

The Allen County Board of Commissioners met in special joint County/city session at 6:00 p.m. with Chairperson Dick Works, Commissioner Thomas R. Williams, Commissioner Jim Talkington, Sherrie L. Riebel, Allen County Clerk, Bill Shirley, City of Iola Mayor and the City of Iola Council, Scott Stewart, Jim Kilby, Beverly Franklin, Nancy Ford, Joel Wicoff, Don Becker, David Toland and Steve French.

Cliff Ralstin, Humboldt Union, and Steven Schwartz, Iola Register, were present to observe the meeting.

Dr. Fred Heismeyer served as facilitator. He requested all the commission, council and mayor to prioritize the top three areas of cooperation this group identified at their last joint meeting: Economic Development, Fire/EMS, Hospital, Housing development, Industrial equipment, equipment sharing, Infrastructure, Population, Road materials, Schools and Sidewalk improvements.

Discussion followed. No action was taken.

With no further business to come before the board, the meeting was adjourned until February 5, 2013 at 8:30 a.m. in the Commission room of the courthouse.

Dick Works, Chairperson

Thomas R. Williams, Commissioner

Sherrie L. Riebel, County Clerk

Jim Talkington, Commissioner

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The Allen County Board of Commissioners met in regular session at 8:30 a.m. with Chairperson Dick Works, Commissioner Thomas R. Williams, Commissioner Jim Talkington and Sherrie L. Riebel, County Clerk.

Cliff Ralstin, Humboldt Union, and Steven Schwartz, Iola Register, were present to observe the meeting.

Commissioners corrected and approved the minutes of the January 29, 2013 meeting.

Daniel Creitz, 31st Judicial Judge, discussed Drug Court happenings in the district. There are currently 9 in Drug Court. Discussion followed on applying for grants and donations.

Ron Holman, Allen County House and Grounds Director, presented bids for the electric work at the LaHarpe Senior Center. Bids were received from Stout Electrical & Mechanical, Inc for \$205.00; JB's Electric LLC for \$280.00; Hoffmeier for \$300.00. Commissioner Talkington moved to approve the bid from Stout Electrical. Commissioner Williams seconded, motion passed 3-0-0.

Bill King, Public Works Director, requested signatures on an agreement for Project No. 1 X-2807-01 & RRP-Z280(701) Crossing of the Union Pacific Railroad Company's tracks and North Dakota Road in Allen

County. This project provides for the installation of railway-highway crossing signals, flashing light straight post type with gates at a grade crossing on North Dakota Road, Allen County. Bill has documentation with more detail. Commissioner Talkington moved to approve Chairman Works' signature. Commissioner Williams seconded, motion passed 3-0-0.

Bill presented bids for Card Reading Pedestal for the fuel pumps. Randy Crowell, Broyles Inc. was present. Bids were received from Broyles, Inc. for card reading pedestal for \$10,938.77, new pumps for \$8,295.59 for a total of \$19,234.36 with an estimated start date 30 days from acceptance; Westhusing did not respond; Kneisley Mfg. did not respond. Questions were asked of Randy on the condition of the current pumps. He stated the current pumps will work for a couple of more years. Randy explained how the process would work on getting the fuel and recording it. Commissioner Williams moved to approve the bid from Broyles, Inc. for just the card reading pedestal and wait on the pumps. Commissioner Talkington seconded, motion passed 3-0-0.

Bill discussed a meeting with Embridge Pipeline concerning roads and bridges. He discussed some of the concerns of weight limits on bridges and roads. Discussion followed.

Bill explained plans for this years work on roads.

Carl Slaugh, City of lola Administrator, joined the meeting.

Darrin Petrowsky, KDOT representative, reported B&B Construction is doing concrete patching on Hwy #169 from Allen/Neosho County line north. He reported on other Southeast County projects. KDOT is also starting US #54 project from the east side of LaHarpe to the east side of the City of lola including 800 feet inside city limits. A March letting is scheduled; Darrin stated it is broken up into three different phases. He explained the different phases in detail. Phase one has August 2013 completion date. According to the schedule it will take until November 2014 to complete the other two phases. US Hwy 59 bridge replacement is scheduled in 2014.

Darrin discussed what KDOT calls spur routes. In Allen County, they are Highways #224 east of Humboldt, #203 ½ mile near Elsmore and #202 into Savonburg. KDOT is offering up to \$200,000 per mile maintenance is offered to Allen County. This would be a one time lump payment estimated cost of \$400,000 - \$500,000 to the county. The State of Kansas budgeted \$3 million to allow this kind of projects throughout the State of Kansas for 2013. Williams moved to accept the offer at the given rate. Commissioner Talkington seconded, motion passed 3-0-0.

Carl asked what the possibility is in the future of making US Highway 169 a four lane. Darrin stated it is planned to go from Allen County line up to Garnett Round-about. The current plan is a deep mill and inlay to add shoulders along Hwy #169. 2019 is when the T-Works Project is over. Discussion followed. Darrin stated there is not any current funding budgeted for a four lane.

Carl stated the City of lola had previously given NRP to Shaughnessy for a Sam & Louie's Pizza place but need to redo a vote after a hearing has been done. Discussion followed that each taxing entity will have to make a decision at that time.

Jim Gilpin, John Masterson, Amaryllis Specht, Ed and Betty Miller, Mary Ann Arnott, Mary Kay Heard, Angela Henry, John McRae, Karen Gilpin, Ken Gilpin, Karen Lee, Gary McIntosh, Donna Houser, Harry Lee, Gary Parker, Roberta Shirley, Lonnie Larson, Don Copley, Bill Shirley, Carl Slaugh, Jeff Livingston, Shandie Wrench, Cliff Ralstin, Humboldt Union, and Steven Schwartz, lola Register were present for the Foundation presentation.

Alan Weber, Allen County Counselor, and Susan Michael, Allen County Community Foundation Executive Director, requested that the commissioners approve the payment for the last \$50,000 previously pledged to the Allen County Environmental Fund. Alan explained the process and the need to meet the fund raising obligation to get the grant monies from the Kansas Health Foundation. Alan introduced Susan to explain what other foundations are doing and the purpose of the Allen County Community Foundation. She explained where money comes from, operating grants, governing board,

investments handled by Greater Kansas City Community foundation, annual reports and audits, and how the foundation helps Allen County. Susan also advised the commissioners that it is estimated that over \$170 billion will be transferred from one generation to the next in Kansas by the year 2027 and explained the value of having a community foundation to capture a portion of that transfer of wealth for the benefit of Kansas communities. She followed up with what other foundations have given to their respective counties and cities.

Jim Gilpin, ALLEN COUNTY COMMUNITY FOUNDATION INVESTMENT COMMENTS –

“As a local banker, trust officer and community volunteer, my role this morning as a financial professional involved with the county and its funds as well as a volunteer asking for private sector donations on behalf of the county and its new hospital project is to present information about and to answer any questions there might be with regard to available funds, how funds are invested, who invests the funds and who is authorized to spend the earnings from both the county's Solid Waste Financial Insurance fund for which our bank is trustee and the endowed funds of the Allen County Community Foundation, of which our hospital capital campaign project is but a part.

First the county's Solid Waste Financial Assurance fund. With a current balance of over \$1 million, the commissioners had for many years been putting aside cash from the cash flow of the solid waste activity on an annual basis – up to \$40,000 per year or more - to assure the citizens of Allen County and the state of Kansas that there are cash reserves available to properly cover and close solid waste piles called cells, according to strict federal and state guidelines. The solid waste sites operated by the county as a separate enterprise fund permits the county to take rock from these locations, grind it up for use on county roads and fill in the resulting quarry hole with solid waste. Allen County was a leader in the state of Kansas at the county level in developing this environmental concept and has been responsible in setting aside funds to preserve its environment, almost from the very beginning of the project. Initially the Solid Waste account was operated as a trust account under the supervision of the state department of health and environment, but in the last couple of years, since county crews were covering and closing cells as there were filled, state approval was granted to change the status of the fund from a trust with state oversight to just another county-managed fund. With strict limitations as a public fund as to the types of investments the account may hold, mostly local bank certificates of deposits and US treasury bills, yield on the account has been declining. As certificates mature, idle funds earn less than 1% in the account. The report for calendar year 2012 is provided to show the yield as 2.34% for last year.

The commission controls these funds and it is included, now, in their annual budgetary planning. The bank trust department has agreed to hold the maturing certificates until their maturities fall in the range of what the county can hold outright; then all the funds will be returned to the county treasurer to handle as she does the rest of the balances for the county. As most of you know those interest rates are very low – at generally less than 1% with current treasury rates.

Next let's look at the funds in the Allen County Community Foundation. Each named fund within the Allen County Community Foundation may have its own investment policy. Not-for-profit organizations still have to be prudent with their investments, but there is more flexibility than there is for State of Kansas public bodies who have Kansas statutory limitations on how idle funds may be invested.

Funds being collected to purchase equipment for the new Allen County Hospital are invested very short term as we expect to use them in the months ahead to pay for equipment invoices – local bank deposits or dollar-denominated money market funds. However, some of our gifts for the hospital are for the endowment and will be invested with a long-term view at higher rates.

Earnings from the funds set aside by the county for “environmental projects” a year ago, are subject to different rules and regulations; the types of investments in the community foundation could be different than for the county and could provide an enhanced return. Just as with Solid Waste funds, though, the way the agreement currently is with the Allen County Community Foundation, no earnings can be spent without the approval of the commissioners – county commissioners are still in control with the prospect of having an enhanced return on their money since it is being held by a not-for-profit with more investment options.

Currently funds invested in Allen County Community Foundation are in local banks or in the Allen County Community Foundation accounts at Greater Kansas City Community Foundation, a billion dollar metropolitan foundation that was recommended to us by the Kansas Health Institute. A condition of the \$500,000 grant awarded last year was that our new foundation would affiliate during its start-up years

with an established foundation. This was to insure that proper accounting, investing and over-site were in place in the initial years.

The investment view of the community foundation is that it could be a great tool for the people in the county, including our county commission, to place funds in order to enhance return on investment. Also, it is important to point out that the mission of the county commission and the community foundation is the same – to provide services and opportunities for the citizens of Allen County."

Gary McIntosh, former commissioner district #3:

We would not have secured the Kansas Health Foundation grant without our Pledge of \$100,000 and the successful grant application by Thrive. The opportunity for our county in getting this matching grant and the opportunity to complete our part this year it seems a wise financial decision for Allen County.

The county had been allocating \$100,000 in recent years to a land fill deposit fund. In talking with the county councilor, he assured us we were not mandated to continue putting funds into that account so that we could have more flexibility. So when the opportunity came to apply for a Kansas Health Foundation Grant through assistance from Thrive, it seemed only prudent, that if successful, our \$100,000 deposit would help create an additional half million dollars for our county. The remaining \$50,000 this year would complete our Pledge.

Concerning the Kansas Health Foundation Grant, numerous visits with the prior hospital foundation board were made. The board agreed to transfer their funds to a new Allen co. Community Foundation, dependant on a successful grant application from Kansas Health Foundation and our \$100,000 Pledge. Together with their money and our Pledge, the grant application was successful.

Over 40 years ago during my time as a city commissioner, the late, John Powell, asked me to stop by his office. He explained to me that he was going to donate land to the city of Lola for a North/South road right of way. John's first choice would have been to give it to a Community Foundation. He made the point that most folks don't want to give things to cities. I will never forget his wise advice. Examples abound of neighboring counties having obtained Kansas Health Foundation grants. All income from the new county endowment fund will be directed by the county commissioners for environmental purposes per written agreement. Let us honor our Pledge."

Jim stated it is an important job of the county commission and the foundation to be visionary for Allen County.

Dick stated he would not be in favor of tapping into the current trust account.

The county had been allocating over \$100,000 in recent years to the Landfill Closure Trust and that contribution is no longer required.

Gary Parker, explained that he had served as a member of and as Chairman of the Allen County Health Care Foundation. The ACHCF Board's commitments were to serve the county in home health, life line, hospice and in providing other support services related to the Allen County Hospital. The ACHCF Board determined that it had excess funds for its mission and voted to give \$80,000 to the Allen County Community Foundation as a permanent endowment and use the interest off of the money. The ACHCF Board also voted to provide \$30,000 to the new Allen County Hospital in order to continue to have a Mary Ellen Stadler Room. He explained other projects that are being funded.

Jim - Who appoints the board, terms and who's accountable? The original board is made up of volunteers recruited by Thrive. They will each serve 3 year terms. There are currently 7 Board members but the board may be expanded to as many as 15 in the future to help with fund raising and administration. The board is accountable to the public generally and will file an annual report.

Discussion followed on guidance of who decides how to spend this money, which is only the interest made on the original fund monies.

Alan advised the fund Administrative fee is 1%. The funds are currently invested in a money market fund with a minimal return but funds could be invested in other funds at GKCCF to obtain a higher yield.

Jim asked, What happens if the \$50,000 is not paid? Alan replied that the community foundation would not get a match and might lose grants for operating cost and training.

Mr. Shirley joined the meeting.

Discussion followed on how it is related to the hospital fund raising.

Angela Henry discussed long term investment and related a story about Hiawatha, and a major donation of funds there. She stated the commission probably wouldn't want to approve all the requests that come to the board. Discussion followed. She wants the commission to be behind them. It is a good reflection on the commission and the foundation. She discussed the money given for dental improvement for kids and explained how beneficial it is for this community.

Jim G stated that seed money can make a big difference. He stated sometimes a community foundation is better for donations than the banks because people want to leave money for the community for particular things sometimes. A foundation has investment options which can bring 4 or 5% instead of 1% on money.

Donna Houser, discussed a savings account building for a time and not doing something to build it more. A different way to make money for our county.

Alan explained the criteria for receiving a 50 cents per dollar match versus a 25 cents per dollar match on donated funds. It was pointed out that the hospital fund raisers plan to raise \$1 million for a permanent hospital endowment that would be entitled to a 25 cent per dollar match.

John Masterson advised that some years ago ACCC received federal grants which matched two for one up to 750,000 and another which provided a one for one match. These grants enabled the college endowment fund to grow from less than \$1 mill to several millions. For the first 20 years, one-half of the earning could be spent while the other one-half went to corpus to grow the endowment.

Mary Kay summarized all of the hospital fund raising work done by many volunteers and pointed out that the cost would never cover the time and expertise offered up.

Jim explained his caution. Tom as well.

Commissioner Williams moved to authorize the second payment. Motion died due to lack of second. Commissioner Williams withdrew his motion. Jim would like to consider a week

Toby Shaughnessy stated he and his father would like to open a Sam and Louie's Italian restaurant. He explained how all the process took place. The land decided on is over by Wal-Mart. Toby stated they want to bring this business to lola, and as a start up they know it will be a struggle and are looking for a tax break to help defray the costs. Commissioners thanked him for his support of the community. There will be a public hearing on February 28, 2013.

Commissioner Williams moved to go into executive session for 5 minutes to discuss non-elected personnel. Commissioner Talkington seconded, motion passed 3-0-0. Those in the room will be Chairman Works, Commissioner Williams, Commissioner Talkington, Alan Weber, Allen County Counselor, Michael Burnett, Allen County Interim EMS Director, and Sherrie L. Riebel, Allen County Clerk. The time is now 11:12 a.m. Commissioners reconvened at 11:17 a.m. No action was taken.

Commissioners discussed some topics from the joint county/city meeting last evening.

Michael Burnett, Allen County Interim EMS Director, discussed some of his crew going back to Alabama for Incident Command later this year. Discussion followed.

Alan will start the process for Road Vacation.

Alan reported on a meeting at Thrive for Economic Development committee.

Commissioners reviewed the annual reports of Fire District #2 City of Iola and Fire District #3.

Commissioner Williams moved to authorize the second \$50,000 payment to the Allen County Environmental Fund Foundation. Commissioner Talkington seconded, motion passed 3-0-0.

Commissioners approved the following documents:

- a) Minutes of January 29, 2013
- b) Clerk's Vouchers Total \$265,466.11
- c) Payroll Changes
- d) Clerk's Journal Entries 2-4
- e) Abatements Oil Value 9,219, \$1,437.92 Year 2012

With no further business to come before the board, the meeting was adjourned until February 12, 2013, at 8:30 a.m. in the Commission room of the courthouse.

Dick Works, Chairperson

Thomas R. Williams, Commissioner

Sherrie L. Riebel, County Clerk

Jim Talkington, Commissioner