

MINUTES
SPECIAL MEETING
MORTON COUNTY COMMISSIONERS
DECEMBER 7, 2006

Bob called the meeting to order at 9:00 a.m. with open doors.

Present: Bob Boaldin, Chairman; Allen Tucker, Vice-Chairman; Ron DeGarmo, Commissioner; Mary Gilmore, County Clerk

Also present: Doug Smith, Pinegar, Smith & Associates, Inc.

The purpose of this meeting was to discuss the feasibility of Morton, Stevens, Grant and Stanton counties levying funds to support an economic development incentive. Doug stated that he and John Pinegar were asked to look into what might be done to keep the heavy rail service within these counties.

Doug said we would be building a coalition that would better enable us to compete against other states and other Kansas counties. The reason for only four counties going together for this kind of endeavor is that smaller groups are more manageable. He further stated that each county must also continue to encourage their Economic Development departments to go out and get businesses to come to their respective counties. A discussion took place concerning the possibility of transmission lines for wind energy.

At this time there is no legislation in place to allow the above coalition. We must look forward to the time when the county's valuation declines and we cannot make up the tax base. We would then have to go to Topeka and tell them we need some relief. Topeka would then ask what we have been doing to help ourselves.

Doug agreed with the Commissioners that some counties will fight this.

Doug said that if Morton County is interested in this type of endeavor we need to start negotiating with the other counties now. Stevens County voted December 6th to go forward with the concept. Doug suggested that one mill from each county would generate a significant fund. There would have to be negotiations, however, to determine what amount will be required from each county. Legislation will need to be developed; the new session opens in one month.

Doug mentioned that they have already met with the Railroad and discussed the improvements that need to be made. The Railroad said that they need to make money too and that they are maintaining the rails in the manner in which they were purchased. The Railroad, in fact, is not interested at this time. Improvements to the rails would mean that freight costs would have to go up.

Ron stated he was told that it would cost one million dollars a mile to repair the railroad. Doug said it would be more like \$350,000/mile unless the county has bridges, then the amount would probably be more like one million/mile.

Doug said the rails and economic development are both part of the concept. Kansas is also losing businesses because of the water regulations. Doug said they would be touching on the water regulations this next legislative session also.

Ron said he would be interested in what we can do to form a coalition but is not interested in putting in one mill just yet.

Doug continued by saying the timing is right; we do not know when the valuation will take a dip. He stated that while we have the leadership in place in Topeka, we can do some good.

Eric stated he is concerned that we cannot send Morton County taxpayers money to help another county. Doug said that right now there is no legislation that will allow us to share the benefits with other counties. Further, any new company will no doubt require a tax abatement, plus cash.

Doug stated that the counties need to be able to compete against other counties, pool our own resources.

At this time motion was made by Allen, seconded by Bob, to pursue the concept of forming a four county coalition.

Doug said he will notify Grant and Stanton counties that Morton and Stevens counties are in favor of the concept. He stated there will be a lot of details to be worked out as this progresses.

There being no further business the meeting adjourned on a motion by Ron, seconded by Allen.