

OFFICIAL MINUTES FOR MAY 15, 2012

The Regular Meeting of the Kiowa County Commissioners was called to order at 9:05 a.m. by Chairman Richard Scott on May 15, 2012. Richard Scott opened the meeting with prayer and Pledge of Allegiance. Those attending were:

Richard Scott, Commissioner
William E. Koehler, Commissioner
Donald Oswald, Commissioner
Debra C. Lening, County Clerk
Peggy Dunlap, Administrator

Rodney Johnson entered the meeting as a visitor.

Minutes from the April 27 2012 Regular Meeting and the May 1, 2012 Special Meeting were presented. Oswald made a motion, seconded by Koehler, to approve both sets of Minutes as presented. All Commissioners voted affirmative.

The vouchers were reviewed. One voucher was questioned. Vouchers were approved and signed.

Jeanne Sorensen entered the meeting at 9:40 a.m. as a visitor.

The agenda was reviewed. Scott asked that an item be added to new business regarding DSS rent. Koehler made the motion, seconded by Scott, to approve the agenda with the addition. All Commissioners voted affirmative.

Undersheriff Casey Sheridan met with the Commissioners regarding the possible purchase of a 2007 Ford Expedition for the Sheriff's Department for \$7,000. The vehicle would be coming from law enforcement and is fully equipped. Decals and the siren are the only items that would need to be added. The Sheriff's Department would sell the Impala and one of the Crown Victoria's, which should offset the purchase. Koehler made the motion, seconded by Oswald, to purchase the 2007 Ford Expedition with the proceeds from the sell of the other vehicles to defray the cost. All Commissioners voted affirmative. The other vehicles will be displayed along the highway and will be advertised for sealed bids.

There was discussion regarding the "green vehicle," which is the new command center vehicle received from Clear Creek County at no cost to Kiowa County.

The theater insurance was discussed. The lease has not been updated since 2008. The amount of insurance on the theater is not enough to cover all the renovation that has been done to date. It was discussed that the Town of Eads is going to insure the theater. The theater valuation was \$13,550 when the project started, so the insurance is minimal and is not sufficient to cover the total that the project is now worth. The lease is being re-written to update if a lease is still needed by the County. If the Town is going to insure the building, the County can make an annual contribution to Crow-Luther instead of insuring and leasing the building. This matter was tabled until further information is received.

The Bureau of Reclamation is seeking permits to come into the County to perform geotechnical investigations. Reclamation is beginning the first phase of geotechnical investigations for the Arkansas Valley Conduit (AVC), a proposed municipal, rural, and industrial water supply project located in southeastern Colorado. Test locations for the first phase are located in Crowley, Otero, Bent, Kiowa, and Prowers counties along state highways, county roads, and on private land. The geotechnical investigations include drill holes, cone penetration tests, and geophysical tests. The Commissioners feel that a Memorandum of Understanding (MOU) is needed as opposed to permits. The Bureau of Reclamation will have to contact "811" for any utilities that might be in the right-of-way ditches where the test holes will be drilled. This matter was tabled until later in the meeting.

Area Extension Agent Bruce Fickenscher met with the Commissioners to present the CSU Extension Quarterly Report and to discuss other areas of interest.

Sharon Johnson entered the meeting at 10:20 a.m. as a visitor.

Joyce Berry met with the Commissioners regarding the Horseshoe Park to ask for a donation from the County to help care for the park. The volunteers that care of the park would mow the County's lot to the West of the Park in return for assistance with supplies. Koehler stated he would prefer an annual contribution. A line item would need to be added to the 2013 Budget for the Horseshoe Park. Scott made the motion, seconded by Oswald, to authorize the purchase of materials for the Horseshoe Park in return for their mowing the County lot, not to exceed \$500. All Commissioners voted affirmative.

There was further discussion regarding the MOU for the Bureau of Reclamation. Oswald made a motion, seconded by Koehler, to sign an MOU with the Bureau of Reclamation for first phase of the geotechnical investigation for the Arkansas Valley Conduit (AVC) project, to wit:

MEMORANDUM OF UNDERSTANDING BETWEEN KIOWA COUNTY AND BUREAU OF RECLAMATION

A refundable bond of \$40,000 to cover county road damages for 18 miles (est.) right of way.

Refill all drilled holes larger than 3 inches in diameter.

One water line south of Eads is labeled Fisher/LaVelle water line from the city limits, Lowell St, south on east side of County Road 40, crossing to the west side. Contact Terry Laird at 719-438-2249 or cell phone 719-688-9851 for details.

The permit fee is waived.

Approved _____

Not Approved _____

Richard Scott

Donald Oswald

William Koehler

All Commissioners voted affirmative.

Commissioner Scott would like to send a letter to Governor Hickenlooper, as well as the State Senators and State Representatives, requesting the proceeds from the sale of the railroad be appropriated to the counties impacted by the loss of the railroad, pro-rated on the basis of miles of line in each county. The loss of the Towner Line will damage the economy and harm the citizens of those Counties. The loss will jeopardize any future development of business that would utilize rail transportation in Kiowa and Crowley Counties through loss of tax revenue and reduced marketing capability. Scott made the motion, seconded by Koehler, to send the letter to those mentioned. All Commissioners voted affirmative.

Bids for office supplies were reviewed. Kiowa County Press, Kiowa Healthmart and Plains Network Services were the only three bids received. Oswald made the motion, seconded by Scott, to accept the bid for copy paper from Kiowa County Press. All Commissioners voted affirmative. Oswald made the motion, seconded by Koehler, to table the other bids until the next Regular Meeting until price comparisons of the extensive lists can be done. All Commissioners voted affirmative.

A complaint was received involving personal use of the transit van. A letter of explanation was received from Carla Gifford. No action was taken.

The Commissioners have received complaints regarding roads, widths, rights-of-way, weed control, etc. In regard to future complaints, the Commissioners would like for the land owners to write out their complaints so it is clear and concise. The Commissioners will discuss these matters with the road foremen and then with the road and bridge crew to see how to best handle these issues. The Commissioners will meet with the foremen on May 29th at 9:30 a.m. to start the discussion.

The meeting was moved at 11:30 a.m. to the courtroom to accommodate an audience. Those attending were: Rod & Sharon Johnson, Jeanne Sorensen, Cardon & Joyce Berry, Stephanie and Brian Bohlander, Lance Jagers, Shannon Ellenberger, Denise Nelson, Marilyn Baxter, Sharon Frazee, Tom Henton, Autumn Rouse, Casey Sheridan, Mike Schneider, Jackson Brunmeier, Tom Richards, Cathy Davis, Cindy McLoud, and Betsy Barnett.

Rod Johnson met with the Commissioners, both as a concerned citizen and as an active member of KCEDF, to wit:

For the record, my name is Rodney D. Johnson, a resident and taxpayer of Kiowa County, Colorado and the Town of Eads. I want to emphasize in advance that my comments today are my own opinions and not officially those of the Kiowa County Economic Development Foundation (KCEDF) or any other organization. I have a paid membership to KCEDF and serve on the KCEDF board as an alternate in the absence of a class C member. I was fully involved with the planning and formation of the non-profit organization and served as the first President until March 2005. I continue to serve as the "Resource Committee Chairperson". I have attended KCEDF meetings on a regular basis since its formation. Because of this I feel I have as good an understanding of the history, business and value of KCEDF as anyone.

My main purpose today is to address concerns about recent actions of the Board of County Commissioners focusing mainly on KCEDF but also on general Commissioner processes I feel are lacking and not appropriately benefiting Kiowa County and its residents. In the last two weeks I visited with numerous individuals within and outside of Kiowa County to make sure my thoughts were not clouded by being too close to the situation. What I found is a wide range of individuals with a variety of opinions and found I am not alone. I found far more concern expressed in many different areas than I expected. Daycare and KCEDF were mentioned, but there were numerous concerns raised about the Commissioners, their Administrator, attitudes and how County business is being conducted and the resulting negative business climate.

I also want to update the Commissioners on four meetings being coordinated by KCEDF.

First of all, if I may, I would like to ask a few questions of each Commissioner; first Commissioner Koehler.

Do you feel the Kiowa County Economic Development Foundation (KCEDF) provides value to Kiowa County?

Koehler: Currently, some. We need economical development, but in my opinion, we need to center it on private businesses.

Scott: I don't think there's no question that we need economic development efforts in Kiowa County

Oswald: Continue the way we are. I've been involved all along.

Do you feel any level of funding for KCEDF should come from the Kiowa County Budget?

Koehler: A contribution, yes.

Scott: Absolutely, and we have and we are, and I think we've also indicated that the contribution has reduced in the last couple of years. If the budget thing improves, it can improve.

Oswald: We've been contributing. We continue to contribute. I don't see any reason why we wouldn't continue to contribute.

If so, how do you determine the appropriate amount?

Koehler: It's basically what they've (KCEDF) asked for.

Scott: See Rod, when I came on board, it had been established at \$25,000, and how that came about, I'm not sure, but anyhow, we had just accepted that figure and that was the contribution that we seemed to be able to live with and that KCEDF was satisfied with. A couple of years ago when the budget got really tight, and that may have been more than two years ago, any how Rod Brown was still on the board at that time, and in an effort to try and make our budget come out even, we reduced that fund from \$25,000 to \$15,000, and that's where it stayed since then. But anyhow, that's how that came about. There's no formula that I know of. I've never seen any formula or percentage. It's what ever seemed to be appropriate before.

Oswald: My understanding is the \$25,000 was equated to the annual payment that is due for the Jackson property and was established before I came into office and we have continued that up until more recent years. It is generally paid in August just before that payment is due on the Jackson property.

What about Department of Social Services (DSS) funding?

Koehler: Financially, DSS is in bad shape and we're still not at liberty to say what's going on.

Scott: That's where I'm coming from, Rod, is that when the State funding falls short to cover the money for Department of Social Services, then the County has to pick that up and we've picked up quite a bit of money in the last couple of years and I personally don't think we can justify continuing to do that.

Oswald: Same as the other two.

If KCEDF ceases to exist, how should their responsibilities and obligations be handled?

Koehler: KCEDF – I've been kind of watching that and I don't know. They're operating on no set funding. In my opinion, they ought to go make a district similar to the Prairie Pines and Hospital. You'd have your set funding every year.

Johnson: The formation of a district would be by a vote or a commissioner action?

Koehler: Yes, by a vote.

Johnson: Some districts are formed by a vote. I think the Recreation District was formed with public notification, meetings, and the Commissioners established it with whatever mil levy it would take – a fixed mil levy. That's what you're suggesting?

Koehler: Right! And I think it should be by a vote.

Oswald: I believe if you go the other route with the Commissioners, we have to take a mil levy from someplace else and designate it to it and we, I think, are limited to ½ a mil if the Commissioners designate it a Special District. If it goes to a public vote, it can be whatever they request.

Scott: I guess I hadn't considered that the end of KCEDF being even an option. I hadn't thought about that. My thought is that you figure out how to continue KCEDF. The idea is not to stop it.

Johnson: Okay, I appreciate that.

What I would like to request from the Commissioners today are to:

- Conduct County business in a professional, constructive, respectful and open manner
- Separate the day care issue from KCEDF
- Define the value of KCEDF to Kiowa County
- Use Cost/Benefit analysis when making budgetary decisions
- Establish constructive dialog and orderly transition of KCEDF if not funded

I get a bit defensive when I hear KCEDF being accused of misappropriation of funds especially from one of our elected officials. I would like to see any evidence that this has ever occurred. That accusation is a direct insult to the 23 dedicated citizens and business owners who served as board members to KCEDF over the last 12 years with 4 different presidents and 3 different administrators.

The Commissioners' recent action to suspend funding for the Kiowa County Day Care and including KCEDF, seems to me to be an attempt to justify, shift focus or lessen the impact of the daycare closing by saying "we treated everyone the same". The problem with that rationale is that Day Care and KCEDF are two entirely different entities.

I don't want to dwell on the daycare issue but I think cost/benefit analysis should be used in reviewing that matter. The Commissioners seem to be looking at only the cost issue. The loss of jobs, disruption to businesses and families and lack of available alternatives require a more orderly transition. The negativity business climate this creates is a big concern.

What about the County Transit Vans? Aren't they funded in part through DSS? Isn't that a "non-mandatory" program? Is that program the next to suffer action by the commissioners?

KCEDF received no notice that suspension of funding was even being considered. I see no discussion of this in the Commissioner minutes and there was not a specific agenda item about KCEDF for the April 27, 2012 meeting. I find this especially disturbing since the County Commissioners serve on the KCEDF Board even though one has chosen not to attend meetings since July last year. Funds invested in KCEDF by the County and others have been leveraged to hundreds of thousands of dollars and numerous other intangibles such as community improvement and pride, volunteer spirit, youth involvement and recreation close to home.

In part, funds contributed to KCEDF by the County have been repaid in rent and utilities for the KCEDF Office through the Department of Social Services (DSS). I have not had time to sort out how much funding for KCEDF actually impacts the County General Fund but in rough figures, it appears to be around \$4,000 for the DSS portion of the funding. In addition, I believe it is correct that Kiowa County began funding KCEDF at \$25,000 for an annual recreational lease when the Jackson property was purchased in the fall of 2003 and provided that amount for several years. Those funds were used to make land payments while other KCEDF funds were used to install waterlines, electric lines and telephone infrastructure.

For 2012 KCEDF is funded at \$15,000 but was advised by the Commissioners that KCEDF would be required to use \$5,000 of that contribution as matching funds for the Murdock building restoration. **So if that is correct, Kiowa County is only funding KCEDF at \$14,000 total for the current year.** The County may be at risk for an additional \$4,000 if TANF (Temporary Assistance for Needy Families) funds are over spent but it does not appear likely. It needs to be pointed out that TANF funds are a different DSS funding account than how Day Care is funded. **KCEDF now has to cover the DSS portion of the funds contributed by the County, but also significant funds provided by the State of Colorado through DSS have been removed. GIVING UP THE STATE SHARE OF FUNDING IS FISCALLY IRRESPONSIBLE.**

I want to reiterate that absolutely no discussion or forewarning was given. I have found no discussion of this issue in any minutes that have been made public. That infers discussions are being held and decisions made outside of meetings or as a hasty, irresponsible decision without considering the facts. That is WRONG and maybe worse. To me that destroys trust in our elected officials and I wonder what other actions they have taken or will take to our detriment.

I think there are a wide variety of avenues that can be approached in funding KCEDF but it is impossible to discuss these options when the Commissioners take actions without putting it as an agenda item for public comment or even consulting the KCEDF Board on which they serve.

The abrupt unannounced decision to change the funding for KCEDF resulted in a total disruption of operations. Not only did it stop progress on numerous projects, it stopped the normal office operations and assistance provided by KCEDF to deal with all of the ramifications of the Commissioners' decision. Personally for me, I have spent two weeks on this documentation. On the Kiowa Creek Natural Area alone we currently have six different grants totaling over \$120,000 in progress funding different projects.

Interpretive exhibits for the historic barn, of which we hoped to have some in place for the Fair and All-School reunion, have now been delayed while we deal with the fall-out from this decision.

KCEDF is currently in the process of dealing with water rights issues and mineral leasing options on the KCEDF property. We have a Fishing-Is-Fun grant for Jackson's Pond that is 95% complete where we planned to have work completed and requested total reimbursement by the end of May, but we had to stop expending funds and had to rush to complete a partial request for reimbursement immediately to help fund KCEDF due to the Commissioners' actions.

We have interpretive signage projects in Brandon, Eads, Haswell, Sheridan Lake and Towner that are being coordinated by KCEDF through the Canyons & Plains board of which I am a member representing Kiowa County at no cost. Have you even considered the value of these contributions?

The value of KCEDF to the county can be measured in too many ways to count. This has gone on for years. Do you realize that in one year from March 2003 to March 2004, KCEDF assisted in the preparation of 11 separate grants totaling over \$360,036 for such things as the Towner Community Building, KA Hall improvements, four different fire department grants, and the Town of Eads Maine Street improvements? We were 100% successful in grant awards.

I can easily document over \$270,000 in grant funding that Jackson's Pond, Kiowa Creek Natural Area and adjoining landowners received through direct efforts of KCEDF. A majority of these funds have been spent hiring local contractors to do the work including one of the Commissioners. There are numerous other grants I have not attempted to document here.

Early on KCEDF assisted in the application, administration and project management for the Bransgrove Building restoration. In return KCEDF received office space in the County owned building but through the arrangement with DSS, the County receives rent, utility and maintenance reimbursement.

Property tax revenues for 2011 to be paid in 2012 on property sold back to private individuals on the KCEDF/Jackson property amounts to over \$5,500 for one year. If an economic multiplier of 5 is used (which is considered low, 7 is normal) that equates to \$27,500 each year. That is a \$275,000 economic return in taxes alone to Kiowa County over the next 10 years if no more property is sold. These economic realities are being totally ignored in the Commissioners' decision.

What about the volunteer labor and in-kind work, some by the county and the towns but much more from private businesses and individuals that has been contributed? On our most recent Fishing-Is-Fun grant for Jackson's Pond, over \$9,000 was contributed as in-kind to match a \$21,000 grant; \$505 of in-kind was provided by the County. An additional \$3,050 of grant funding was used to reimburse the county for work they provided. Commissioner Koehler provided \$1,125 of in-kind funds for the grant and that was greatly appreciated. He has helped us several times in the past with pond projects.

Speaking just for myself, over the last 12 years, I have personally spent thousands of hours & thousands of dollars, in donated mileage, equipment, grant writing/accounting, supervision of projects, attending meetings and phone calls without reimbursement. These are all contributions not only to KCEDF but to Kiowa County for many things that if KCEDF was not doing would require county personnel and expenditures or it wouldn't get done.

How do you measure the educational values to our students through their association with KCEDF? Good case in point is the FFA Ag Farm property donated by KCEDF, the FBLA involvement in promoting businesses and theatre restoration. You only need to look at the national recognition of these two groups to understand that good things are happening. Three FBLA students won 1st at State over ALL schools on their Theatre project and are on their way to Texas for Nationals. How should we value what we contribute to each student to become a productive citizen: \$100 each, \$1,000 each, \$10,000 each?

Recently KCEDF researched costs and prepared a Fishing-Is-Fun grant application for Shalberg's Pond at Sheridan Lake. I consulted with Sheridan Lake residents and met with the Commissioners to discuss the in-kind funds needed for the grant and they agreed to provide funding. I traveled to Sheridan Lake to take photos, prepared a Power-Point presentation and traveled to the Colorado Parks and Wildlife Office in Denver to present to the selection committee. The final draft package was presented to the Commissioner's Office without one penny of County general fund or personnel time expense involved.

How do you value the networking of KCEDF with other counties, Federal and State agencies and legislators?

KCEDF is always open to constructive suggestions on how we can best help the people of Kiowa County and people can request to be placed on the agenda or at least attend the annual meeting where a summary of the most recent year is given. Most of the people who complain have never attended a KCEDF regular meeting much less the Annual Meetings but they sure consider themselves experts on the subject. Gutting KCEDF through the recent Commissioner actions is not, in my opinion a logical, reasonable or financially sound decision. KCEDF will survive with or without the Commissioners. KCEDF will be much stronger with you. We have come too far to let ill-conceived actions destroy the progress.

How we conduct business is every bit as important as what business we conduct. Respect for the people we deal with is an absolute necessity. We need to be sure we separate the personnel and public actions from an individual's business interests. A person should not benefit nor should they be penalized in their business due to their public position and decisions. I feel very strongly about this.

HOW MUCH SHOULD THE COUNTY COMMISSIONERS INVEST IN ECONOMIC DEVELOPMENT IN KIOWA COUNTY AND WHAT IS THE BEST WAY TO DO IT? THIS IS AN IMPORTANT DISCUSSION WE NEED TO HAVE.

I BELIEVE THE KIOWA COUNTY ECONOMIC DEVELOPMENT FOUNDATION IS THE MOST APPROPRIATE STRUCTURE AND I BELIEVE IT WAS UNDERFUNDED BEFORE THE COMMISSIONERS TOOK THE MOST RECENT ACTION.

I REQUEST THE COMMISSIONERS TO RESCIND THEIR ACTION ON REMOVING FUNDING SUPPORT THROUGH DSS AND IMMEDIATELY MEET WITH THE OTHER MEMBERS OF THE KCEDF BOARD TO DETERMINE AN APPROPRIATE LEVEL OF FUNDING.

As County Commissioners you have a tremendously difficult job to deal with all of the budget, regulatory, personnel issues and your constituents. I want to commend you for taking the time to serve but please do it professionally. Hopefully we can all productively work together in a civil, constructive manner.

The four meetings coordinated by KCEDF I wanted to inform you of are:

- 1) This past Friday a group of 24 individuals from the Julesburg, Colorado, Welcome Center, visited Bent's Fort in the morning and the Sand Creek Massacre National Historic Site in the afternoon. In cooperation with the Eads Chamber of Commerce, KCEDF arranged lunch at K&M restaurant in Eads. Marla and her crew at K&M did an outstanding job with the meal & service.
- 2) May 23 through May 25 the Colorado Tourism Office (CTO) will be touring southeast Colorado. On May 25, the group will visit the Sand Creek Massacre National Historic Site and the Kiowa Creek Natural Area. KCEDF is meeting with the group and has made lunch arrangements. We would like our local officials including the County Commissioners to join us for lunch at Sand Creek. The CTO Board is paying all of their expenses and the rest of us will be responsible for paying for our own unless some other entity decides to sponsor. This is an excellent opportunity to meet and discuss issues affecting our county. We will need RSVPs to know how many lunches are needed.
- 3) I am aware that Doug Harbour from Lamar met with the County Commissioners On April 12, 2012 concerning ideas he has for resurrecting the Great Plains Reservoirs in Kiowa County. Doug Harbour previously met with the Canyons & Plains Board on this issue. On May 31, there will be a Prairie and Wetlands Focus Group meeting in the courthouse meeting room. Seth Gallagher with Rocky Mountain Bird Observatory (RMBO with whom we have worked for many years) and I began discussions early this year on the possibility of requesting a large North American Wetlands Conservation Act (NAWCA) Grant and other matching grants to move forward on this project. We are talking million dollar grants. This will be **ONE** of the agenda items at his meeting. It will take numerous dedicated planning meetings, grant research, writing and administration and coordination as we move forward. **IT WILL TAKE INTENSE COOPERATION FROM EVERY POSSIBLE ENTITY AND ORGANIZATION IN THE AREA FOR ANY CHANCE OF THIS BECOMING A REALITY!** The Prairie and Wetland Focus Group brings a wide variety of partners together, usually twice a year to discuss numerous natural resource issues. We have excellent working relationships established through KCEDF with most of the attendees. I began attending these meetings in 2004 after KCEDF purchased the Jackson Property. I have already mentioned this meeting to the Commissioner's office and have reserved the courthouse meeting room. More details will be forwarded as they are provided.
- 4) Lastly, on June 7th the Canyons & Plains (Southeast Colorado Regional Heritage Taskforce) will hold their monthly members meeting at Sand Creek. This six and ½ county group works with regional heritage and wildlife tourism. Janet Frederick our first director of KCEDF was instrumental in the formation of this organization.

Discussion followed Johnson's presentation:

Scott: Well Rod, I don't guess I've got a lot of comments but part of your presentation was like – I get the impression that you thought we wanted to do away with KCEDF and that is not the case.

Rodney: It's hard to tell with discussions and comments that have gone on in the past; I think there was an inference of that. When I started this whole thing, it was fairly simple. I've been working on it for two weeks. I spent a good share of the weekend working on this. I was working on it last night when we got home and I was working on it this morning, trying to figure out what's important and what's not. There was several pages of stuff taken out and some pretty critical comments that have come about from some people that I've talked to in the last couple of weeks. It's a real symptom of problems, the way things are handled and the way business is being done, documentation in minutes, and I could go on and on. There's quite a large laundry list of things that people are concerned about. And you don't have a group show up like this, and like I said, I did not invite this group. I'm not sure how completely it all came about. I've got some suspicions but they have not seen this. Maybe most of them are here for day care, I don't know. But you don't see this unless there's some

significant issues that need to be dealt with more effectively. (Parts of Rod's conversation was removed to consolidate. However, none of the content was changed due to this.)

Scott: Okay, but if you have the impression that we're out to destroy or stop KCEDF, that's wrong.

Rodney: Then my question would be why was the funding impact...– you sit on the KCEDF board and you know what our cash balance is right now. We do not have a huge amount of cash to deal with. Your actions completely pulled the rug out from under KCEDF. Now there's ways with our Fishing is Fun Grant Funding and all but what's the (KCEDF) Board to suspect when they haven't even been forewarned about this where they would have the opportunity to discuss it? And comments in the past that individuals have made about KCEDF, made in the community, people that don't understand KCEDF – and I think every director we've ever had, from Janet Frederick to Lisa Trigilio to Jan, that's one thing they've all said. People just don't understand how much goes through here!

Scott: Rod, one of the basic things that came about on the reason that KCEDF got involved was because of the Department of Social Service's overruns from day care and other things. And we don't know just exactly where those other things come from, but we know pretty well where the overruns come from on the day care. One of the things that came about is the director of KCEDF being funded through the Department of Social Services and there are some questions there. One of the things was that supposedly this person worked 25% of the time for DSS. There's no documentation that that ever happened.

Rodney: Right. I've read parts of the audit and knew this was a concern.

Scott: Then there's another indication that this person worked 75% of her time for KCEDF. If that's true and then they come up and have to work 25% of the time for DSS, isn't this leaving quite a bit less time that could be devoted to KCEDF?

Rodney: Well, I guess it's all in how you define what is working for DSS.

Scott: Part of this, Rod, has come about from the way the Department of Human Services at the State level looks at this, and if they say that those funds that are being used for KCEDF are not an allowable fund, then I know exactly who gets to pay that, and that becomes County only funding.

Rodney: But I don't think that decision has been made in anything I've seen, that I didn't see anything that indicated that funding for KCEDF needs to contribute anything to DSS. I haven't seen anything that said DSS couldn't just give us (KCEDF) a check.

Scott: If the State doesn't give them the money, where is this going to come from then?

Rodney: I suggest you talk to the KCEDF Board and if we have an overrun in the DSS, KCEDF could pick up that funding, which looks to me, if my figures are right, for KCEDF and the exposure the Commissioners have got is about \$4,000. How that all balances with the rent we pay, the salary we pay, I don't know."

Scott: Well, I know for a fact that if DSS runs short of money, which they have and which they're going to again, then I know that that comes from the Kiowa County General Fund.

Rodney:: And in the past it's always been reimbursed by the State. It's my understanding this is the first year, pretty much, that has happened.

Scott: No, it happened in 2005 to the tune of only \$30,000, so that's not as much as what we paid here lately. If we went ahead with what we're doing, we're looking at, by the time we're done with this, we'll be another \$150,000 short this year.

Rodney: Because of KCEDF?

Scott: Yes and because of DSS. And if the State can't pay the money they're short right now for her salary, then the County will pay it. We're not willing to continue going on and on and on with the shortfalls of the Department of Social Services. And that's why we said we're not going to do the non-mandated programs.

Rodney: If you had any exposure in the past of having KCEDF causing the County to expend funds. My understanding is that the money KCEDF gets comes out of separate funding. That's the TANF funds we've talked about, which is different than day care. With day care, there a lot more room for exposure.

Scott: Somewhere I know that there was to the tune of some \$25,000 that came out last year. We don't know where that came from for sure.

Rodney: I would suggest we find out before we lump everything together.

Scott: There's an audit group working on that right now.

Rodney: I see that audit. I've read the audit and I've dealt with numerous federal/state audits and from what I've read in this audit, it looks like a fairly normal audit to me. I think, unless somebody is going on a fishing expedition looking for facts to justify preconceived positions, I don't see that audit as anything that's overly earth-shattering.

Oswald: Do you agree that the State DSS paying 50% of economic development's salary when they are putting in 25% of time is acceptable?

Rodney: That's a question you're going to have to ask the State. My understanding is there's no requirement that DSS puts in. Maybe it's a different account that it should come out of. I think some of the things that happened with KCEDF in the past, we thought that was do-able when the County had reduced funding, there was a way that that could be balanced.

Oswald: Is that not what is happening?

Rodney: It's my understanding that the KCEDF director's salary could be paid entirely out of DSS funds with nothing going to DSS. It might require different accounting of some type, or likewise, one of the missions of DSS is to promote economic development. I think, from what I understand, DSS could write a check to us for a flat amount of money for economic development. Those are specific questions you're going to have to ask your state people or work with Dennis on. I have just enough information to really be dangerous, but my understanding is that KCEDF has not jeopardized the County General Fund Budget to any great extent, and as near as I can tell right now, the only thing you guys are on line for is everything falls apart is about \$4,000.

Oswald: But, as I asked, is it not correct that right now half of all expenses for economic development are being paid by DSS?

Rodney: I would have to back and look at all the numbers. I couldn't tell you if it's exactly half, I don't know. What do you get reimbursed? The state picks up 80% (80/20) and the danger is if a budget area gets over spent, then it becomes a County issue where you are at risk for more than that 20%, because you have to pay the funds first and then the State reimburses, correct? Am I understanding that right?

Scott: You know, we didn't just haul off and do that. We asked the Department of Human Services people at the State, we asked the Joint Budget Committee, we asked our legislators, what the chances were of any funds being made available to cover the Department of Social Services shortfalls for 2012. Some of them said NONE. And that's where I determined that I was not willing to come up with another \$144,000 or it looked like maybe even more out of the County General Fund to meet those programs that were not required by law to do.

Rodney: I wish you would check and find out if I'm incorrect in what I stated today, that you are only at risk for about an additional \$4,000 for KCEDF, and I think the KCEDF budget could stand paying that \$4,000. What the KCEDF budget can't stand is pulling all the 80% (TANF) funding that the State provides that KCEDF has to pick up now, too, and then the County's contribution is down to \$10,000, maybe the way it's handle, as Bill has mentioned at different times today and maybe some of you have, do it through a contribution, a flat amount saying KCEDF's value is this and give KCEDF \$40,000 or \$50,000 or whatever it is and forget DSS. My understanding is it went through DSS that way because DSS picked up about 80% of that salary, the rent, the utilities, and everything else, now all that's getting dumped back on the KCEDF budget now. That's the discussion and it's complicated! This is not a simple issue, but those are the complicating issues that need to be addressed. And I think it needs to be looked at totally separate from day care. I have not researched day care and I know there are some fairly large exposures to the County through day care. I will admit to that, but they are two totally separate issues and I came here today to discuss KCEDF and how I see the history and the value of KCEDF to Kiowa County in the hundreds of thousands of dollars. And you take just the grant funding – I hate grants with a passion, but you don't go after them or you don't use this State money, that's your tax dollars they are taking and they're going to be given to somebody else! Right?

Scott: I don't think we're arguing with your performance down at Jackson's Pond or anything like that.

Rodney: That's a moot point. That doesn't have a lot to do with this discussion. It's a contribution, and yes, it's one of the many contributions that have come because of KCEDF.

Scott: Well, it seems to be a factor though, here today.

Rodney: I put it in there stating that these are monies that the County is getting – donated time – Koehler's time that he has donated on his equipment, that's all contributions that are benefitting Kiowa County. They're not benefitting Bill Koehler! They're not benefitting me in any particular way. They're benefitting Kiowa County! All those have come together through KCEDF, the history of KCEDF from the beginning, has pulled all these relationships together – the FBLA, the FFA, things we've done – we wrote the grants to pay FFA a considerable amounts of money for the work they did. It didn't have to be in-kind. It helped maintain national conventions and stuff. Those were funds we were able to do. If we can do it through a grant, we've done it. We've done it at about 100% through the County. For the last three years, when we knew we had budget problems, it was brought up in the KCEDF meetings and we basically got to the point were we said if we can't match grants or get volunteers to contribute in-kind, the County's not in the position to do any in-kind. And we haven't done hardly any in-kind through the County at Jackson's Pond. And Jackson's Pond is such a small part of the picture, there's a lot of money there, but that's the one I've been most involved with and that's why I used it so much as an example.

Scott: I guess I have just a little problem with that, Rod, in that we mentioned Jackson's Pond and that the County hasn't done much. The County did do something on Shalberg's Pond, but the comment I got was 'Oh well, that's down there.' You made that comment the other night at the KCEDF meeting. 'That's down there!' That's like that didn't count.

Rodney: You took that wrong. I was talking about Jackson property and you started talking about contributions at Sheridan Lake. I was talking about County contributions at Jackson's Pond. Jackson's Pond is owned by the Kiowa County Economic Development Foundation, which is the people of Kiowa County. I acknowledge, yes, that the County Commissioners put the in-kind in there and I appreciate it. It's good for down there but that's not a KCEDF function.

Scott: Rather than say that we won't help and won't do anything for KCEDF, we did!

Rodney: That down there is a County project. KCEDF is assisting the County in applying for that. We wrote the grant funds. KCEDF does not own that property! That's the difference in the two. I'm glad we got that done down there. Everything we're doing with the "Wayfinding I" (CDOT grant through SECORHT/Canyons & Plains Grant). That's KCEDF coordinating, cooperating to help in all the other communities. But the Jackson's property is owned by KCEDF, so that's a completely different issue in the way that's treated, and I've never said the County hasn't contributed. They've contributed an awful lot to the KCEDF property down there and they've caught a lot of grief over the years since the beginning. Part of the time you and Bill were on there and I know Donald caught a lot of that - why should the County be contributing down there. And that's where I get back and ask you to do a cost benefit analysis. What the County is actually putting in? What are you getting back? I think the day care issue should be treated the same way. What is it costing the County? Just because the County is spending money does not mean that it's bad to spend it. What is the return to the County? If you spend \$100 and you get \$100 back, the cost benefit ratio is pfft (nothing). It doesn't amount to much, you've just switched assets. If you spend \$100 and you get \$1,000 back, that starts to look pretty good. But what if you spend that \$100 and get \$10,000 back? That's similar to what you're looking at with KCEDF. And then you take the economic multiplier on top of that, you're talking a whole lot of money, for what I consider important but not all that much contribution from Kiowa County compared to the benefits that have been received. You've got a lot of bang for your bucks!

Oswald: Has it not been an ongoing conversation with economic development, SEBREA, PCDI – I don't care which one you want to talk about – the cost to benefit ratio, trying to come up with 'How do you define cost to benefit?' That has not a number that has been defined.

Rodney: What is a single kid worth making him a productive citizen through the school, through FFA or FBLA? That's what I said - \$100 each, \$1,000 each, \$10,000 each? I don't know! I don't what that number is.

Oswald: So that's one of the things that still needs to be defined out there for all of us. I'm not going to argue that one way or the other.

Rodney: That is a hard one to capture! We've looked at that through Canyons and Plains on the tourism issues and things like that. What have we got to measure that? Are we getting the value that Lamar lodging tax and La Junta lodging tax and the Bent County lodging tax is paying into this in supporting Canyons and Plains? We wrestle with that same thing. How do we justify what we don't know? We know we're doing good things but how do we quantify that? And I don't have an answer for those intangible things.

Oswald: You touched on some other items. You spoke of Transit being part of DSS. It is not and has never been part of DSS.

Rodney: They don't get any funding out of DSS?

Oswald: They do not get any.

Peggy Dunlap: They get Medicaid travel.

Oswald: And on to it, I don't have a budget with me but I can go down and get it if you want to, but it shows you two years. The cost of what you putting into it is very small. It's probably \$4,000 to \$5,000 of what it costs the County to run Transit. I may off a little bit but that is roughly where it is. That's what it's costing us. You were talking about the documentation and concerns. There's a lot of documentation on all sides and a lot of concerns there, too. I guess I have some questions on some of the documentation from economic development and it was a choice that we made earlier this year, not only for economic development but also for Prairie Pines and some of the others. We have been asked by the constituents for transparency, so we went in on Jeanne's site, we went in on Sharon's site, and in the paper and so forth so that you see the minutes and you see the financials and everything else. And referring back to the financials temporarily here is the sheet that Dennis and/or Jan gave us for 2011 and it does say 50% of this is economic development and 50% of this is DSS.

Betsy Barnett: I was just wondering if it would be possible if you could do cost analysis on the day care and KCEDF just to see if it would be possible to keep them open. That's a progressive idea to keep the jobs. I'm for both programs because I'm just for the community and I just wondered if you could do that or if you could ask somebody to do that. I would at least like to see that as a cost analysis to see possibly what you are getting back, the benefit for those programs, before you just ax them. It's so hard to get anything back once it's gone, like closing the pool, the Haswell School – you know, we live with it, but then pretty soon, all the sudden we wake up and there's nothing in the community that's left. So I wondered if there would be at least a cost analysis to try and figure out what it's really costing and then to maybe figure out how to find grant funding or some other way to cover the cost. At the school, we understand the State is cutting money right and left, so we understand what you're talking about, but if there's a way to figure out cost benefits, the risk and the benefits, and see if we could cover the difference somehow through grant funding or some other program. That might be another way of looking at it before we just ax it. That's why I'm here.

Shannon Ellenberger: I can tell the perception of why something is so negative when we all agree that the benefit of KCEDF and day care is so great but you guys just ax it without any kind of discussion, solution, team playing, talking and discussing. It's hard for us to be convinced that you are seeing the value and the benefits of those programs to us. So, if you don't really feel that way, then let's get together some how and come up with a solution and if the funding isn't there, then just show us why. Prove it, I guess you could say.

Betsy: I actually believe the funding is not there, probably. I understand with the State, but what I'm saying is that we could look at it in a different way and maybe come up with some different programs.

Shannon: Find a solution and if all else fails, then we'll support you.

Oswald: How many months would you operate a business losing \$10,000 a month?

Shannon: I guess I would want to know why it's losing \$10,000.

Denise Nelson: And if you've known this for some time why did you give the parents three weeks notice to find optional day care? Do you realize how hard it is? Do you know, come Friday, I have no options? What am I going to do, close my restaurant? Close a business in town? Do you guys understand? You've got kids! Do you understand what we're looking at here? We've got until Friday! You gave us three weeks! If you've known about this for any amount of time, why didn't we get together on this way sooner?

Oswald: Did we not advertise for a private operator in July of 2011?

Denise: Yeah, but in no way did you mention "Hey, this is going under. We need to have it sold out by then or we're going to close it!" Never was that mentioned. You never said why you wanted a private owner, you just said you wanted to. Fine!

Betsy: Did you get one? I didn't know if you did or not.

Cindy McCloud: You're talking about business and you're talking about government. I see what government is supposed to be in the United States and for us in Kiowa County, is to help us provide services that we can't provide for ourselves as individuals.

Shannon: They're non-mandated programs that you're saying - is that the word, non-mandated programs - but yet the need for them is far beyond anything. I hate to use that word, non-mandated, because we really do need them. I don't want it to be looked at as just \$100,000 here without really looking at all the benefits.

Oswald: Even as government, we are required by State Statute to have a balanced budget. We have to live with a balanced budget. Along with that, if I run out of money, I can not go back to you and say, "Sorry folks! I need \$100,000! It gets added to your taxes!" When I run out of money, I'm out of money. I'm done!

Cindy: I understand that part. But I've hear two different numbers and for heresy. I've heard that you say we have \$500,000 in the general account. I've also heard the Treasurer says you've dropped a decimal point and that we have almost \$5,000,000 in liquid accounts. We are in this position because we've had commissioners that have been very frugal with our accounts so now that we are in a tough situation, we can continue with those services until things loosen up.

Oswald: When the Treasurer says that you have close to \$5,000,000 in liquid accounts, do those liquid accounts include the schools, the cemeteries, and the hospital? Does it include those? If that is the case, that is not available to us at the County level. It is NOT available to us.

Cindy: I also hear, and this is heresy that as a group you guys tend to think of money in terms of total amounts and not in terms of cash flow. That you go, "This is the way it is today!" but you're not seeing that you're going to continue to get some money in and also some money continues to go out.

Oswald: After about June 1st you are going to have very little money come in and everything is going out. Your tax money will be received. In fact, I believe if you step across and ask your Treasurer, he will tell you that you probably have somewhere in the neighborhood of 85-90% of your normal tax income already received, which is not the traditional for this County in the last decade.

Lance: A couple of things - I obviously tend to look at the big picture. That's kind of the type of thinker I am and I would definitely encourage you all as our County Commissioners to think big picture. We have to think progressively. At the same time, I understand we have to balance a budget. That's completely understandable. But where are we headed in this county? What are we going to try to encourage in this county? I made a statement which was probably not very nice to say, but it looks like whenever you are taking away economic development and day care, even if it's losing money, what are we promoting? What do we want here? Do we want young people to come here to make this a vibrant, vigorous county? Is that what we want? I know we don't have a ton of industry. I'm the Ag teacher. I know our main industry is agriculture in this county. And I realize it's tough whenever it is the main industry because there's not a lot of jobs. But economic development, that's one way we can bring new people, visionary people, into this community. You've got old people crawling all over this place right now. We ought to be excited of what's going to happen, hopefully. But we have to be progressive at the same time. What are we going to offer people in this county? What are we going to use to entice them to come here? I'll tell you what, without a day care you are not going to get any young people here! It's going to be awful tough. Where are they going to take their kids to? What are they going to do with their kids when they have to go to work? That's an issue. Another issue that rises out of that, the people that are taking their kids to the day care, people that are working at the day

care, what are they going to do? If they can't take their kids somewhere, what are they going to do? They're not going to work! That, in turn, will pull more money out of that office. And that's the bottom line you guys are worried about. More than likely this same time next year you're going to be shifting more money back over there to that place. More and more and more and that's the problem with our society that people want, want, want, and they don't ever give. But you are going to create another issue because some people are going to choose not to work because they're going to stay at home and they're going to take care of their kids and they're going to go right on that system over there. So this is a cycle and I think we have to be progressive in our thinking and where we're headed.

Cathy Davis: And I'd like to add to that. We will become a magnet county for that and all the dead beats will come here and go on the rolls because they don't have to work here because there's no day care. So they automatically go on the rolls because at other places where there's a day care, they get a job. Here we will be supporting dead beats instead of people who want to be a productive part of society but don't have day care to do it. Those people will leave out county. I've already been told of individuals leaving because they don't have affordable day care.

Stephanie Bohlander: In one way, especially through the school, and probably Betsy or Lance can speak to this better than I, but when you look at privatized business versus any government funding, whether it's at the county level or state level or whatever level you're looking at, in order to be able to write for grants and find any extra funding you have to be underneath a government program. You can't be a privatized business and have any sort of privatized funding at all. That doesn't come in privatized business. You have to be under government – I don't know what you call that. And a lot of our economic development, all of those wonderful programs that have helped pull Kiowa County up and give us the opportunities we have are because of those grant writers. And there are so many people willing to do that and if you don't know where to look or don't understand where to look, there are many, many people willing to help. But to ax any program that would benefit this community and this county before looking into those options is just not acceptable.

Oswald: How many grants have been looked at for the day care at this point and been received?

Brian Bohlander: At this point, probably none because we didn't know until three weeks ago that it was even an issue. And there is an option of going to a non-profit day care but you still need to have those grant writers and things like that to be the economic development because I've come and talked to you guys earlier and ask who writes those grants and I was told usually the director of the program but if you're getting rid of the program then there is no director and so then basically there is no one to write those because all those programs were discontinued.

Joyce Berry: Donald, why did you, when you advertised for someone to take on the day care for a private entity, why do you think you didn't get anyone?

Oswald: I can only guess from what I was hearing – I'm going to guess that part of it was because the parents using it have stated and continue to state that in order for a private one to operate they would have to have an increase in the rates, which would then be passed to the parents who can not afford it. Whether that would have been the case or not, I do not know. No one developed a business plan to show it one way or the other.

Denise: Whose job or responsibility is it to do the business plan?

Oswald: The business owner. Who develops a business plan for your business?

Denise: I'm not talking about if it was privatized, I'm saying right now. I mean, wouldn't it have been in your best interest to show if it was going to be a decent business. What did you guys do to sell the day care? Put an ad in the paper?

Oswald: I believe that would have began with the department director, Dennis. It was under his wing, was it not?

Denise: Well, I don't know, Donald. That's why I'm asking.

Oswald: It became one before I was here. I don't know either.

Cindy: He had packets available on what was required.

Joyce: The rules and regulations, the way I understand it, are so severe that I think there would be people who would like to privatize the day care. It's just like starting – I'm with Bill – I think everything should be privately owned. If that in my fantasy world, that would be wonderful. Can that happen? Absolutely not! Cardon and I just came back from a trip to Memphis and I was amazed at everywhere we went, every tour we took, this building, that entity, they were all going down and in order to survive, the government took them over. This is owned by the county; this was owned by the county; the city owned this. Sometimes we think that maybe our County is just the only one, but I know that Carole tells us that the rules and regulations are this thick of what you have to do for day care and there is no individual that has that amount of money, expertise, and education to do that. So it is a service. That's what democracy is, is a service to the people.

Oswald: I'm going to put Autumn on the spot back there. Autumn, would you like to tell about the requirements of the courses and stuff, please?

Autumn Rouse: We had to take three, well two college classes and another class to be certified to be in a classroom.

Oswald: And that was State mandated?

Autumn: Right.

Betsy: To be in a classroom. What does the director need or whoever would run the private business?

Autumn: Two years to be a director.

Oswald: Right, but as a classroom, you as an individual could run a classroom without having to have a director's license, correct?

Autumn: Yes, two of us could have fifteen kids, but we can't get the funding that, say, a county entity or a state run program could get, so we wouldn't last very long at all just because we couldn't get the funding no matter what we did.

Oswald: What funding are you referring to?

Autumn: There's a lot of funding that you can't get it for private. It's for government ran businesses. But for a private owner, you can't get the same money, I guess, you can't get the grants and stuff.

Oswald: You're eligible for the food program as a private.

Someone said you couldn't get the food program if you were privatized.

Oswald: I thought there was some funding on the food programming that is available.

Stephanie: Not privatized.

Autumn: From what I understood, not if it's privatized, but I could be wrong.

Oswald: I thought the director told us there was some. I could be wrong, too.

Denise: If you guys don't know the ins and outs of this program, how do you expect it to run? How do think other counties are run? How do you think other counties day care happens and it can't happen here? Why do you think?

Oswald: Just a moment! I wanted to continue. The reason I'm asking these questions of Autumn because, right now, as you say, part of the problem and for the parents who are not aware of it, you pay your parental fees. That is collected and that is documented. 80% of that dollar amount returns to the state. No questions asked, we have no control! 80% of it goes away. We're operating here on 20% of what you all pay.

Lance: How much is the state kicking back, though?

Joyce: 80%?

Oswald: We do not know.

Lance: Because you guys, whatever you had to back fill the DSS, it wasn't just for day care. It was from a budget shortfall of the state. So that why I don't agree with the way they went about the audit, anyway, because it was just on day care. It wasn't on the total DSS.

Oswald: Right, but that was all we requested. But I will answer part of that. The state told us in January when we had asked for the audit or whenever it was that in budget year 2011, which is from July 1, 2011 to June 30, 2012, there was less than \$18,000 in the state allocation to pay for salaries and benefits. \$18,000 less! That's it! So how can 80% be covering 80% of what you guys paid? You guys paid \$17,000 in three months.

Lance: Was that whenever we weren't collect bills?

Shannon: That's what I was going to say. At the last time day care was even discussed when the parents were at the café and the bigger problem was the amount of people that weren't paying their bills.

Oswald: Well, if you follow that through, there's more to it, because the way it was being managed and documented and shown to us and apparently to the state is the parents paid in – I'm going to choose January – you paid in \$5,000. The state was automatically billed for 80% of everything else. If it cost \$20,000 to operate for the month and you brought in \$5,000 from parental fees, \$15,000 was sent to the state. Is that correct?

Stephanie: So who is oversees budgets like that? Who bills that? And who's overseeing our DSS?

Oswald: Department of Social Services. Dennis oversees our DSS. No we don't!

Several comments were made saying, "You oversee Dennis." "The State of Colorado." "You oversee DSS." "The State oversees DSS." "You!"

Oswald: No! No we don't!

Stephanie: I've called the State of Colorado DSS and I've talked to some people and every single question we get back to is, "Well, if you're unhappy with your local DSS and how it's run and how funds are being allocated and how things are being handled, that's a question for your county commissioners, as they oversee you county DSS department." And that's you. So if it's not run appropriately and as you're saying we're not getting funds when we need to be getting them and you don't know this number and that number, I would probably start figuring out where those funds need to be coming from when we have a shortfall. Then, because it's government run, go to people that know how to do grant writing and that can help a county run program and we'll make up the difference. That's all I'm saying, that there's ways around that instead of just axing it out from under people's feet. Go to people that can help, such as the economic development fund for that shortfall of state or federal funding. There are ways.

Oswald: In seven years of building a budget, I have been told by every county auditor that I can not touch the DSS budget. I can't do anything with it, so I have no control over that budget.

Denise: We're not asking you to budget it. We're asking you to oversee what's taking place there. So if it's not right, why aren't you guys fixing it? You are over the people who work there. If you're saying that something is being falsified, who's being held accountable? And why is he still in place, if that's the case?

Scott: I don't know that it's falsified, but there are some things wrong, and we're looking at them.

Marilyn Baxter: You know, I've read your entire audit that was done over there and what I can see, the issues do lie with the day care. There was one paragraph concerning the economic development issue, and that was simply documentation of procedure for your director – document her hours better. That was one paragraph regarding what they were checking in to; one paragraph regarding their findings and how to deal with it. To me, your economic development foundation has nothing to do with your shortfall that was with DSS. So I think that they should be treated as entirely separate issues. Getting back to the day care issue, I'm looking at the numbers that they're throwing out there and that day care is operating at a huge, Huge, HUGE financial loss! (Oswald interjected, "Massive!") And I don't know what you are going to do about that because you guys can't get enough grant money to offset what they are coming up short.

Denise: But why do you think other places can do it?

Marilyn: I don't know and that should be checked into. How are other areas doing it? But I know just from very little that I know about the understanding of this that we are laying an awful lot of blame at DSS and DSS is trying to do nothing but help the financial situation so that we can afford this at all. So I think an awful lot of blame is going in the wrong place to an organization simply trying to help us fund something that we're having a hard time at the community level of funding. So I don't like to see the finger being pointed back saying, "Here's the issue and he's in charge of overseeing all this." Because he's just in charge of overseeing helping to get the funds. That's the way I look at it. The day care itself should be managing it and making sure it's running under the funds that they have available and that's what I can't see how that's going to happen, guys, to be honest with you. I can not see how that's working but we do need to check with other communities to find out how it's working there. I think one of the biggest things you are going to have to do is get more children in there, because it can not run with six people full time. You have to have licensed individuals. You're expecting them to get licensed and yet work for minimum wage, pretty much and it's a huge issue and it's going to take a lot more work than we can solve here today. And I understand why the Commissioners had to take the action that they took because this was sucking the life out of their budget. It's a huge drain, but we've got to figure out a way to solve it because our community has to have it. And it's going to take some kind of an organization to run funds through. There are grant funds out there that are available. But, honestly, because of the state mandated things you have to do, I don't see how we can charge enough in this community for what day care needs to be charged these individuals or at least you're going to have to have more than one. One that is...I don't know. I just don't know how you're going to do it because it takes...if they were short after receiving DSS funds, after their parents paying and they are still coming up short \$150,000 in one year, something's.... And it's not funds being misappropriated, this is just a shortfall of funds, then something's got to change to correct this. So, I think we're going to have to have a community meeting as we've started having and something's going to have to be looked at. There is no easy fix for this, but we do need to find out how other communities are making their day cares work.

Denise: And I think it comes to the point. I don't think anybody doubts what you are saying. We know we're short but, still, the fact of the matter is Friday, there's no more day care and they gave us no notice.

Marilyn: I honestly don't like the way you guys did it and I think long before, back when you knew there was trouble, I think we should have started looking into these things and you guys should have even done that to see how are other areas taking care of their day care. Because, in my opinion, day care is under the county, even though the DSS is helping with the funding. I don't really understand how that all works. I just assume it's all under the county. That's how you stopped the funding for it.

Tom Richards: One of the things that I don't think people understand is the problem that the county works on a budget from January 1st to December 31st and the state works on a budget from July 1st to June 30th, so I can see a problem every year coming up at the end of that point in the state's budget where there's going to be a problem. It happens all the time. You're short of money every time, and you start at July 1st and suddenly we do have money, because that came in, because of the budget. And that is a problem and the only way I think that it can be handled is if it was continued on, the county has some sort of money put back, but I know you can't do that. You can't put money back for when the state runs short because we're running at two different budget times, and that's a problem. Now, is the day care...is there different names for day care? Does a baby sitting service require more of these rules and regulations than one that has classrooms and

things like this? Are there different grades of your day care? Can you step down a grade and receive enough money to have it funded?

Scott: I think that's right. I think there are differences in age groups and classes. Infants require one certain set of standards and older people require something less and so I think those standards are somewhat different. One of the things, and this is just an idea that I had and it may not be any good at all, but to me there's another possibility for day care here and that would be the formation of a special district. And here again, you're going to ask the tax payers for money. But if we keep shoveling \$150,000 or \$126,000 or whatever in every year, we're using their money anyway. Wouldn't it be reasonable to ask those folks if they want to put up the money to cover what is needed for day care? Just a possibility.

Shannon: I know I would pay that extra cost if I had complete faith that you all have done every single thing to tell us that the county can no longer pick up this huge shortfall and that everything on DSS is run like it should be, and I'm assuming it is, but just communicating that you've done everything instead of what three months ago we're going to make all the parents pay the bill and all the sudden it's shut. I guess that's my opinion.

Marilyn: I see an issue with that if you're going to ask the whole county to vote on it and the ones that don't live where they have access to this facility are not going to vote to fund it.

Scott: Okay, there brings a point. Why would those folks be willing to spend this \$140,000 then?

Betsy: I would vote for it, but I have another idea, too. That might be an idea, too, but I wonder if there's a way to form sort of a cooperative agreement between you and a non-profit, which is economic development, and have – is it in Springfield where a non-profit is - their day care is a non-profit, so I guess I don't really understand why does it have to go through DSS?

Bill: It don't.

Scott: I don't think it does.

Betsy: I've had students in the school that are teen mothers that have to go to school and the only way they could do that was the day care and somebody pay that, and that was DSS, I suppose. We still need that kind of assistance but if you could form some sort of a co-op using your clout as a government and use a non-profit – and I'm thinking kind of like the theatre works or the museum – then you work together and you may have to put some funding in on it to form it and have them run it, possibly. I'm just stepping on your toes right now, Rod, but I'm just throwing out an idea, a non-profit idea, instead of throwing it clear through DSS.

Peggy: I've heard that's going on anyway. I heard there was a meeting going on last night of two individuals, Dennis and Yonda, to have a day care over at the Assembly of God church. So it is being looked at by private people.

Betsy: In the mean time, though, I hate to lose the day care for the people that are not going to have day care on Friday, but is there any way to possibly form that where you're already in partnership of some sort and look into what Springfield does and see if you can develop it that way instead of just closing it down. Because if you say, "Well, somebody's doing it," well maybe they will but maybe they won't. They won't have the resources that you guys have and that KCEDF has, also. It might be a good partnership and yes, you assist it because you're a government and it could get some grants through you like we do through the Town for the theatre group. But, you're not having to run it. You're not having to throw money into it all the time like you are having to do now. I'm just throwing out ideas because in the big picture, the progressive picture, once day care goes, I can see that it's such a giant of a problem that just the normal person in town is not going to step up to the plate and say, "I'll do a day care!" because they just won't.

Bill: I want to say something, Betsy, on that. My visions would be a co-op like you're talking about. We've got the building and we've got it nice, clean and everything. There is an issue right now by December the entrance room will all have to be re-done to meet state standards.

Betsy: But you guys can get a grant for that.

Bill: Well, it's possible, yes, but, if everybody would work together – this may involve schools, hospital, everybody go kind of form something and share some of the problems and expenses. And, I personally hate to see what's happened. We've got that looking good and want to use it.

Cardon: If you went that direction (a special district), it wouldn't have to be county wide. It could be just the middle district.

Scott: True, and I don't know. That would have to be a discussion among people to decide whether you would want to go that route, but I do think if it was county wide, that the far ends would probably not receive it all that well. I think you would lose support.

Marilyn: I have a question. When we were talking about possibly doing this and last night at the meeting, I attended that meeting that you mentioned and there was no, to my knowledge, unless it happened 5 minutes before I got there, there was no mention of using another facility. Well, yes there was; there was mention of a couple of other buildings, but would they be viable and this kind of stuff where we already have this existing day care and Bill did mention at our Town Council meeting the other night that it might be available for a low rent. And can you give us any idea – is it possible we could work something out?

Bill: In my opinion, I don't foresee us charging.

(Several people started talking at the same time and it was difficult making out everything said.)

Marilyn: ...other facilities and maybe we could help offset some we can make it work, but if we're having to look at a \$1,500 to \$2,000 a month rent, which is what one of our people that checked into it said it would cost, that's more expense we just don't know how we could get covered. So, that's good to know that. That group wants to work on it and I'm hoping a lot more people will join that group.

Bill: I did say over at that meeting that I would be willing to pay the rent.

Marilyn: No, I didn't hear you say that, but that's okay. We just need to work together.

Betsy: I know, when the theatre started in 2006, it was like everyone came together and was gung-ho, let's save it! So we formed a non-profit and we got through the danger area, but with a little group that's going to try to start something, it's just so hard to file to be a non-profit. It's almost impossible. It will take months. So what I'm saying is we already have a non-profit that's formed in economic development. And if there's a way to put a cooperative of some sort together, an agreement, we would have to have an agreement so that the county knows what's expected from you, what's expected from the non-profit that would run it, then perhaps we could keep it going without any closure, any big time that it would be closed, because that's the problem at hand right now.

Marilyn: But I still think you're going to run into a huge – somebody's got to be responsible for all the bills that come in that they're not bringing in enough money to pay for. That's a huge issue.

Betsy: We've got to find funding and I think that the government side could maybe...

Marilyn: Maybe they could give some. I don't know what's out there.

Brian Bohlander: I talked to the lady that runs Springfield. She ran it for 18 years, and she said the funding is out there as long as you have a grant writer. That's the hardest part, is getting the grant writer. As a non-profit, there are many funds available. Those people expect you to apply for those and there are several day cares around that run off those types of grants. I think McClave has one that is ran off a similar grant that Springfield even uses, but you do have to apply for those. And you have to have a certain number, you have to know how many kids you have, how many kids you need and things like that and kind of base your salaries and things off of that. You have to figure out what your budget is but there is grant money out there if you have an entity that will do that.

Betsy: Possibly, a positive contribution from the county, if economic development would run it, a strong contribution to them annually and then your only other job is, like on the Town Council, would be to support the grant finding for these types of grants that annually you could get grants from.

Lance: And I'll follow up with what Betsy just mentioned. Obviously, we keep going back to this circle of who's going to help do what. We've got to have somebody that's a solid individual, a solid entity that we can look to, to help grow these things, and obviously it's economic development. You guys can't sit down to write a grant all day long, can you?

Betsy: Peggy doesn't have the time.

Lance: I can't either, so we have to keep an entity so I'm going to ask this question. I'm going to ask point blank, "Are you guys going to consider funding economic development at the appropriate level looking at the facts that have been presented today and facts that you're probably going to have to look at a little deeper?"

Donald: We're already defined at \$15,000 and that is what we're planning to fund as far as I know. Whether that's appropriate or not, I don't know.

Betsy: What are your thoughts, Donald, of a cooperative type thing where the government would support economic development and the non-profit would run the day care? But you understand that they can't get certain grants that you can get and so they would get the grants but you would sign off on them saying, "Yeah, let's go get it." like the Town does for the theatre right now. That's what the Town does. For years, they've put \$40,000 in their budget every year and they have yet to have to pay a dime of it because we have been able to go get the grants to cover it. But they have to do it because we can't get the grants unless they do it. That's what I'm talking about.

Oswald: Personally, I foresee no problem with that. We have something similar going right now that the Commissioners some years back, I think we're in our 4th year, we set aside annually a set amount for ambulance replacement. We just signed a voucher today. We just moved money. But it's a fixed amount.

Betsy: I'm just talking about financial support of some sort that you guys agree on plus supporting the grants that they can't get that you can get. That's really all that it would entail. And I'm talking completely out of line as far as Rod and economic development are concerned, because I'm not on that board. There's only two non-profits – it's the Crow-Luther and you guys, right? Is there any other non-profit that is organized enough, like Lance says, to run it?

Bill: Prairie Pines.

Oswald: There are four.

Betsy: Who are the others?

Oswald: Prairie Pines, Building Corp, economic development and the theatre would be another one.

Betsy: It just makes since that economic development would do this.

Marilyn: It would have to funded at a higher level to take on a project like this. You think that the county will go from funding economic development from \$25,000 down to you said \$15,000 but it's really \$10,000 since you've designated \$5,000 to go to the Murdock building, so you only gave them \$10,000 to operate off of. So you dropped it from \$25,000 to \$10,000 so they're getting, that's much better than nothing, but...

Oswald: Along with that, the county has all of the insurance on the Jackson property that hasn't been sold, 100%. No one else is covering any of that.

Betsy: We're not saying you're not supporting them.

Marilyn: We just saying the funds to run KCEDF have dropped considerably.

Oswald: Right, but it's also been to make our budget work. We can cut some other services somewhere else, I suppose, but I don't know where else do you want us to cut?

Betsy: If you can take that out of DSS's hands, though, and you don't have to pour \$120,000 or \$140,000 or whatever it is into it.

Scott: The total in 2011 for the DSS shortfall was about \$144,000. \$123,000 came from day care. Where the other \$23,000 came from you would have to have another audit of the Department of Social Services.

Betsy: So if the day care didn't come out of DSS, that's going to save you \$120,000 at least, right? And that's your point for closing day care.

Cathy: How much was the shortfall in 2010? What did it cost the county in 2010 for day care?

Oswald: I don't think it cost us anything because the state was able to back fill with money.

Peggy asked if anyone wanted a copy of the audit. There was a question from the crowd about the cost to the county in 2009.

Cathy: So it's not costing the county \$123,000 for every year.

Oswald: No.

Scott: It will every year that the state has a shortfall of money. And they've already told us that that shortfall exists this year. So we've got two years we're looking at.

Cathy: But we don't know if this year it's going to be as big as last year or a bigger shortfall?

Scott: Well, the prediction is that it will probably be bigger.

Oswald: This audit report actually tells us that we are most likely going to be correcting some of the over-expenditures.

Cathy: But all that means is that if you did this co-op then you have money that you could afford to give because you're saving all this money by not doing day care. So if you supported KCEDF maybe back up to \$25,000 instead of the \$10,000 where it is right now, you could maybe find that money?

Scott: I see it as working the other way. We have our budget and then all at once we're hit with a \$140,000 that comes off of that, so we're short other places as well. If it happens again this year, we're short more places, and that's why I'm not willing to do this.

Oswald: Last year we had to basically shift it from other areas in our budget.

Cathy: What are you saying you're not willing to do?

Scott: I'm not willing to take another \$140,000 out of the General Fund to support the day care in 2012.

Cathy: Okay, but we're talking the co-op now, doing something in the form of a co-op. You're willing to help with that?

Scott: I'd have to see what it is, what we're talking about.

Betsy: Are you maybe willing to talk about it?

Scott: Absolutely.

Cathy: I guess this is where I am. You guys, the way I see it, where does the buck stop? We need help! You are our leaders! You are paid officials to do this job. Don't just come in and say, "Okay, that's gone." Work with us. This is stuff our community needs! I don't have kids in day care, but my community needs this! Work with us! Don't just cut our legs out from under us! If we're willing to meet with you and to work to get something else going, meet with us!

Oswald: Have we said we wouldn't meet with you?

Scott: I think we're willing.

Cathy: But you cut it without any town meetings saying, "Hey, we have got to do something now!" Instead, it's 18 days and we out of day care. We need notice! We need time to get a plan and we need you to work with us, to be our leaders!

Scott: Well, I'm not sure and I'm just speaking for myself, but I guess we're going to have to come up with something pretty quick because I am not willing to continue pouring out \$12,000 a month out of the General Fund to support this day care. I don't think that's responsible to the county budget and that's what we're supposed to be looking at, is the county budget, not just one little unit.

Marilyn: What I have heard the most complaint about out among the people is that we looked for no solutions before we cut it, and you guys have known this was in bad shape for months and it seems like there should have been someone looking into other potential things because you could see that it was going to be a huge, huge problem. That's what the community sees, is you should have recognized this was going to be a problem.

Scott: Was it back in December?

Oswald: December 13 of 2011, DSS discussion points by Dennis Pearson. He's saying here: one possible method to reduce expenditures would be shortening the hours; we shortened the hours! Raising the fees charged; we raised the fees charged! Forbidding the use of day care for any significantly past due accounts; we've done that and we've turned it over to collections to get those collected! Another possibility would be obtaining grant funding. Okay, that one we did not do, but it was available out there. And then he continues to say: while not popular, yet another option would be the closure of the day care center completely. And he does say in here, as noted earlier, if this should occur, there are potential ramifications for DSS and the areas of TANF, SNAP (which is food stamps), and child welfare, but these potential costs would most likely be to unequal the reduction of expenditures gained by closure of the center. He also has a paragraph here about economic development and basically says you would have the same savings by doing that, too. And he also added points for DSS.

Scott: But see, I guess I'm saying that there was indication clear back as early as that time that day care was in trouble and if something didn't happen, it was going to end up closing. It's not like it was just "kerblamm" out of nowhere! There was a meeting earlier out at the café. We went over much of this same stuff. It was indicated at that time. The parents mainly were the ones that were there. You know, this thing has got to come around or it isn't going to make it. So I guess I have a little contention that they were just blind sided and had no idea that this was coming.

Betsy: I mean, maybe from your perspective, because you were in the meetings, but from my perspective, of course I don't have anybody in day care, but my staff is the ones I deal with. I think, really, just to be honest, and you know, the population doesn't always pay attention like they should. I know I don't. But they really were blind sided since the first they ever knew about it was when it was closed the first time when it had to be cleaned and we had to restructure, which I think everybody agreed with that, that that had to happen and at that time, they thought, yeah, there's a problem but let's fix it and it seemed like it was. And then all the sudden it's closed again and that was a surprise, whether it should have been or not. I know you had meetings like you say but I don't know what you're talking about and I don't think, in general, people knew about it.

Koehler: Betsy, let me tell you something. They were supposed to have surveys done – the parents. "We'll turn them in! We'll meet with you!" Nothing!

Marilyn: Yeah, but you know, individuals, they just leave it to their leaders to take care of and I know that's a horrible responsibility because they leave it to you to take care of. It's not their problem; they trust YOU to take care of it. And so, that's where I'm coming from.

Koehler: We're still waiting for their surveys!

Betsy: I'm not saying that – and it's a moot point at this point since the day care is in trouble – and I would assume that you would agree though, that we need a day care for the community.

Koehler: Yeah!

Scott: I think it's clearly indicated and that was one of my contentions. There's enough indication for need that for all the things I thought there was an opportunity here for somebody for a private business. For all the laws and regulations, that may not be true.

Many responded say that's where the blame goes, is at the state and their mandates.

Joyce: If they are going to mandate a million, trillion things, then they should be willing to fund it.

Scott: They should be, but, as Cardon knows, this don't happen! They do not fund the mandates! We get to do that!

Betsy: We need to still somehow fix it! I know we've got a problem and you guys are being accountable for the tax money. We appreciate that. That is what your job is!

Cathy: Honestly? I mean, really! My bad! I'm taking full responsibility, but Bill Koehler came in the store to put up a sign saying day care was re-opening back in - what was it, March? - and said, "It needed cleaning. We need the operation but we need it to be one that we can be proud of and we've got it up and going again!" I thought problem solved! I really did. I look at it now and say I was naïve, but I really did not know there was a problem until it closed! I did not know!

Koehler: It's been an ongoing problem and then I think even that one January or something in the Minutes that it was even stated that it will run month by month; at the end of the quarter we would take a look at it.

Cathy: I guess, in the future, I would recommend that you put it not just in your Minutes, but an article in the paper saying we have problems here. You know – tell us, because I don't read all you guys' Minutes! I'm sorry but I don't.

Scott: It's not very good reading.

Joyce: When they had the meeting at the café that you're talking about with the parents, you said the parents had a meeting at the café? Is that right?

Scott: Yes.

Joyce: Okay! You called that meeting? The Commissioners called that meeting?

Koehler: That meeting there we did, yes!

Joyce: The Commissioners called that meeting at the cafe! And that was in the paper?

Peggy: No. It wasn't. It was like crisis management at that point and I don't think it was in the paper, no.

Koehler: There were posters all over town.

Joyce: Okay, so how were people to know about?

Koehler: There were posters put up around town.

Scott: Well, I guess for one of the things, the main people we were trying to talk to were the parents and the patrons of day care. That was our immediate concern and that was the ones that we needed to deal with and do something with because one of the big problems was at that time, even though this money was coming down from the state and stuff, people were not even willing to pay their small share of that bill. And I don't think that's too good! I don't think that's the American way!

Betsy: We all agree with you.

Marilyn: That should never have happened.

Scott: And I think this whole business that we're talking about, you know, as long as the state will keep shoveling money down here, it's okay to take it. And we turn right around and we give our government "heck" because they spend too much money on a bunch of stuff that they have no business doing that. So where do you balance this thing? Somewhere you've got to stop this concept that the federal government can take care of everybody!

Oswald: It appears to me, too, that if we get to the 2012 state fiscal budget and you're not in, for a lack of better choice, a partner with the state on here, if you're bring in \$5,000 a month, you're bringing in \$60,000 a year for parent fees. Why do we need to give the state 80% of that? That's my question! Why are they getting 80% of that?

Betsy: That's why we should do it on our own.

There were lots of comments being made at this point (impossible to decipher).

Scott: One of the things I'm hearing here is you need more time and I know you can't do this, but give me a figure. How much time do you want? Do you want a year?

Several were throwing out answers at the same time (impossible to decipher).

Marilyn: Well, they thought the needed to reorganize and start a 501-C3 and there's all the state....

Cardon: But it you go through KCEDF, it's already set up. Have them start right away with the grant process and do whatever you can to get the grant money. That's the bottom line. We need the money.

Marilyn: I was on KCEDF for years and that's a huge undertaking to ask them to take on. That's a huge thing all on its own.

Cardon: We've got two or three other people around town here that can write grants and have done it and through whatever agreement you would have to have through KCEDF to help.

Betsy: Let's sit down and get your figures and let's see what it costs to run the day care and let's see what you can get from grant money from that program.

Again, there were lots of comments being made at this point (impossible to decipher).

Marilyn: If you can get it started by the time school starts, I think it would take two to three months.

Scott: Three month?

Betsy: Yeah, until school starts. Three months.

Scott: Okay, I'm just asking the question. I'm not making any kind of a promise or anything here.

Several were throwing out answers at the same time (impossible to decipher).

Scott: But I guess we're right back to where we were at the Commissioner meeting here a couple of weeks ago when we talked about extending the period for KCEDF through the fiscal year, which gave you about a little over a month of extra time. If we do this – if we do this for day care, then I assume we would do the same thing for KCEDF.

Betsy: I assume you would increase their funding to help with day care and to help with that agreement or that cooperative.

Scott: I don't know that we're agreeing to any funds at this point in time. But we're agreeing to listen to a plan that you might come up with. But, if that plan is a thing where we don't have money to do it...we're in trouble!

Marilyn: I really need to say something before I forget it.

Scott: Sorry about that, but go ahead.

Marilyn: We ran into an issue last night when we had the other meeting on the day care, was if we could use this building, my understanding is it's grandfathered in to some of the qualifications or things that are required for a day care. It's been grandfathered in, like you can't take the children upstairs, you can't take them to a basement, and that sort of thing. One of our major concerns was if we officially closed the day care that that could potentially throw it out of that grandfathered state. Say the day care is closed, that it's temporarily...it's just not taking any more clients at this time, so that we just don't lose that grandfathered state of the building so it can still be used.

Peggy: I'm not sure about all the grandfather things. Dennis would have to get with us and find out what that is, but I do know that anywhere in the state anyone under three years old is not allowed to climb the stairs and that's one thing that they've had. And they did get a certain some kind of a thing from the state stating that they could take kids upstairs older than three. And that's how they did that. But I don't know about all the grandfathered things. Dennis would have to tell us. There again, it's been kind of quiet and secretive.

Marilyn: That was just one thing we were concerned about. We don't want to completely just say, "Closed!" and that become an issue that we can no longer use that building.

Scott: Well, we're supposed to be talking to Dennis right now. He may come down here, I don't know, but I guess we need to talk about it and I will ask if this Board of Commissioners want to extend this day care thing for three months.

Betsy: And then meet with economic development and if you can't come up with a plan, you can't.

Scott: I don't care whether you examine the deal with a special district, a co-op – I guess I'm open to all sorts of plans for this thing, because Dennis Pearson can show you an email that he got from me saying that I thought it was be a shame that we had to close day care at this particular point in time when we got it running probably the best it's ever been.

Betsy: No doubt. I agree!

Scott: But pretty quick you just run out. You can not keep spending money for something that you know is losing money every "darn" month.

Marilyn: I think the community understands that, they just didn't like the way it was done.

Scott: But, we will ask ourselves this afternoon if we want to open this up for three months and when I ask that questions, I'm going to ask if it would include KCEDF. You know, your problem is still the same, it just gives you more time. Do you want that? Or not?

Rodney: Do you want that? You serve on the Board, I don't!

Scott: I thought you were just made a member – that you could vote in need of a quorum on that thing, so you're a member of that Board.

Rodney: Only as an alternate!

Oswald: But my question is, where do I come up with \$30,000?

Rodney: I've got one other question before we go. It has to do with the audit and I know copies of the audit have been passed out – "Here's the reason! Read it!" – that's the kind of stuff that was given today. I'm a little disturbed, I guess, that the Minutes and the tone of the Minutes for your May 1 meeting, "Where do they think we should go from here? A lot of questions need to be answered so that the Commissioners can answer some serious questions regarding the DSS Director." Now, personnel issues are not something you normally discuss in open meetings. But I think the tone of that, there are serious questions, but we're seeing through this a lot of people have commented on, there seems to be a real indication that the Commissioners are wanting to shift blame off of them and say it's somebody else's problem. Some of the comments you made today about Dennis - are there other problems in the audit besides the overrun in DSS that are concerns? The accounting issue type things? I really question how those minutes are written. It's like they are pre-conceived. We've got a big problem here. And it tells the public, when I go back and read this now, it's like, "Oh crap! What the h--- has Dennis done?" That's what the people are kind of seeing. Are there other problems there? What you just read to me sounds like somebody giving you a report that is very concerned with options and issues with day care back in December. Is there something else with DSS?

Scott: I'm not going to say a word right now! For the very reason that you just mentioned!

Rodney: Okay, because it's personnel issues. Fine.

Scott: Is that fair enough?

Betsy: So you guys will talk about it this afternoon, then?

Scott: Yeah, we'll bring up the question, and the question will be whether we want to keep the day care open for another three months. But I wouldn't get me hopes up.

Marilyn: But please separate economic development from day care for the funding from the state level. Because the chance of them having an overrun and for the chance of hundreds of thousands of dollars that they bring into our county a year, we shouldn't throw them out with the day care. They're too valuable to our community for the risk of an overrun of funds.

Rodney: I would like for the record to show that Rod pretty well shut up for almost an hour. That's hard for me!

Betsy: I spoke for you.

Rodney: Thank you, guys!

The meeting in the courtroom ended at approximately 1:25 p.m. and the meeting was resumed in the Commissioners' office.

Bud Adamson inquired again regarding the status of lots south of the Kiowa County Abstract that he would like to buy. These lots are co-owned by the Colorado Historical Society, the County, and the Town of Eads. Nothing has been decided or resolved at this time. More information is needed.

DSS Director Dennis Pearson met with the Commissioners. He had been asked to write a letter regarding allocation for child welfare. The formula the state has come up with doesn't come close to covering child welfare costs for the County. Other counties have also been affected by this. Oswald made the motion, seconded by Koehler, to submit a letter to Reggie Bicha, executive Director, CDHS regarding Child Welfare Allocations Committee (CWAC) formulas. All Commissioners voted affirmative.

Scott said the Commissioners were asked if they would reconsider keeping the day care open for three months to give the people time to put a plan together. Also, would the Commissioners be willing to do the same for KCEDF? Discussion ensued. Oswald stated that day care was costing the County \$10,000 a month, which would be a loss of \$30,000 for the three months. He asked where this money would come from. If enrollment numbers drop in the summer like they did at Spring Break, then what? Scott said he would be willing to give the people time to see what they can do. Pearson stated he wouldn't be able to fund it fully like he has been doing. Koehler asked Pearson if there were items grandfathered in at the day care. Pearson stated that use of the upstairs portion of the day care had been grandfathered in. Oswald asked if they did this, would they still need to do the 20/80 split and would they still have the food program? Pearson said if day care was not run through DSS, the 20/80 would not be required, but they would still be able to have a food program. Any licensed provider can get a food program. There was discussion regarding setting up a Special District or a cooperative for day care. Three months isn't a lot of time to get this all taken care of.

Auditor Amanda Brown entered the meeting to discuss the Contingency Fund and how much could be expended from this account. Brown stated that supplementing day care to keep it open would not qualify as an emergency to use Contingency Funds. A Special District seems to be the most viable alternative. The

County needs to keep the license in place so that the grandfathering of the building stays in place if it is to continue being used as a day care. Pearson will check with the state to make sure of this. If the \$30,000 is spent now, the County won't have the money to put in if a workable plan is put together. They will try to keep the license in place as it doesn't expire until November.

Scott stated that they were also asked to continue with KCEDF and not consider it with the day care. If the Commissioners do not continue with their funding, then KCEDF will lose their TANF funds, also. Timecards would need to be done differently for KCEDF director to be able to continue to go through DSS. Pearson said anything that meets the criteria of TANF funds can receive funds and that KCEDF does meet the criteria because it helps find jobs through economic development. Scott stated he would be in favor of allowing KCEDF to continue business as usual for the rest of the calendar year and see how the funding goes. Koehler stated that as a businessman, he has reserves to make sure he is covered during the lean months or he has to borrow when needed. KCEDF can not do that through DSS. He feels the KCEDF needs to be a Special District so that they have funding they can count on. Scott said he would still like to see KCEDF continue at least until the end of the year so they could find additional funding or apply for Special District status. Scott made the motion, seconded by Oswald, to override the last motion made regarding KCEDF and allow them to continue to operate through DSS until the end of the calendar year. Oswald & Scott voted aye; Koehler abstained. Motion carried.

Pearson reported that Attorney Don Steerman's position is that Kiowa County needs a Child Protection worker. He is advising that the County re-evaluate this position. The program is suffering by not having a full time person in this position to make sure all cases are being handled in the manner necessary. Oswald made the motion, seconded by Koehler, to advertise for the Child Protection worker position. All Commissioners voted affirmative.

DSS rent was addressed. There will be discussion regarding this matter again at budget time.

An inquiry was received as to whether or not the car ports at the Day Care and County Shop were for sale or not. They are not for sale.

The Treasurers report was reviewed.

The Clerks report was reviewed.

Commissioner reports were reviewed and discussed.

The Public Health Nurse Report was reviewed.

Time-off request forms were reviewed. Oswald made the motion, seconded by Koehler, to approve the requests. All Commissioners voted affirmative.

Discussion regarding an EMPG special grant for \$2,000 was tabled, as DEM Jeff Wright was unavailable.

A letter was received from Kris Stokke regarding her missing county radio. This radio will obsolete in the next few months.

The next Regular Meeting will be May 30th, 2012.

With no further business, Oswald made the motion, seconded by Scott, to adjourn the meeting at 4:15 pm. All Commissioners voted affirmative.