

Board of Directors Meeting Agenda

July 23, 2015 ~ 12:30 p.m.-2:00 p.m.

Hughes Metropolitan Complex- Wichita State University

5015 E. 29th St. N. Wichita 67260*Lunch will be served as part of the meeting*

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1. Welcome, Introductions, and Announcements: Council Member Carl Koster, Chair (12:30 p.m.)
 2. Board of Directors Business: (12:35 p.m.)
 - A. Approval of Minutes from April 16, 2015: Council Member Carl Koster (pp. 3-4)
Recommended action: approve the minutes from the April 16, 2015 meeting as presented.
 - B. Membership Applications: Keith Lawing (p. 5)
The following application for associate membership is submitted to the Board of Directors:
 1. *Black Hills Energy*
Recommended action: approve the application for associate membership.
 3. 2015 Legislative Wrap Up Report: Tom Bruno, Bruno & Associates (pp. 6-12)
Tom Bruno will present a report of the 2015 Legislative Session, including the status of the REAP Legislative Priorities.
Recommended action: take appropriate action.
 4. Report on the Blueprint for Regional Economic Growth (BREG) and the Greater Wichita Partnership: Commissioner Brad Dillon and Gary Schmidt
REAP is one of the sponsors for the BREG initiative and the Cluster Groups have prepared action plans and now moving to the implementation phase.
Recommended action: take appropriate action.
 5. Regional Transportation Task Force Assignment: Keith Lawing (pp. 12-13)
As follow up to the presentation on regional transportation at the April Board of Directors meeting, the REAP Transportation Task Force, chaired by Kingman County Commissioner Carol Voran, has invited members of REAP, WAMPO, Wichita Transit, and KDOT to participate on the Task Force.
Recommended action: take appropriate action.
 6. 2015 Work Plan and Regional Projects Update: Keith Lawing (1:45 p.m.) (pp. 22-25)
 - A. *2015 Work Plan Progress Report*
 - B. *Report of the Committees and Task Forces*
 - C. *Upcoming Events & Meetings for 2015*
 - D. *Budget Update***Recommended action: receive and file.**
 7. Unscheduled Topics: REAP Board of Directors Members (1:50 p.m.)
 8. Adjourn (2:00 p.m.)
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The REAP Board of Directors is scheduled to meet on Thursday, October 15, 2015 at 12:30 p.m.

Lunch will be served as part of the meeting.

Item

Board of Directors Business

Background

A. Approval of Minutes from April 16, 2015

1. **Welcome, Introductions, and Announcements**

Council Member Carl Koster, Cheney welcomed attendees and asked for self-introductions.

2. **Board of Directors Business**

A. **Approval of Minutes from January 29, 2015**

Commissioner Brad Dillon, Reno County (Mayor Burt Ussery, Clearwater) moved to approve the minutes from January 29, 2015 as presented. Motion adopted.

B. **Membership Applications**

1. **City of South Hutchinson** has adopted the REAP Interlocal Agreement on April 6, 2015. The City's annual REAP dues will be \$608. The designated member is Mayor Pete Murray and alternate Matt Stiles, City Administrator. The City's membership is effective immediately upon approval of this item; their Interlocal Agreement will be forwarded to the Kansas Attorney General's office for ratification.

Associate Membership Applications:

In November 2014 the REAP Board of Directors amended and updated the Bylaws and Fiscal Policy. As part of this process, an "associate membership" category was created, allowing economic development organizations and private sector entities to become members. The following entities and individuals have applied for membership:

1. **Sumner County Economic Development (SCED)** provides assistance to new and existing businesses in Sumner County and assists their cities and county with Community Development Projects.
2. **South Central Kansas Economic Development District (SCKEDD)** provides individuals, companies and government agencies with help financing, advice, and procedures, toward community improvement, housing, and other urgent needs. SCKEDD has a federally-designated 14 county area, which includes service through Community Development Block Grant (CDBG), Economic Development Administration's Public Works Grants, and Housing Rehabilitation Programs, which involves providing repairs for qualified homeowners.
3. **Commissioner Dave Unruh, Sedgwick County**, is the Immediate Past Chair of REAP, and has been a member of REAP representing Sedgwick County for several years.
4. **Commissioner Tim Norton, Sedgwick County**, has been actively involved in REAP since its inception in 1997 through his membership as the Mayor of the City of Haysville and Sedgwick County's membership.

Mayor Terry Somers, Mount Hope (Mayor Jeff Longwell, City of Wichita) moved to approve the applications for Membership and Associate Membership. Motion adopted.

C. **Sedgwick County Request**

On Wednesday, February 4, 2015, the Sedgwick County Commission voted on a resolution to oppose any work product derived from the HUD Sustainable Communities grant to influence spending, planning or play a role in County policy decisions related to healthy communities, regional water plans, regional transportation plans, regional housing plans, or any other plans and recommendations as derived from the grant. After an extended discussion and comment period, Commissioners Unruh and Norton voted in opposition to the resolution, which passed by a vote of 3-2.

Immediately following that discussion was an off-agenda item to discuss Sedgwick County's continued membership in REAP. After comments by the Sedgwick County Commissioners, Keith Lawing, REAP Chairman Carl Koster, and John Waltner, the Commission voted 3-2 to discontinue their membership. A formal resolution was adopted on February 11, 2015. As part of the motion to withdraw from REAP the Sedgwick County Commission requested a pro-rated amount of their 2015 membership dues be returned. The County's membership officially terminated on April 13, 2015.

On February 13th the Executive Committee met and discussed Sedgwick County's request for a pro-rated reimbursement of their 2015 dues. The Committee directed the Technical Advisory Committee (TAC) be consulted on the matter. On February 19th the REAP Technical Advisory Committee (TAC) met and discussed alternatives for responding to Sedgwick County's request.

REAP is a voluntary coalition and Sedgwick County is encouraged to reconsider their decision to withdraw. REAP encourages all local governments in South Central Kansas to consider being a part of the regional collaborative, and Sedgwick County will be welcome back at any time.

The Board of Directors asked for additional feedback and discussion on the matter; none was brought forward.

Commissioner Carl Voran, Kingman County (Mayor Terry Somers, Mount Hope) moved to make no refund to Sedgwick County. Motion unanimously adopted.

3. Regional Spotlight Topic: Regional Transportation Presentation- WAMPO and Wichita Transit

The Wichita Metropolitan Planning Organization (WAMPO) released an updated long range transit plan, "Move 2040". WAMPO Chairman, Council Member Tom Jones of Park City, and Gloria Jeff, WAMPO staff, presented Move 2040 and discussed the public engagement process. Steve Spade, Director of Wichita Transit, spoke about regional public transportation strategies, including an update on the regional vanpool pilot initiative. Staff was directed to post the WAMPO PowerPoint presentation on Move 2040 on the REAP website.

Following the presentations, the Board of Directors discussed the need to build partnership and relationship with private business, cities, and counties, chambers, and citizen groups to help establish current and future mobility needs. Commissioner Voran noted that transit, whether

infrastructure or public systems are vital to the South Central Kansas economy because it moves

goods, services, and the workforce. Transit staff noted that there is a need to connect and coordinate local plans that have been created over the past few years and to establish partnerships within the region.

4. REAP Region Air Quality Update

Tonya Bronleewe from the City of Wichita presented an updated on the Air Quality Task Force and the status of Ozone Attainment in South Central Kansas. The Environmental Protection Agency (EPA) is in the process of taking public comment on a prospective lowering of the attainment levels, which will likely create a noncompliance situation for the region. The final ruling and announcement of the new standards should come in October 2015 from the EPA. Should the region become non-compliant it will be incumbent upon the local governments in the region to work collaboratively with the Kansas Department of Health and Environment (KDHE) to create a plan with specific action steps and measurements that will bring the region into compliance with the new standard. Staff was directed to make the presentations from the Air Quality Task Force and nonattainment discussion available on the REAP website.

5. 2014 Work Plan and Regional Projects Update

Keith Lawing noted the report in the packet about the Regional Export Plan, the BREG Industry Cluster Study, and reminded members of the upcoming Regional Water Conference on May 21st at Newman University. Kelly Bergeron noted the Chief Elected Officials report included in the packet. Commissioner Chip Westfall, Harvey County and REAP Legislative Chair, briefly updated the committee on the status of the legislative session and reminding members that the July meeting will have a full report of the session and outcomes from the REAP Legislative Agenda. Commissioner Westfall noted there are changes in 9-1-1 regulations coming from the state level that will specific what phone service provider you use for services.

Commissioner Brad Dillon, Reno County (Mayor Jeff Longwell, Wichita) moved to receive and file the reports. Motion adopted.

6. Unscheduled Topics

No unscheduled topics were reported.

7. Adjourn

The meeting adjourned at 2:05 p.m.

Attendance

Council Member Carl Koster, Chair
Bob Conger, Kechi
Mark Detter, Andover
Commissioner Brad Dillon, Reno County
Willis Heck, Associate Member
Jim Heinicke, Clearwater (Interim Administrator)
Mayor Jeff Longwell, Wichita
Harland Priddle, K-96 Corridor Association

Board Members and Alternates

Daniel Shea, Kingman County
Matt Stiles, South Hutchinson
Mayor Terry Somers, Mount Hope
Commissioner Dave Unruh, Sedgwick County
Mayor Burt Ussery, Clearwater
Commissioner Carol Voran, Kingman County
John Waltner, Harvey County
Commissioner Chip Westfall, Harvey County

Guests/Presenters/Staff

Kelly Bergeron, REAP
Tonya Bronleewe, City of Wichita- Speaker
Misty Bruckner, WSU
Les Depperschmidt, AT&T
Paula Downs, WSU
Zahra Ehtisham, City of Andover
Council Member Caroline Hale, Andover
Gloria Jeff, WAMPO - Speaker

Council Member Tom Jones, Park City, WAMPO
James Kilpatrick, Kansas for Liberty, Citizen
Keith Lawing, REAP
Jennifer McCausland, Andover
Council Member Pete Meitzner
Laura Quick, City of Wichita
Steve Spade, Wichita Transit - Speaker

Recommended Action

Approve the minutes from the April 16, 2015 Board of Directors meeting as presented.

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Item

Membership Applications

Background

In November 2014 the REAP Board of Directors amended and updated the Bylaws and Fiscal Policy. As part of this process, an “associate membership” category was created, allowing private sector entities to become members of the organization. Section 3(a)2 of the Bylaws regarding associate memberships states:

- Associate Membership is open, but not limited to:
 - Individuals
 - Economic development associations& entities
 - Private businesses
 - State agencies
 - Chambers of commerce
 - Community based organizations
 - Nonprofits and others at the pleasure of the Board of Directors
- Associate Membership must be approved by a two-thirds vote of members present and voting at any REAP Board of Directors meeting.
- Associate members shall not be required to execute the Interlocal Agreement but shall pay fees as set forth in Section 3(b) (\$50 for individuals, \$250 for all others).
- Associate members do not hold a vote with the Board of Directors.

Since the last Board of Directors meeting, one entity has submitted an application for associate membership.

Black Hills Energy produces, markets and delivers electricity, coal, oil and natural gas to their customers, working to provide products and services to strengthen the communities and the region, supporting growth and development. Mr. Gabe Schlickau, Senior Manager of Economic Development, will be the designated associate member to REAP.

Recommended Action

Approve the application for Associate Membership.

Item

2015 Legislative Wrap Up Report

Background

Please see attached report

Recommended Action

Take appropriate action



Bruno & Associates

June 19, 2015

The 2015 session was one for the record books. The longest session in history, the largest tax increase in the history of the state, plus a massive budget hole that was the major topic for the entire session.

Both Tax Committee Chairs said they would be happy with a motion to forward a tax bill without recommendation that it be passed, just to get something to the floor for amendment and debate.

Senators failed to advance a tax bill to the Senate floor, and no vote was taken on a bill after an hour of debate in the Senate Tax Committee. The committee sorted through a number of tax proposals. Sen. Jeff Melcher proposed imposing a new excise tax on land, it would impose a \$3 per acre tax on land. Senator Melcher has touted similar proposals this session that would make agriculture industry contribute more to state coffers. Another proposal was introduced to end the sales tax exemption on farm machinery. An effort to remove a sales tax increase from the bill also failed. One of the few proposals that was adopted is the elimination of the repeal of an exemption that shielded the first \$20,000 of a home's value from a statewide school mill levy. However, striking the repeal from the bill eliminated \$43 million of potential revenue.

Additionally, Kansas Department of Revenue officials told the House Tax Committee that the \$4 million shortfall of revenues received in April—from estimates made 10 days earlier by the Consensus Revenue Estimating Group—have come up to that estimate. Basically, it was just \$4 million but Revenue said after opening envelopes last week- after the April 30 release of revenues received in April—the estimate of \$515 million was reached.

Taxes

The legislature approved several different bills to fill the budget hole.

HB 2109, the major tax bill, contained the majority of the provisions. SB 270, which was dubbed the "trailer" bill, made some specific changes to some provisions in HB 2109. Taken together, the bills are expected to raise \$384 million in Fiscal Year 2016, which begins July 1. In FY 2017, the tax bill is predicted to raise approximately \$405 million.

Individual Income Tax Provisions

Low Income Tax Exclusion Provision



Bruno & Associates

A special low-income exclusion provision would become applicable in tax year 2016 that generally would eliminate all positive income tax liability for single filers with taxable income of \$5,000 or less; and for married taxpayers filing jointly with taxable income of \$12,500 or less.

Rate Reduction Formula Modifications

A provision that could provide future formulaic income tax rate relief under certain circumstances, based on the extent to which revenue from a specified group of State General Fund (SGF) tax sources has increased over the previous fiscal year, would be revised by House Sub. for SB 270 to allow for 2.5 percent growth rather than the 3.0 percent growth in SGF receipts as provided by Senate Sub. for HB 2109, as well as allowing for further adjustments based upon growth in the Kansas Public Employees Retirement System spending only. (Senate Sub. for HB 2109 would have allowed for Medicaid growth, as well.) Additionally, current law requires any rate adjustments be rounded down to the nearest 0.1 percent. The revised formula would require rate adjustments be rounded down to the nearest 0.01 percent. The provision would begin taking effect in tax year 2019, as was previously provided for in Senate Sub. for HB 2109.

Itemized Deductions Modification Acceleration

A number of changes would be enacted for Kansas itemized deductions retroactive to January 1 (the start of tax year 2015). With the exception of charitable contributions, mortgage interest, and property taxes paid, all Kansas itemized deductions would be repealed. The current changes in the percentage that could be deducted (“haircuts”) being phased in for mortgage interest and property taxes paid relative to the amount that otherwise is allowed for federal income tax purposes would be accelerated such that the final 50 percent haircut currently scheduled for tax year 2017 would be effective immediately. Charitable contributions would remain fully deductible for Kansas taxpayers able to itemize at the state level, as under current law.

Individual Development Account Tax Credit

The bill would restore, effective for tax year 2015, a tax credit that previously had been available for certain individual development account (IDA) contributions. That credit had been discontinued beginning in tax year 2013, pursuant to repeal in 2012 legislation.

ROZ Program

The Rural Opportunity Zone (ROZ) program, which provides an income tax exemption and the repayment of certain student loans for certain individuals who establish residency in selected counties, would be extended. The program, which is currently scheduled to sunset in tax year 2017, would be extended for five years and be scheduled to sunset in tax year 2022.



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Christmas Tree Net Gain

The bill would create a subtraction modification from federal adjusted gross income in calculating Kansas adjusted gross income for the net gain from the sale of Christmas trees.

Social Security Number Requirement

The bill would require an individual claiming a tax credit to have a valid Social Security number for the entire taxable year for which the tax credit is claimed. An exception to this requirement would exist for military spouses in the event that the taxpayers are married filing jointly.

Elimination of the Food Sales Tax Rebate

The bill would repeal a tax credit previously allowed for certain individuals for food sales tax.

Sales Tax Provisions

Sales Tax Rate

House Sub. for SB 270 would set the sales tax rate for all transactions at 6.50 percent on July 1, 2015. Current law is 6.15 percent, which Senate Sub. for HB 2109 had proposed to increase to the rate of 6.55 percent before allowing a future reduction in the rate on food.

Food Sales Tax Rebate Restored

Senate Sub. for HB 2109 proposes the retroactive repeal (to the start of tax year 2015) of the income tax credit allowed for certain individuals to offset the amount of sales tax paid on food. House Sub. for SB 270 would instead repeal that provision of Senate Sub. for HB 2109, effectively restoring the program.

Sales Tax Exemptions and Joint Committee on Tax Exemptions and Income Tax Credits

All sales tax exemptions which are proposed to be sunset under Senate Sub. for HB 2109 would be retained by House Sub. for SB 270. The Joint Committee on Tax Exemptions and Income Tax Credits (Joint Committee) created by Senate Sub. for HB 2109 also would be repealed by House Sub. for SB 270.

Local Sales Tax Provisions



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Additional provisions would authorize additional local sales tax authority for three counties—Thomas, Douglas, and Bourbon—for purposes of financing construction or remodeling of a courthouse, jail, law enforcement facility, or other county administrative facility. Thomas County would be granted an additional 0.5 percent authority, Douglas County would be granted an additional 0.5 percent authority, and Bourbon County would be granted additional authority of up to 1.0 percent. Relative to this new authority, all counties also would have an exception to the normal countywide sales tax distribution formula, which otherwise requires that funds be shared with cities. Voter approval would be required prior to the implementation of the new tax authority for Thomas County and Douglas County. For Bourbon County, the result of a previously held election would be declared valid for the implementation of the new tax authority.

Property Tax Provisions

A provision in Senate Sub. for HB 2109 would, beginning in 2018, prohibit cities and counties from adopting, absent mandatory elections, portions of their budgets funded with revenues from certain property tax increases. (That restriction would be relaxed in House Sub. for SB 270.) Beyond those increases allowed at the level of the rate of inflation plus other exemptions provided in Senate Sub. for HB 2109, House Sub. for SB 270 would add a number of other purposes for which property taxes could be increased before the mandatory election requirement would be triggered, including costs associated with new infrastructure; certain property taxes levied for bonds and interest; certain road construction costs; special assessments; costs associated with federal or state mandates; and payment of judgments.

Cigarette Tax Provisions

The bill would increase the state's cigarette tax by \$0.50 per pack to \$1.29 per pack beginning July 1, 2015.

The bill also would establish an inventory tax for all cigarettes on hand as of July 1, 2015. The inventory tax would be \$0.50 per pack for cigarettes on hand as of July 1, 2015. The inventory tax would be due on October 31, 2015.

Electronic Cigarette Taxation

The bill would create a new tax on the privilege of selling or dealing electronic cigarettes at a rate of \$0.20 per milliliter of consumable material and a proportionate tax on all fractional parts thereof.

This new tax would be effective beginning July 1, 2016.

Motor Vehicle Registration and Tax Provisions



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The bill would require the Department of Revenue to mail a copy of the motor vehicle registration application to the owner of a motor vehicle, including all information required to enable the owner to register the vehicle and pay the tax by return mail. An additional provision would allow for counties to opt out of the Department of Revenue mailing this information to the owners of vehicles registered in that county.

Other Provisions

Fire Districts

The bill would clarify the property tax levying authority of consolidated fire districts with respect to their authority to levy more than 15 mills. The bill also would remove the 5-mill limit imposed on fire districts.

Tax Credit For Low Income Student Scholarship Program Revisions

The bill would revise the Tax Credit for Low Income Students Scholarship Program Act. Revisions would include:

1. Allowing the scholarship amount to be distributed directly to the school participating in the program;
2. Limiting the amount of money that may be distributed in educational scholarships each school year to \$8,000 per child;
3. Removing a provision that required a student participating in the Program to waive special education services; and
4. Allowing schools that provide education to either elementary or secondary students to participate in the Program.

Land Bank Special Assessment Reamortization

The bill would allow the governing body of any municipality that levied special assessments on property acquired by a land bank to enter into an agreement with the land bank to defer or reamortize all or part of the special assessments.



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HB 2281 increases the privilege fee on HMO's in Kansas from the current rate of 1% to 3.31%, retroactively, to January 1, 2015. The Insurance Commissioner, if the Commissioner determines at any time that the application of the privilege fee, or a change in the rate of the privilege fee, would cause a denial of, reduction in or elimination of federal assistance to the state, would be authorized to terminate the operation of such privilege fee, or the change in such privilege fee.

The moneys would be expended for the purpose of Medicaid medical assistance payments and for no other governmental purpose. The moneys would not be subject to allotments by the Governor, certificates of indebtedness, and transfers by the Secretary of Health and Environment. These dollars will supplant State General Fund (SGF) money that goes to Medicaid, freeing up approximately \$48 million of SGF for other purposes.

Budget

House Sub. for SB 112, as agreed to by the Conference Committee, includes funding for claims against the state; FY 2015, FY 2016 and FY 2017 expenditures for most state agencies; and FY 2016 and FY 2017 capital improvements for selected state agencies. The Legislature has already adopted adjustments to the Education budget in Senate Sub. for HB 7 and Judicial Branch budget in HB 2005.

The Education Budget Block Grant bill reduced State General Fund expenditures by \$19.6 million, all from the State General Fund, in FY 2015. The bill increased expenditures from the Governor's recommendation by \$106.8 million, including \$61.1 million from the State General Fund in FY 2016 and increased expenditures by \$129.1 million, including \$83.4 million from the State General Fund, in FY 2017.

The Judicial Branch Budget Bill increased expenditures from the Governor's recommendation by \$6.1 million, all from the State General Fund, for FY 2016 and \$10.8 million, all from the State General Fund, for FY 2017.

Some of the highlights for FY 2016:

- Added, \$26.0 million, all from the State General Fund, to reflect the difference between the Governor's original estimate of savings for bonding \$1.5 billion in KPERS unfunded liability with SB 228, as passed, which bonds \$1.0 billion. The bill, as passed, reduces State General Fund expenditures by \$13.6 million in FY 2016.
- Added \$17.5 million, all from the State General Fund, to ensure the block grant general state aid to school districts remains as estimated in Sen. Sub. for HB 7 for FY16.



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- Added \$3.0 million, all from the State General Fund, for the Legislature to procure professional consulting services to assist in a review and evaluation of state government, examining agency core functions, procedures, and efficiencies for FY 2016.
- Added \$750,000, all from the State General Fund, for the Incentive for Technical Education for FY 2016.
- Added language to prohibit executive branch agencies, excluding regents institutions, the Historical Society, and the State Library from making expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016.

The Legislature returns for their ceremonial end, Sine Die, on Friday, June 26th.

LEGISLATIVE DEADLINES

Monday, January 12

First day of 2015 session; convene at 2:00 p.m.

Monday, February 2

Last day for member or members to submit REQUESTS to Revisor's office for bill drafts.

Monday, February 9

Last day for Committees, except House and Senate Federal and State Affairs, Senate Ways and Means, Senate Assessment and Taxation, House committees on Calendar and Printing, Appropriations, Taxation or select committees of either house when so authorized, to submit REQUESTS to Revisor's office for bill drafts.

Wednesday, February 11

Last day for Individuals to INTRODUCE bills in originating chamber.

Friday, February 13

Last day for Committees, except committees listed above, to INTRODUCE bills in originating chamber.

Friday, February 27 (Turnaround Day)

Last day to CONSIDER BILLS IN HOUSE OF ORIGIN, except by House and Senate Federal and State Affairs, Senate Ways and Means, Senate Assessment and Taxation, House committees on Calendar and Printing, Appropriations, Taxation or select committees of either house when so authorized.

Wednesday, March 25

Last day to CONSIDER BILLS NOT IN HOUSE OF ORIGIN, except by committees listed above.

Friday, April 3 (Drop Dead Day)

No bills considered after this date except BILLS VETOED BY GOVERNOR, OMNIBUS APPROPRIATIONS ACT AND OMNIBUS RECONCILIATIONS SPENDING LIMIT BILL.

Veto session is anticipated to begin on Monday, April 27.

Item

Regional Transportation Task Force Assignment

Background

The Regional Economic Area Partnership (REAP) created a transportation task force as part of its 2015 work plan. The task force will identify and discuss issues of common concern in the ten county South Central Kansas region. Membership will be drawn from partners including but not limited to WAMPO, the Kansas Department of Transportation and Wichita Transit. REAP members interested in serving on this task force are encouraged to contact Commissioner Carol Voran, Kingman County and Chair, or Keith Lawing.

The REAP Board of Directors has charged the task force with enhancing and coordinating regional transportation issues and projects through:

- A. Identifying regional public transit strategies
- B. Monitoring state policies impacting public transit
- C. Hosting workshop/summit for transportation officials in South Central Kansas

The Task Force will be meeting in August and intends to have a report for the REAP Board of Directors at the October 15, 2015 meeting.

Recommended Action

Take appropriate action

Item

2015 Work Plan Progress Report

Background

On November 7, 2014 the REAP Board of Directors adopted a work plan for calendar year 2015. The work plan included six items. Below is an update on those initiatives.

1. Develop and support a regional legislative agenda and policy priorities for the 2015 Legislative Session.

Tactic:

Pursue opportunities to engage with the Legislature, including hosting information sessions, attending and testifying at hearings in Topeka, presenting at the meetings of the South Central Legislative Delegation

Status & Activities:

Co-hosted the January 2015 meeting of the South Central Kansas Legislative Delegation & Reception at Wichita State University; co-hosted weekly Wednesday night reception throughout the session for legislators; offered to sponsor a Wednesday luncheon for the delegation (they were intermittent and REAP did not make it onto the sponsor schedule); work in cooperation with the Wichita Metro Chamber, City of Wichita, and Sedgwick County to retain the 2016 funding for Kansas Affordable Airfares.

Tactic:

Monitor and act on legislative issues during the 2015 session

Status & Activities:

Bruno & Associates provided written legislative update reports and conference calls during the session, open to all members of REAP; regular in person meetings of the REAP Legislative Committee were held during the session and will continue in the fall to plan for the 2016 session.

Tactic:

Provide state and national elected leadership with information on the regional economy

Status & Activities:

In partnership with the Wichita Chamber, City of Wichita, and Sedgwick County, partnered on an economic impact study conducted by CEDBR at Wichita State University on the impact of the Kansas Affordable Airfares Program; provided South Central Kansas Legislative Delegation with information and presentations on the REAP region and the 2015 REAP Legislative Priorities.

Tactic:

Host the annual legislative policy summit

Status & Activities:

The Legislative Committee is reviewing this event and the potential for updating the format. The Summit is tentatively scheduled for late November or early December 2015.

2. Create stronger working relationships between economic development agencies/offices in the region.

Tactic:

Convene regional economic development officials for planning sessions and informational workshops and serve as the catalyst to develop partnerships for regional branding and outreach strategies.

- *Blueprint for Regional Economic Growth (BREG)*
- *Wichita- South Central Kansas Regional Export Plan*
- *WSU Innovation Campus*

Status & Activities:

BREG action plans will be presented at the July 10th Town Hall meeting in Derby and will provide direction and specific action items for REAP moving forward. REAP staff have been meeting weekly with Wichita State, Greater Wichita Partnership, and Kansas Global Trade Services to coordinate regional plans, initiatives, and specific assignments for each entity as the BREG study is completed. REAP staff, Greater Wichita Partnership Staff, and Mayor Longwell have met with counterparts at the Kansas City Area Development Council (KCADC) to discuss their regional branding efforts and how similar projects and initiatives may be able to transfer to the South Central Kansas Region. REAP's assigned role through an MOU for the Export Plan specifics that REAP will convene the region's economic development professionals as needed to implement planning efforts.

Tactic:

Support the implementation of the Workforce Innovation and Opportunity Act (WIOA) which goes into effect July 1, 2015, mandating regional planning efforts with Economic Development and Workforce Development entities.

Status & Activities:

Wichita Mayor Jeff Longwell has appointed members to the Local Workforce Development Board (LWDB) for Local Area IV, effective July 1, 2015; workforce staff from Local Areas I and IV have met to coordinate business and strategic plans and potentially marketing and outreach materials; Commerce and all five Local Areas have been meeting regularly to ensure a smooth transition from the Workforce Investment Act (WIA) to the Workforce Innovation and Opportunity Act (WIAO), effective July 1, 2015. A new Chief Elected Officials Agreement is being drafted by the Local Areas in partnership with the State and will be presented to REAP for review and adoption in the fall of 2015.

Tactic:

Expand Asset map to four remaining REAP Counties

Status & Activities:

Wichita State University, Hugo Wall School, has been in contact with the contractors that developed the original five county Asset Map to conduct an update and expansion of the project.

Tactic:

Use regional studies, including BREG, Asset Maps, Wichita Metro branding initiative and others to pursue the development of a regional brand for REAP region

Status & Activities:

REAP staff, Greater Wichita Partnership Staff, and Mayor Longwell have met with counterparts at the Kansas City Area Development Council (KCADC) to discuss their regional branding efforts and how similar projects and initiatives may be able to transfer to the South Central Kansas Region.

3. Raise awareness of municipal water issues in South Central Kansas in relation to state policy, possible legislation, and best practices.

Tactic:

Identify state and federal water policies that impact South Central Kansas

Status & Activities:

Monitored as part of the activities of the Legislative Committee and addressed as arises and needed.

Tactic:

In partnership with the Basin Advisory Committees, Ground Water Management Districts, and other stakeholders, create a regional water coalition to increase collaboration and understanding between water users in the region

Status & Activities:

The Water Committee met in January 2015 to discuss the upcoming regional water conference and expansion of the committee. In early July the Kansas Water Office announced the formation of Regional Advisory Committees which would create a similar structure and mission and invite the same group of people. Instead of creating a duplicate committee, REAP has nominated Mayor Marcey Gregory, current Water Chair, to the Equus-Walnut Regional Advisory Committee. Selections for the Committee will be made by the Kansas Water Authority in the upcoming months.

Tactic:

Host the annual Regional Water Conference (May 2015)

Status & Activities:

REAP hosted the 2015 Regional Water Conference on May 21, 2015 at Newman University. Attendance was down slightly from previous years. With the addition of the Governors now annual water conference in November, the Water Committee suggested soliciting feedback from REAP members and the TAC about updating the event format, including evaluating the need for a separate conference than the November statewide event. The approximate total cost of the 2015 REAP Regional Water Conference was \$7,000. \$2,000 in sponsorship was collected to offset the additional expense. Non-members were charged \$75 registration fee and REAP members attended for free.

Tactic:

Conduct the annual water/wastewater/storm water rates survey

Status & Activities:

The 2015 survey is being conducted by Hugo Wall School and preliminary results are included in this agenda packet. The 2015 survey was expanded to include other municipal fees and services at the request of the TAC.

4. Work with REAP members, state officials, WAMPO, and other stakeholders to develop a regional forum to enhance and coordinate regional transportation issues and projects.

Tactic:

Support regional public transit strategies

Status & Activities:

The Transportation Task Force, Chaired by Kingman County Commissioner Carol Voran, is planning to meet following the July 23, 2015 REAP Board of Directors meeting. The Task force will review opportunities for REAP to partner with the Kansas Department of Transportation, WAMPO, Wichita Transit, and rural transit providers.

Tactic:

Monitor state policies impacting public transit

Status & Activities:

Ongoing through the Legislative Committee, REAP lobbyist Tom Bruno, work with WAMPO and Wichita Transit.

Tactic:

Host workshop/summit for transportation officials

Status & Activities:

The City of Wichita, WAMPO, and KDOT are discussing bringing in several national speakers for a transportation summit in March or April 2016. Staff suggests considering partnering with this event and/or hosting a smaller summit in the fall of 2015 with a regional speaker.

5. Identify and implement services for REAP Members related to best practices, community development and leadership.

Tactic:

Explore need and feasibility for a Small Cities Task Force:

- i. Define needs specific to small cities (under 1,000)
- ii. Determine resources and opportunities available to small cities
- iii. Survey small cities to determine interest in participation
- iv. Convene small cities for focus groups/meetings (as needed)

Status & Activities:

In March 2015 REAP hosted a small cities meeting, inviting all communities with populations under 1,000 in the 10 county region, regardless of REAP membership. Five communities attended, all REAP members. In an effort to reach the small cities a survey was issued by Wichita State University to the Mayors and City Clerks with no response. REAP staff also sent out the same short survey and received no responses. Staff and Hugo Wall School continue to seek out ways to reach the smaller communities and determine common needs.

Tactic:

Access to grant postings website

Status & Activities:

Funds from the Sustainability Grant were used to purchase a membership on behalf of REAP to a grant postings website. Hugo Wall School has been working to determine an appropriate access and reporting structure for REAP members to access opportunities that arise. The website database includes governments, private sector, and private foundation postings and is updated daily.

Tactic:

Opportunity for joint purchasing and cooperative services sharing coordination

Status & Activities:

Please see item # 4 included in the agenda packet.

Tactic:

Training opportunities at reduced rates for members including the BUILT Game & Municipal Leadership Program

Status & Activities:

REAP staff are working to establish a three hour demonstration session for members to attend and play the BUILT game. Please see Item #5 in the agenda packet for an update on the Municipal Leadership Series

Tactic:

Community profile update & expansion

Status & Activities:

Hugo Wall School is working with the consultants who provided the original community profiles as part of the Sustainability Grant to update and expand the profiles to the remaining five counties; these are anticipated in fall 2015.

Tactic:

Conduct a municipal fee survey

Status & Activities:

Please see item # 3 included in the agenda packet.

Tactic:

Asset map expansion

Status & Activities

Hugo Wall School is working with the consults that created the Asset Map as part of the Sustainability Grant to update and expand the map to the remaining five counties.

Tactic:

Conduct a salary study for the region (pending LKM salary study results)*

Status & Activities

Please see item # 2 included in the agenda packet.

6. Expand REAP membership.

Tactic:

Recruit new city and county members (goal: five by the end of 2015)

Status & Activities

One new city/county member has joined REAP in 2015, the City of South Hutchinson. Several others have expressed interest in information but have not responded to requests for in person meetings or presentations.

Tactic:

Recruit new associate members (goal: ten by the end of 2015)

Status & Activities

There are currently nine new Associate Member organizations and individuals.

Recommended action

Take appropriate action

Item

Report of the Committees and Task Forces

Background

The following Committees and Task Forces have met and conducted business since the last Board of Directors meeting on April 16, 2015.

1) Executive Committee

The Executive Committee met on June 4, 2015 and acted on the following items:

- Approved the appointment of REAP Chairman Carl Koster to the Wichita Airport Board to fill the designated REAP seat for a term of two years.
- Discussed the Workforce Investment and Opportunity Act (WIOA) which will implement July 1, 2015 and the continued duties of the Chief Elected Officials Board (CEOB) housed within REAP.
- Received reports of the current status of regional initiatives and a budget update.

The Executive Committee meeting scheduled for August 6, 2015 has been cancelled due to its close proximity to the July 23, 2015 Board of Directors meeting. There is no pending business for the Committee at this time. Council Member Carl Koster, Cheney, is the Chair of the Executive Committee.

2) Legislative Committee

The Legislative Committee has met by phone as needed during the past few months to learn of current legislative issues and needs during the session. A final report of the 2015 Legislative Session is included in the packet under item 3. The Legislative Committee is scheduled to meet on Thursday, September 24, 2015 to begin planning for the 2016 Legislative Session and a Legislative event in the fall of 2015. Commissioner Chip Westfall, Harvey County, is the Chair of the Legislative Committee.

3) Technical Advisory Committee(TAC)

The TAC met on July 10, 2015 and received and discussed the following items:

- 2015 Salary Study Survey Results
- 2015 Water Rate and Community Fee Survey Results
- Joint Purchasing Co-Op Update
- 2015 Municipal Leadership Series
- 2015 Budget and Work Plan Mid-Year Report
- 2016 Preliminary Budget & Work Plan Discussion

The TAC will meet again August 27 to continue discussions of the 2016 budget and work plan and provide recommendations to the Executive Committee and Board of Directors. Kathy Sexton, Derby City Manager, is the Chair of the TAC.

4) Water Resources Committee

The Water Resources Committee did not meet between the Board of Directors meetings. The 2015 Regional Water Conference was held on May 21, 2015 at Newman University and was attended by approximately 75 individuals from REAP member communities and partners. The keynote speaker, Brigadier General (RET.) Duke DeLuca gave an excellent presentation on the four revolutions of water throughout history and the importance of proactive, regional collaboration to address water issues. All presentations from the day

can be accessed on the REAP website at <http://reap-ks.org/documents/water-resources-committee/>.

The Kansas Water Office (KWO) requested nominations for newly-created Regional Advisory Committees. These 14 committees will be staffed by the KWO and will replace the current Basin Advisory Committees to better reflect the diverse water resources of Kansas. REAP nominated Goddard Mayor Marcey Gregory, current Water Resources Chair, to the Equus-Walnut Committee, which covers a large portion of the REAP region. The KWO will be making selections from the nominations in the next several months.

5) Transportation Task Force

The Transportation Task Force did not meet between the Board of Directors meetings. The Task Force is scheduling a meeting sometime in August and has invited WAMPO, Wichita Transit, and KDOT to attend and participate in the task force. Any member of REAP interested in attending and participating should contact Keith Lawing or Kingman County Commissioner Carol Voran, who chairs the Task Force.

6) Chief Elected Officials Business

Through an agreement with Kansas Local Area IV, REAP serves as the Chief Elected Officials Board (CEOB) for Workforce Development programs and services in the counties of Butler, Cowley, Harper, Kingman, Sedgwick, and Sumner, as required by the Workforce Investment Act (WIA). Wichita City Council Member Jeff Longwell is the REAP CEOB designee to the Local Workforce Investment Board (LWIB).

Since the last REAP Board of Directors meeting, the following business has been conducted by the Chief Elected Officials.

Recommended Action

Receive and file.

Item

Upcoming Events and 2015 Board of Directors Meetings for 2015

The REAP Board of Directors (full REAP membership) meets quarterly in 2015 on Thursdays at 12:30 p.m., adjourning at 2:00 p.m. Lunch is served as part of the meeting. Please reserve the following dates and times on your schedule for the remainder of the year.

- October 15, 2015: Board of Directors Meeting – Location TBD
- December 4, 2015: Legislative Policy Summit (*tentative - likely to change*)

Item
 2015 Budget Update

Background

The 2015 budget chart below shows revenues and expenditures through May 2015. The 2015 budget has approximately 54% remaining, which is on target for the year.

Of note, the "Meetings" line item shows an over expenditure and the "Contracts" line item shows it is nearly expended due to payments made from the REAP general account on behalf of the Sustainability Grant and final closing projects, which will be reimbursed from the grant accounts. The reimbursement from the grant accounts should show on the June financial reports.

2015 REAP Operating Budget									
January - December 2015									
Revenue	2014 Carryover & Anticipated 2015 Revenue	Jan*	Feb	March	April	May	YTD	Outstanding Anticipated Revenue Remaining	% Outstanding Anticipated Revenue Remaining
		\$ 291,924.74	\$ 193,641.00	\$ 7,720.00	\$ 16,775.00	\$ 46,209.90	\$ 65,573.00	\$ 329,918.90	\$ (37,994)
Expenses	Budget	Jan	Feb	March	April	May	YTD	Budget	% Budget
	Category	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Remaining	Remaining
Wages	\$ 88,800.00	\$ 8,819.83	\$ 5,202.39	\$ 5,715.82	\$ 4,207.20	\$ 6,741.71	\$ 30,686.95	\$ 58,113.05	65%
Fringe	\$ 15,984.00	\$ 885.42	\$ 1,010.30	\$ 1,111.72	\$ 1,549.98	\$ 638.21	\$ 5,195.63	\$ 10,788.37	67%
Overhead	\$ 13,500.00	\$ 1,267.06	\$ 435.23	\$ 583.02	\$ 845.92	\$ 1,068.62	\$ 4,199.85	\$ 9,300.15	69%
Conferences	\$ 15,000.00	\$ 791.96	\$ -	\$ -	\$ -	\$ -	\$ 791.96	\$ 14,208.04	95%
Meetings	\$ 8,000.00	\$ 1,267.35	\$ 1,266.48	\$ 10,192.50	\$ 57.19	\$ 315.72	\$ 13,099.24	\$ (5,099.24)	-64%
Contract	\$ 64,300.00	\$ 1,377.16	\$ 4,164.84	\$ 23,119.36	\$ 2,080.60	\$ 22,391.20	\$ 53,133.16	\$ 11,166.84	17%
Project	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	100%
	\$ 230,584.00	\$ 14,408.78	\$ 12,079.24	\$ 40,722.42	\$ 8,740.89	\$ 31,155.46	\$ 107,106.79	\$ 123,477.21	54%

Recommended Action
 Receive and file.