

August 30, 2016
Reno County Courthouse
Hutchinson, Kansas

The Board of Reno County Commissioners met in agenda session with, Chairman Dan Deming, Commissioners James Schlickau and Brad Dillon, County Administrator Gary Meagher, County Counselor Joe O'Sullivan, and Minutes Clerk Cindy Martin, present.

The meeting began with the Pledge of Allegiance and a short sectarian prayer led by Pastor Willard Stafford Police/Sheriff Chaplain.

There was one addition to the agenda; sales tax report.

Mr. Dillon moved, seconded by Mr. Schlickau, to approve the Consent Agenda consisting of the Accounts Payable Ledger for claims payable on September 2, 2016 of \$246,626.85 as submitted. The motion was approved by a 3-0 vote.

Fire District Joint #2 Reno/Harvey Assistant Chief Chris Ledbetter met with the Board to recommend approval to purchase a new 1-ton pickup from Midway Motors, Hutchinson for \$42,512 from their Special Equipment Fund. Chief Ledbetter stated he tried to get responses from other dealers on new or used vehicles locally or from Wichita. The used vehicles came in higher than the new price for what they required on the truck.

Commissioner Dillon asked for an inventory of vehicles at the Buhler station. Chief Ledbetter replied they had three 1-ton trucks, an engine, tender, and a large brush truck.

Commissioner Dillon questioned using Chief Ledbetter's own pickup truck for a command vehicle putting lights or markings on it. He also asked what other uses the new truck would be used for. Chief Ledbetter answered he was not permitted to have a light bar on his own vehicle per the highway patrol. He then replied other than fire scenes they would use the vehicle for car wrecks and as 1st responders to medical calls in their district.

Commissioner Schlickau asked if the brush truck could work for a command vehicle. Chief Ledbetter replied it was a regular

cab not crew cab and would be easier to transport others along with having room to lay out maps in a crew cab. When questioned by Mr. Schlickau about command vehicles in other departments. The Chief stated other fire departments had command vehicles only #3 and #8 did not have one.

Commissioner Deming requested the Chief to check into a gas engine instead of a diesel. Chief Ledbetter stated the station had all diesel vehicles they had solid motors and more power torque. He further stated that the gas engines were \$9,000 less around \$33,380. **Mr. Schlickau moved, seconded by Mr. Dillon,** to deny the request for the new diesel truck for \$42,512 for Fire District #2 Reno/Harvey as discussed. The motion was approved by a 3-0 vote.

After a brief discussion the Board requested the Chief to return with a used vehicle bid not to exceed a certain price range. The request for a \$42,512 new vehicle, as submitted by Chief Ledbetter, was unanimously denied by the Board.

Public Works Director David McComb met with the Board to recommend approval to declare certain vehicles, equipment, miscellaneous shop and office items as surplus property to be sold with an online public auction. He would offer the townships the option to purchase the mowers for \$6,000 before putting them on the auction site. Generally they use Purple Wave Auction however this time they are trying Gavel Roads Auction, Wichita, Kansas, since they use the option to put a reserve price on vehicles and Purple Wave does not. Gavel Roads has no charge to government offices but charges 10 percent to the buyer. **Mr. Dillon moved, seconded by Mr. Schlickau,** to approve the request outlined by Mr. McComb for surplus property. The motion was approved by a 3-0 vote.

Solid Waste Supervisor Justin Bland met with the Board to recommend approval to purchase a used 2013 John Deere CX15 Flex Wing Mower from Prairieland Partners for \$13,000. The current batwing mower was a 2003 and at the end of its life. He briefly explained the differences between standard, heavy duty, and commercial mowers. Mr. Bland stated that a new mower was around \$20,000 and with the discount this used John Deere was a return on a leased piece of equipment and was like new. The price was \$14,500 however with trade-in value the mower would be \$13,000. Mr. Dillon questioned the use of mowers at the landfill.

Mr. Bland explained that the state requirement was to keep weeds down so they planted grass to help the soil from erosion. **Mr. Schlickau moved, seconded by Mr. Dillon,** to approve the

purchase of the mower as outlined by Mr. Bland. The motion was approved by a 3-0 vote.

Mr. Bland was also present recommending approval to have a certified power train rebuild done on an 816 F CAT Compactor at a cost of \$245,782. The 2009 compactor was purchased new for \$400,000 CAT has guidelines for only two rebuilds on the power train, first would be at 15 hours the next one at 10 hours then it would have to be traded in or sold. **Mr. Dillon moved, seconded by Mr. Schlickau,** to approve the rebuild as described by Mr. Bland. The motion was approved by a 3-0 vote.

The Board reviewed changes for the amended and restated Reno County Economic Development Job Incentive Policy.

Commissioner Schlickau read a draft of the job incentive review for 2016 that he prepared, it read as follows:

"The recruitment of Siemens to the community was well underway when I took office in January 2009. An incentive package was finalized and an announcement of their decision came in April. During that time, I had conversations with County Counselor Joe O'Sullivan, and later Administrator Gary Meagher, about developing a job incentive policy, since one did not exist. I felt it was important for the County to actively participate in the process, particularly when taxpayer money is involved. It not only provided the fiscal responsibility needed, but also offered consistency and continuity to projects that came later. A comprehensive policy would provide responsiveness for time sensitive projects when communications occur with our economic development partners.

The objective was to elevate opportunity for Reno County residents but in a measured manner that allowed for planning and budgeting. The goal was to attract employers providing above market compensation with meaningful benefits and tax-generating investment into the community. The policy is periodically updated to reflect market conditions.

Significant time was spent trying to develop a bonus matrix to reward volume of jobs created. This would incent employers for creating a large number of jobs, even if employee compensation occurred within the lowest tier. This has been challenging to administer, but still has value in my estimation. I would support simplifying this section of the policy to provide clarity and ease of interpretation. I recommend limiting number of jobs created to three tiers. 25 to 49 jobs

created receive a 10 percent incentive, 50 to 99 jobs created receive a 20 percent incentive, and 100 jobs or more created receiving a 30 percent incentive, all on a per job basis. Smaller increments prove to be cumbersome. Businesses creating more than 100 jobs make site location decisions based on other criteria, including market assessments of their business model, workforce availability and infrastructure."

County Counselor Joe O'Sullivan presented a further revision to the current policy. He pointed out a new paragraph 3 was inserted to address the bonus incentive issue consistent with Mr. Schlickau's proposal.

Mr. O'Sullivan further indicated that the Applicant may qualify for a bonus incentive based upon the total number of qualifying jobs created within the period for job creation specified in the Development Agreement (see Paragraph 4 regarding the Development Agreement requirement). Such bonuses shall be determined as follows:

- a. For 25-49 jobs, 10 percent of the total qualifying incentives.
- b. For 50-99 jobs, 20 percent of the total qualifying incentives.
- c. For 100 or more jobs, 30 percent of the total qualifying incentives.

Mr. Schlickau further stated as following, "Bonus incentives will be calculated and paid when the total number of jobs identified by the Applicant in the Development Agreement have been created and qualified for base incentives in accordance with the terms of the Development Agreement and at its conclusion, or the time period for creating them has expired. Current wage thresholds no longer reflect market conditions and have little impact on improving opportunity or competition. Using the most recent compensation data, adjusted to 2016 values, and desiring a wage 10 percent above the median, results in a wage of \$15 per hour. That is an appropriate minimum threshold, and "I support the proposed increase of the wage ranges". Previous discussions have also included temporary employees and the minimum number of jobs created in order to be eligible for incentives. Employers have increasingly been using temporary services for filling positions, in part to "test-out" employees before offering permanent status. They can add or reduce the number of employees based on their need for the moment, and this fluctuation is often dictated by economic conditions. However, we cannot verify compensation, and

incentives should only apply to permanent employment. In an effort to elevate opportunity, our policy requires a minimum of 10 jobs be created. It has been suggested to lower the minimum requirement to 5 jobs or less. That simply does not have an impact on raising the standard of living, and does not support the use of taxpayer funds. Furthermore, it provides more private benefit than public good. Although we are indifferent as to where the job creation occurs, only that it does occur in Reno County for the whether they are large urban centers or small rural communities. I think it is important to look at the policy from a broader perspective, and I recommend the minimum requirement remains at 10 jobs created."

Mr. Schlickau commented that the 10 jobs minimum follows our Tax Abatement Policy that also requires a minimum investment of \$250,000 to qualify. The county policy is allowed through a State Constitutional Tax Abatement provision.

Mr. Deming requested sending a copy of final revised proposed policy to have Hutchinson City Council and their administration for any comments. Mr. Deming noted the county has two primary partners in economic development; The City of Hutchinson and Chamber of Commerce, with as much as practical, a unified policy beneficial to economic development efforts. It was agreed to send a copy of the proposed policy changes to the city and, after time for city comments, bring the policy back on the agenda in two weeks, September 13th, for final action.

Reno County resident Mary Treaster was in the audience and had a couple of questions regarding the county's proposed economic development policy. She asked about the policies employee requirement of living within 35 miles and having to reside in Reno County. County Counselor Joe O'Sullivan explained that the requirement was in the policy from it is inception. He also said the provision is primarily intended as a goal wherein Reno County residents would be given priority. She then questioned if it was up to the employer to verify employment and what was spent yearly on economic development from the county. Her last question was, "Where does the money come from?" Mr. Meagher explained that the employer is required to verify employment requirements to earn a cash incentive and that incentives are paid from funds annually budgeted in the general fund for that purpose.

County Administrator Gary Meagher reported on the sales tax for the county it was down from last month \$26,000, down from the same time last year \$27,000 and down \$65,000 for the year.

The new jail sales tax was also down from last month \$37,500, down from same time last year \$32,000 and down \$104,339 for the year.

Aging/Transportation Director Barbara Lilyhorn met with the Board for her regularly scheduled meeting. She discussed various current issues not requiring action by the Board.

Mr. O'Sullivan gave dates for the tax sale with the judgment being later in September. The sale is scheduled for October 27th, 2016. He also stated that there were fewer properties this year because some were not identified in time so next year's sale would be larger.

At 10:20 the meeting adjourned until 9:00 a.m. Tuesday, September 6, 2016.

Approved:

Chair, Board of Reno County Commissioners

(ATTEST)

Reno County Clerk
cm

Date