn said, "Okay. It is likely we will probably see the cyclical increase we have here, but would that come out of the general fund or out of one of the other funds, the elephants."*

*Mr. Durham said, "Comes out of the general funds. I was looking for clarification."*

*Commissioner Peterjohn said, "I wanted to bring that up in terms of where we are with the with some of the numbers. On page 22, if we can jump there, please. The sales tax figure, sales and use tax, the county imposes a one cent sales tax county wide, but actually most of it goes to municipalities here in the county. The county only gets, my recollection, about 27 cents on the dollar. So the figure you are using here is strictly the actual amount the county receives and not the total collected, am I correct?"*

*Mr. Durham said, "That's correct."*

*Commissioner Peterjohn said, "If I am using that 27 cent percentage, that means we are collecting about a hundred million a year with that one cent sales tax. Am I in the ballpark with that number?"*

*Mr. Durham said, "That's the way the math would work out."*

*Commissioner Peterjohn said, "Okay. I just want to make sure, I mean, people have talked about the county's share, you know, county revenues, and I have tried to explain to them that when it comes to the 1 cent county sales tax, state law in terms of requiring the distribution, most of that doesn't come to the county. The total amount is a significant number. Does that figure include the sales tax on motor vehicles, too? I mean, is the sales tax on it?"*

*Mr. Durham said, "I don't know that I can, but I can get that data for you."*

*Commissioner Peterjohn said, "Okay. I may have misstated that question. Let me try and restate it if I could a little bit better. I think if we go to page 24, okay, I jumped around on it. I agree that the vehicle title processing is an issue that is a concern for me and I just want to point that out to my colleagues. If you talked to the County Treasurer, that's something they are concerned about in terms of changes from the state. I would also point out the fact that in terms of the local economy, we still have a lot of work to do to strengthen our local economy, considering the economic challenges we have, and we need to build upon the strengths this community has and try and see if we can identify some special advantages we can put in place to strengthen our competitiveness and expanding existing businesses, and being in a position to attract new firms to this community. Thank you, Mr. Chairman."*

*Chairman Ranzau said, "Any other comments from Commissioners? Can we go back*

*to slide 25? I would just like to make a comment on the last statement here. I believe the last statement that the greatest risk to county fiscal health is imposed by the state is a false statement, okay. Our current economic situation is driven by two things and that is the economy in general and our spending habits. I think it is time for us to stop trying to use the state as a scapegoat for our financial concerns, because they are not responsible for it. They have even caused economic problems, and therefore the slower growth and the property tax revenue. They don't tell us to spend \$5 million on an elephant bond, they don't tell us to spend two million more on the IRS building than what we need to. They don't tell us how to spend our money. We need to be accountable for our own actions and our own budget and recognize our role that we play in this. As we move forward, we need to take responsibility for that and make the tough decisions we need to deal with the situation we find ourselves in, which is created by the economy, which is nationwide. And that's the greatest risk factor to any community, is the overall economic situation, both locally and nationally. Commissioner Peterjohn."*

**MOTION**

*Commissioner Peterjohn moved to receive and file the report.*

*Commissioner Howell seconded the motion.*

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

**VOTE**

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

*Chairman Ranzau said, "Next item please."*

**Received and Filed**

**M**      [14-1835](#)

**QUARTERLY INTRUST BANK ARENA REPORT.**

**Presented by: Ron Holt, Assistant County Manager.**

**RECOMMENDED ACTION: Receive and file.**

*Mr. Ron Holt, Assistant County Manager, greeted the Commissioners and said, "This is the year to date status report, December year over year 2014 for the Intrust Bank Arena. These are the discussion items that we take up in the report, and I am glad to welcome A. J. Boleski, the General Manager for the Arena, he has joined us as well. As we talk about the quarterly reports, talk about ticket sales, community affairs, and then a financial summary. You will see ticket sales over the three slides, fourth quarter totals, there were 38 events, 38 performances, 1,331,000 attendants. Tickets sold 93,684, so tickets sold were less than attendance. Those come in play with various shows doing promotional items, giving away tickets and that sort of thing. Average attendance for performance was 2,640 for the fourth quarter. Year to date, January through December 2014, there were 116 performances, attendance, 298,825, tickets sold, 276,737, gross ticket sales \$7,961,442. Average attendance for performance, was 2,576 over the year.*

*"Year over year, if you look at ticket sales, January through December, 2014, there were 116 performances, compared to 2013, there were 91 performances. But I would draw your attention to those 25 additional performances. But I would draw your attention to the attendance numbers, 112,296 less attendance, 10,5530 less tickets sold, and \$3,274,388 less gross ticket sales. This is going to be an important factor when we get to the financials, because from this slide, if you just take performances, and the Arena did have a very good year from the number of events, number of performances, but when we get to the dollar amount, you are going to see those are not going to play out similarly to 2013. The point is, and we continue to make this, the mix of events, the type of events makes a difference in how the Arena performs financially. Fourth quarter, community affairs, you see the net employee wages and benefits for the fourth quarter, \$622,957. You see the full-time and part-time numbers over the quarter.*

*"For the year, 2014 net employee wages and benefits amounted to \$2,523,632. Economic impact of course out of those dollars on the community, and you see the full-time and part time employment numbers. The community groups who volunteered in concession stands, and just a reminder, that 65 number, there were some groups that served more than one time. So this was the total time of folks, groups in the concession stands. The amount paid to community groups in the fourth quarter was \$109,535. Spending with Sedgwick County and Kansas companies for the fourth quarter was \$786,200. The Arena presentations or tours during the fourth quarter, five local events, and activities, 14 during the fourth quarter. For the year, the community groups, 204 being paid \$305,577. Spending with Sedgwick County or Kansas companies total \$2,575,789. There were 18 presentations or tours, and 39 local events or activities. These next few pages just show the kind of community involvement, service projects, that the arena folks are engaged in during the fourth quarter.*

*"Number of ticket donations, of course the number of volunteer activities as well. Moving into the financial summary, then, for the fourth quarter, you will note that there were a total of 38 performances, 38 events, as we said earlier. I have the net building income for the fourth quarter, was in the positive, \$368,413. When we go to year to date, these are unaudited numbers, but year to date, then, we had, as I mentioned earlier, more performances and events in 2014 than in 2013. However, the net building income for the year was \$122,853. You will see the impact there, nine less performances, 29 more performances, 20 more events, but the gross building income was \$944,370 less in 2014 than 2013. You will see these numbers coming in less as well.*

*"One of the things that the arena folks did do, their operating expenses were less. They were \$310,291 to the good, so operating expenses were less in 2014 than 2013. And the bottom line there is, again, even though there were more events, more performances, the difference in the net building income year over year is a negative \$582,825. So 122,853, compared to 705,678 in 2013. You see the event parking, still remaining positive each month and each quarter, year to date. The Arena sales tax reserves, the authorized uses, major repairs, capital equipment for the Arena.*

*"And we have an agreement that we would be subject up to \$225,000 annually for the city to provide parking. Over the years we have not had to pay anything against that agreement. At the end of December, 2014, we had \$13,537,415.82 remaining in the operation and maintenance reserve fund. You see there the payments that were made*



out of that fund in the fourth quarter. I might just mention that at the end of 2013, we had 13,466,630.22. So through the naming rights agreements and that sort of thing, the county's portion of those, we were able to increase that fund by about \$65-70,000. These are the upcoming events. A number of upcoming events, 2015 is looking to be a very good year for the Arena, both in events, as well as I believe they will see a more impactful financial report in 2015 as well. As I end here, I might just share this with you. This is the fifth anniversary of the Arena, and the Arena folks are doing a number of different things to celebrate the fifth anniversary. One of them is to have different contests to allow the public an opportunity to get some free tickets, special treatment, and so forth at the Arena. I would just like to share this with you that came from one of the folks who was able to take advantage of that. It reads, 'Last Thursday I was picked as the winner for the Monster Jam Suite for the Friday show. This couldn't have come at a better time. In August I made the hard choice to quit full-time Air Force after 14 years, and join the reserves, so that I could be more involved with my sons by home schooling them. Unlike most that home school, I want my children involved in activities and the community. With one income, we have to choose what entertainment we spend money on. When I was chosen for this gift, we were beyond excited. It was wonderful sharing this gift with family and friends. The people at Intrust Bank Arena from marketing who called me to get my pizza order, and let me know what drinks would be in the room, to the friendly floor attendant, and to the sweet suite attendant, who was kind and prompt. I would like to say thank you for this gift. Also, if you would pass along to those who whom you work with at the Intrust Bank Arena.'

"So one of the reasons SMG (Spectator Management Group) was selected as the Arena management group was not only they agreed to take the financial risk, they had a proven record, track record, of being involved in sensitive to local community needs and citizens. That's the Arena report for 2014. As you note, we won't be here in April. A. J. won't be here in April presenting the county with a check, in that the bottom line is \$122,000, so that they keep. I will be happy to answer any questions."

Chairman Ranzau said, "Commissioner Peterjohn."

Commissioner Peterjohn said, "Thank you, Mr. Chairman. I appreciate the report, Mr. Holt. I am glad to see slide 29, and you mentioned how much the O and M reserve has increased. I use that as a barometer because we don't have...since this report doesn't include depreciation and the balance sheet. If we had a depreciation factor included, that's why the county balance sheet is diminishing, because depreciation is included there. If we included that, we would have financials would look quite a bit different. Off the top of your head, Mr. Holt, do you have an idea of what the depreciation number for 2014 would be for the Arena?"

Mr. Holt said, "I don't have that number. It would be in the end of the year report. The only other thing I would say is that we don't have any debt with the Arena. And if we had debt with the Arena, that, too, would have significant impact on the financial report. I don't have that and I can get it and send it to you. I don't have it off the top of my head."

Commissioner Peterjohn said, "You are absolutely right, and I appreciate that. That's one of the fortunate aspects of the Arena operation, here in Sedgwick County, as opposed to a lot of other places around the country where they do have that debt. If you encumber yourself with a debt, you have both principle and interest payments to take care of, and with having a slightly growing O and M reserve, \$90,000 isn't a huge amount, percentage basis for the total, but at least it's not shrinking. That's a key

*barometer that I have. I would like to ask a general question, if A.J. feels like he would be a little better to answer that, let him come to the podium. I noticed the last couple pages talked about upcoming events through the end of April, and it mentioned a couple of events in September. I know the summer season is a challenge going forward. I wondered if there was any trends going on in the arena world in terms of how marketing during the warmer summer months, it is going to be different in 2015, we project from last year and the years before."*

*Mr. A.J. Boleski, General Manager, Intrust Bank Arena, greeted the Commissioners and said, "Hello, A. J. Beleski with Intrust Bank Area. Thank you Commissioners for allowing us to be here today. So to follow-up on your question, as far as this summer, we are working on that right now. We tend to work about six to eight months out. So I can tell you, we have announced two events in September. We have a couple in August that we will be announcing, and then also in July. One other thing this year that's a little different, in past years, we have the Wichita Force kicking off, literally. On February 28th our football team will go into May, with regular season games, and then potentially into June with playoffs. The other piece of, as far as tenants go with the Wichita Thunder, they have joined a new league this year, in the ECHL (East Coast Hockey League), their league goes two weeks later. They go to mid-April. Their playoffs can go as far as the end of June, because there are 28 teams in the league. So those two things will help us as well. And some of those summer months, in addition to obviously focus on concerts and family shows and those types of event."*

*Commissioner Peterjohn said, "I appreciate you mentioning that, because I saw the upcoming events, didn't see them listed. I don't know if you are making news with that announcement, but I am very glad to hear there will be a number of activities down there at the Arena, and very much appreciate getting the information in this morning's report, Mr. Holt."*

*Mr. Boleski said, "One other thing, we will actually be attending myself, our Assistant General Manager and Director of Marketing, attending a conference in Nashville this coming week. It is an annual conference, biggest conference in our industry. We will be visiting with several agents, promoters, attending that conference and working on getting more business for Wichita and Intrust Bank Arena. That's always a big one for us and big event. We will be leaving on Wednesday and be there through the rest of the week."*

*Commissioner Peterjohn said, "I appreciate you mentioning that. Can you give us an overview nationally or regionally how the arena concert event business is doing in 2015, you project over the last year?"*

*Mr. Boleski said, "I don't have the exact numbers for you as far as number of tours. I can tell you from an observation standpoint, this year looks stronger than last year as far as number of tours that are out. We have definitely noticed that to date. Ron mentioned our five year anniversary concert series. We have announced three of those acts, expecting to announce hopefully two more throughout the year, bigger acts, really focusing on acts that haven't been here yet in the market. That's kind of our focus. But as far as the year, there are a lot of tours out, and it seems like it's going to be a stronger year than 2014 was from a touring standpoint."*

*Commissioner Peterjohn said, "Thank you."*

*Chairman Ranzau said, "Commissioner Unruh."*

*Commissioner Unruh said, "Thank you, Mr. Chairman. I just wanted to make a comment and congratulate you, A. J., not only on the basis of the entertainment value that you bring to our community, but net employed with wages and benefits, I just wasn't to reemphasize, \$2.5 million into our community. And the amount paid to community groups, I know they appreciate it. But that was over \$305,000, and spending with Sedgwick County Companies, which is smaller companies often in our community, almost \$2.6 million. So besides the entertainment value, there are other benefits direct to our community. Thanks for the good job."*

*Mr. Boleski said, "I appreciate that. Thank you."*

*Chairman Ranzau said, "Ron? I have a question. Can you tell me, you know, we modified the contract with SMG late last year, did a couple of things. One of which is we gave them...the initial contract said they had to meet some financial incentives in order to be extended automatically for five years. Now, we changed that so they automatically got the five-year extension. But I was told in the process, you know, they closed and they would meet that very easily. With this financial information, can you tell me would they have met those numbers?"*

*Mr. Holt said, "With the past agreement, they had through 2015, to meet those numbers. And I think based on the lineup we have seen here, and seeing that coming, there would be no doubt that they would have met those numbers, yes."*

*Chairman Ranzau said, "How do we know that?"*

*Chairman Ranzau said, "We are expecting 2015 to be even stronger than 2013, or 2012, and those two years we got 250 some thousand dollars. We only needed \$120,000 coming to the county to meet the numbers."*

*Chairman Ranzau said, "But we got zero this year."*

*Mr. Holt said, "We got zero this year."*

*Chairman Ranzau said, "And we think we will get 120,000 next year."*

*Mr. Holt said, "We think we will get in excess of that next year. We think we will get in 2015 equal to or better than 2013 or 2012. Which was 250 some thousand each of those years."*

*Chairman Ranzau said, "Could we at our next staff meeting have a little presentation on this? I want to see the numbers for each of the years, and what the requirement was. As far as the second thing, did we change the formula how we share the money going forward, I would like to see the effect of what it would have been on our revenue with the old formula and the current formula. Kind of put that in perspective for the Commissioners and take a look at that."*

*Mr. Holt said, "Can do."*

*Chairman Ranzau said, "Thank you very much. Commissioner Peterjohn."*

MOTION

*Commissioner Peterjohn moved to receive and file the report. .*

*Commissioner Howell seconded the motion.*

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

VOTE

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

*Chairman Ranzau said, "Madam Clerk, next item"*

**Received and Filed**

**CONSENT**

- |   |                         |   |
|---|-------------------------|---|
| N | <a href="#">15-0063</a> | Amendment to the Agreement with the City of Clearwater for Sedgwick County CIP# R-299. District 2.        |
| O | <a href="#">15-0084</a> | Resolution of Sedgwick County relating to withdrawing from the Regional Economic Area Partnership (REAP). |
| P | <a href="#">15-0071</a> | Notice of Termination - Haysville Ida Tower Lease.  |
| Q | 15-0068                 | Order dated 1/29/2015 to correct tax roll for change of assessment.                                       |
| R | <a href="#">15-0078</a> | General Bill Check Register for Feb. 4, 2015 - Feb. 10, 2015.   |

*Mr. Buchanan said, "Commissioners, you have the consent agenda before you, and I recommend you approve it."*

MOTION

*Commissioner Unruh moved to accept the Consent Agenda except for Item O.*

*Commissioner Peterjohn seconded the motion.*

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

VOTE

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

*Chairman Ranzau said, "Right now what we will do, Commissioner Howell needed to step out to testify, I think, over the phone or Skype for the legislature. Can we take "other" right now, county counselor?"*

*Mr. Euson said, "Sure."*

*Chairman Ranzau said, "And then come back to this item."*

*Mr. Euson said, "Yes."*

*Chairman Ranzau said, "Commissioners are there anything for 'Other'? Commissioner Peterjohn."*

### **OTHER**

*Commissioner Peterjohn said, "In terms of other, maybe this would be more appropriate to hold off until Commissioner Howell returns. Because he was the speaker at the ribbon cutting that a number of us participated at yesterday at the EMS station on south Webb Road. The brand new county EMS station that we had the official ribbon cutting yesterday, and that's been a long delayed project, I notice that we were in a situation that this had been worked on going back to some of the Commissioners, Commissioners Parks and Welshimer who left this Commission in January of 2011. So this is a long, long project, in terms of duration, but that doesn't detract from its importance, and the need for it. So I wanted to get that on the record today, because I think it's important for the citizens to know where fee EMS services, where we are and where we are proceeding.*

*"I would also be remiss, Mr. Chairman, if I didn't point out that February 11th was a very important day in American history, and point out the fact that 1752, this was the very first day that a hospital was located in what became to the United States, this Pennsylvania hospital located in Philadelphia. In 1809, Robert Fulton patented the steam boat, which was a compelling event, and for folks who follow American Government, just three years later in 1812; the governor of Massachusetts, Elbridge Gerry, signed a law that redrew district lines in his political party's favor and that's the generation for the term gerrymandering. In 1861, then President-elect Abraham Lincoln, left Springfield, Illinois for Washington, DC, saying, 'I now leave, not knowing when or wherever I may return.' And he never went back to Springfield during the rest of his life. So February 11th is a very important day in American History. I wanted to include that as part of 'Other.' This morning, thank you, Mr. Chairman."*

*Chairman Ranzau said, "Thank you, Commissioner, anything else for other? Seeing none, we will go back to the Consent Agenda. Just to catch up Commissioner Howell, we have passed everything on the Consent Agenda except for item O. We will take that up separately. Do we have a motion or opinion with Item O?"*

**MOTION**

*Commissioner Peterjohn moved to approve Item O.*

*Chairman Ranzau seconded the motion.*

*Chairman Ranzau said, "Commissioner Unruh."*

*Commissioner Unruh said, "Thank you Mr. Chair. Item O is a resolution relating to withdrawing Sedgwick County with the Regional Economic Area of Partners (REAP) and I will vote no."*

*Chairman Ranzau said, "Madam Clerk, call the vote."*

**VOTE**

<i>Commissioner Unruh</i>	<i>No</i>
<i>Commissioner Norton</i>	<i>No</i>
<i>Commissioner Howell</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Chairman Ranzau</i>	<i>Aye</i>

*Chairman Ranzau said, "I do believe that we have a need for an executive session. Commissioner Peterjohn."*

**MOTION**

*Commissioner Peterjohn moved to recess into executive session for five minutes to consider consultation with legal counsel on matters privileged in the attorney-client relationship relating to legal advice and personnel matters and nonelected personnel. Returning to this commission chamber no sooner than 10:48 a.m. Commissioner Howell seconded the motion.*

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

**VOTE**

<i>Commissioner Unruh</i>	<i>Aye</i>
<i>Commissioner Norton</i>	<i>Aye</i>
<i>Commissioner Howell</i>	<i>Aye</i>
<i>Commissioner Peterjohn</i>	<i>Aye</i>
<i>Chairman Ranzau</i>	<i>Aye</i>

*Chairman Ranzau said, "We are now in Executive Session."*

*The Board of County Commissioners went into Executive Session at 10:33 am and returned at 10:41 am.*

**EXECUTIVE SESSION**

*Chairman Ranzau said, "We are back from Executive Session and no formal action was taken. Is there anything else to come before the Commission?"*

*Mr. Buchanan said, "No Sir"*

*Chairman Ranzau said, "Seeing one, we are adjourned."*

**ADJOURNMENT**

*There being no other business to come before the Board, the Meeting was adjourned  
at 11:28 am*

BOARD OF COUNTY COMMISSIONERS OF  
SEDGWICK COUNTY, KANSAS

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*RICHARD RANZAU, Chairman  
Fourth District*

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*KARL PETERJOHN, Chair Pro Tem  
Third District*

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*DAVID M. UNRUH, Commissioner  
First District*

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*TIM R. NORTON, Commissioner  
Second District*

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*JAMES M. HOWELL, Commissioner  
Fifth District*

ATTEST:

\_\_\_\_\_  
*Kelly B. Arnold, County Clerk*

APPROVED:

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