

MINUTES OF
BOARD OF HARVEY COUNTY COMMISSIONERS

August 15, 2011

The Board of Harvey County Commissioners met in regular session on August 15, 2011 with all three commissioners present. Chairman Krehbiel called the meeting to order at 9:00 a.m.

ITEMS ADDED TO AGENDA:

1. Commissioner Roberson reported that the 19 month-old baby of City Commissioner Raquel Thiessen is hospitalized in Wichita due to a near drowning last Friday.
2. Commissioner Roberson attended the funeral of Mike Thomas, Barber County Commissioner last week.
3. Commissioner Roberson received a call from Orin Elder from rural Halstead who expressed concerns about the ASR project. He reported being slighted by an ASR employee. He had also reportedly called the County Attorney. Commissioner Roberson called Denice Bruce, ASR project representative, and reported the incident. Commissioner Roberson also called the County Attorney and talked to him.
4. Commissioner Westfall reported on a meeting by the REAP Legislative Committee. The manager with the utilities board in McPherson County said that the EPA is targeting the storage of gravel, chat, etc. The proposed regulations will require the purchase of very expensive equipment. REAP plans to follow up on these new EPA regulations
5. The Commissioners received information from the U.S. Department of Health and Human Services that named only two Health Clinics in the State of Kansas that received Health Center New Access Point Grants. These two clinics are GraceMed Health Clinic, Inc. in Wichita and Community Health Center of Southeast Kansas in Pittsburg. Health Ministries had applied for the grant, but was not chosen.
6. The Commissioners held a discussion on the authority of Park Rangers to issue tickets. They can issue tickets but there are no criminal penalties, just fines.

CALENDAR ITEMS:

1. A joint City/County meeting will be held on Monday, August 29th from 11:30 a.m. to 1:00 p.m. Ed O'Malley, with the Kansas Leadership Center, will be the featured speaker.
2. Commissioner Krehbiel will attend a teleconference meeting of the McPherson/Harvey County Community Corrections Board on August 18th at 12:00 p.m.
3. A Council of Governments meeting will be held on September 14th at 7:00 a.m. at the Breadbasket.

Minutes of the August 8 Commission meeting were approved upon a motion by Commissioner Westfall, seconded by Commissioner Roberson. Motion passed unanimously.

ADMINISTRATIVE ITEMS:

1. Sheriff T. Walton reported that there are 109 housed in jail. There were several fights and problems over the weekend.
2. Counselor Greg Nye reported on the Alta Township problem that he has been assisting with. There is an agreement that has been written, but not signed yet. The Blaze Fork Drainage District will be meeting this evening. Counselor Nye has provided the maximum number of hours allowed in the agreement for this issue.
3. Commissioner Roberson made a motion to accept the recommendation for the reappointment of Jerry Vetter to the Harvey County Parks Advisory Board and waive the second week reading. Commissioner Westfall seconded the motion and it was passed unanimously.
4. Commissioner Roberson made a motion to sign letters of commendation and thanks to Courtney Becker and Elizabeth Sauerwein for their outstanding service and participation in the Hutchinson Community College Field Ops training session for students. Commissioner Westfall seconded the motion and it was passed unanimously.
5. John Waltner reported that he and Anthony Swartzendruber accompanied Jessie Kaye, Dan Evans, and Jerree Forbes on a tour of the Newton Professional Building as a possible new location for Health Ministries.
6. Counselor Greg Nye reported that he has spoken with Christine Ladner, Assistant Attorney General, regarding reimbursement for fees and expert witness costs in the handling of two cases involving sexual violent predators. One case resulted in fees of \$950 and the other case could involve fees of as much as \$9,000. Counselor Nye has been instructed to make a claim to Ms. Ladner's office, she will deny the claim because of lack of funding, and then a claim will be filed against the State's General Fund.
7. A retirement reception for Carola Ratzlaff, Health Department nurse, will be held on August 23 from 11:30 to 1:30 p.m., at the Health Department. Luz Bragg, who is fluent in Spanish, will be replacing Ms. Ratzlaff.
8. John reported that there will be additional revenue associated with the handling of the IRP certificates by the Treasurer's Office.
9. The Commissioners received information on Zebra Mussels. Boats are currently being inspected before they are launched on East Lake. Owners are also asked when their boats were last in the water.
10. KDHE has notified the County that Harvey County East Lake contains Blue-green Algae. Notification signs have been posted at the Lake instructing people to stay out of the water. There may also be an algae bloom at Camp Hawk. Scott Davies, Director of Planning & Zoning, will test Camp Hawk and West Lake.

Warrant checks in the amount of \$104,446.63 were approved upon a motion by Commissioner Westfall, seconded by Commissioner Roberson. Motion passed unanimously.

CITIZEN'S FORUM:

At 9:50 a.m. the Commission meeting was recessed in order to move to a larger location in the basement Community room. At 10:00 a.m. the meeting was reconvened to hold a hearing to discuss the proposed budget for 2012, which includes a mill levy increase of 2.9 mills. No time restrictions were placed on those who would like to speak. The names of those who attended are included in an attached sign-up sheet.

Administrator John Waltner gave some background information about the budget which included the following information:

- The current valuation is \$254,481,683, which represents a 3.30% increase over 2010.
- The mill levy for the 2011 budget was 28.771 mills.
- Harvey County mill levy is the 4th lowest in the state, and per capita property tax levy is the lowest in the state at \$207.00 per capita.
- Harvey County has issued \$3.35 million in bonds in a City/County joint long-term commitment to develop the Kansas Logistics Park
- Reserves for the County have been spent in prior years in an effort to keep the mill levy down.
- A fund balance policy has been adopted requiring a 10% General Fund ending balance, which calculates to \$1,033,466 for 2012.
- The State of Kansas has cut many areas of funding that directly affects the county.
- The county cannot control costs such as gasoline and diesel fuel, road asphalt, liability insurance, health insurance premiums, and utilities, all of which have increased significantly.
- Not everything that county departments requested was included in the budget. Well over \$500,000 in requests were denied.

Kyle Smyth of Newton said that citizens feel that elected officials are not listening and that the government is not doing its best. He asked that the Commissioners please listen and hear what the people are saying.

Laura Baumann, a resident who lives in the county, said that she and her husband have not had a raise in six years. She has taken on three positions in her current job with no raise. She resents paying specials on a fire truck and their roads are not even graded. She asked the Commissioners to figure out how to cut back.

Gary Loyd gave the Commissioners a copy of the United States Constitution. The first amendment gives citizens the right to bring their petitions before their government. He feels that the taxes are high enough. He asked the Commissioners to please listen.

Duane Lanier from Newton said that he has no problem with the administration, as they are doing exactly what they were hired to do. However, elected officials are not living up to their fiduciary responsibility. He thinks the proposed pay raise is the poorest public relations move the Commissioners could make. In the economic climate of these times, if your sewer backs up, you don't raise the ceiling, you pump it out.

Martin Wetschensky of Newton reported that he takes care of his parents who are elderly and continue to live in their own home. They have more in expenses than they do in income. The cost of their medications is increasing and he doesn't want them to lose their home because they can't pay the taxes. He feels that commissioners do not care about the poor people. People need help from the city and county leaders. They are elected and need to do what they can.

Bob Smyth of Newton commended the commissioners for listening. He feels that the county has listened better than the city leaders. He pleaded for the county to keep the valuations down. He stated that he believes that the sales tax that was implemented a couple of years ago is a fair tax and has been good for the people of the county. He spoke against those properties that are not on the tax roll because they are charitable, religious, or exempt from taxation for other reasons. He commended the county for keeping the roads good out in the county. The debt is a concern to him after learning that the debt for the City of Newton is \$43,000,000. He said we can't keep growing debt and asked the commissioners to please hold the line. Anthony Swartzendruber reported that the county general obligation debt is \$5.9 million and with the inclusion of the Public Building Commission the debt is \$8.2 million.

Jason Mitchell of Newton is concerned about how the \$3.35 million debt for the Kansas Logistics Park is going to get paid back. There are tax abatements for 10 years so there will be no tax revenue during that time. He also asked if the building for New Millenium, to be located at the KLP, is to be paid for by tax dollars and then leased to the company. What happens if the business closes in two or three years? Who will pay for it? Please look to the future, and not spend all the money today. He is concerned about the new Fairgrounds and all the huge projects being built at the same time. The only way these things can be funded is through a mill levy increase. If the town is not growing, the only way to get revenue is to raise the mill levy.

John Waltner stated that the building for New Millenium will be built by the Kansas Logistics Park Authority and then leased to New Millenium. It is a joint City/County project and if the Company folds then the city and county would share the cost. Mr. Mitchell is not opposed to the Tindall Company because they are a multi-million dollar company with a good track record. He feels that providing a building for New Millenium is very risky. Chairman Krehbiel stated that research has been provided on the New Millenium Company and that they are financially sound. Commissioner Roberson reminded the group that at the airport, which is jointly owned by the city and the county, when a company comes in or expands, the airport builds that building and then leases the building back to the company. It is the same principal and has worked very well.

It allows the city and county to retain ownership, so if a company does move out, the space can be leased to someone else. Commissioner Westfall stated that there are 22 buildings at the airport and some of them are privately owned. However, the newest buildings at the airport, with the exception of Park Aircraft, are owned by the city and the county and are leased out. There is only one building that is not currently being leased. At every building project, you have to look at each opportunity individually. Each one is different. Because of the success at the airport, the city and the county feels that this is the primary way to develop it. Mr. Mitchell is concerned that there is no track record for the New Millenium Company.

Wendy Miller of Newton asked how much is still owed at the airport. She expressed concern about the county being a bank.

Jason Mitchell asked if all the buildings at the airport were tax exempt. Commissioner Westfall stated that not all of them are the same. Some are different. Jason also asked when we will see the payback for all the infrastructure improvements at the Logistics Park. Commissioner Roberson stated that the payback is going to be in different ways. The payback will be in increased jobs, increased population that pays taxes, and generation of sales tax. This is not direct, but in the scheme of things, it is the generation of a larger tax base. Hopefully Tindall will initiate 480 jobs, and New Millennium 420 jobs. More commerce will be generated. Chairman Krehbiel stated that the first three to five years will not show much of an increase.

Jim Heinecke said that \$1,000,000 has been received from Tindall. If they do not fulfill their promise to locate at the Logistics Park, that money will be forfeited.

Someone pointed out that many of these new jobs will be held by people that live in other counties that border Harvey County. Not all the benefits from new jobs will come to the County.

Glen Spielman of Newton said that rest homes should be paying their fair share for fire, ambulance, and police. Since they are tax exempt they are not paying. Chairman Krehbiel informed him that the Commissioners had tried several times unsuccessfully to eliminate the tax exemptions for these care homes. He also stated that the Logistics Park development should have been voted on by the people. He also brought up the golf course that was built by the city floods almost every year. He asked the commissioners to please be responsible. Commissioner Westfall stated that the constitution includes the separation of church and state and that most of the care homes in the county are run by religious institutions which are tax exempt. He stated that 20 years ago every ambulance and fire department was manned by volunteers. Because of change in regulations by the federal and state governments, there is only one town left that runs a volunteer service. Because of the training requirements, they can no longer use volunteers. He said that congress could do more good by cutting regulations than cutting taxes.

Rod Nicholson of Newton thanked the commissioners for doing the jobs that they have been doing by keeping the taxes low in the past. He asked how the county could operate differently than a business. How will the county make up the difference when folks cut their spending by 10%. Commissioner Roberson stated that government is different than business. Mr. Nicholson said that he is not against development, but he believes that government should not be involved with it. It should be a private enterprise. He said that people will not come to live in the county if taxes are too high. The county should not be budgeting an increase. The people do not want an increase in taxes.

Mike Riffel, a county resident who owns Fox Ridge Golf Course, said that business owners are in dire straits. He asked that the commissioners remember the existing businesses and taxpayers that you have now. We need to try to keep from losing them. They currently pay 40% of their revenues to the city in taxes and utilities. He asked the Commissioners to try to be creative in ways to keep taxes down.

Dwight Claassen, county resident, said that the farm crops for this year are very bad and that this is not a good time to raise taxes.

Jenny Iserhardt said that the constitution says nothing about the separation between church and state.

Bruce Cowan, county resident, asked when the commission was going to do something to help rural people. There are bridges that are not crossable, and the rural roads are terrible, but we can spend \$3.35 million dollars for something that hasn't been seen yet. The commission is not taking good care of tax dollars and the rural residents are getting the short end. He does not agree with spending over \$400,000 for the fairgrounds, which has also not been started. Chairman Krehbiel stated that many of the roads Mr. Cowan was referring to are maintained by townships, which have their own mill levy.

Leo Stahly, Darlington Township resident, reported that Darlington Township has not raised their mill levy for 2 years now. The county also needs to keep their mill levy down.

After a brief discussion about the pay of county employees compared to private sector employees, Commissioner Westfall stated that a lot of our county employees have second jobs to help make ends meet. A member of the audience stated that government employee wages went up and private sector wages went down. Commissioner Roberson stated that maybe at the federal or state level the wages may have gone up, but that she is sometimes embarrassed by the low wages of some county employees.

Commissioner Krehbiel stated that he has always been an employee advocate partly because he was a county employee for 25 years. The county has done wage surveys of counties that are of comparable size to Harvey County. Harvey County employees are among the lowest paid. To keep the county employees and keep the county operating as it should, the employees need to be paid or they are going to go somewhere else. If the county employees don't receive some kind of a pay raise, their wages will be cut because of increases in health insurance premiums. Even with a 1% raise their checks will be smaller.

Wendy Miller asked who was going to pay taxes when no one has jobs. The Commission needs to stop the development and take care of their employees.

Kyle Smith said that the fairgrounds don't need to be moved out of town. They need to be left in town. The fairgrounds don't need to be moved out of town. It will be inconvenient for kids and elderly people. The projects need to be put off for 10 or 20 years.

Rod Nicholson asked why the Logistics Park was built in the country where we had to run sewer and water lines. Why wasn't it developed at the old Hehr Company site where the railroad was already located.

Mike Riffle asked that the commission be prudent. He stated that the Meridian Convention Center, which was built by the City, is taking away from private business. They have their own catering service and now other restaurants in town cannot cater there. Government should not be involved.

Everyone who wanted to speak did so.

The public hearing was closed at 11:20 a.m.

Commissioner Roberson expressed appreciation for the people that came and spoke. She stated that they are the people that put them on the commission and that it is important that they let the commission know what they think about what is going on. She encouraged the people to come at other times, not just during budget time. The budget doesn't just happen in a week's time; it is about a six month process. It is a time of listening to the department heads and what they need in order to fulfill the needs of the citizens. It is also a time of listening to the citizens. We cannot let Newton and Harvey County fall behind the times. The audience expressed concern that the commission had already made a decision about the budget. The commission assured them that a decision had not yet been made and that they have listened to what everyone had said.

Commissioner Westfall said we do a lot in the County to keep taxes lower. Fourteen years ago a new jail was built in an effort to house federal prisoners as a revenue stream. When the state closed driver's license offices, the county chose to have a franchise office so folks would not have to travel out of county. The transfer station receives revenues from trash disposal. The newest endeavor is that local trucking companies can register their fleets at the Treasurers office rather than driving to Topeka. This will also be a source of revenue. When the sales tax was implemented a few years ago, the county agreed to cut the mill levy by 2 mills. It is important to get our reserve back up so that we can receive lower bond rates on bonds that we have to do. The budgets were based on 2010 expenditures. There were many items that have already been cut from the budget, including equipment and manpower. The water bill at the courthouse went up by \$30,000. The RSVP department, through 70,000 volunteer hours at minimum wage, has saved over \$500,000. The commission has tried to keep the mill levy as low as possible. He also explained several funding cuts from the federal government and state that results in the county having to pay more. He stated that the budget has been cut as much as possible.

Commissioner Krehbiel stated that the county gives money to Health Ministries, mental health, developmentally disabled citizens, and the Extension Council. These are programs that are filling a need for many people. He doesn't believe that it would be right to cut funding for these programs.

Gary Loyd said that the county is asking for a 10% mill increase. He feels that this is too much.

Commissioner Roberson is fearful that if the mill levy is not increased now, it will be much worse next year. She would rather do a small increase now and face it head on, than wait until next year and then have a large mill levy increase. She is in favor of a 2.5 mill levy increase. The commission has looked at several options and this is the one that she favors.

There was a brief discussion with Bruce Cowan about the appraiser raising the valuations of agricultural land in Harvey County. He thinks the values are higher than in other counties. The commissioners disagreed.

Commissioner Roberson made a motion to adopt the 2012 Harvey County budget of \$17,901,791, which is partially funded with a tax levy of \$7,957,997, which is approximately equivalent to 31.271 mills, and in so doing, reduce the initially proposed employees' compensation increase to 1% for non-step employees, and direct the Administrator to reduce the tax-supported budget an additional \$69,275. Commissioner Westfall seconded the motion and it was passed unanimously.

The meeting was adjourned at 12:00 p.m.

THE BOARD OF HARVEY COUNTY COMMISSIONERS

Ron Krehbiel, Chairman

ATTEST:

Marge Roberson, Member

Joyce Truskett, County Clerk

George A. "Chip" Westfall, Member