



Regional Economic Area Partnership (REAP)

Meeting Agenda

8:00 a.m., July 11, 2011

National Institute for Aviation Research (NIAR)

Wichita State University

Mayor Kristey Williams, Chair

We will be in meeting in room 307 - 309 on the third floor of the NIAR building. Parking is available in the "visitor" spots in the small lot adjacent to the north side of the NIAR building, or in any of the regular parking spaces in the large lot to the west. (See map on page 2 of this agenda.)

1. Welcome, Introductions, and Announcements: Mayor Kristey Williams

2. New Business: Mayor Kristey Williams

- A. Official Appointment of Executive Committee by REAP Chair
- B. Bylaws Taskforce Update

3. Engineering Initiative Presentation and Update: Dr. Zulma Toro-Ramos

Dr. Toro-Ramos, Dean of the College of Engineering at Wichita State University, has been invited to provide an update on the State's Engineering Initiative and the School of Engineering at WSU.

4. Kansas Affordable Airfares Program (KAAP) Update: Mayor Kristey Williams

In accordance with the Kansas Affordable Airfares Program as adopted by REAP on 3/29/11 and to assure that all statutory requirements are met, the Executive Committee is charged with the responsibility for making a recommendation to the full REAP board.

Recommendation: That REAP award Fiscal Year 2012 KAAP funding per the recommendation of the REAP Executive Committee and direct staff to request KAAP funds through the Kansas Department of Commerce to implement this recommendation.

5. 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 June 6, 2011
- 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.

6. NIAR Presentation: Dr. John Tomblin

Dr. Tomblin, Director of NIAR at Wichita State University, has been invited to provide an overview of NIAR, as well as an update on aviation/manufacturing related issues/priorities for our region.

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

8. Adjourn/Tour of NIAR

The next REAP Board meeting will be Monday, September 12, 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.

**REAP Board Meeting
July 11, 2011
Item #2A**

Item

Official Appointment of Executive Committee by REAP Chair

Background

In accord with the REAP bylaws, the Chair of REAP appoints members to the following:

Executive Committee

Determined by Vote and Bylaws:

Chair – Mayor Kristey Williams (Augusta)

Vice-Chair – Commissioner Dave Unruh (Sedgwick County)

Appointments per Bylaws:

Economic Development Chair – Commissioner Dave Unruh (Sedgwick County)

Legislative Committee Chair – Council Member Jeff Longwell (Wichita)

Water Resources Committee Chair – Mayor Dion Avello (Derby)

At-large City and Treasurer – Mayor Terry Somers (Mount Hope)

At-large County – Commissioner Chip Westfall (Harvey County)

Additional At-large – Commissioner Brad Dillon (Reno County)

Notes:

- *The Vice-Chair will chair the Executive Committee in the absence of the Chair, however, the Vice-Chair is not a permanent member of the Executive Committee.*
- *There is an additional At-large member due to the vacancy of the Immediate Past Chair.*
- *The EDC Chair also serves on the Workforce Board.*
- *One member of the Executive Committee is appointed to serve as the Treasurer.*

Regional Organizations

Appointed by Chair previously:

Greater Wichita Economic Development Coalition – Mayor Kristey Williams (Augusta)

Mid-Continent Airport Advisory Board – Commissioner Willis Heck (Newton)*

Visioneering Steering Committee – Mr. Joe Yager, REAP Chief Executive Officer

** Commissioner Heck has requested to step down from the Airport Advisory Board, therefore the REAP Chair will request another member to serve on this board.*

REAP Board Meeting
July 11, 2011
Item #4

Item

Kansas Affordable Airfares Program (KAAP) Update

Background

In the 2006 session of the Kansas Legislature, the Regional Economic Area Partnership (REAP) was assigned responsibility for administering the Kansas Affordable Airfares Program (KAAP) through enactment of House Substitute for Senate Bill 475 and the omnibus appropriation bill, Senate Bill 2968. Those legislative actions assigned REAP responsibility for administering KAAP, as follows:

- REAP shall be the grant recipient of state appropriations for development and implementation of the program;
- REAP shall receive matching moneys from local governments; and
- REAP shall evaluate and report on the effectiveness of the program, as well as the expenditures from the grant and local matching moneys.

In 2006, REAP assigned the Executive Committee responsibility for overseeing KAAP, and a \$5 million grant from state appropriations was awarded to Sedgwick County, the only entity requesting funding in FY 2007.

In 2007, Governor Sebelius recommended and the Kansas Legislature appropriated \$5 million for continued funding of KAAP, through House Bill 2368. REAP took actions to increase awareness and transparency of KAAP by adopting guidelines that focused on the statutory objectives for KAAP and established a timetable for proposals.

Two proposals for funding were received and evaluated in an open-forum at which time the proposers were given an opportunity to present the proposal in person to the REAP Executive Committee. Based on a review of the proposals and presentations, the REAP Executive Committee recommended and REAP agreed that the proposal from Sedgwick County be awarded \$5 million. This proposal addressed all statutory criteria for the allocation of funding including the priorities of maintaining affordable airfares to eastern U.S. destinations and developing affordable airfares to western U.S. destinations.

In the 2008 legislative session, Governor Sebelius recommended and the Kansas Legislature appropriated \$5 million for continued funding of KAAP, through Senate Sub. For House Bill 2946. REAP took actions to establish a timetable for proposals, and the REAP Executive Committee recommended and REAP agreed that a \$5 million grant from state appropriations be awarded to Sedgwick County, the only entity requesting funding in FY 2009.

In the 2009 legislative session, Governor Sebelius recommended and the Kansas Legislature appropriated \$5 million for continued funding of KAAP, through Senate Sub. For House Bill 2373. REAP took actions to establish a timetable for proposals, and the REAP Executive Committee recommended and REAP agreed that a \$4,875,000 million grant from state appropriations be awarded to

Sedgwick County, the only entity requesting funding in FY 2010. The remaining funds of \$125,000 were made available through an addendum to the original request for proposals and the REAP Executive Committee recommended and REAP agreed that a grant from state appropriations be awarded to Sedgwick County, the only entity requesting funding for the FY 2010 Addendum.

In the 2010 legislative session, Governor Mark Parkinson recommended and the Kansas Legislature appropriated \$5 million for continued funding of KAAP, through Senate Bill 572. REAP took actions to establish a timetable for proposals, and the REAP Executive Committee recommended and REAP agreed that a \$5,000,000 million grant from state appropriations be awarded to Sedgwick County, the only entity requesting funding in FY 2011.

In the 2011 legislative session, Governor Sam Brownback recommended and the Kansas Legislature appropriated \$5 million for continued funding of KAAP, through Senate Substitute for House Bill 2014.

Fiscal Year (FY) 2012 Request for Proposals Process

In order to continue the Kansas Affordable Airfares Program (KAAP) and maintain transparency, REAP took action to again release an RFP for proposals that established a process for fiscal year 2012 (July 1, 2011 through June 30, 2012).

At its March meeting, REAP adopted guidelines for administration of KAAP (see attachment). These guidelines focus on the statutory objectives for KAAP, specifically: 1) more flight options; 2) more competition for air travel; and 3) affordable airfares for Kansas. REAP also indicated that highest priority would be given “to maintaining affordable airfares to eastern and western U.S. destinations” and next highest priority will be given to “proposals that impact a majority of Kansans.”

The timeline for FY 2011 proposals was as follows:

April 1	Release RFP
June 17	Deadline for submittals (55 business days)
July 6	REAP Executive Committee Review
July 11	REAP Meeting/Selection of FY 2012 program recipient

The adopted guidelines were released through State-wide media, the Kansas Association of Airports, Kansas Department of Commerce, and the League of Kansas Municipalities, as well as being placed on the REAP website.

The REAP Executive Committee met on July 6, 2011, to hear presentations from two applicants for funding through the Kansas Affordable Airfares Program (KAAP). The two proposals for funding received were: one from Sedgwick County and another from Garden City, Kansas. The following provides details on each proposal:

Sedgwick County Proposal

Sedgwick County requested funding in the amount of \$5 million for fiscal year 2012 with matching funds in the amount of \$1.67 million, or 33% of the requested amount to be provided by Sedgwick County.

In presenting its proposal Sedgwick County provided evidence documenting that low-fare air service to eastern and western U.S. destinations through Wichita Mid-Continent Airport had been successful in providing more air flight options, more competition for air travel, and affordable air fares for Kansas.

Through revenue guarantees to AirTran and Frontier, travelers utilizing the Wichita airport can fly cheaply to 79 eastern destinations and 72 western destinations with only a single stop en route. This increase of low cost, convenient travel options has directly led to the increased number of passengers using the Wichita airport instead of others in Missouri or Oklahoma.

In reviewing the program as a whole and utilizing data from the Bureau of Transportation Statistics, Wichita has experienced a decrease of 17.7% in fares since 2000. Compared to the US domestic average of 1.0% decrease for the same time, the Bureau has ranked Wichita as the 10th best positioned airport (out of 100) in regards to % change of average fare from 2000 to 2010. This compares favorably to both Tulsa (19.1% increase and ranked 78) and Oklahoma City (20.0% increase and ranked 80).

It is estimated that this program provides an additional 106,000 passengers in the top 50 destinations coming from throughout Kansas and Oklahoma. This program also saved air travelers out of Mid-Continent Airport more than \$33.2 million in reduced fares in 2010, compared to 2000 (note: AirTran was recruited into the Wichita market through local support in 2001 and began operations in 2002).

The benefit of AirTran's presence in Wichita is demonstrated further by the following:

- Research has shown that Atlanta is one of the most popular destinations for travelers from Wichita Mid-Continent Airport and AirTran serves 24 of the 50 most popular destinations.
- The top 50 markets from the Wichita Airport have experienced a 35% growth in passengers since 2000. Of those top 50, the 24 markets served by AirTran have experienced a 60% growth in passengers, while those destinations not served by AirTran have only experienced a growth of 22% in passengers. (Data from the US Department of Transportation)
- At the same time, the top 50 markets from the Wichita Airport have experienced a 20% decrease in average one-way fares since 2000. Of those top 50, the 24 markets served by AirTran have experienced a 31% decrease in average one-way fares, while those destinations not served by AirTran have only experienced a decrease of 10% in average one-way fares. (Data from the US Department of Transportation)
- Whether passengers fly AirTran or another carrier, due to price competition every one of them benefits directly from the presence of a low fare carrier in the Wichita market. The experience of other similar-sized jurisdictions shows that without AirTran, the average one-way fare between Wichita and Atlanta would be as much as \$1,000.
- Without AirTran, the average one-way fare to these 24 markets would likely have been \$70 more than it actually was, meaning the 443,590 passengers from Wichita to those markets would have paid an additional \$31.3-million for round-trip airfares in 2009.

The benefit of Frontier's presence in Wichita is demonstrated further by the following:

- Frontier offers low-fare competition via one-stop service to all major western U.S. cities and serves 14 of the top 50 destinations of travelers using the Wichita airport.
- Since Frontier entered the Wichita market in 2007:
 - The number of passengers using the Wichita airport for destinations served by Frontier has increased 23%; and

- The 14 destinations served by Frontier have seen a 29% decrease of average one-way fares.
- If Frontier left Wichita the impact on travelers to western destinations would be immediate and severe. In the third quarter of 2007, immediately prior to Frontier's entry into the Wichita market, average one-way fares to the 14 destinations served by Frontier were \$226, 18% higher than the average of \$192 for all other destinations in the top 50 (including those served by AirTran). In the year ending 2010 – the most recent for which data is available – average one-way fares to the 14 destinations served by Frontier were \$161, or 11% lower than the average of \$180 for all other top-50 destinations.
- An indication of how substantial the fare increase might be can be inferred from the following chart. It compares the current round-trip Denver fares of Wichita, which has low-fare competition provided by Frontier, with the Denver fares of other similar cities that do not have low-fare competition. This data suggest that if Frontier left the Wichita market, round-trip fares quickly would increase to at least three times the current price.
- Whether passengers fly Frontier or another carrier, due to price competition every one of them benefits directly from the presence of a low fare carrier in the Wichita market. The experience of other similar-sized jurisdictions shows that without Frontier, the average one-way fare between Wichita and Denver would be as much as \$800.

Providing a substantial positive economic benefit is not a stated objective of the legislation implementing the Kansas Affordable Airfares Program, nor is it a stated priority or proposal selection criterion of REAP. Even so, assessing the program benefits in relation to its costs provides a valuable affirmation of the actions of the legislature in creating and continuing to fund the program.

Depending on assumptions made and data sources used, different evaluators can be expected to arrive at different conclusions about the exact benefits of the program. However, the consistent finding of every analyst who has studied Sedgwick County's implementation of the Kansas Affordable Airfares Program is that the state government and its residents have received net positive benefits from this use of public funds.

A fiscal impact study conducted by the Center for Economic Development and Business Research at WSU in 2008 concluded that AirTran's departure from Wichita would have a pronounced negative impact on the local economy and on state and local tax receipts. The study shows AirTran's presence in the Wichita market was responsible for 9,720 jobs having an average annual payroll of \$283.4-million. It shows that during the period of 2002 – 2007 the state government received \$5.25 of increased tax revenue for every \$1 of funding provided through the Kansas Affordable Airfares Program.

Using a different methodology and data sources, earlier this year the Kansas Division of Legislative Post Audit examined the benefits and costs of the entire program – not just AirTran, as was done by CEDBR – and similarly found a positive economic impact that returns money to the State government. The post audit concluded that the program creates 3,178 annual jobs on average, and returns \$2.32 in state tax dollars for every \$1.00 invested in the program by state government.

Garden City Proposal

The City of Garden City requested funding in the amount of \$250,000 for fiscal year 2012 with matching funds in the amount of \$\$83,333.33, an amount equal to or greater than the required 25% local match to be provided by the City of Garden City.

In presenting its proposal Garden City provided documentation in support of establishing the Garden City Regional Airport, with the cooperation of regional partners, as the Western Kansas Regional Airport by providing competitive jet service through American Eagle. It was noted that in the enabling legislation, House Substitute for Senate Bill 475 and the omnibus appropriation bill, Senate Bill 2968, it was expressly stated “including a regional airport in western Kansas.”

In addition, the proposal specified that regional jet service in the western half of Kansas will boost enplanements from Kansas airport and prevent leakage to air carriers providing jet services from nearby states (Colorado and Texas).

Some specifics on the proposal are as follows:

- The City of Garden City is one of three southwest Kansas communities that receive essential air service (EAS) funding for commercial air service, and one of five in the western half of Kansas. All five communities are currently serviced by Great Lakes Aviation with Beechcraft 1900 turboprop planes with service to Denver. Enplanements are higher out of Garden City Regional Airport than the other western Kansas EAS and it has long been a priority of local leaders, the regional business community, and our US Congressional delegation to look for ways to grow Garden City Regional Airport out of the EAS program and into a more commercially viable service provider.
- To that end, Garden City conducted a market analysis by Sixel Consulting in advance of the 2011 EAS bidding cycle. This market analysis was used to recruit jet service providers in hopes of ultimately landing a carrier capable of capturing the significant market leakage to Amarillo, Denver and Wichita, and growing passenger load to a profitable level. Furthermore, it was a desire to attract an air carrier which would provide service to an international hub which best reflected where our passengers wanted to go.
- American Eagle is one of four airlines proposing service to Garden City. American Eagle is the only proposal to offer a southern hub (Dallas – DFW) and is the only proposal to offer jet service. Unfortunately, this is the most expensive of the four proposals. However, it is the intent of the City of Garden City to present a regional funding solution to the US Department of Transportation which underwrites the \$1.3 million differential between the American Eagle jet service bid and the lowest turboprop bid. The proposal will incorporate regional partners and ultimately bring viable jet service to western Kansas, thereby making it the first truly regional airport in the western half of Kansas.
- While at the onset there would only be one carrier out of Garden City Regional Airport, there still exists competition in western Kansas EAS communities and very competitive jet service out of Wichita Mid-Continent Airport (which by the market study, most of the market considers to be their primary airport). The additional competition will help bring down pricing and make air travel a more affordable option.
- The primary use of funds is to assist in filling the gap between American Eagle’s proposed cost to serve Garden City Regional Airport and the proposal to the USDOT.
- Garden City Regional Airport also committed to providing current and historical data for enplanements as well as enplanement numbers for other western Kansas airports with commercial service to provide analytical evidence of the “regional” nature of the service being provided. Garden City Regional Airport also commits to providing average daily fare information to validate the “competitiveness” of that service.

Recommendation

The Executive Committee has administered the Kansas Affordable Airfares Program with a commitment to the program's specific statutory objectives, as well as transparency and financial integrity in program administration.

Based on a review of the proposals for funding in FY 2012, the Executive Committee recommends the following:

- 1) That the proposal from Sedgwick County be awarded \$4.75 million. This proposal: 1) addresses all statutory criteria (more air flight options, more competition for air travel, and affordable air fares for Kansas) for the allocation of funding including the priorities of maintaining affordable airfares to eastern and western U.S. destinations and impacting a majority of Kansans; 2) renews a contract with AirTran for the 12 months beginning July 1, 2011; 3) provides for the Frontier revenue guarantee agreement to continue through June 30, 2012; and, 4) provides for the local match of at least 25%.
- 2) That the proposal from Garden City be awarded \$250,000, contingent upon the following:
 - 1) Approval by US Department of Transportation on the use of these funds for the purpose of contracting with American Eagle service;
 - 2) Approval of the US Department of Transportation to utilize the City of Dodge City EAS funding under the "Alternate Air Service Pilot Program"; and
 - 3) Receipt of the local match.

This proposal: 1) addresses the statutory criteria of more flight options through a contract with American Eagle jet service through Dallas; 2) addresses the statutory clause of establishing a regional airport in Western Kansas; 3) provides a market analysis; and 4) provides for the local match of at least 25%.

The Executive Committee did note that there is a concern that the Garden City proposal does not clearly meet two of the statutory requirements: more competition and more affordable airfares for Kansas. It was noted that the proposal from Garden City does attempt to address these requirements and competition and affordability would be desired outputs from the initial service. In addition, the Garden City proposal does clearly address the "Western Kansas clause," which has not been addressed in previous KAAP awards and was noted in the recent post audit report.

Finally, it was proposed that REAP offer assistance in exploring additional opportunities for the Garden City program to connect with the Wichita affordable airfares program to enhance affordable airfares for Kansas residents.

The Executive Committee also reserves the right to re-allocate any of these funds prior to June 30, 2012 if any of the required contingencies are not met.

REGIONAL ECONOMIC AREA PARTNERSHIP (REAP)
KANSAS AFFORDABLE AIRFARES PROGRAM
Adopted: 03/29/11

Under the authority of House Substitute for Senate Bill 475 and the omnibus appropriation bill, Senate Bill 2968, both enacted in the 2006 session of the Kansas Legislature, the Regional Economic Area Partnership (REAP) has established the Kansas Affordable Airfares Program. The program is designed to provide more air flight options, more competition for air travel, and affordable air fares for Kansas.

SELECTION PROCESS

REAP will accept proposals for fiscal year 2012 (July 1, 2011 through June 30, 2012) from local governments to accomplish the purposes of the Kansas Affordable Airfares Program in accord with the following guidelines:

- proposals should specify how the program will provide more flight options, more competition for air travel, and affordable air fares for Kansas. In this regard, an applicant should demonstrate that due diligence has been conducted with respect to a proposal for funding. Due diligence might be documented with analysis of feasibility from a professional air service consultant or a letter of intent from a commercial air carrier.
- proposals for funding during fiscal year 2012 should be submitted in writing to the Chief Executive Officer of REAP at Box 155, 1845 Fairmount, Wichita, Kansas 67260, no later than June 17, 2011.
- proposals should specify the amount of funding requested through the Kansas Affordable Airfares Program and indicate the source of the required local match of 25 percent.
- proposals should specify how the program applicant will document the effectiveness of funding received under the Kansas Affordable Airfares Program.
- proposals should also specify how expenditures and results from the Kansas Affordable Airfares Program and local matching monies will be reported.
- on the basis of the proposals received, the Executive Committee of REAP will make a recommendation to REAP on awarding of funds.

Please note that completion of the selection process is subject to available funds.

SELECTION CRITERIA

Grants under the Kansas Affordable Airfares Program will be considered and may be awarded on an annual basis in accord with purposes of the program, which are more flight options, more competition for air travel, and affordable air fares for Kansas. Selection criteria are derived from these program purposes as follows:

More air flight options:

- number of scheduled, daily nonstop flights by commercial passenger air carriers to U.S. destinations;
- number of scheduled, daily one-stop flights by commercial passenger air carriers to U.S. destinations;
- number of scheduled, daily one-stop flights by commercial passenger air carriers to international destinations;

More competition for air travel:

- number of scheduled, daily nonstop flights by commercial passenger air carriers to U.S. destinations served by two or more airlines
- number of scheduled, daily one-stop flights by commercial passenger air carriers to U.S. destinations served by two or more airlines
- number of scheduled, daily one-stop flights by commercial passenger air carriers to international destinations served by two or more airlines

Affordable air fares for Kansas:

- average airfare for scheduled, round-trip, nonstop flights by commercial passenger air carriers to U.S. destinations
- average airfare for scheduled, round-trip, one-stop flights by commercial passenger air carriers to U.S. destinations
- average airfare for scheduled, round-trip, one-stop flights by commercial passenger air carriers to international destinations

In making awards, REAP will give highest priority to maintaining affordable airfares to eastern and western U.S. destinations. Priority will also be given to proposals that impact a majority of Kansans. Selection criteria for making awards will be reviewed annually by REAP.

Meeting Minutes June 6, 2011
Hughes Metropolitan Complex, Wichita, Kansas
Mayor Kristey Williams, Chairman

1. Welcome and Introduction.

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

2. New Business

Staff Recommendation on Officer for 2011-12

Mr. Joe Yager, Chief Executive Officer of REAP, discussed that according to the bylaws the Chair and Vice-Chair of REAP are elected for a period of one year by an annual assembly of the nominating committee; however, last year the committee made their nominations with the intention of the Chair and Vice-Chair serving for two years. To comply with the bylaws an official action needs to be made to approve 1) That Mayor Kristey Williams, Augusta, serve as Chair and Commissioner Dave Unruh, Sedgwick County, serve as Vice-Chair for 2011-12; 2) The REAP Chair nominate members to serve on the Executive Committee and seek approval of the nominations no later than the July REAP Meeting; and 3) The REAP Chair appoint a taskforce to evaluate updates to the REAP bylaws.

Council Member Jeff Longwell, Wichita, moved (Commissioner Willis Heck, Newton) to approve action items 1 and 2 as presented, the motion passed unanimously.

Mayor Robert Jackson, Kechi, moved (Mayor Terry Somers, Mount Hope) to approve action item 3 as presented, the motion passed unanimously.

3. Consent Agenda and Committee Reports.

Mayor Williams noted that the deadline for submittals for proposals for the Kansas Affordable Airfares Program is on June 17th and to save the date for the ASR tour on June 20th with a reception immediately following the tour being hosted at Senator Carolyn McGinn's home to acknowledge the legislative support and importance of the project.

Mayor Williams discussed that the process for the recertification taskforce for the Workforce Centers including an official report and recommendation by the taskforce can be found on the REAP website at www.reap-ks.org. She also talked about the information on page 10 of the agenda packet discussing approving re-negotiation of the Workforce Alliance lease to cut the payment in half, which can be approved as part of the consent agenda.

Commissioner Heck provided an update on the Water Conference that was held on May 26th. Information on the conference is on page 11 of the agenda packet and he noted that even though the keynote speaker was unable to attend due to inclement weather staff was able to move things around to make everything work. Senator Carolyn McGinn stepped in to help out and the attendance and number of vendors was very good. Commissioner Heck also asked members to participate in the online survey if they attended the conference in order to help staff plan for future conferences.

Mr. Yager discussed the T-Works Projects Announcements included on page 15 of the agenda packet with a summary and map of where the projects are located. He stated that all of the projects are ones that REAP had considered and put support behind, which is a very good result for our region and that more information is available online.

Mayor Williams requested that board members review the consent agenda. Commissioner Chip Westfall, Harvey County, moved (Council Member Longwell) to approve the consent agenda as presented. The motion passed unanimously.

4. REAP Legislative Engagement

Mayor Williams discussed a handout highlighting the Legislative Priorities and the outcomes of these priorities, including that the Kansas Affordable Airfares Program was funded for \$5 million, ASR was funded for more than the previous year, NIAR received funding and there was support for water planning. Overall South Central Kansas fared well and received a lot of positive outcomes.

Council Member Longwell noted that the goal of this discussion today was on how we can build and improve upon these successes. He discussed the listening tour that is being organized in order to see how REAP can help these communities and how REAP can get them more engaged. This listening tour will be going to Hutchinson, Newton, El Dorado and either Winfield, Wellington or Arkansas City to identify how REAP can better serve their communities. Dates will be forthcoming.

5. Special Legislative Engagement Panel Discussion

Dr. Ed Flentje, Wichita State University, moderated a panel made up of Mr. Tom Bruno, REAP Legislative Liaison; Mr. Andy Schlapp, Government Relations Wichita State University and Mr. Dale Goter, Government Relations Director City of Wichita. The panelists discussed topics such as their view of how the last legislative session went, the Post-Audit and political support of the Kansas Affordable Airfares Program and where to go from here. They also discussed the ongoing need for communication during the off-session when legislators are back home. They also noted the strength of community and business leaders lending vocal support to issues and not always criticizing but offering solutions.

6. Unscheduled Business Items and Updates.

No unscheduled items were discussed at this meeting.

7. Adjourn.

Having no other business the meeting was adjourned.

REAP Attendance	
6/6/2011	
<i>Name</i>	<i>Jurisdiction</i>
Council Member Clark R. Nelson	Andover
Ms. Sasha Stiles	Andover
Mayor Kristey Williams	Augusta
Mr. Dale Shaffer	Benton
Ms. Diana Brooks	Colwich
Mayor Dion Avello	Derby
Ms. Kathy Sexton	Derby
Mr. Herb Llewellyn	El Dorado
Commissioner Chip Westfall	Harvey County
Commissioner Marge Roberson	Harvey County
Mr. David New	Haysville
Mayor Dave Kauffman	Hesston
Mayor Robert Jackson	Kechi
Mr. Mark Tallman	Kechi
Mayor Terry Somers	Mount Hope
Commissioner Willis Heck	Newton
Commissioner Jim Nickel	Newton
Ms. Dana Walden	Park City
Commissioner Brad Dillon	Reno County
Mr. Gus Collins	Wellington
Council Member Jeff Longwell	Wichita
<i>Guests and Staff</i>	
Mr. Tom Bruno	Bruno & Associates
Mr. John Waltner	Harvey County
Mr. Harland Priddle	K-96 Corridor Association
Mr. Kurt Yowell	MKEC
Mr. Randy Riggs	Newton
Mr. Marv Duncan	Sedgwick County
Ms. Amanda Duncan	Workforce Alliance
Mr. Dale Goter	Wichita
Mr. Andy Schlapp	WSU
Ms. Kelly Fuller	WSU
Ms. Angela Buzard	WSU
Ms. Debra Franklin	WSU
Dr. Nancy McCarthy-Snyder	WSU
Dr. Ed Flentje	WSU
Mr. Joe Yager	WSU
Mr. Dane Baxa	WSU
Ms. Kate Flavin	WSU
Ms. Lorien Showalter	WSU

**REAP Board Meeting
July 11, 2011
Item #5 B**

Item

REAP Committee Reports

Background

Since the June 6, 2011 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 held a conference call on June 14, 2011 and then met on July 6, 2011. The following is a report of the various updates and actions from those meetings:

ASR Tour and Reception Sponsorship

The REAP Executive Committee took action on June 14 to approve sponsorship not to exceed \$250 for a tour and reception of the Equus Beds ASR project on Monday, June 20. The REAP WRC had taken action to authorize the sponsorship of a tour of the Equus Beds ASR project and reception acknowledging the legislative support for ASR.

2011 Water Conference Keynote Speaker Invite

The REAP Executive Committee took action on June 14 to direct the Executive Officer of Water Resources to secure a presentation by Dean Amhaus for a future REAP WRC meeting and approve use of Water Resources project funds for this purpose. The REAP WRC had taken action to authorize staff to negotiate with Dean Amhaus, the keynote speaker for the 2011 Annual Water Conference who was unable to attend due to weather, to secure a presentation on the Milwaukee Water Council and his conference key note presentation at a future REAP Water Resources Committee Meeting. This action also included approval of use of WRC Project Funds contingent upon deliberation and authorization by the REAP Executive Committee. It was noted that due to savings in expected expenses and higher than expected revenues there is sufficient funding available to invite Mr. Amhaus to a future meeting for his presentation.

REAP 2011 2nd Quarter Treasurer's Report

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 2011. In accordance with this agreement, REAP will make payments on a quarterly basis to Wichita State University for this support.

In addition, under the agreement approved April 11, 2011 with H. Edward Flentje, consultation and assistance is provided to REAP in the capacity of Senior Consultant in calendar year 2011.

In accordance with these agreements, REAP will make payments on a quarterly basis to Wichita State University and H. Edward Flentje for this support.

The Executive Committee took action to approve payments for the first quarter of 2011 to 1) Wichita State University in the amount of \$18,801.50 for REAP staffing; 2) Wichita State University in the amount of \$7,583.75 for Water Resources staffing; 3) Hugo Wall School in the amount of \$8,031.43 for REAP Operating expenses; 4) Hugo Wall School in the amount of \$3,859.18 for Water Resources Operating expenses; and 5) H Edward Flentje in the amount of \$2,500.00 for Senior Consulting Services, with \$1,250 from the REAP Operating account and \$1,250 from the Water Resources account.

Please note that the financials for the 2011 2nd Quarter are attached on pages 23-28.

REAP Assessments for 2012

The REAP Executive Committee took action to update the REAP and REAP Water Resources Committee annual assessments for 2012 using 2011 State certified populations levels in accordance with the REAP Bylaws and Fiscal Procedures. State certification of population is expected in early to mid July and staff has been directed to inform member jurisdictions of the assessment amount at the earliest date possible.

REAP Water Membership Update

The City of Augusta has officially approved membership to REAP's Water Resources Committee effective July 1, 2011. In accordance with past practice communities who approve membership in either REAP or the REAP Water Resources Committee have been invoiced at different amounts dependent upon time of year they join. The Executive Committee took action to approve the membership request by the City of Augusta in the REAP Water Resources Committee at the half-year assessment and directed staff to forward appropriate documentation and invoice for 2011.

Note: The City of Augusta will be assessed at full year assessment beginning in 2012 in accordance with the REAP fiscal procedures.

Visioneering 2011 City-to-City Visit Participation

The REAP Chief Executive Officer has attended the Visioneering City-to-City visits over the past three years. This year REAP has been invited to join Visioneering Wichita's 6th annual City to City Visit to Pittsburgh, Pennsylvania. It was noted that the visit this year is sponsored by BKD, LLP and the Wichita Downtown Development Corporation. The dates for the visit are Thursday, September 14 through Friday, September 16 with regional economic and livability competitiveness as the themes. Staff identified available funding for this participation in the Project Funds. The REAP Executive Committee took action to approve the Chief Executive Officer to attend the City-to-City visit and authorized payment of necessary expenses to be determined at a later date.

2011 ICMA Annual Conference Participation

REAP WRC staff identified an opportunity to participate in the annual ICMA Conference in Milwaukee from September 18-21, 2011. The conference will provide professional development and education opportunities for Water Resource Committee to hear about best practices in water

planning for municipalities. This year's overall theme, "Fresh Water, Fresh Ideas," reflects both Milwaukee's reputation as a cutting-edge hub of freshwater research and technology, and fresh ideas from over 60 concurrent educational sessions, 30 roundtable discussions, and 4 keynote addresses. Staff identified available funding for this participation in the Water Resources Committee Project Funds and the REAP Executive Committee took action to approve the Executive Officer of Water Resources to attend the ICMA annual conference and authorize payment of expected expenses up to \$1,716.

Report of the Legislative Committee

The REAP Legislative Committee met on June 24, 2011. The following highlights information from that meeting.

2011 REAP Membership Engagement Presentations

One of the items identified in the REAP Strategic Plan is to engage stakeholders by conducting outreach on the purpose and accomplishment of REAP. The Legislative Committee identified an action step of scheduling on-going community visitations to provide updates to councils and commissions on the purpose, goals, and status of REAP.

At the request of the Committee staff has compiled several upcoming outreach opportunities where REAP representatives will visit communities, members or potential members, to update councils and commissions on the purpose, priorities, and progress of REAP. These representatives would also take questions concerning REAP. Staff is coordinating the schedule for these meetings as well as all necessary materials.

Membership Presentation Schedule

Monday, June 27	Sumner County	10:00 AM
Thursday, July 14	Kechi	7:00 PM
Thursday, August 18	Cowley First (Arkansas City, Cowley County, Winfield)	9:30 AM

Other presentations are being planned as the Committee hopes to have presentations set up with fifteen member communities by the end of the year. Staff will be contacting members to schedule these presentations, however, please contact [Mr. Joe Yager](#), REAP CEO, or [Mr. Dane Baxa](#), REAP EO-WRC, if you would like to schedule a presentation or meeting with your community.

Report on State Assets in the Region

Staff prepared a draft example of a one-page asset report to be used during the regional listening tour. This report will be added to the other reports as well as information gathered during the tour to produce a broader regional report. The Committee provided direction to staff on content and asked staff to work with each County to determine further details.

2011 Legislative Committee Regional Tour

The Legislative Committee directed staff to develop a "Regional Listening Tour" for the Committee this summer to help connect REAP with the communities in the region. The tour would allow REAP members to identify issues that are important to individual communities and

could be beneficial to the region. The Committee has noted that although many issues may not be of regional importance, if they are important to that community REAP should be aware and supportive as long as the issue does not hurt any other community in the region.

The Committee identified two goals for the tour:

- 1) Value and purpose for REAP membership by connection of REAP to our member communities with identification of issues and methods for how REAP can support.
- 2) Encourage discussions in our communities about our communities.

In order to accomplish these goals, staff is developing an asset report and has identified five potential host communities for the tour. The suggested locations included Hutchinson (Reno and Kingman Counties); Newton (Harvey and McPherson Counties); El Dorado (Butler County); Wellington, Winfield, or Arkansas City (Harper, Sumner, and Cowley Counties); and Wichita (Sedgwick County).

The first meeting is being scheduled in Newton and July 21 is being considered. Other dates and times are still being determined.

The tour events will include persons representing the various state interests who will be asked to provide 5-10 minute presentations on their role in economic development in the region. From these presentations we will attempt to generate some discussion on these assets, where they are, what shape they are in, and any support they may need.

Next Legislative Committee Meeting

Due to the scheduling of the Listening Tour, the next official Committee meeting is scheduled for Friday, **August 26, 2011** at a time and location to be determined.

Report of the Economic Development Committee

The REAP Economic Development Committee met on June 30, 2011. The following highlights information from that meeting.

Local Area IV Chief Elected Officials Business

Local Area IV Recertification

In accordance with the agreement between the REAP EDC and Workforce Alliance on the governing principles of the partnership for the effective planning, coordination and implementation of the employment and training system within Local Area IV, we have developed, established and adopted an Operator Certification Process for One Stop Operators in Local Area IV as a systematic approach for conducting oversight and ongoing monitoring of the One-Stop delivery system.

At the January 28, 2011 REAP EDC meeting, the committee approved to update the local certification process through a recertification process detailed below:

1. Review and update quality standards based on the Baldrige categories.

This was completed February 25.

2. *Require a self-assessment and revision of business plan by the recertification applicant.*
The submittal was requested at February EDC meeting.

3. *Completion of application*

The application was finalized and presented to the REAP EDC at the March 24 meeting.

4. *Create a taskforce and conduct on-site review/audit. (March/April)*

Per the direction of the EDC, members suggested for the Certification Taskforce are as follows:

Commissioner Dave Unruh, Sedgwick County (EDC/CEOB Chair)

Mayor Kristey Williams, Augusta (REAP Chair)

Mayor Terry Somers, Mount Hope

Mr. Allen Bell, Wichita

Ms. Kerri Falletti, Cowley First

The recertification process included background on the certification process and pertinent rules, laws, and regulations, as well as an overview of the center operations, structure, and finances. The taskforce also took guided tours of the four workforce centers. The on-site reviews occurred on Friday, April 8, 2011 at the Wichita center; Friday April 15, 2011 at the Sumner County center and Winfield center; and Thursday, April 28, 2011 at the Butler County center.

5. *Feedback report.*

Following these presentations and tours the taskforce was asked to review the Business Plan Review. Staff was directed to formulate a draft report that was forwarded to members of the taskforce so that they could come to a consensus and make a recommendation to the REAP EDC at the regularly scheduled May meeting.

Due to scheduling conflicts the REAP EDC May meeting was cancelled, therefore, the taskforce asked that the report be made available to all REAP members for review. The taskforce report and recommendation for re-certification were placed online at: www.reap-ks.org/economic.

6. *Recertification decision.*

As a result of the activities and findings as detailed in the 2011 On-Site Review Feedback Report, the REAP EDC recommends that the Wichita Workforce Center be recertified as a comprehensive One Stop Center by the Chief Elected Officials Board in accordance with Workforce Investment Act and the Local Certification Policy for Local Area IV without reservation.

Recommended action: The Wichita Workforce Center be recertified as a comprehensive One Stop Center by the Chief Elected Officials Board in accordance with Workforce Investment Act and the Local Certification Policy for Local Area IV.

Workforce Alliance Budget Presentation and Updates

PY09 Audit Update

At the direction of the Finance Committee, WA Staff went back to the Kansas Department of Commerce and JMA Chartered to discussion options on the audit for PY09 to request the ability to reallocate Formula WIA Adult Expenses that were called into question to ARRA Adult

available funds. That request was granted and a final report was received on June 6, 2011. The final audit report can be viewed at:

<http://www.workforce-ks.com/Modules/ShowDocument.aspx?documentid=1221>.

PY 2010 Budget Update

The PY 2010 Budget will close June 30, 2011 and has been reviewed by the WA Finance and Executive Committees. The Workforce Alliance is on track and overall expenditures will remain within the overall budget approved by the Board.

PY 2011 Budget

WIA funding as approved by Congress as part of the Full-Year Continuing Appropriations Act passed and was signed into law on April 15, 2011. The legislation still has some items that are being clarified, so the allocations to local areas could possibly change, but if it was to change, the local allocations should increase. The reason the final allocation may change is due to the way Congress noted and reduced the amount of funds that could be held at the State level for set-aside activities. The WIA allocation is 14% less than PY 2010 at the Federal level and 13% less at the State of Kansas level. The Workforce Alliance overall is seeing a 5% increase in PY 2011 WIA, which is due to the increase in Dislocated Worker funding. The DW funding is increasing 36%, but Adult is **decreasing 15%** and Youth is **decreasing 6%**.

The WA Executive Committee approved an amendment to the Lease for the 150 N. Main facility. The Lease Amendment will reduce WA's rent almost 50%, but will increase utilities. WA staff was able to negotiate a lease where WA directly leases the 1st and 2nd floors, but gains access and use to the Lower Level and 3rd floor, and only pays utilities for the Lower Level and 3rd floor. This will save the partners located at the Wichita Workforce Center approximately \$314,000 during PY 2011. The lease will then be reevaluated in early 2012 with the landlord. The education and training line items will increase next year, largely due to the increase in Dislocated Worker funds allocated to WA. Overall, 46% of the budget is allocated to direct client services, including but not limited to payments for education and training, as well as supportive services such as childcare and transportation.

The REAP EDC took action to approve the PY 2011 Budget as presented. Please note the attached budget materials on pages 29-31.

Recommended action: Approve the PY 2011 Budget and authorize WA staff to adjust the final education and training line items once final carry-over funds are known.

WIA Youth Program Contracts

The Workforce Alliance is actively seeking WIA Youth Program Elements through open procurement. Manpower has submitted a proposal through the RFP process to be a provider of Leadership Development consisting of Work Readiness Training. Manpower is proposing 18 hours of training per participant with classes of 10-15. The classes will meet 3 days for 6 hour sessions. The cost per participant will be \$400.00.

The Workforce Alliance is also recommending contract extensions for all WIA Youth Providers for PY11 (July 1, 2011 through June 30, 2012). The contracts staff is recommending extension include:

- Butler County Community College Alternative Secondary School
- Butler County Community College Occupational Skills Training
- CPRF Occupational Skills Training
- Manpower Work Experience Services
- Pyxis Youth Elements Leadership Development, Adult Mentoring, Work Experience
- WATC Alternative Secondary School

Recommended action: Approve and authorize the WA Executive Director to execute a contract amendment with Manpower for Leadership Development and to extend all WIA Youth Program Elements' Contracts through June 30, 2012.

Two-Year Plan Modification

As the Workforce Investment Act has yet to be reauthorized states were given the option of extending the current plans for an additional year. This is the second year the plans have been extended. A new plan will be required for the following year either because WIA has been reauthorized or because Kansas has a new governor. Local Areas were given the option to extend or modify their local plans. Local Area IV chose to modify the local plan to make current the policy changes and strategic plans which have changed since the plan was written. References to ARRA were also removed. The plan has been posted for public comment and notice published in the Kansas Register as required. The plan must be submitted to the Kansas Dept. of Commerce before July 15, 2011. Any comments received are to be attached to the plan, but will not change the plan unless a significant issue regarding compliance is identified.

The REAP Chief Executive Officer forwarded a request for public comments to all REAP members and partners to review and share comments on the modifications to the required Local Area IV strategic plan on June 14. The plan was posted on the website at <http://www.workforce-ks.com/index.aspx?page=89>. All comments were asked to be directed to linda@workforce-ks.com.

The Workforce Alliance Board took action on June 23 to approve the plan as posted, pending final review of public comments and authorized the Board Chairman to sign on behalf of the Board of Directors and to request approval of the CEOB.

Recommended action: Approve plan as posted, pending final review of public comments and authorize appropriate signatures.

Workforce Center Operations and Performance Update

The Committee received several updates, including: Revisions to Workforce Alliance Policies; Eligible Training Provider list additions; Traffic report; WIA/NEG training breakdown; Training Completion Report by Industry; WIA performance update; Youth Program update; National Emergency Grant (NEG) update; and PACES update. The entire report of these updates is available in the [REAP EDC packet](#) starting on page 8.

Next Economic Development Committee Meeting

The next Economic Development Committee monthly meeting is scheduled for Thursday, July 21, 2011.

Report of the Water Resources Committee

The REAP Water Resources Committee met June 6, 2011. The following highlights information from that meeting and other events.

REAP Water Resources Committee Sponsorship of the ASR Tour on June 20, 2011

On Monday, June 20, ASR program managers led a tour of elected officials and professional staff from around the region through ASR facilities. The tour began at the River Intake System off the Little Arkansas River, and made stops at the pre-sedimentation Basin and water treatment plant.

After the tour Senator Carolyn McGinn hosted a reception at her farm sponsored by the REAP Water Resources Committee, SAIC, PEC Engineering, Alaberici Enterprises, Burns and McDonnell, and CAS Construction. For more information about the ASR project visit <http://www.wichita.gov/CityOffices/WaterAndSewer/ProductionAndPumping/ASR>

City of Augusta Joins REAP Water Resources Committee

The REAP Water Resources Committee welcomes the City of Augusta as the newest member community. The City of Augusta has appointed **Council Member Matt Malone** as the official member of the committee, and appointed **Mr. Bill Keefer**, City Manager, and **Mr. Josh Shaw**, Assistant City Manager, as alternates. For more information on the city of Augusta, please visit their city website at <http://www.augustagov.org/>

Dean Amhaus to Speak at August 10, Water Resources Committee Meeting

The REAP Water Resources Committee meeting scheduled for July 11th following the REAP Board meeting, has been postponed to August 10th at 9:00am (meeting location to be determined). Dean Amhaus, Director of the Milwaukee Water Council, will be in attendance to give his keynote address originally intended for our REAP Water Conference from May 26th. All REAP members and conference participants are invited to attend, and more meeting information will be available soon. For more information on the Milwaukee Water Council, visit <http://www.thewatercouncil.com>

Governor Brownback's Economic Summit on the Ogallala Aquifer

Governor Brownback continues his economic summits around Kansas to engage citizens in planning for the future of the State. On **July 21st**, he will meet with stakeholders to listen to their concerns for the future of the Ogallala Aquifer. This summit will be a starting point to form the Governor's action plan for the aquifer. For registration and information on the Ogallala Aquifer Summit, please visit <http://www.kwo.org/>

REAP Treasurer's Report

REAP Expenditures for 2nd Quarter, 2011

Expenditures	Adopted	1st Quarter Jan-Mar	2nd Quarter Apr-Jun	3rd Quarter Jul-Sep	4th Quarter Oct-Dec	2010 Year End Totals	Percentage Expended	Description
Staffing								
Executive Officer	\$71,917.00	\$17,979.25	\$17,979.25			\$35,958.50	50%	Compensation and benefits
Graduate assistant	\$15,951.00	\$3,987.75	\$3,987.75			\$7,975.50	50%	Compensation and benefits
<i>Staffing Subtotal</i>	<i>\$87,868.00</i>	<i>\$21,967.00</i>	<i>\$21,967.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$43,934.00</i>	<i>50%</i>	
Encumbered Funds*	<i>(\$10,831.00)</i>	<i>(\$2,250.00)</i>	<i>(\$3,165.50)</i>			<i>(\$5,415.50)</i>	<i>50%</i>	
<i>Staffing Contractual Requirement</i>	<i>\$77,037.00</i>	<i>\$19,717.00</i>	<i>\$18,801.50</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$38,518.50</i>	<i>50%</i>	
Operating								
Current office expense	\$8,610.00	\$2,152.50	\$2,152.50			\$4,305.00	50%	Computing, telephone, fax, equipment, etc.
Consultation and technical assistance**	\$10,000.00	\$1,250.00	\$1,250.00			\$2,500.00	25%	Additional assistance through WSU/other
Other operating—general	\$6,000.00	\$621.65	\$1,304.74			\$1,926.39	32%	Meeting expense, memberships, travel, etc.
Other operating—KAAP	\$2,500.00	\$0.00	\$0.00			\$0.00	0%	Accounting, auditing, reporting, legal counsel
Legislative liaison	\$28,000.00	\$5,335.43	\$4,074.19			\$9,409.62	34%	Topeka-based representation, receptions, travel
Project funds	\$14,873.00	\$0.00	\$500.00			\$500.00	3%	
<i>Operating Subtotal</i>	<i>\$69,983.00</i>	<i>\$9,359.58</i>	<i>\$9,281.43</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$18,641.01</i>	<i>27%</i>	
Total^	\$147,020.00	\$29,076.58	\$28,082.93	\$0.00	\$0.00	\$57,159.51	39%	

* Due to estimates on the contract with Wichita State University there is a substantial carryover in the Fund balances for staffing. These funds have already been expended by REAP and per action taken by the REAP Executive Committee on December 7, 2010 are considered encumbered in 2011. The encumbered funds will be applied at a rate of \$2,707.75 per quarter to accurately reflect the contractual amount. However, it must be noted that a miscalculation on the initial encumbrance is corrected in the 2nd quarter payment.

** REAP entered into an independent contract for Senior Consultant assistance on 4-11-11.

^ The total reflects the actual expenditures and does not include the encumbered funds.

REAP Treasurer's Report

Revenues to Date, 2011

Revenues	Projected	Received	Percentage Description
Annual membership assessments	\$106,311	\$100,510	95% Membership dues
Special assessments	\$0	\$0	n/a Special assessments
Workforce oversight agreement	\$16,000	\$0	0% CEOB oversight duties
Kansas Affordable Airfares Program	\$25,000	\$0	0% KAAP administration
Other revenues received	\$2,200	\$110	n/a Other revenues received
Carryover funds	\$8,340	\$4,245	51% Prior-year carryover
Total	\$157,851	\$104,865	66%

Notes:

Other revenues received accounts for interest through 5/31/11.

Workforce agreement runs on fiscal year, July 1 to June 30. \$16,000 was based on estimation for oversight agreement.

2011 REAP Available Funds

	Total Revenues	Total Expenditures	Total Encumbrances	Total Available Funds	Percentage Available
2011 to Date (6/30/11)	\$104,864.71	\$62,575.01	(\$10,831.00)	\$53,120.70	51%

REAP Banking Account Balances

	Operating	KAAP	Water Resources
2011 to Date (6/30/11)	\$77,368.51	\$38,129.89	\$105,147.58

** Balances include interest through 5/31/11.*

REAP Treasurers Report

Assessments of REAP Members for Calendar-Year 2011 (as of 6/30/11)

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	\$277
Derby	22,923	\$4,490	\$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	\$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	\$100,510

REAP Treasurer's Report

Water Resources Expenditures for 2nd Quarter, 2011

Expenditures	Adopted	1st Quarter Jan-Mar	2nd Quarter Apr-Jun	3rd Quarter Jul-Sep	4th Quarter Oct-Dec	2010 Year End Totals	Percentage Expended	Description
Staffing								
Executive Officer	\$48,384.00	\$12,096.00	\$12,096.00			\$24,192.00	50%	Compensation and benefits
Graduate assistant	\$15,951.00	\$3,987.75	\$3,987.75			\$7,975.50	50%	Compensation and benefits
<i>Staffing Subtotal</i>	<i>\$64,335.00</i>	<i>\$16,083.75</i>	<i>\$16,083.75</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$32,167.50</i>	<i>50%</i>	
Encumbered Funds*	(\$34,000.00)	(\$8,500.00)	(\$8,500.00)			(\$17,000.00)	50%	
<i>Staffing Contractual Requirement</i>	<i>\$30,335.00</i>	<i>\$7,583.75</i>	<i>\$7,583.75</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$15,167.50</i>	<i>50%</i>	
Operating								
Current office expense	\$6,430.00	\$1,815.00	\$1,607.50			\$3,422.50	53%	Computing, telephone, fax, equipment, etc.
Consultation and technical assistance	\$5,000.00	\$1,250.00	\$1,250.00			\$2,500.00	50%	Additional assistance through WSU/other
Other operating—general	\$7,000.00	\$191.20	\$663.90			\$855.10	12%	Meeting expense, memberships, travel, etc.
Legislative liaison	\$5,000.00	\$0.00	\$0.00			\$0.00	n/a	Topeka-based representation, receptions, travel
Project funds	\$15,000.00	\$1,825.00	\$1,587.78			\$3,412.78	23%	
<i>Operating Subtotal</i>	<i>\$38,430.00</i>	<i>\$5,081.20</i>	<i>\$5,109.18</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$10,190.38</i>	<i>27%</i>	
Total^	\$68,765.00	\$12,664.95	\$12,692.93	\$0.00	\$0.00	\$25,357.88	37%	

* Due to estimates on the contract with Wichita State University there is a substantial carryover in the Fund balances for staffing. These funds have already been expended by REAP and per action taken by the REAP Executive Committee on December 7, 2010 are considered encumbered in 2011. The encumbered funds will be applied at a rate of \$8,500 per quarter to accurately reflect the contractual amount.

** REAP entered into an independent contract for Senior Consultant assistance on 4-11-11.

^ The total reflects the actual expenditures and does not include the encumbered funds.

REAP Treasurer's Report

Water Resources Revenues to Date, 2011

Revenues	Projected	Received	Percentage Description
Annual membership assessments	\$84,400	\$78,228	93% Membership dues
Special assessments	\$0	\$0	n/a Special assessments
Other revenues received	\$2,200	\$3,433	156% Other revenues received
Carryover funds	\$42,520	\$43,596	103% Prior-year carryover
Total	\$129,120	\$125,257	97%

Notes:

The other revenues denotes interest earned on the account through 5/31/11.

Other revenues also reflects \$3,210 in registrations and sponsorships for the annual conference.

2010 REAP Water Resources Available Funds

	Total			Total Available Funds	Percentage Available
	Total Revenues	Expenditures	Total Encumbrances		
2011 to Date (6/30/11)	\$125,256.80	\$42,357.88	(\$34,000.00)	\$116,898.92	93%

REAP Treasurers Report

Assessments of Water Resources Committee for Calendar-Year 2011

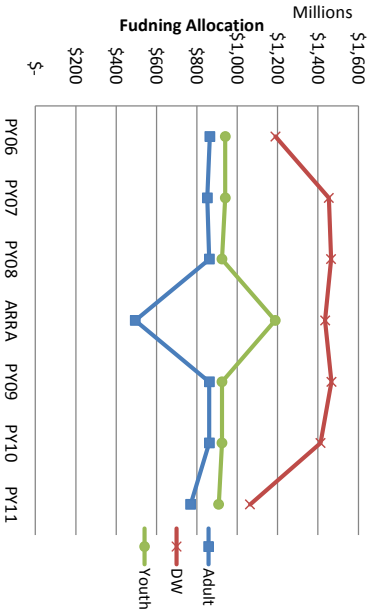
(as of 6/30/11)

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	\$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	\$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	\$78,228

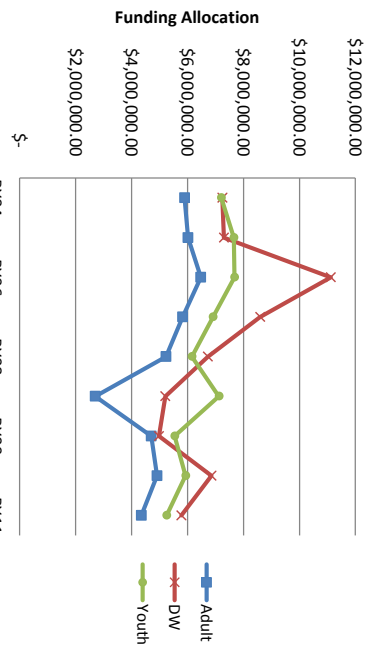
WIA Allocations

	Federal											Kansas											Local Area IV										
	PY06	PY07	PY08	ARRA	PY09	PY10	PY11	PY11 VS PY 10 % Change	PY06	PY07	PY08	ARRA	PY09	PY10	PY11	PY11 VS PY 10 % Change	PY04	PY05	PY06	PY07	PY08	ARRA	PY09	PY10	PY11	PY11 VS PY 10 % Change							
Adult	\$ 864,198,640	\$ 851,760,360	\$ 861,540,083	\$ 495,000,000	\$ 861,540,000	\$ 861,540,000	\$ 768,994,615	(92,545,385)	\$ 5,888,626.00	\$ 6,014,471.00	\$ 6,471,301	\$ 5,824,173	\$ 5,225,628	\$ 2,702,158	\$ 4,703,065	\$ 4,349,496	(557,813.09)	\$ 1,557,159.00	\$ 1,532,157.00	\$ 1,483,678	\$ 1,225,296	\$ 970,459	\$ 501,822	\$ 786,082.00	\$ 937,383.00	\$ 796,379.21	(141,003.79)						
DW	\$ 1,189,811,360	\$ 1,453,384,800	\$ 1,464,707,055	\$ 1,435,500,000	\$ 1,466,891,000	\$ 1,413,000,000	\$ 1,063,432,320	(349,567,680)	\$ 7,243,275.00	\$ 7,304,197.00	\$ 11,122,106	\$ 8,595,338	\$ 6,724,398	\$ 5,203,888	\$ 4,978,239	\$ 6,855,442	(1,075,130.00)	\$ 1,386,363.00	\$ 904,370.00	\$ 2,478,217	\$ 2,992,260	\$ 796,476	\$ 616,378	\$ 864,974.00	\$ 958,653.00	\$ 1,305,607.76	346,954.76						
Youth	\$ 940,500,000	\$ 940,500,000	\$ 924,069,465	\$ 1,188,000,000	\$ 924,069,000	\$ 924,069,000	\$ 907,897,792	(16,171,208)	\$ 7,204,640.00	\$ 7,651,181.00	\$ 7,677,603	\$ 6,909,843	\$ 6,155,030	\$ 7,121,714	\$ 5,539,524	\$ 5,930,458	(681,483.00)	\$ 1,858,005.00	\$ 1,750,195.00	\$ 1,655,702	\$ 1,341,119	\$ 1,208,996	\$ 1,244,014	\$ 870,889.00	\$ 1,064,442.00	\$ 1,003,590.04	(60,851.96)						
Total	\$ 2,994,510,000	\$ 3,245,645,160	\$ 3,250,316,603	\$ 3,118,500,000	\$ 3,252,500,000	\$ 3,198,609,000	\$ 2,740,324,727	(458,284,273)	\$ 20,336,541	\$ 20,969,849	\$ 25,271,010	\$ 21,329,354	\$ 18,105,056	\$ 15,027,760	\$ 15,220,828	\$ 17,693,209	(2,314,426.00)	\$ 4,801,527	\$ 4,186,722	\$ 5,617,597	\$ 5,558,675	\$ 2,975,931	\$ 2,362,214	\$ 2,521,945.00	\$ 2,960,478.00	\$ 3,105,577.02	145,099.02						

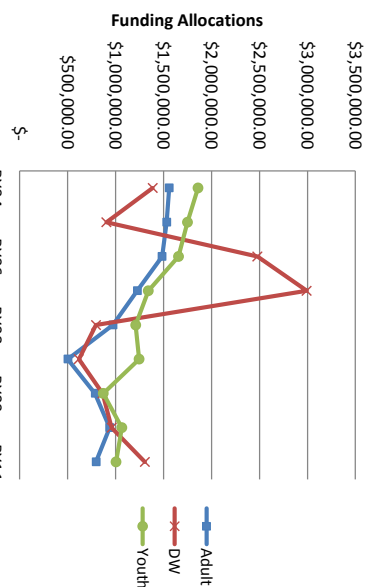
Federal WIA Funding



Kansas WIA Funding



LA IV WIA Funding



PY11 Revenue

	Estimated Carry Over	PY11 Allocation	Transfer	RR-DW	Total Funding
Adult	\$ 240,000	\$ 716,750	\$ (250,000)		\$ 706,750
DW	\$ 152,534	\$ 1,364,856	\$ 250,000	\$ 80,000	\$ 1,847,390
Youth	\$ 700,594	\$ 903,241			\$ 1,603,835
Admin	\$ 20,000	\$ 331,650			\$ 351,650
Senior	\$ -	\$ 875,000			\$ 875,000
Total	\$ 1,113,128	\$ 4,191,497	\$ -	\$ -	\$ 5,384,625

Proposed Consolidated WIA PY11 Budget July 2011 - June 2012

Category	Revenue	\$	5,384,625		
	PY11 Proposed	PY10 Budget	PY10 Exp. Thru April	Budget Difference PY10/PY11	
Wages	\$ 1,845,466	\$ 1,873,469	\$ 1,254,897	\$ (28,003)	
Taxes	\$ 185,715	\$ 219,563	\$ 116,204	\$ (33,848)	
Benefits	\$ 220,287	\$ 250,964	\$ 184,407	\$ (30,677)	
Rent	\$ 145,938	\$ 315,611	\$ 310,303	\$ (169,673)	
Building Enhancement	\$ 5,000	\$ 35,000	\$ 7,314	\$ (30,000)	
Security	\$ 20,731	\$ 9,328	\$ 22,330	\$ 11,403	
Utilities	\$ 55,753	\$ 8,591	\$ 3,595	\$ 47,162	
Insurance	\$ 23,500	\$ 17,890	\$ 26,579	\$ 5,610	
Communications	\$ 38,328	\$ 34,887	\$ 41,416	\$ 3,441	
Office Supplies	\$ 44,360	\$ 49,996	\$ 65,704	\$ (5,636)	
Equipment	\$ 33,500	\$ 30,825	\$ 103,840	\$ 2,675	
Copier	\$ 40,800	\$ 45,700	\$ 38,802	\$ (4,900)	
Postage	\$ 2,909	\$ 4,745	\$ 2,137	\$ (1,835)	
Dues & Sub	\$ 7,500	\$ 8,540	\$ 7,277	\$ (1,040)	
Conference	\$ 18,443	\$ 16,677	\$ 19,666	\$ 1,766	
Job Fairs	\$ 1,500	\$ 540	\$ 396	\$ 960	
Meetings	\$ 15,022	\$ 11,253	\$ 14,164	\$ 3,769	
Outreach	\$ 7,700	\$ 9,703	\$ 14,446	\$ (2,003)	
Staff Development	\$ 26,000	\$ 19,742	\$ 12,398	\$ 6,258	
Travel	\$ 31,413	\$ 38,038	\$ 22,558	\$ (6,625)	
Contract Services*	\$ 150,500	\$ 183,375	\$ 162,703	\$ (32,875)	
Incumbent	\$ -	\$ -	\$ (2,482)	\$ -	
Youth Incentives	\$ 5,000	\$ 2,500	\$ 3,272	\$ 2,500	
Education & Training	\$ 2,302,716	\$ 1,328,419	\$ 1,252,496	\$ 974,297	
Supportive Services	\$ 156,543	\$ 131,602	\$ 28,479	\$ 24,941	
	\$ 5,384,625	\$ 4,646,959	\$ 3,241,917	\$ 737,666	

*Includes funding for A-133 Audit of PY11 Expenditures

REAP Board Meeting
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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 GWEDC Steering Council met on June 20. An activity report was provided that included the following: a positive report from David Bossemeyer's attendance at the Wind Power Conference, the participation of three GWEDC representatives at the Paris Air Show with twenty scheduled appointments, an update on active projects and leads, and 41 IDEA visits YTD. In addition, an update on the Department of Commerce's FAM Tour visit on June 9 was provided with the suggestion from Commerce that a site selector tour be scheduled in the future. The purpose of the FAM Tour was to increase marketing partner's awareness of all of Wichita's assets and marketability. In addition to activity updates, a discussion on regionalism was provided by Allen Bell. Bell shared key insights from a SWOT analysis study shared at a recent Wind Energy meeting held in El Dorado this spring with representatives from Harvey, Reno, Sedgwick, and Butler County present.
- Finally, a discussion on economic development organizational models was led by Irene Hart and steering committee members accepted the report as background information to be considered as GWEDC continues its strategic planning for the next five years.
- For additional GWEDC updates, go to their website www.gweduc.org.

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

- The Wichita City Council voted to proceed on a new airport terminal on June 21. An article from the Wichita Eagle provides more details and [can be found here](#).
- The Advisory Board is scheduled to next meet Monday, July 11, 2011.

KansasBio *Submitted by: Mr. Joe Yager*

- Governor Sam Brownback served as the keynote speaker at the BIO 2011 Leadership Summit on Monday, June 27th. His speech addressed "Biotechnology and BioFuels; a State Perspective." The BIO 2011 Leadership Summit brought together high level leaders from the private sector, government, Congress and Academia, to discuss how biotechnology helps meet the economic challenges globally in agriculture, value-added industrial products and processes to reduce environmental impacts of manufacturing. Biotechnology is transforming how we grow crops and how we are making food, fuel, and other consumer products from agriculture feed stock. The Summit examined how the right government policies and current business trends combined with the latest technology advances support rural economics in the United States and around the world.

Visioneering Wichita *Submitted by: Mr. Joe Yager*

- The Visioneering Steering committee met **June 13**.
- **2011 City to City Trip** – Pittsburgh, PA, Sept 14 – 16. The visit this year is sponsored by BKD, LLP and the Wichita Downtown Development Corporation. In addition to hearing from Pittsburgh leaders, the agenda will feature special facilitated sessions where participants will have the opportunity to delve deeper into an in-depth discussion about our desire to dynamically increase our regional economic and livability competitiveness aspects. The trip is limited to 55 participants and is filled on a first come-first serve basis. The registration has not been determined yet, however, it includes round-trip air transportation plus room accommodations, all meals (except Thursday dinner) and receptions. Regional economic and livability competitiveness are the themes with focus on three main areas:
 - **Downtown:** Pittsburgh made their dreams come true through smart downtown initiatives. We want to understand what key components were needed to be in place to drive their revitalization plans and how those strategies worked together in their cultural district rebirth and streetscaping in the downtown area.
 - **Changing the Legend from Steel Capital to Green City:** We want to hear how their leaders have shifted the economic focus from steel to education, health care, financial services, higher education and advanced technology such as robotics. Pittsburgh ranks among the highest in the number of green technology initiatives.
 - **Livability:** We desire to learn more about how the confluence of the Allegheny and Monongahela Rivers to the Ohio River has been incorporated into their city activities and tourism opportunities plus how parks, recreation and open spaces have increased their community's livability factor.
- **Family Strengthening Alliance** – The Visioneering Family Strengthening Alliance was one of the partners planning the Kansas Family Strengthening Summit. It was June 8th and 9th at Newman and Friends Universities. There were many positive reviews of the summit and strong convictions to move forward.
- **College Mecca** – Two updates were provided:
 - The Kresge Foundation has offered a \$10,000 match grant and WSU has provided a match that is providing \$20,000 to work with. The funds will be used on a marketing strategy (website, moving forward with strategies.)
 - Wichita World Café – tentative date is in August. The focus is to attract our college students downtown as a 'welcome to our region' event in conjunction with a Final Friday crawl – i.e. museums, shops, restaurants
- **Healthy Community Design** – Matt Jordan, Kansas Leadership Center, continued a discussion about Healthy Community Design to encourage the Committee to think about the future of Visioneering Wichita.

**REAP Board Meeting
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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.

Southwest Kansas Alliance Update

On Thursday, June 23, 2011 REAP Chief Executive Officer Joe Yager and REAP Water Resources Executive Officer Dane Baxa served as facilitators for a retreat-like planning and development meeting hosted by the Southwest Kansas Chambers of Commerce at the Rock Island Depot in Liberal to discuss forming a regional economic partnership.

Several dozen local and state leaders were in attendance for the two-plus hour planning session, including state senators and representatives from southwest Kansas, city and county commissioners, and other business and community leaders from Garden City, Dodge City, Liberal, Ulysses, Hugoton and Scott City, just to name a few.

The following articles provide good descriptions of the retreat:

- Liberal – High Plains Daily and Southwest Daily, Online Leader and Times: [‘Opportunities’ are alive in SW Kan](#)
- Dodge City Paper: [Group meets to discuss promoting SW Kansas](#)
- Garden City Telegram: [Officials meet to discuss possible alliance](#)

The retreat provided some positive outcomes for the participants in developing a regional alliance and also allowed for REAP staff to build stronger relations with several leaders in south west Kansas. REAP staff is developing a report for the Southwest Kansas Chambers of Commerce and will keep REAP updated on any further requests or opportunities for partnership.

HUD Sustainable Communities Grant Update

In 2010 REAP served as the lead applicant organization for the Housing and Urban Development (HUD) \$100 million Sustainable Communities Planning Grants Program and an official submittal was made on August 23, 2010. REAP created a consortium for this application that included local units of government in Butler County, Harvey County, Reno County, Sumner County, and the following cities: El Dorado, Newton, Hutchinson, Wellington, and Wichita. In addition, the consortium included the Wichita Area Metropolitan Planning Organization (WAMPO); WSU’s Hugo Wall School; Visioneering Wichita; and the Kansas Health Foundation. The south central Kansas regional plan for sustainable development identified five strategy areas of focus: Housing; Environment (air quality and water); Transportation; Economic development (long-term job creation); and Healthy Community Design.

On October 14, 2010, HUD announced the grant awards and our regional submittal was not one of the finalists, however, following a debriefing from HUD REAP was encouraged to consider submitting a future application.

Recently staff received advance notice for the second round of funding for this grant. HUD has not set any deadlines for pre-applications or for applications, but a total of \$67 million is available, with at least \$17.5 million for regions with less than 500,000 people.

Although our attempt came up short last year, we made great strides in aligning several entities and departments that have not worked together in the past. Furthermore, REAP has included this initiative in the Adopted 2011-13 Strategic Plan as follows:

- 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.

Although REAP staff believes it would be worthwhile to explore this new application process to support planning efforts that think regionally when making decisions about housing, land use, economic and workforce development, transportation and infrastructure improvements in the future, the first step is to bring our consortium together to decide whether we want to pursue this grant again this year. Therefore, REAP staff has scheduled a meeting with the consortium working group for Friday, July 15 at 8 am at the WSU Hughes Metroplex, room 137.

REAP Meeting Schedule

Meeting schedules for 2011 are available on the REAP website, www.reap-ks.org.

Please note that there is **not** a meeting in August.

The next REAP meeting is scheduled for **Monday, September 12, 2011**.