

Kansas Association of Counties
Special Governing Board Meeting Minutes
October 14, 2018
Sheraton, Overland Park, KS

Attendance

Board Members Present: John **Bartolac**, Johnson County Director of Records and Tax Administration; Jeff **Blosser**, Morris County Engineer; Craig **Cox**, Riley County Assistant Counselor; Max **Dibble**, Phillips County Commissioner, Ed **Eilert**, Chairman, Board of Johnson County Commissioners; Susan **Hubbell**, Kingman County Register of Deeds; Patti **Israel**, Ford County Appraiser; Dave **Johnston**, Sedgwick County EMS Operations Manager; Richard **Malm**, NACo Representative, Jefferson County Commissioner; Lynn **Peterson**, Dickinson County Commissioner; Lon **Pishny**, Finney County Commissioner; Rob **Roberts**, Miami County Commissioner; Clair **Schrock**, Thomas County Noxious Weed Director; Gary **Scoby**, Nemaha County Commissioner; Hannah **Stambaugh**, Saline County Emergency Management Director; Barbara **Wasinger**, Ellis County Commissioner; and Chip **Westfall**, Harvey County Commissioner.

Absent

Nick **Baldetti**, Reno County Public Health Director;

Others Present: Randall **Allen**, KAC Executive Director; Dennis **Kriesel**, Operations and Finance Director; Dorrie **Sullivan**, Education & Communications Director; Jay **Hall**, Legislative Policy Director & General Counsel; Betty **Oliva**, Office Manager.

Order of Business:

President Max Dibble called the meeting of the KAC Governing Board to order at 4:02 p.m. to review the proposed 2019 budget. President Dibble reviewed the proposed cuts for the budget and opened the meeting for discussion and questions, to work together in balancing the budget and address any concerns.

Discussion included:

- Current cash reserve balances
 - Possible use for revenue as a short-term fix
 - KAC's current cash reserves consists of \$600,000 and a certificate of deposit for \$100,000 which is based off of July 2019.
 - Spending down cash the last few years due to a negative budget.
 - 3 year plan to bring the budget into balance by the year 2019.
 - In terms of cash in comparison to other similar associations with cash reserve balances, we are on the low end. Compared to our annual budget, we have more than half year's appropriations, but not a year. Some peer associations have 1-2 years in cash reserve.

- Past history of increases/decreases in dues from 2010 to 2018 and whether or not another increase in dues would be a solution.
- The draw down for 2019, if there were no budget cuts.
 - The 2019 budget without the proposed budget cuts, would have a possible draw down of reserves to be about \$21,000, plus the inflationary factors for an estimated total of approximately \$30,000.
- Local Government Day with the League, the purpose to KAC and how it relates to our mission, providing good exposure.
 - Expenses, partnering with the League and other organizations to help offset expenses
 - Food and beverage are the largest expense items
 - Participation is now at about 125 people with a cost of about \$62.00 per person.
 - Suggestion of sponsorships to help with expenses
 - NACo travel expenses were reviewed, with next year's meeting held in Honolulu, Hawaii

Rob Roberts addressed putting the top two items back in the budget, with the Board to make a decision, motion, and pass it allowing reserves to be used for funding travel expenditures. Next important is to decide what is the appropriate amount to keep in reserves for sustainability. This is a future question. How do we implement a cost of living increase, CPI without increasing the dues, each year in the budget?

Craig Cox addressed staff salaries, comparing last year's budget to this year's budget. This year we don't have the Associate Legislative Director's expenditure with the amount budgeted for general counsel being less than what we had budgeted last year, about \$52,000. Dennis answered there is other staff differentials now, namely an office manager that was acquired and that annual cost is higher than the Associate Legislative Director's was.

Additional budget topics:

- In person meetings with mileage costs and hotel expenses
 - Conference call meeting costs
 - Urgent items for decision can be made by conference calls for a zero cost
- Mileage expenditures
 - Mileage reimbursements are in place to allow for all counties to attend Board meetings in person, to encourage their in-person attendance
- Affiliate fees verses Associate fees help offset the reimbursed travel costs to the Association
- Other possible Legislative activities
 - Legislative breakfasts
 - Regional suppers
- Professional Development for staff

President Dibble called on Randall Allen for his thoughts in relation to balancing the budget, discussing past years with budget issues, when travel expenses were cut to help balance the budget. Also looking at staff for Professional Development needs and requirements. For Local Government Day, we need

to measure the impact and decide if the benefit equals the cost. Dennis also commented on the past strategies and perspectives, with increasing costs each year.

Craig Cox made a motion to include back in the budget the line items for Government Day and return travel expenses for NACo and NCCAE showing no dollar amounts now. Additional discussion ensued with the use of cash reserves for balancing the 2019 budget. Travel expenses would require Board approval in advance. If such travel expenses are not used, the Board may decide to approve professional development for staff.

The expense for Annual Audits was questioned and if they could be performed by a committee on the Board. Dennis commented though audits may not be required by law, County annual audits are considered a best practice. Jay expressed audits ensure we're holding to our fiduciary duty as an organization and how the funds are being used. Dennis expressed concern over the effectiveness of Board Audit Committees.

After additional discussion, the motion was amended to include back in budget the line items for Government Day and travel expenses for NACo and NCCAE, monitoring the budget throughout the year and using cash reserves if needed for these top three budget lines. Concerns were expressed if the general public knew cash reserves were being used to fund travel expenses with the 2019 NACo Conference being held in Hawaii. Lynn Peterson seconded the motion, the motion passed 15 to 2.

Dennis will email out a revised budget to reflect expenses added back in for Government Day, travel expenses for the KAC President to attend the NACo Conference and the Executive Director to attend the NCCA Conference, listing cash reserves being used to cover expenditures as such if needed. This is an amendment to the budget for presentation/approval at the KAC Governing Board Meeting on Monday, October 15th.

President Dibble stated the next item of business was to recess into executive session. Craig Cox moved for a 5-minute break, Gary Scoby 2nd motion, motion passed.

Executive Session: Hannah Stambaugh made a motion that the attached list of KAC Governing Board members recess into executive session at 5:14pm pursuant to the non-elected personnel justification to the Kansas Open Meeting Act in order to discuss performance matters, with the open meeting to resume at Sheraton Hotel, 6100 College Boulevard, Overland Park, Kansas on Sunday, October 14, 2018 at 5:44pm. Seconded by Barbara Wasinger. Motion carried. The Executive Session came out at 5:44pm, Lynn Peterson moved to return to regular session. Seconded by Patti Israel. Motion carried.

Lynn Peterson moved to adjourn the meeting. Seconded by John Bartolac. Motion carried and the meeting was adjourned.