



Regional Economic Area Partnership (REAP)

Meeting Agenda

8:00 a.m., February 14, 2011

Hughes Metropolitan Complex
5015 E. 29th Street North, (29th and Oliver)
Mayor Kristey Williams, Chair

1. Welcome and Introductions: Mayor Kristey Williams

2. News and Announcements: Mayor Kristey Williams

3. Consent Agenda and Committee Reports: Mayor Kristey Williams

The action items in the reports have been reviewed, discussed and acted upon at the Committee level. Members of the Board of Directors may request discussion on any of the action items at the meeting or the reports may be accepted as presented in a single motion.

- A. Review of Minutes from December 13, 2010
- B. REAP Committees Report
- C. Reports of Regional Committees and Organizations
- D. Report of the Chief Executive Officer

Recommended Action: Approve the consent agenda as presented.

4. REAP Strategic Agenda: Ms. Misty Bruckner

The process that included the REAP retreat, REAP committee meetings, stakeholder interviews, and survey results will be reviewed and discussed and members will be asked to take action on a draft strategic plan.

Recommended Action: Adopt the proposed three year strategic plan.

5. Membership Engagement: Mayor Kristey Williams

Review of membership attendance and suggestions for increased engagement of members.

6. 2011 REAP Work Plan Development: Ms. Misty Bruckner

Members will be asked to participate in a process that will help identify potential work plan items under the REAP strategic plan.

7. Unscheduled Business Items and Updates: REAP Members and Partners

8. Adjourn

The next REAP Board meeting will be Monday, March 14, 2011.

Mission

Guide state and national actions that affect economic development in the region and adopt joint actions among member governments that enhance the regional economy.

Meeting Minutes December 13, 2010
National Center for Aviation Training (NCAT), Bldg 300, Room S206
4004 N. Webb Rd, Wichita, KS 67226
Mayor Kristey Williams, Chairman

I. Welcome and Introductions

Mayor Kristey Williams, City of Augusta, called the meeting to order; members, staff, and guests introduced themselves.

II. Approval of Minutes from October 4, 2010 Meeting

Commissioner Jeff Masterson, Butler County, moved (Mayor Terry Somers, City of Mount Hope) to approve the minutes. The motion passed unanimously.

III. Special Presentation: Downtown Wichita Master Plan

Mr. Scott Knebel, Principal Planner for the Metropolitan Area Planning Department, presented the key elements of the Downtown Wichita Master Plan highlighting that it is a market based plan that seeks to incorporate transit, parking structures, unique districts, land redevelopment, and regional leadership. Mr. Knebel then yielded the floor to Mr. Jeff Fluhr, President of the Wichita Downtown Development Corporation, for questions from the audience.

IV. Regional Business Items

1. Report of the Executive Committee

Mayor Williams thanked the board for their participation this year and noted that in the coming year the Executive Committee has discussed changing the format of the full board meetings to encourage broader participation of REAP members. The new meetings will incorporate themes such as economic development and legislative priorities, focusing less on committee reports. Mayor Williams also encouraged REAP members to identify a REAP representatives for 2011.

The Executive Committee met on December 7, 2010 where they approved the 2011 Legislative Priorities as presented by the Legislative Committee. Mayor Williams requested a motion to approve the 2011 Legislative Priorities with the amendment that the board strike 2d and add the words “business driven” to bullet 4.

Mayor Somers moved (Mayor Willis Heck, City of Newton) to approve the 2011 Legislative Priorities with the amendments recommended by Mayor Williams. The motion passed unanimously.

Mayor Williams reported that the Executive Committee opted to not adopt a 2011 workplan, noting that it was important to continue to review the goals developed during the REAP strategic planning process earlier this year. As such, the Executive Committee recommended that the board approve the continuance of the 2010 work plans pending the completion of the strategic planning process and revisions to the work plans for 2011; that the REAP budgets for calendar year 2011 be adopted; that staffing assistance to REAP be provided by the Center for Urban Studies, Wichita State University during calendar year 2011; and, that REAP enter into contract with Bruno & Associates for legislative liaison to REAP for 2011.

Commissioner Dave Unruh, Sedgwick County, moved (Mayor Keith DeHaven, City of Sedgwick) to approve actions 2-5 as presented. The motion passed unanimously.

Mayor Williams concluded her report by noting that she recently had the opportunity to visit Reno and Harvey County. She noted that the experience was wonderful and that she would like to visit all REAP communities in the coming year.

2. Report of the Legislative Committee

Council Member Jeff Longwell, City of Wichita, provided the report of the Legislative Committee noting that the committee met on November 19, 2010 at which time the committee voted to continue the contract with Bruno & Associates for legislative liaison services. The 4th Annual South Central Kansas Legislative Policy Summit was a success attracting 74 participants, 16 of which were legislators. Council Member Longwell concluded his report by noting that the 2011 South Central Kansas Legislative Delegation reception will be Thursday, January 6, 2011 at the Marcus Welcome Center on the WSU campus, Council Member Longwell encouraged all REAP communities to send a representative to the event.

3. Report of the Economic Development Committee

Commissioner Dave Unruh, Sedgwick County, provided the report of the Economic Development Committee and noted that his report is located on page 19 of the agenda packet. The Chief Elected Officials Board (CEOB) took action to approve a request from Workforce Alliance to enter into an agreement with WSU Center for Economic Development and Business Research for a composites industry wage survey. Commissioner Unruh requested that this action be approved by the board.

Commissioner Unruh moved (Council Member Longwell) to approve the action as presented. The motion passed unanimously.

Commissioner Unruh also noted that the CEOB approved the appointment of Kristey Weber, private sector, to the Workforce Alliance Board of Directors, and a contract for website maintenance. Commissioner Unruh requested the board ratify the actions taken by the CEOB as appropriate.

Commissioner Unruh moved (Council Member Longwell) to ratify the actions taken by the CEOB. The motion passed unanimously.

Commissioner Unruh then yielded the floor to Mr. Keith Lawing, Executive Director for Workforce Alliance who provided a brief update on the Alliance's recent activities. Mr. Lawing noted that the youth work experience program has now been expanded from a summer program to a year-long program. The program has experienced great success and high demand in recent years, with the expansion, the program hopes to secure more funding partners and new work site locations.

Commissioner Unruh concluded his report by inviting the board and guests to attend future EDC meetings. The EDC will not meet in the month of December, in lieu of the EDC meeting, Commissioner Unruh encouraged the board to attend the Workforce Alliance Board of Directors meeting which will be held Thursday, December 16, 2010 at 10:30am at Workforce Alliance.

Mayor Kristey Williams noted that Mark Conway, Chair of the Board of Directors for Workforce Alliance, recently wrote an article for the Wichita Eagle regarding the importance of workforce development training and that the article could be found on page 23 of the agenda packet.

4. Report of the Water Resources Committee

Mayor Heck provided the report of the Water Resources Committee noting that the full report could be found on page 24 of the agenda packet. Mayor Heck reported that the technical subcommittee will meet following the NCAT tour and that all REAP member were welcome to attend. The WRC has begun plans for the annual water conference and will be discussing topic ideas at their next meeting.

5. Reports of Regional Committees and Organizations

Greater Wichita Economic Development Committee

Mayor Williams provided the report for GWEDC noting that there are currently 35 potential projects in the pipeline. These projects, if successful, would spur the creation of approximately 3500 jobs. Mayor Williams concluded her report by sharing information pertaining to the presentation of Steve Sharp from Kingston, North Carolina who successfully recruited AirBus to come to his region.

Mid-Continent Airport Advisory Board

Mayor Heck provided the report of the Mid-Continent Airport Advisory Board, noting that the board recently reviewed passenger counts, security measures, and advertising. Mayor Heck reported that all of the results were positive, passenger count was up and advertising was indicated to be effective.

KansasBio

There was no report for KansasBio.

Visioneering Wichita

Mr. Joe Yager, REAP Chief Executive Officer, provided the report for Visioneering Wichita noting that the Unified Legislative Agenda has been approved and that it was included in the Legislative Committee report, page 17 of the packet.

6. Report of the Chief Executive Officer

Mr. Yager noted that his report in its entirety could be found on page 26 of the agenda packet. Mr. Yager briefly provided an update on the HUD Sustainable Communities Grant noting that staff from various REAP communities recently attended a debriefing session that discussed the strengths and weaknesses of the REAP application. Mr. Yager encouraged members to contact him with questions regarding REAP's application and the debriefing process.

V. Unscheduled Business Items and Updates

Mayor Williams requested that members who attended the recent LKM and NLC conferences provide a brief report on topics that REAP should be aware of.

VI. Special Presentation and NCAT Tour

Ms. Sheree Utash, Senior Vice President, Academic Affairs/Learner Services, Wichita Area Technical College, provided a presentation on the creation and development of NCAT. Ms. Utash noted that the success of the school has depended largely on public and private partnerships. Ms. Utash presentation is available in its entirety on the REAP website.

VII. Adjourn

Having no other business, the meeting was adjourned. A tour of NCAT, was given at the meetings conclusion by Marv Duncan, Director of Workforce Development for Sedgwick County.

REAP Attendance 12/13/2010	
Members and Alternates	Jurisdiction
Mayor Kristey Williams	Augusta
Mr. Ty Lasher	Bel Aire
Commissioner Jeff Masterson	Butler County
Ms. Diana Brooks	Colwich
Mr. Herb Llewellyn	El Dorado
Mayor Tim McKibban	El Dorado
Mayor Tony Flax	Garden Plain
Commissioner Chip Westfall	Harvey County
Commissioner Marge Roberson	Harvey County
Mr. David New	Haysville
Mr. Mark Tallman	Kechi
Ron Loomis	McPherson County
Mayor Terry Somers	Mount Hope
Mayor Willis Heck	Newton
Commissioner Jim Nickel	Newton
Mayor Keith DeHaven	Sedgwick
Mr. Bryan Chapman	Sedgwick
Commissioner Dave Unruh	Sedgwick County
Mr. Gus Collins	Wellington
Mayor Carl Brewer	Wichita
Council Member Jeff Longwell	Wichita
Guests and Staff	
Mr. David Bossemeyer	GWEDC
Commissioner Ron Krebriel	Harvey County
Mr. John Waltner	Harvey County
Anthony Swartzendruber	Harvey County
Mr. Harlen Priddle	K-96 Corridor Association
Mr. Scott Knebel	MAPD
Ms. Irene Hart	Sedgwick County
Mr. Marv Duncan	Sedgwick County
Mr. Ray Frederick	WATC
Ms. Sheree Utash	WATC
Mr. Joseph Pajor	Wichita
Mr. Jeff Fluhr	Wichita Downtown Development Corporation
Mr. Keith Lawing	Workforce Alliance
Ms. Misty Bruckner	WSU
Dr. Ed Flentje	WSU
Mr. Joe Yager	WSU
Mr. Dane Baxa	WSU
Ms. Angela Buzard	WSU
Ms. Nicole Bailey	WSU
Ms. Becky Eby	WSU

**REAP Board Meeting
February 14, 2011
Item #3 B**

Item

REAP Committee Reports

Background

Due to a lack of quorum there was not an official January Board meeting. Since the December 13, 2010 Board meeting, the REAP Committees received information or acted upon the following issues and projects listed below. Agendas and minutes from the Committee meetings are available on the REAP website at <http://www.reap-ks.org>.

Report of the Executive Committee

The REAP Executive Committee met on January 4, 2011 to review a report on the REAP 4th Quarter financials, strategic plan and Kansas Affordable Airfares Program. The Committee has since received various updates from the Chair which are highlighted below.

REAP Budget for 4th Quarter, 2010

The Executive Committee is charged to serve as the treasury for REAP, collect all REAP revenues, make disbursements in accord with the budget adopted by REAP, and conduct financial management of REAP assets in accord with REAP fiscal procedures.

Under the agreement with the Center for Urban Studies, Wichita State University, staff support is provided to REAP in calendar year 2009. In accordance with this agreement, REAP will make payments on a quarterly basis to Wichita State University for this support.

The Executive Committee took action to approve payments for the third quarter of 2010 to 1) Wichita State University in the amount of \$21,509.25 for REAP staffing; 2) Wichita State University in the amount of \$18,146.75 for Water Resources staffing; 3) Hugo Wall School in the amount of \$20,036.01 for REAP Operating expenses; and 4) Hugo Wall School in the amount of \$3,554.72 for Water Resources Operating expenses.

The financials for the 2010 4th Quarter were included in the January REAP packet and can be accessed on the REAP website: <http://www.reap-ks.org/meetings.html>.

Report on 2011 Annual Member Assessments

Invoices for 2011 REAP annual members assessments were sent out December 20, 2010. The attached chart details the 2011 assessment levels and payments received to date (pages 12-13). If there are any questions or invoices have been misplaced or not received by the proper individuals please let staff know.

Kansas Affordable Airfares Program Update

The Executive Committee is charged to administer the Kansas Affordable Airfares Program and assure that all statutory requirements for programming, evaluation, accounting and auditing, financial management, and reporting are met.

Fiscal Year (FY) 2011 Third Quarter Payment

In accordance with actions taken by REAP at the July 12, 2010 meeting, the Executive Committee authorized the third release of funding to Sedgwick County on January 5, 2011.

REAP Grant Expense Report

In the 2006 session of the Kansas Legislature, the State of Kansas assigned REAP the authority for establishing and administering the Kansas Affordable Airfares Program. In accord with this authority REAP was required by statute to submit a report on the expenditures of the state annual grant and local matching moneys under the program to the legislature at the beginning of each legislative session. Mr. Joe Yager, Chief Executive Officer prepared and forwarded a report on behalf of REAP to Mr. Tom Bruno, REAP Legislative Liaison for submittal.

Update on Legislative Audit of KAAP

The REAP Chair and Chief Executive Officer received the official draft of the performance audit conducted by Legislative Post Audit staff. Under the signature of the Chair and CEO, REAP provided a reply to the audit findings and on February 9, 2011 the REAP Chair provided testimony at the Legislative Post Audit Committee in Topeka. The full findings of the audit and REAP's response are available at http://www.kansas.gov/postaudit/audits_newest.shtml.

In addition, the REAP Chief Executive Officer has drafted a memo to the Executive Committee that illustrates the findings of the audit. This memo and the official REAP response letter are attached to this report (pages 14-16).

Water Resources Committee and REAP Water Resources Planner

In 2009 the REAP Water Resources Committee (WRC) partnered with the Kansas Biological Survey (KBS) and the Kansas Water Office (KWO) to develop an online Water Resources Planner (<http://www.kars.ku.edu/maps/wrp/>). The Planner provides a valuable informational foundation for land use and development decisions in the region by allowing users to overlay data sets of information related to the natural resources in the region to have a better understanding of the impacts of land use decisions. Some of the layers available include public water supply (PWS) facilities, PWS source points, wells, stream flow stations, confinement ponds, dry and abandoned oil and gas wells, floodplains, soil conditions, landfills, and quarries.

Initial development of geospatial databases was carried out by the students enrolled in EVRN 410, Geospatial Techniques in Environmental Studies course at the University of Kansas during fall 2009. Continued development and launch of the Water Resource Planner was accomplished during spring 2010 by an undergraduate student intern at KBS under joint funding from the REAP WRC and KWO. Feedback from potential users was solicited by the REAP WRC and KWO during spring and summer 2010, leading to a series of recommendations for additions and improvements to the Planner.

Due to the timing of the Water Resources Committee meeting scheduled for January 10th, the REAP Executive Committee took action to authorize the Chairman to enter into a Memorandum of Understanding following the approval from the Water Resource Committee on January 10th, not to exceed \$3,000 in funds from the Water Resources Committee.

Report of the Legislative Committee

The REAP Legislative Committee met on January 28, 2011. The following highlights information from that meeting.

Legislative Liaison Report

Mr. Tom Bruno, REAP Legislative Liaison, provided the committee with an update on 2011 legislative priorities. Mr. Bruno's report in its entirety is available on the REAP website at www.reap-ks.org.

Collaboration with Western Kansas

Representative Reynaldo Mesa, KS House Representative Dist. 124, has contacted REAP regarding the possible creation of a "REAP-like" organization in south western Kansas. Representative Mesa is organizing a meeting for community leaders and elected officials from south western Kansas in Topeka. REAP Chair, Mayor Kristey Williams will attend this meeting and discuss REAP's strategies for engaging the south central Kansas delegation.

Identification of Work Plan 2011

The LC continued its work on the 2011 Work Plan. Discussion topics included the role and function of the committee and the engagement of the broader REAP board in the action steps listed in the work plan. The committee agreed to review the draft work plan and send comments and revisions to Joe Yager. The committee is scheduled to endorse a work plan at the February LC meeting.

SCK Legislative Delegation Forum Schedule

The following dates and locations have been confirmed for upcoming Public Legislative Forums hosted by the South Central Kansas Legislative Delegation. The forums begin at 9 a.m. and conclude at 11 a.m. For further information, contact Rep. Jim Ward, delegation chairman at 316-210-3609 or jim.ward@house.ks.gov.

Feb 5, WSU Metroplex, 29th & Oliver

Feb 19, Sedgwick County 4-H Building Sunflower Room, 21st & Tyler

March 19, Derby City Hall, 611 Mulberry Road, Derby, KS

April 23, WSU Metroplex, 29th & Oliver

Next Legislative Committee Meeting

The next monthly meeting has been moved to accommodate the GWEDC Annual Investor Meeting. The Legislative Committee has scheduled their next meeting for Wednesday, **February 23, 2011 from Noon to 1:30 p.m.** at the Workforce Alliance offices.

Report of the Economic Development Committee

The REAP Economic Development Committee met on January 27, 2011. The following highlights information from that meeting.

Appointment to the WA Board of Directors

The EDC in their function as the Chief Elected Officials Board approved the nomination of Mr. Steve Flesher, Co-Owner, InterAct Training Group, as a private sector representative to the Workforce Alliance Board of Directors. ITG is a business that focuses on creating positive behavioral and cultural changes in the workforce environment. Mr. Flesher has over twenty years of experience in direct sales and business development. The nomination is made by the Wichita Metro Chamber of Commerce. This appointment is set to expire June 30, 2011.

Local Area IV Recertification

The committee reviewed the Operator Certification Process for One Stop Operators in Local Area IV. In accordance with the agreement between REAP EDC and Workforce Alliance on the governing principles of the partnership for the effective planning, coordination, and implementation of the employment training system within Local Area IV, REAP has developed, establishes, and adopted this process for conducting oversight and ongoing monitoring of the One-Stop delivery system.

At the October 30, 2008 REAP EDC Meeting, the Chief Elected Officials Board took action to certify the Wichita Workforce Center as the Local Area Comprehensive One Stop.

In addition to the initial certification process, there are provisions in the agreement for annual reviews and/or recertification. As the State planned to proceed with a 2 year certification period the WA planned on following State Policy 3-06-00 and would have submitted a request for recertification last Spring (2010). However, the State never responded to the application for state level certification and nothing further was done.

Staff proposed the committee update the local certification process through a recertification process detailed below:

1. Review and update quality standards based on the Baldrige categories. (January/February)
2. Require a self-assessment and revision of business plan by the recertification applicant. (February/March)
3. Completion of application (March 24)
4. Create a taskforce and conduct on-site review/audit. (March/April)
5. Feedback report. (April/May)
6. Recertification decision.

The EDC approved the process as presented.

Endorsement Request

Mr. Scott Dunkey, Senior Planner, Professional Engineering Consultants, presented on behalf of the City of Bel Aire and the City of Kechi. The cities are in the process of submitting an application for the Community Capacity Building grant to develop a "Joint Plan for Community Collaboration." The communities requested a letter of support from REAP in support of this program. The committee voted to endorse the grant application by providing a letter signed by the REAP Chair.

Identification of Work Plan for 2011

The EDC continued its work on the 2011 Work Plan. Discussion topics included the role and function of the committee and the engagement of the broader REAP board in the action steps listed in the work plan. The committee agreed to review the draft work plan and send comments and revisions to Joe Yager. The committee is scheduled to endorse a work plan at the February EDC meeting.

Next Economic Development Committee Meeting

The Committee holds its monthly meetings from Noon to 1:30 p.m. on the fourth Thursday of each month at the Workforce Alliance of South Central Kansas Administrative Offices, 150 N. Main, Wichita, unless otherwise indicated. Meetings are not held if there is no business before the committee. There is a potential conflict for the February meeting and staff is working to determine an alternative meeting date.

Report of the Water Resources Committee

The REAP Water Resources Committee met on January 10, 2011. The following highlights information from that meeting and upcoming events.

Kansas Biological Survey to Continue Development of the REAP Water Resources Planner

The REAP WRC has signed a memorandum of understanding with the Kansas Biological Survey (KBS) to continue refining and expanding the REAP Water Resources Planner. The Planner is a GIS tool that provides a valuable informational foundation for land use and development decisions in the region by allowing users to overlay data sets of information related to natural resources in the region. The March 14th WRC meeting will engage regional planners and KBS staff in identifying information layers that are necessary for creating a better tool for the region. To view the tool please visit www.kars.ku.edu/maps/wrp/.

City of Hays and KDHE Representatives to Speak at the WRC Meeting Following REAP

The REAP Water Resources Committee will be meeting at approximately 9:30 a.m. following the REAP meeting on February 14th. Toby Dougherty, City Manager, and Paul Briseno, Assistant City Manager, City of Hays will be discussing their efforts to support conservation as a beneficial use of water in the state's water rights policy. Cathy Tucker-Vogel from the Kansas Department of Health and Environment will be discussing a Regional Public Water Supply Planning Grant Program. To obtain a complete agenda packet, please visit our [REAP Website](#).

Upcoming Regional Conferences

2011 REAP Regional Water Conference: Water's Role in Economic Development

The REAP Water Resources Committee has announced their 4th annual REAP Regional Water Conference. The conference will be held on **Thursday, May 26th** at the Sedgwick County Extension Office, located at 7001 W. 21st N. in Wichita. The theme this year will be "Water's Role in Economic Development." More information and registration will be available soon.

Kansas Water Issues Forum: Kansas in Transition

The Kansas Water Office is now taking registrations for their Kansas in Transition water forum. The forum will be held at two separate location: **Tuesday, February 22nd** in Wichita, and

Wednesday, February 23rd in Hays. Meetings are open to the first 150 registrants at each location. To register please visit, www.kwo.org and click on the Kansas Water Issues Forum button located on the right side of the screen.

2011 Kansas Rural Water Association Conference

The 2011 Kansas Rural Water Association Annual Conference will take place on **March 29-31** in Wichita. Conference updates can be found at <http://www.krwa.net/conference>.

Upcoming meetings

- *GMD # 2 Meeting*: February 15, Halstead, KS (1:00 PM)
- *Lower Arkansas Basin Advisory Committee Meeting*: March 23, Cheney, KS (9:00 AM)
- *Walnut Basin Advisory Committee Meeting*: March 23, Winfield, KS (6:30 PM)

REAP Treasurers Report

Assessments of REAP Members for Calendar-Year 2011 (as of 2/10/11)

Jurisdiction	Population	Assessment	Paid Assessment
Andover	10,578	\$3,688	\$3,688
Arkansas City	10,977	\$3,714	
Augusta	8,743	\$1,568	\$1,568
Bel Aire	6,873	\$1,447	\$1,447
Bentley	526	\$234	\$234
Benton	808	\$253	\$253
Butler County	64,084	\$4,602	\$4,602
Cheney	2,084	\$335	\$335
Clearwater	2,437	\$358	\$358
Colwich	1,429	\$293	\$293
Conway Springs	1,186	\$277	
Derby	22,923	\$4,490	
El Dorado	12,643	\$3,822	\$3,822
Garden Plain	868	\$256	\$256
Goddard	4,048	\$1,263	\$1,263
Halstead	1,917	\$325	\$325
Harvey County	34,247	\$2,356	\$2,356
Haysville	10,496	\$3,682	\$3,682
Hesston	3,829	\$1,249	\$1,249
Hutchinson	40,795	\$5,652	\$5,652
Kechi	1,796	\$317	\$317
Kingman County	7,571	\$1,689	\$1,689
Maize	3,346	\$1,217	\$1,217
McPherson County	28,866	\$2,222	\$2,222
Mount Hope	872	\$257	\$257
Mulvane	5,913	\$1,384	\$1,384
Newton	18,437	\$4,198	\$4,198
Park City	8,029	\$1,522	\$1,522
Reno County	63,357	\$4,584	\$4,584
Rose Hill	4,091	\$1,266	
Sedgwick	1,694	\$310	\$310
Sedgwick County	490,864	\$15,272	\$15,272
Sumner County	23,488	\$2,087	
Valley Center	6,638	\$1,431	\$1,431
Wellington	7,677	\$1,499	\$1,499
Wichita	372,186	\$27,192	\$27,192
Total		\$106,311	\$94,477

REAP Treasurers Report

Assessments of Water Resources Committee for Calendar-Year 2011

(as of 2/14/11)

Jurisdiction	Population	Assessment	Paid Assessment
Andover	10,581	\$3,794	\$3,794
Arkansas City	10,977	\$3,823	
Bel Aire	6,873	\$1,515	\$1,515
Benton	808	\$361	\$361
Butler County	64,084	\$800	\$800
Clearwater	2,437	\$483	\$483
Derby	22,923	\$5,719	
El Dorado	12,643	\$3,948	\$3,948
Goddard	4,048	\$1,304	\$1,304
Harvey County	34,247	\$800	\$800
Hesston	3,829	\$1,287	\$1,287
Hutchinson	40,795	\$7,060	\$7,060
Kechi	1,796	\$435	\$435
Kingman County	7,571	\$800	\$800
Maize	3,346	\$1,251	\$1,251
McPherson	13,323	\$3,999	\$3,999
McPherson County	28,866	\$800	\$800
Mount Hope	872	\$365	\$365
Newton	18,437	\$4,383	\$4,383
Park City	8,029	\$1,602	\$1,602
Rose Hill	4,091	\$1,307	
Sedgwick	1,694	\$427	\$427
Sedgwick County	490,864	\$800	\$800
Sumner County	23,488	\$800	
Valley Center	6,638	\$1,498	\$1,498
Wellington	7,677	\$1,576	\$1,576
Wichita	372,186	\$31,914	\$31,914
Total		\$82,850	\$71,202

TO: REAP EXECUTIVE COMMITTEE MEMBERS
FROM: JOE YAGER, REAP CEO
SUBJECT: AFFORDABLE AIRFARES AUDIT FINDINGS
DATE: FEBRUARY 10, 2011

The REAP Executive Committee is charged to administer the Kansas Affordable Airfares Program (KAAP) and assure that all statutory requirements for programming, evaluation, accounting and auditing, financial management, and reporting are met. On Wednesday, February 9, 2011, Mayor Kristey Williams as Chair of REAP responded to findings of an Affordable Airfares audit presented to the Legislative Post Audit Committee. REAP's formal response to that Committee is attached.

The audit report, which is available on the Kansas Legislative Division of Post Audit website, made specific assertions which are outlined below and deserve a response. My response to these assertions is as follows:

"REAP officials don't use the best data available on fares and the number of passengers." – There is a lot of data available for passengers and fares that can be down loaded in various ways. REAP has maintained that the data we report provides the most meaningful statistics allowing for benchmarking with comparable markets and airports.

"The baseline years and industry benchmarks REAP officials use for comparisons are inconsistent from year to year, and sometimes even within the same report." – This assertion is incorrect as all data included in every REAP performance report utilizes 2000 as the baseline. In addition, as with any program REAP reported performance measures that were believed to be the best available at the time of the report which have consistently been enhanced each year. I would note that there were no indications of inconsistency within any one report.

"REAP officials omitted data on the number of flights available to passengers—a key goal of the program—from all but one of the annual reports." – REAP reports have not included specific numbers of flights past the initial 2007 fiscal year report, however, this data was provided in the REAP testimony and can be included in future reporting.

"The annual financial reports contain numerous errors and inconsistencies." – There are some minor inconsistencies in reporting that simple notations could have prevented. The minor inconsistencies were mainly due to some changes to the REAP Affordable Airfares bank account which led to a reconciliation of the interest and some minor corrections in the reports. These simple corrections were made with notations on the most recent fiscal report. I take full responsibility for any errors described and note that they were each corrected.

"Overall, the Economic Impact of The State Affordable Airfares Fund Has Been Significantly Overstated" – REAP has continued to focus on the statutory objectives of KAAP and has not assessed its economic impact. The assertion that REAP claims the returns is misleading. REAP has clearly stated that the research was an estimated impact calculated by the Center for Economic Development and Business Research (CEDBR) at Wichita State University in 2008. The audit reports that the methodology used for the report was incorrect, which is a direct disagreement with the methods and information used by CEDBR and should not be assessed as an inaccuracy from REAP. In addition, CEDBR submitted a rebuttal to the findings and methods used by Legislative Post Audit staff in their calculations, claiming that *"there are significant methodological errors in the post audit review that under represent both jobs and fiscal benefits."* I would also note that the findings of the audit did confirm a positive economic impact that returns money to the State of Kansas.

Finally, I would like to assure the REAP Executive Committee that I am willing to meet with any REAP member who may have questions and will make the necessary adjustments in future reports accordingly to ensure that REAP continues to focus on the specific statutory objectives and a commitment to transparency, integrity, and accuracy.



ANDOVER, ARKANSAS CITY, AUGUSTA, BEL AIRE, BENTLEY, BENTON, BUTLER COUNTY, CHENEY, CLEARWATER, COLWICH, CONWAY SPRINGS, DERBY, EL DORADO, GARDEN PLAIN, GODDARD, HALSTEAD, HARVEY COUNTY, HAYSVILLE, HESSTON, HUTCHINSON, KECHI, KINGMAN COUNTY, MAIZE, MCPHERSON, MCPHERSON COUNTY, MOUNT HOPE, MULVANE, NEWTON, PARK CITY, RENO COUNTY, ROSE HILL, SEDGWICK, SEDGWICK COUNTY, SUMNER COUNTY, VALLEY CENTER, WELLINGTON, WICHITA

February 4, 2011

Mr. Scott Frank
Legislative Division of Post Audit
800 SW Jackson Street, Suite 1200
Topeka, KS 66612-2212

Dear Mr. Frank:

Thank you for the opportunity to review and respond to the draft of a performance audit of the Kansas Affordable Airfares Program (KAAP).

In the 2006 legislative session, Kansas state lawmakers enacted House Substitute for Senate Bill 475 establishing KAAP and assigning the administration of the program to the Regional Economic Area Partnership (REAP). REAP has administered KAAP with a commitment to the program's specific statutory objectives, as well as transparency and financial integrity in program administration.

The Kansas Affordable Airfares Program provides for state financial participation in a regional partnership initiated by the city of Wichita and Sedgwick County in 2001. This partnership has been successful at addressing the statutory objectives of providing "more air flight options, more competition for air travel and affordable air fares for Kansas, including a regional airport in western Kansas" by attracting low-fare air carriers to Wichita Mid Continent Airport.

Since 2000, this regional partnership with the assistance of KAAP beginning in 2006 has provided a competitive environment for travelers from more than three-fourths of the State of Kansas. Overall fares are down 24 percent, and passenger volume is up by 23 percent. The recruitment of three low-fare air carriers has led to additional competition in 194 one-stop destinations in the U.S. REAP estimates that this investment of less than \$50 million from the Kansas Affordable Airfares Program and the regional partnership associated with it has saved business and other travelers flying in and out of Wichita Mid Continent Airport over \$500 million in the aggregate over this period. These savings go directly into the pocketbooks of citizens and businesses.

REAP has focused on the statutory objectives of KAAP and has not assessed the economic impact of KAAP but believes the work done by the staff of the Legislative Division of Post Audit confirms a positive economic impact that returns money to the State of Kansas. The post audit staff concluded that KAAP creates 3,178 annual jobs on average and returns \$2.32 in state tax dollars for every \$1 invested in the program.

In regards to the specific recommendation to utilize air travel data from the U.S. Department of Transportation, REAP does not believe that data set accurately captures the economic impact of KAAP. However, if the Legislative Post Audit Committee or the Kansas Department of Commerce directs us to utilize these data, we will do so.



As for the minor inconsistencies identified in the report, most resulted from changes in banking reports and the timing of reports, and REAP takes full responsibility for those. REAP appreciates the suggestions of post audit staff and will make adjustments in future performance and financial reports accordingly.

REAP would like to thank the legislative post auditor staff for their dedication, attention to detail, and professional conduct throughout the audit process. REAP believes the KAAP contributes substantially to the Kansas economy, as the audit findings support, and is committed to administer this program with a focus on the specific statutory objectives and a commitment to transparency, integrity, and accuracy in reporting.

Sincerely:

A handwritten signature in black ink, appearing to read "Kristey Williams". The signature is fluid and cursive.

Mayor Kristey Williams, Augusta
REAP Chair

A handwritten signature in black ink, appearing to read "Joseph S. Yager". The signature is fluid and cursive.

Joseph S. Yager
REAP Chief Executive Officer

REAP Board Meeting
February 14, 2011
Item #3 C

Item

Reports from REAP Representation on Regional Committees and Organizations

Background

REAP strives to be a regional leader through coordination and collaboration by partnering with organizations that help to shape economic development in South Central Kansas. The following are regional organizations REAP has an appointment on.

Greater Wichita Economic Development Coalition *Submitted by: Mayor Kristey Williams*

- The 2011 GWEDC Events calendar includes 17 conferences/expos. Marketing themes WindCENTRAL, AviationCENTRAL, and CompositesCENTRAL are among those utilized in new economic development promotional materials for our region.
- The Annual Meeting will be Feb. 25 at the Beech Activity Center from 11-1:30 and a steering council retreat will be April 1 and 2nd. For additional GWEDC updates, go to their website www.gwedc.org.
- Please note that all economic development directors, community leaders, and real estate professionals are encouraged to utilize LocationScout, as well as e-pulse (for ED Directors to log in the most current county data).

Mid-Continent Airport Advisory Board *Submitted by: Mayor Willis Heck*

- The Mid Continent Advisor Council met Monday, February 7th.
- Passenger count is up slightly for January.
- Airlines are consolidating and that results in smaller aircraft being phased out of service.
- Delta's non-stop flight to Detroit has been cancelled.

KansasBio *Submitted by: Mr. Joe Yager*

- The KansasBio website should be utilized to inform potential or existing bioscience industries of the opportunities available in the State of Kansas. The website is: www.kansasbio.org.
- A useful service provided by KansasBio is their eNews, an email newsletter that provides the latest KansasBio information and program announcements. If you or a company in your community would like to receive these updates please visit their website.

Visioneering Wichita *Submitted by: Mr. Joe Yager*

- Bryan Derreberry, President and CEO of the Wichita Chamber, has been named President of the Charleston, South Carolina Chamber of Commerce effective in mid-March. The Wichita Chamber Board of Directors has selected Suzie Ahlstrand as the interim President and CEO for this transition time while a national search will be underway.
- This is not expected to cause any disruptions in the Visioneering programs and/or alliances.

REAP Board Meeting
February 14, 2011
Item #3 D

Item

Report of the Chief Executive Officer

Background

The REAP Chief Executive Officer submits the following updates and report on relevant information to the REAP organization.

16th Annual Midwest Regional Public Finance Conference

One of the key elements identified during the REAP Strategic Planning efforts and annual retreat was increased efforts to engage stakeholders on issues shaping our regional economy through involvement of the membership in educational opportunities.

This year's 16th Annual Midwest Regional Public Finance Conference may be of special interest to REAP Members. The theme this year will be "Financial Leadership in Challenging Times," and topics will explore financial leadership and the role it can play to help governments navigate through challenging times. Topics will include economic development, leadership, and the economic recovery for rural and urban communities.

The conference is scheduled for February 17-18, 2011, at the Wichita Marriott. Details were forwarded out January 27th, so hopefully members of your jurisdictions will be in attendance.

Reports Online

REAP staff has placed the official 2010 Annual Report as well as the 2010 South Central Kansas Legislative Policy Summit information on the REAP website: www.reap-ks.org.

Future REAP Meetings

In an effort to increase participation and dialogue, REAP staff has been directed to solicit ideas for future meetings, whether that be location, theme, special topic, or any other advice members may have. Please contact [Mr. Joe Yager](#), REAP CEO, if you have an idea of a topic or highlight that you think REAP should consider. A draft schedule of meetings is attached.

REAP Meeting Schedule

Meeting schedules for 2011 are available on the REAP website, www.reap-ks.org. Please note that the next REAP meeting is scheduled for **Monday, March 14, 2011** at 8:00 AM. The meeting will be held at the Hughes Metroplex and will focus on Legislative Engagement. If you have ideas on this subject please forward your comments to the Chief Executive Officer or the REAP Legislative Committee as they will serve as the lead on planning for this meeting.

DRAFT REAP Board Meeting Theme Schedule 2011

February

THEME: REAP Internal Organization with the finalization and adoption of our 3-year Strategic Plan with possible work on individual work plans for committees AND membership Engagement planning/discussion.

LOCATION: Hughes Metroplex

March

THEME: Legislative Engagement

LOCATION: Hughes Metroplex

April

THEME: Aviation, manufacturing, composite-cluster, CIBOR, NCAT

LOCATION: NIAR

Include Keith Lawing, Workforce Alliance, in the planning as we focus on workforce training.

May

THEME: Regional Economic Development Success

LOCATION: Hughes Metroplex

Utilize panel discussions, success 'stories' of area communities, and GWEDC.

June

THEME: Legislative Recap (inviting select legislators and key Brownback administration... Sec. Of Commerce and others)

LOCATION: Hughes Metro Plex

July

THEME: Health

LOCATION: KU Medical Center

August

No Meeting

Sept & October

TBD (preparation for finalization of work plans...Retreat)

Nov.

THEME/Subject: Approve work plan and budget (rather than in Dec.)

LOCATION: Hughes Metro Plex

Dec.

THEME: Celebration and presentation of annual report and budget

LOCATION: TBD (possible early evening with meeting and then reception)

REAP DRAFT Three Year Strategic Plan: 2011-2013

Proposed February 14, 2011

The Regional Economic Area Partnership (REAP) is comprised of thirty-seven city and county governments in nine counties of South Central Kansas, which include Butler, Cowley, Harper, Harvey, Kingman, McPherson, Reno, Sedgwick and Sumner counties. Since its inception, REAP has been guided by the following mission:

To guide state and national actions that affect economic development in the region, and to adopt joint actions among member governments that enhance the regional economy.

In order to meet this mission, REAP has assigned several ongoing elements of its annual work plans to the four standing committees. The four committees and their ongoing commitments as defined through actions of REAP are detailed below:

The **REAP Executive Committee** (EC) assists the Chair in developing agenda items, policy issues, or administrative matters to be presented to REAP; handling special tasks, as determined by the Chair, which require action between regular meetings of REAP; and monitoring adherence to the fiscal procedures of REAP by serving as the treasury for REAP, collecting all REAP revenues, making disbursements in accord with the budget adopted by REAP, and conducting financial management of REAP assets in accord with REAP fiscal procedures. In addition, in 2006 the Executive Committee was assigned the task of administering the Kansas Affordable Airfares Program by assuring that all statutory requirements for programming, evaluation, accounting and auditing, financial management, and reporting are met.

The **REAP Economic Development Committee** (EDC) identifies regional economic development issues and recommends action on those issues to REAP. In addition, since 2000 through an agreement entered into by counties in Local Area IV as defined by the State of Kansas, the EDC has been designated to serve as the Chief Elected Officials Board (CEOB), as defined in the Workforce Investment Act of 1998 in Local Area IV, which includes Butler, Cowley, Kingman, Harper, Sedgwick and Sumner counties. In performing duties as Chief Elected Officials Board under the Workforce Investment Act of 1998 the EDC ensures regional representation of the Local Workforce Investment Board and is generally responsible for conducting oversight and evaluation activities for all WIA programs.

The **Legislative Committee** (LC) identifies legislative issues of regional concern and recommends to REAP legislative action at the state or federal level. In particular the LC monitors the progress on the annual legislative priorities and since 2000 has provided guidance to the legislative liaison as issues arise. The LC also develops and recommends legislative priorities to REAP for the following year.

The **Water Resources Committee** (WRC) identifies and coordinates collaborative efforts on regional issues of water quality and supply in South Central Kansas. In May of 2007 REAP created the WRC to serve as a regional conduit for dissemination to members of information and education while providing a regional voice on behalf of the members before federal, state, regional and local agencies and organize member involvement in the activities of those agencies.

Based on the discussions at the REAP retreat, Committee meetings, and survey results the following five goals were identified for REAP to work towards in the next 3 years. Each goal is followed by objectives that will then have action steps (work plans associated with them that will be specific and measurable).

REAP DRAFT Three Year Strategic Plan: 2011-2013

Mission: To guide state and national actions that affect economic development in the region, and to adopt joint actions among member governments that enhance the regional economy.

- 1) **Provide a unified voice** to promote regional economic development.
 - a) Collaborate with private, non-profit, and public sector stakeholders on regional economic issues.
 - b) Strengthen relationships with existing partners.
 - c) Encourage dialogue on regional economic development.
 - d) Instill regional identity through coordinated branding.

- 2) **Guide state and national policies** that impact regional economic development.
 - a) Engage local leadership to represent the region at the state and national level.
 - b) Develop relationships with state and federal governmental officials.
 - c) Establish a process to identify policies affecting specific industries.
 - d) Coordinate a unified agenda for regional economic development.

- 3) **Engage stakeholders** on issues shaping our regional economy.
 - a) Provide regional forums that connect REAP membership with private, non-profit, and public sector stakeholders.
 - b) Conduct outreach on the purpose and accomplishments of REAP.
 - c) Involve REAP membership in educational opportunities.

- 4) **Support inter-jurisdictional planning** on issues affecting economic development.
 - a) Promote the benefits of a sustainable regional economy.
 - b) Determine REAP's role in regional planning.
 - c) Engage professional staff in multiple jurisdictions for sustainable planning.

- 5) **Lead the region** in addressing future economic needs.
 - a) Create a vision for regional economic development through REAP.
 - b) Determine the organizational capacity to support the future structure and needs of REAP.
 - c) Be proactive in identifying and discussing emerging issues.