

**Kansas, Inc.**  
**Board of Director's Meeting Minutes**  
**March 13, 2007**

The March 13, 2007 meeting was held at the Kansas, Inc. Office, 632 S.W. Van Buren, Suite 100, Topeka, KS 66603.

**Members Present:** Gene Argo, Patti Bossert, Donna Johnson, Lawrence McCants, John Pilla, Donald Schnacke and Stephen Waite

**Members Not Present:** Rep. Tom Burroughs, Rep. Lana Gordon, Sen. Laura Kelly, Wil Leiker, Sen. Stephen Morris, Reginald Robinson, and Gov. Kathleen Sebelius

**Staff present:** Stan Ahlerich, Debby Fitzhugh and Jacquelyn Koehler

**Others Present:** Rae Anne Davis, Kansas Department of Commerce and Art Brennan

At 12:15 p.m. Argo called the meeting to order. A quorum was not present. Ballots will be mailed to all members for action items needing approval. A summary of the results will be provided at the next Board meeting.

Argo introduced Art Brennan, an observer from Payless ShoeSource Distribution Center, and Board members each introduced themselves.

Argo welcomed Jacquelyn Koehler, the new Policy Analyst for Kansas, Inc. Koehler briefly introduced herself.

**Approval of Minutes – December 12, 2006**

Argo referred to the Minutes of the December 12, 2006 meeting. Due to a quorum not present, the minutes were not acted upon.

**Financial Report**

Ahlerich discussed the financial report for the period ending January 31, 2007. No major anomalies were reported. Discussion ensued.

Ahlerich provided an update on the status of the FY 2008 budget submission. Two enhancements had been requested to the budget including an increase in salary for the President and \$100,000 for the KTEC evaluation. It was approved in the Senate and not recommended in the House and, therefore, will be sent to Conference Committee. Ahlerich mentioned that there had been a change from the General Government Budget Committee to the Agricultural and Natural Resource Budget Committee. Kansas, Inc. has had no previous contact with the new Committee. Ahlerich suggested inviting the legislators of that committee to Kansas, Inc. next year so they may get a better sense of Kansas, Inc.'s mission. Discussion ensued.

## **Co-Chair Report**

Argo reported that he and other members of the Board attended the Governor's Roundtable on Workforce Development. Davis indicated that a report had not yet been completed from the Roundtable, but that there was good discussion. Discussion ensued.

Schnacke mentioned that at the Roundtable he explained the Pratt Community College Gas and Oil Workforce Training Program to Senate Commerce Committee Co-Chair, Sen. Brownlee, who commended the expansion of this project. Schnacke also learned that the Lieutenant Governor is interested in extending the program to Garden City which would be beneficial for the oil and gas industry.

## **President Report**

Ahlerich would like for Kansas, Inc. to begin preparing quarterly newsletters with legislative news during the legislative session, and is part of the reason for hiring a new analyst.

The Strategic Planning process is coming along well. Cell meetings have been held in Winfield, Emporia, Great Bend, Hays and Manhattan, and others are currently being scheduled. On May 16 all strategic planning groups will meet in Wichita. The Lieutenant Governor will be the luncheon speaker.

*Indicators of the Kansas Economy (IKE)* reports are gaining momentum. A report on website hits was distributed and in January of 2007, 26,833 hits were recorded on the website.

Ahlerich referred to the outsourced reports that had been sent to the Board members. Bossert commented on her disappointment in *Quantifying the Financial Burden of Health Insurance for Small Employers*, she disagreed that small businesses want the government to manage their healthcare. Discussion ensued regarding the state of healthcare in Kansas.

Ahlerich distributed the Request for Proposal on the Center for Entrepreneurship evaluation. The evaluation is due by statute in January 2008.

Ahlerich asked for the Board's approval for a report quantifying the dollars spent on economic development in Kansas and the surrounding states. McCants moved that Kansas, Inc. follow through with this proposal and Waite seconded the motion. Discussion ensued. Due to a quorum not present, a ballot will be sent for approval. The Bylaws give authority to the Executive Committee for tentative approval of the contract. A quorum of the Executive Committee was present (Bossert, Waite, and Argo).

Ahlerich distributed a list of potential research topics. Daniel Korber is working on the Kansas image report and Jacquelyn Koehler will be working on the workforce development report. The *Overview of the Kansas Economy State of the State Report* will be related to *IKE* and can be done in-house as well.

Research topic “Kansas Government 101” was discussed. Ahlerich envisioned it as a training session for new legislators to educate them on economic development. He suggested that it be a multi-agency initiative so we would need the support and help of partnering agencies. Davis pointed out that timing would be an obstacle for the legislators. Ahlerich agreed that timing was key.

McCants suggested that the research topics rural development, workforce development and changing demographics of Kansas could all be grouped together. Bossert and Johnson both stated that since it would include so much information, it should be a three-step process – research each individually then take a holistic overview approach for the three topics.

McCants suggested talking to Fort Hays State University about the logistics project because they have an excellent GIS program and may already have the information we are seeking.

The Board agreed that Kansas, Inc. should go ahead and pursue the topics discussed.

Ahlerich distributed various media reports that had been circulating regarding Kansas, Inc. Ahlerich received a call from potential new Secretary of Commerce, Dave Kerr, who had mentioned to the sub-cabinet for economic development, which includes Revenue, Commerce, and Wildlife and Parks, that Kansas, Inc. is working on some of the projects they are discussing and he suggested that Kansas, Inc. present to that sub-cabinet.

### **Fundraising Committee Report**

Ahlerich reported on companies he has met with for sponsorship and that letters had been sent to previous donors requesting an increase in sponsorship. Waite requested that Board members each provide information on six potential donors for Kansas, Inc. to contact. Schnacke suggested that the best method for fundraising was persistence. It was recommended that we use the Strategic Plan and media we are receiving as a tool for getting donors.

### **Old Business**

Argo asked Ahlerich if Kansas, Inc. was on schedule for Strategic Planning to which Ahlerich responded that everything was on schedule.

### **Board Member Industry Updates**

Waite said that the current Governor is an advocate of economic development and we should take advantage of the next three and one half years that she is in office to make progress.

Schnacke agreed with Waite and made the point that open spots on the Board needed to be filled to help the morale. He also pointed out that the oil and gas industry is doing very well. There are 5,100 new wells in the rural areas of Kansas that represent tax dollars, incomes and jobs. He stressed the importance of the Pratt Community College training program for the oil and gas industry and that the Lieutenant Governor and various legislators are supporters.

Bossert brought up a concern in regards to workman's compensation insurance. By eliminating the one-week waiting period it would greatly increase the number of claims made and inhibit the system of checks and balances since people could draw benefits before it was decided that they were eligible.

Johnson reported that the biotech industry is doing well. The Bioscience Authority hired Tom Thornton and he seems to be doing a good job at helping small businesses become competitive in Kansas. The National Bio-defense Facility would also be huge boost for the Kansas economy.

Davis said that the Department of Commerce is doing well and that new Secretary of Commerce, Dave Kerr, was about to be confirmed. She indicated that working with KU for the evaluation of the Department of Commerce was a very professional experience.

McCants reported that the banking industry is having a record year. However, the easy access to mortgage money is almost gone and may be severe for the economy as it is the base of the housing industry.

Pilla said that aviation is currently doing well, but it is a very cyclic industry that rises and falls with GDP. The new 787 Dreamliner is in final stages of production and its first flight is scheduled in August. On the labor side they are going to include the project "Helmets to Hangars" to hire veterans coming out of the armed services into its aviation plants. A technical training center for the aviation industry is being planned near the Colonel James Jabara Airport in northeast Wichita.

### **Other Business**

Argo suggested that the June 12 meeting be held in Hays at the Hays Regional Medical Center and the Board visit with the healthcare industry.

With no further business, Argo adjourned the meeting at 2:15 p.m.

Respectfully Submitted,

Stan Ahlerich  
President