

KANSAS ASSOCIATION OF COUNTIES GOVERNING BOARD

Minutes of October 14, 2011 Meeting
Via conference call

Attendance

Board Members Present: Sheila **Biggs**, Dickinson County Commissioner; Jim **Emerson**, Crawford County Counselor; Jack **Frick**, Scott County Commissioner; Bill **Guy**, Reno County Emergency Management Director; Mark **Low**, Finney County Appraiser; Kerry **McCue**, Ellis County EMS Director; J.R. **McMahon** II, Miami County Director of Public Works; Richard **Malm**, Jefferson County Commissioner; John **Miller**, Norton County Commissioner; Dan **Partridge**, Lawrence-Douglas County Health Department Administrator; Duane **Patrick**, McPherson County Commissioner (NACo representative); Dale **Phillips**, Barton County Noxious Weed Director; and Dick **Works**, Allen County Commissioner.

Others Present: Randall Allen, KAC Executive Director; Melissa Wangemann, KAC General Counsel; Dennis Kriesel, KAC Senior Analyst; Sarah Meyer, Education and Conference Coordinator and Gene Bryan, Appraiser for the Unified Government of Wyandotte/Kansas City.

Board Members Absent: Ben **Bennett**, Geary County Commissioner and Tim **Norton**, Sedgwick County Commissioner.

Proceedings

President J.R. McMahon called the meeting to order at 9:03 a.m. He skipped agenda item #3 and recognized Brenda Flanagan, C.P.A. with Summers, Spencer and Company to review the KAC 2010 audit under agenda item #4.

Brenda Flanagan reviewed the financial statements. She noted the audit received an unqualified opinion or "clean" opinion. The 2010 balance of \$393,508 compared favorably to the previous year's balance of \$337,461. She noted the total net assets of \$258,629, which increased from \$188,863. She noted the restricted funding for the road engineer program. She reviewed the statement of activities. She noted that revenue was down as were expenses.

She also pointed to the special notes to the financial statements and the agency funds that are restricted to The Collaborative. She interviewed Randall Allen and one board member to measure the possibility of fraud, and noted that the financial committee serves a key internal control in auditing the information. No letter with concerns about internal control will be issued. Significant issues are accruing vacation pay and 911 fees. J.R. McMahon asked about improvement in cash flow. Randall Allen explained it as resulting from the decrease in work force.

Jack Frick moved that we accept the audit report and place it on file, which was seconded by Richard Malm. The motion passed.

The Board reviewed the minutes from the August Board meeting and the September special board meeting. Richard Malm moved approval of the August minutes; Duane Patrick seconded the motion. The motion passed. Mark Low moved approval of the September minutes; Sheila Biggs seconded the motion. The motion passed.

J.R. McMahon announced the nominating committee of Jack Frick, Kerry McCue, and Dan Partridge. J.R. will follow up with the committee to determine when they will meet to create a nominations slate.

Randall Allen and Dennis Kriesel presented a memorandum concerning health insurance for KAC employees. Renewing the current health insurance coverage will increase from just under \$2200 to \$ 2353, a 7.3% increase. Randall Allen recommended that the KAC continue with the current health insurance at the increased rate. Dick Works moved and Bill Guy seconded a motion to renew the existing health insurance. The motion passed.

Randall Allen and Sarah Meyer outlined the upcoming annual conference. Sarah reviewed the numbers for the annual conference, noting 284 registrations for the full conference, which is budgeted for 400. The pre-conference program is currently at 38, but budgeted for 95. Monday only registrants and affiliate registrants are comparable to the projected numbers. We have 34 guests registered, compared to 58 budgeted. Sarah Meyer noted that she had two spots left at the exhibition, but because the Topeka venue is smaller, overall she has fewer vendors than last year. Randall Allen supplemented the report on the Annual Conference by outlining the different topics to be discussed at the conference and reminding the Board that the Board and staff will have dinner on Saturday night before the conference begins.

Randall Allen presented the preliminary 2012 KAC budget. He reviewed the increased fees for programs within KCGI that are contained in the budget. He noted a drop in attendance at the educational programs. He noted a discontinuation of the guest/spouse program at the annual conference, given the drop in attendance and the costs of providing the service to very few people. Randall noted the assumption of retaining the LCPA role with 911 funds, and the assumption that KAC will receive the public health grant; if those assumptions are not realized, the budget will need to be revised. He noted the inclusion of salaries for two new positions. He also noted an inclusion of monies for a new phone system, given that current system appears to be failing. John Miller asked about assumptions made in the budget and whether the budget is "too close." Jack Frick asked two questions; whether additional consideration can be given to hiring a non-lawyer as a lobbyist, and whether Duane Patrick had received additional information on whether NACo would help cover his travel costs. J.R. McMahon asked why the budget is balanced almost to a tee and doesn't show much in reserves. Randall Allen said that KAC is a nonprofit and not intended to make a profit. He also noted that KAC has a low operating reserve. He noted that other organizations have one year operating costs put away for reserves but KAC has never operated at

that level of funding. Jack Frick noted that we should have about 30% in reserves but a bigger priority is adequate representation for our members in the legislature.

Randall Allen presented his executive director's report. Randall Allen requested authorization to hire two additional positions; the full time associate legislative director and a part-time administrative assistant. Randall said no offer would be made to the attorney until the LCPA appointment is made. Dick Works moved that the Board authorize Randall to pursue the new positions. Richard Malm seconded the motion. The motion passed.

Randall Allen noted that he receives many inquiries for the bound county directory book and would like to reinstate that service. The directory serves the members and also provides a mechanism to recruit business partners, who advertise in the directory. John Miller raised the point that 2012 is an election year and perhaps the directory should be created after the election. Dick Works suggested putting the book on a CD instead of printing it.

Randall Allen summarized the meeting with Governor Sam Brownback and the six counties affected by the property tax exemption for the Keystone Pipeline from a few weeks earlier. He said the Governor was a good listener and he thought the meeting went well. Randall Allen said that KAC staff will demonstrate the new database at the January Board meeting.

Melissa Wangemann gave the legislative report, noting the progress on the KAC legislative policy statement and the interim committee meetings occurring this fall. She commented on the Legislative Budget Committee hearing that occurred that week on home and community based services, the KPERS study commission, and the upcoming meeting on abandoned oil/gas wells and wind farm property tax exemptions.

The Board moved to information sharing by the Board members.

On a motion by Mark Low, seconded by Richard Malm, the meeting adjourned at 11:00 a.m.

Minutes prepared by Melissa Wangemann

Jim Emerson, Secretary

Minutes approved by the Board on _____