

MINUTES FOR JUNE 29, 2015
BOARD OF CHEROKEE COUNTY COMMISSIONERS
CHEROKEE COUNTY, KANSAS

CONVENE

Commissioner Hilderbrand called the regular session of the Cherokee County Board of Commissioners (The Board), to order and led all in attendance in the Pledge of Allegiance at 9:00 AM on Monday, June 29, 2015 in the Commission Room, #109 of the Cherokee County Courthouse located at 110 W Maple St., Columbus, Kansas. Commissioners Richard Hilderbrand, Charles Napier, Pat Collins, and County Clerk Rodney Edmondson were present.

Members of the press present: Larry Hiatt, Mabelle Smith, Jordan Zabel

A motion was made by Commissioner Collins to approve the Minutes of the BOCC Meeting for June 22, 2015. The motion was seconded by Commissioner Napier. The motion carried 3-0.

Larry Coy appeared before the Board about concerns with the roads in Turk. He stated that the roads need graded and weeds are a problem. The Board stated that they would get someone out there.

A motion was made by Commissioner Hilderbrand to enter an Executive Session with the Board for a period of 15 minutes for the purpose of Non/Elected Personnel. The motion was seconded by Commissioner Napier. The motion carried 3-0 at 9:06 AM.

The meeting reconvened at 9:21 AM.

No action was taken during the Executive Session.

A motion was made by Commissioner Collins to enter an Executive Session with the Board and County Treasurer Juanita Hodgson for a period of 10 minutes for the purpose of Non/Elected Personnel. The motion was seconded by Commissioner Napier. The motion carried 3-0 at 9:22 AM.

The meeting reconvened at 9:32 AM.

No action was taken as a result of the Executive Session.

Leonard Vanatta - County Road Supervisor

He appeared before the Board on routine county road business. He presented a list of equipment needed at the lot for next year for the Board to consider during the budget process.

A motion was made by Commissioner Hilderbrand to amend the agenda for Paul Rogers from 10:00 AM to 9:53 AM. The motion was seconded by Commissioner Collins. The motion carried 3-0.

RH

Paul Rogers - Meals on Wheels

He presented a proposal from Senior Services of SEK for prepackaged meals for Allen, Neosho, and Woodson Counties. He would like to do a similar proposal for Cherokee County and submit it to the Area Agency on Aging. The meals would be frozen and prepared commercially and would be a third of the cost of current food preparations. It will also provide fresh bread and milk weekly. It would increase meals from 5 days to 7 days and would be able to serve more people. He would also like to add a meal site in Weir. He will work on a proposal and return possibly next week with a letter to the Area Agency on Aging for the Board to review.

A motion was made by Commissioner Collins to enter an Executive Session with the Board and Counselor Nathan Coleman for the purpose of Non/Elected Personnel for a period of 10 minutes. The motion was seconded by Commissioner Hilderbrand. The motion carried 3-0 at 11:21 AM.

The meeting reconvened at 11:31 AM.

No action was taken during the Executive Session.

David Cooper, Nathan Coleman - Cherokee County Legal Matters

They appeared before the Board regarding legal matters concerning Cherokee County.

A motion was made by Commissioner Hilderbrand to enter an Executive Session with the Board, Special Counsel David Cooper, Counselor Nathan Coleman, and County Clerk Rodney Edmondson for the purpose of Attorney/Client Privilege for a period of 30 minutes. The motion was seconded by Commissioner Napier. The motion carried 3-0 at 11:33 AM.

The meeting reconvened at 12:03 AM.

No action was taken during the Executive Session.

A motion was made by Commissioner Hilderbrand that Commissioner Pat Collins and Counselor Nathan Coleman speak on behalf of Cherokee County during the open public comments portion of the Kansas Racing and Gaming Commission meeting on Thursday, July 2nd. The motion was seconded by Commissioner Napier. The motion carried 3-0.

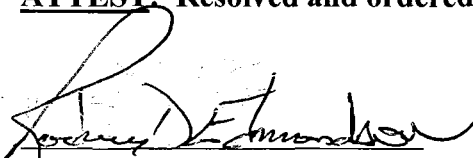
Mr. Cooper presented the Board with a Letter of Appeal, a written response to the Kansas Racing and Gaming Commission regarding the recent decision by the Kansas Lottery Gaming Facility Review Board on June 23, 2015 for the Commissioners to review.

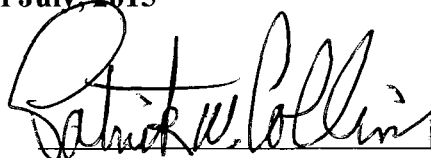
R.

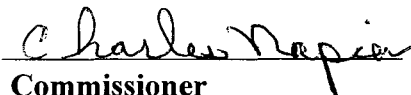
A motion was made by Commissioner Hilderbrand to sign the Letter of Appeal. The motion was seconded by Commissioner Collins. The motion carried 2-0 with Commissioner Napier abstaining. Chairman Hilderbrand signed the document and Mr. Cooper will hand deliver it to the KRGC in Topeka.


Commissioner Hilderbrand made a motion to adjourn until the next regularly scheduled meeting set for July 6, 2015 at 9:00 AM. The motion was seconded by Commissioner Napier. The motion carried 3-0 with all voting yes at 12:20 PM.

ATTEST: Resolved and ordered this 6th day of July, 2015


Cherokee County Clerk


Commissioner


Commissioner


Commissioner

Cherokee County Commissioners

COURTHOUSE • 110 W. MAPLE ST.

COLUMBUS, KANSAS 66725

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E-MAIL: ckcomm@columbus-ks.com

June 29, 2015

Kansas Racing and Gaming Commission
700 SW Harrison, Suite 500
Topeka, Kansas 66603

Re: **Response from Cherokee County to the Kansas Lottery Gaming Facility Review Board's June 23, 2015 Decision.**

Chairman McKinney and Members of the Commission:

As you are certainly aware, on June 23, 2015, the Kansas Lottery Gaming Facility Review Board ("LGFRB") elected to recommend the Kansas Crossing Casino be awarded the State's gaming license for the southeast gaming zone, by a vote of 5 to 2. Pursuant to K.S.A. 74-8736, the decision to approve or deny the LGFRB's recommendation is now in your hands. Please accept this letter as Cherokee County's strong request that the Kansas Racing and Gaming Commission exercise its statutory authority to reject the LGFRB's recommendation and begin the process for selecting a lottery facility gaming manager anew.

I. AUTHORITY TO REJECT LGFRB'S RECOMMENDATION

The Kansas Racing and Gaming Commission ("KRG") is not a "rubber stamp" for the Kansas Lottery Gaming Facility Review Board ("LGFRB"). Pursuant to K.S.A. 74-8736, the KRG is authorized to reject the LGFRB's recommendation for the management contract if it "does not approve the background of such prospective lottery gaming facility manager" *or* "does not approve the recommendation of the lottery gaming facility review board. . . ." K.S.A. 74-8736(e). K.S.A. 74-8736 does not establish any mandatory criteria for rejecting the LGFRB's recommendation or otherwise restrict the KRG's ability to reject an unsound recommendation in any way. In the event the KRG does not approve the LGFRB's recommendation, the KRG must "notify the executive director of the lottery and the process for selection of a lottery gaming facility manager shall begin again in the manner provided in K.S.A. 74-8734 and 74-8735, and amendments thereto." K.S.A. 74-8736(e). This is the procedure that should be followed in this case.

II. LGFRB'S ERRONEOUS APPLICATION OF KELA'S CRITERIA

In selecting a lottery gaming facility for Kansas's southeast gaming zone, the initial considerations with respect to each facility were:

“The size of the proposed facility; the geographic area in which such facility is to be located; the proposed facility's location as a tourist and entertainment **destination**; the estimated number of tourists that would be attracted by the proposed facility; the number and type of lottery facility games to be operated at the proposed facility; and agreements related to ancillary lottery gaming facility operations.”

K.S.A. 74-8734(e) (Emphasis added). After the Lottery Commission reviews and executes gaming facility management contracts with proposed applicants, the contracts are submitted to the LGFRB.

Pursuant to K.S.A. 74-8736, the LGFRB “shall determine which contract *best* maximizes revenue, encourages tourism and otherwise serves the interests of the people of Kansas.” K.S.A. 74-8736(b) (emphasis added). The plain and ordinary meaning of “best” is “better than all others in quality or value.” “Best.” *Merriam-Webster.com*. 2015. <http://www.merriam-webster.com> (24 June 2015). Thus, by using the word “best” in K.S.A. 74-8736, the Kansas Legislature required the LGFRB to directly compare each of the proposed contracts and recommend the proposal that offered the highest total quantity or value with respect to each of the three enumerated factors.

LGFRB Member Gail Radke stated during the debate that KELA did not require a destination casino. This is clearly contrary to the statute.

In reporting the LGFRB’s decision, the Wichita Eagle stated: “Faced with betting big or playing it safe, the state board charged with recommending a casino for southeast Kansas decided on a near sure thing.”¹ This is the fundamental problem with the LGFRB’s decision. KELA does not grant the LGFRB the discretion to “play it safe.” Rather, it is tasked with recommending the proposal that will bring in the **most** revenue, **most** tourists, and will otherwise offer the **most** benefits to the citizens of Kansas. The LGFRB has not followed its statutory mandate, and the KRGC should reject its recommendation.

A. THE CHEROKEE COUNTY PROPOSAL BEST MAXIMIZES REVENUE

The first statutory criteria the LGFRB was required to consider was which of the three proposed contracts “best maximizes revenue . . .” K.S.A. 74-8736(b). To assist the board with this determination, K.S.A. 74-8736(b) authorizes the LGFRB to solicit the advice of experts. In this case, the two experts selected by the LGFRB to assess each applicant’s capacity to maximize revenue were Cummings Associates and Union Gaming. As part of its review of the applicants’ proposals, Cummings Associates estimated the gross gaming revenue for each applicant, which were ranked as follows:

1. Castle Rock Casino—\$59,800,000
2. Kansas Crossing Casino—\$36,600,000
3. Camptown Casino —\$34,600,000.²

¹<http://www.kansas.com/news/local/article25220986.html>

²Cummings and Associates Report, June 8, 2015 Report, Exhibit A: Summary of Projections

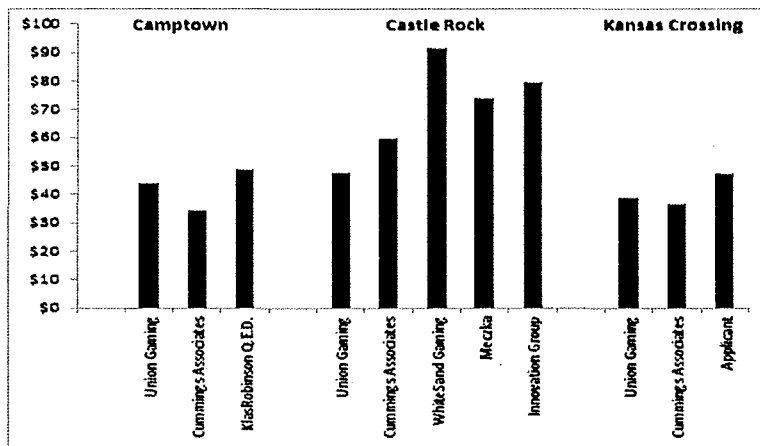
The board’s other independent consultant, Union Gaming, reached a similar conclusion, ranking the applicants’ capacity to maximize revenue as follows:

1. Castle Rock Casino—\$47,800,000
2. Camptown Casino—\$43,900,000
3. Kansas Crossing Casino—\$39,000,000.³

Union Gaming also estimated the amount of taxes each proposal would generate:

1. Castle Rock Casino—\$12,900,000
2. Camptown Casino—\$11,500,000
3. Kansas Crossing Casino—\$10,500,000.⁴

Finally, during its presentation to the LGFRB on June 23, 2015, Union Gaming compared its gross revenue to the estimate(s) made on behalf of each applicants:



As Union Gaming’s chart demonstrates, a minimum of five separate studies have reached the same conclusion: Castle Rock’s proposal best maximizes revenue. Kansas Crossing’s projections, on the other hand, fell anywhere from the middle to bottom in each report, with one of the LGFRB’s independent consultants concluding the Kansas Crossing proposal was the worst of the three in terms of both generating revenue and tax dollars for the State of Kansas.⁵ No testimony, data, or study presented by any applicant or independent expert found that the proposal from Kansas Crossing could generate more revenue than Castle Rock’s proposal.

Accordingly, the LGFRB selection of Kansas Crossing’s proposal (a) disregarded every study presented to it, in favor of some form of arbitrary speculation as to revenue, or (b) disregarded the proposals’ potential to generate revenue altogether. In either case, the disregard by the LGFRB of the fact that every study concluded that Castle Rock best maximized revenue, alone, justifies rejection of the board’s recommendation.

³Union Gaming Analytics June 9, 2015 Report, Executive Summary, p. 6-7.

⁴Copied from Union Gaming’s June 23, 2015 presentation to the LGFRB.

⁵Union Gaming Analytics June 9, 2015 Report, Executive Summary, p. 6-7.

The LGFRB selection is a departure from the LGFRB's history of selecting the applicant in each gaming zone that would generate the most revenue. The KRGC should exercise its authority pursuant to K.S.A. 74-8736(e) and reject the LGFRB's decision.

B. THE CHEROKEE COUNTY PROPOSAL BEST ENCOURAGES TOURISM.

The second statutory criteria the LGFRB was required to consider was which proposal best "encourages tourism . . ." K.S.A. 74-8736(b). Again, all objective criteria weighs strongly in favor of the Cherokee County proposal. During their presentations to the Kansas Lottery Commission on April 15, 2015, each applicant presented the commission with an executive summary estimating the expected number of tourists at its proposed facility. Ranked highest to lowest, the estimates were:

1. Castle Rock—1,000,000-1,500,000 total / 750,000 to 1,125,000 from out-of-state
2. Camptown—949,000 total / 740,000 from out-of-state
3. Kansas Crossing Casino—500,000 total / 250,000 from out-of-state.⁶

As with revenue projections, the Board's own experts confirmed that the proposal in Cherokee County would bring the most visitors. Specifically, Cummings Associates evaluated each proposal's potential number of visitors and ranked them:

1. Castle Rock Casino—908,000 total / 197,000 out-of-state
2. Kansas Crossing Casino—545,000 / 126,000 out-of-state
3. Camptown—534,000 / 121,000 out-of-state.⁷

Likewise, the estimates provided by Union Gaming were:

1. Castle Rock Casino—687,501 total / 474,886 out-of-state
2. Camptown—608,493 total / 346,857 out-of-state.
3. Kansas Crossing Casino—540,753 total / 320,141 out-of-state.⁸

Under any data available to the LGFRB, Castle Rock was expected to best encourage tourism.

Quite simply, the LGFRB is recommending that the KRGC approve a contract that every single study has indicated will not bring the most total visitors or out-of-state visitors to southeast Kansas. On this basis again, approval of the LGFRB's recommendation would be unprecedented.

Further undermining the LGFRB's recommendation is a direct comparison of the amenities proposed by each applicant to draw in visitors. LGFRB independent consultant Macomber International summarized the amenities provided by each proposal.⁹

⁶Executive Summaries presented to the Lottery Commission on April 15, 2015.

⁷Cummings and Associates' June 9, 2015 Report, Exhibit A: Summary of Projections

⁸Union Gaming Report, June 9, 2015, Executive Summary, p. 7-8.

⁹Macomber Slide Show, June 10, 2015.

	CASTLE ROCK	KANSAS CROSSING	CAMPTOWN
Number of Slot Machines	1,400	625	750
Number of Tables	35	15	16
Number of Poker Tables	16	1	4
Food and Beverage Venues	6	2	5
Number of Hotel Rooms	200	123	62
Hotel Rating	4 Star	3.5 Star	3 Star

In terms of purely objective quantities, there is no comparison; the LGFRB selection offers fewer games and gaming positions, fewer food and beverage venues, and fewer hotel rooms than Castle Rock.

In justifying his vote for Kansas Crossing, LGFRB board member Kevin Cook was quoted as stating, “[Kansas Crossing] met the needs as described by statute. They’re the best overall Kansas draw, while still catering to the locals. It’s also important to be connected to the community.”¹⁰ Mr. Cook’s comments demonstrate a misapplication of the board’s role, which is not just to ensure that whichever proposal it recommends meets the statutory criteria, but to ensure that it only recommends the proposal that *best* meets the criteria. The LGFRB cannot have considered the information presented to it by either the applicants or its own independent experts and reasonably concluded that Kansas Crossing’s proposal better encouraged tourism than that of Castle Rock. The LGFRB selection is therefore contrary to the statutorily mandated criteria, and should be rejected.

C. THE CHEROKEE COUNTY PROPOSAL BEST SERVES THE PEOPLE OF KANSAS.

The concept of what best “serves the interests of the people of Kansas,” K.S.A. 74-8736’s final factor, is admittedly abstract. What is not abstract, however, is the fact that Castle Rock’s proposal undisputedly created more jobs than either of the other two proposals. During their presentations to the Kansas Lottery Commission, each applicant estimated the number of full time employees its facility would require:

1. Castle Rock Casino—900 full-time employees
2. Kansas Crossing Casino—275 full-time employees
3. Camptown Casino—250 full-time employees.¹¹

The LGFRB’s independent consultants also estimated the number of full time employees each facility would require:

1. Castle Rock Casino—893 employees
2. Camptown—298 employees
3. Kansas Crossing Casino—295 employees.¹²

¹⁰<http://www.washingtontimes.com/news/2015/jun/23/kansas-board-to-pick-developer-for-new-state-owned/>

¹¹Executive Summaries presented to the Lottery Commission on April 15, 2015.

¹²Report by EKAY Economic Consultants, June 2015, p. 3.

Thus, again, regardless of which metric it relied on, the LGFRB recommended a proposal that would create less jobs than Castle Rock's proposal.

It is also irrefutable that Castle Rock's proposal would generate more funds for southeast Kansas. One of the LGFRB's consultants, Civic Economics, ranked the estimated new economic activity in Kansas for each proposal as follows:

1. Castle Rock Casino—\$49,841,472
2. Kansas Crossing Casino—\$21,791,803
3. Camptown Casino—\$21,440,029.¹³

Union Gaming similarly ranked the amount of local tax dollars generated by each facility:

1. Castle Rock Casino—\$1,400,000
2. Camptown Casino—\$1,300,000.
3. Kansas Crossing Casino—\$1,200,000.¹⁴

If the LGFRB's consultant's are to be credited, the LGFRB selection is outright alarming. The LGFRB not only failed to select the proposal that would generate the most tax revenue for southeast Kansas, it has actually selected the proposal that would *least* generate local tax dollars. As the board's own expert stated: "In brief, the casino proposed by Castle Rock in Cherokee County is projected to generate the highest total gaming revenues, the greatest number of visitors, both tourist and local, and the greatest positive impacts on Kansas's 'net exports' of gaming services."¹⁵

Without regard to the testimony or reports relied on, the LGFRB could not apply the mandatory statutory criteria and selected Kansas Crossing as the contract that "best maximizes revenue, encourages tourism and otherwise serves the interests of the people of Kansas." The KRGC is not required to "rubber stamp" the LGFRB's decision. Here, the KRGC should reject the selection of Kansas Crossing by the LGFRB.

III. CHEROKEE COUNTY IS THE OPTIMAL SITE FOR THE SOUTHEAST GAMING ZONE'S FACILITY

Finally, as Casinonomics Consulting, LLC, one of the LGFRB's independent consultants recognized: "Location is a well-known determinant of any business's success, and casinos are no exception."¹⁶ With respect to the physical location of the three prospective casinos, Casinonomics found "the three prospective casinos are not likely to fare remarkably better or worse, in terms of their customer bases. The key difference is that the Castle Rock would be more likely than the others to attract customers from Joplin, MO, and it may attract customers away from Downstream."¹⁷ Likewise, with respect to Downstream Casino, Casinonomics determined that "given the very close proximity of the Castle Rock site to the Downstream, the Castle Rock might be able to attract a significant number of patrons away from the Downstream.

¹³June 10, 2015 Report by Civil Economics, <http://www.slideshare.net/krgc/economic-impacts-of-proposed-facilities?ref=http://www.krgc.ks.gov/index.php/public-info/meetings/lgfrb-meetings/details/2/41>

¹⁴Union Gaming Report, June 9, 2015, Executive Summary, p. 7-8.

¹⁵Cummings Report, p. iii.

¹⁶Casinonomics June 8, 2015 Report p. 6.

¹⁷*Id.* at p. 8.

This might occur if the Castle Rock has amenities that make it more attractive than the Downstream.”¹⁸

In the LGFRB report by Cummings Associates, Mr. Cummings noted that his projections for the Cherokee County location were:

“substantially higher than [his] projections for either of the facilities in Crawford County because (a) Castle Rock is closer still to Joplin, (b) it is more accessible to other parts of the region and beyond via I-44, and (c) with respect to table games in particular, it lies 30 to 40 minutes closer to more populous parts of Oklahoma and Arkansas, whose table players are served poorly (if at all) by the existing casinos of Oklahoma.”¹⁹

In reviewing each of the proposed sites’ access to surrounding areas, Cummings similarly noted that that the Cherokee County proposal, just off Interstate 44, will be the best in this regard.”²⁰

Macomber International echoed the other LGFRB consultants’ findings. In describing both Camptown and Kansas Crossing, Macomber concluded the locations were “not the best to attract regional demand”²¹ By comparison, Macomber found that “Cherokee County as close to the Interstate as possible is probably the better location.”²² Macomber also described the difference between the Crawford County and Cherokee County locations as follows: “Crawford County is the best location for a locals’ centric casino and Cherokee County is the best for a 90-mile destination locals’ / regional casino resort.”²³ There can be no doubt as to which type of casino KELA envisioned, as the plain text of the statute requires evaluation of each proposal “as a tourist and entertainment destination.” See K.S.A. 74-8734(e). Plainly, in this regard, the Cherokee County proposal is optimal.

Pursuant to K.S.A. 74-8736(d)(2), “[i]f the [LGFRB] cannot reach agreement that a lottery gaming facility management contract is the best possible such contract, the board shall request the executive director to renegotiate the contract or contracts until the board determines that the best possible such contract or contracts have been executed.” As discussed above, irrespective of the metric chosen, the Castle Rock proposal unequivocally represented the best of the proposals with respect to the three statutory criteria enumerated in K.S.A. 74-8736. Although no member of the LGFRB articulated any concern about financing as a basis for his or her decision, a considerable amount of time at the June 23, 2015 LGFRB meeting was spent discussing whether Castle Rock was sufficiently capitalized to service its debt. If the LGFRB harbored concerns about Castle Rock’s funding, they were not articulated publically. The independent consultant reports, however, made clear that Cherokee County is the optimal site for the casino in the southeast gaming zone. Thus, if the LGFRB determined Castle Rock was not a viable operator because of financing concerns, its statutory responsibility was to send the proposals back for renegotiation, and not to select an inferior proposal. The LGFRB did not

¹⁸*Id.* at p. 7.

¹⁹Cummings and Associates Report, June 8, 2015 Report, p. 16.

²⁰Cummings and Associates Report, June 8, 2015 Report, p. 15.

²¹ Macomber International Report of June 10, 2015, p. 31, 46

²² Macomber International Report of June 10, 2015, p. 79

²³ Macomber International Report of June 10, 2015, p. 50

properly executed its statutory duties, and the KRGC should reject its proposal to award Kansas Crossing the southeast gaming zone's lottery gaming facility management contract.

IV. CONCLUSION

Based on all the reports, testimony, and objective facts before it, the LGFRB's choices under its mandatory statutory criteria were simple: either (a) recommend that Castle Rock, the proposal that objectively best met K.S.A. 74-8736(e)'s criteria, be awarded the management contract, or (b) request the executive director renegotiate the contracts until a proposal in the location that undisputedly best maximized revenue, tourism, and the interests of Kansas citizens—the Cherokee County location—could be approved. It did neither. The contract being submitted for the KRGC's consideration does not "best maximize[] revenue, encourage[] tourism and otherwise serve[] the interests of the people of Kansas." The KRGC is under no obligation to accept the LGFRB's unsound recommendation and under these circumstances it should not. Cherokee County respectfully requests that the KRGC deny the LGFRB's recommendation pursuant to K.S.A. 74-8736(e) and begin the process for selecting a gaming facility manager anew.

Sincerely,
Cherokee County Board of County Commissioners


Commissioner Chair on Behalf of the Board

SENIOR SERVICES PROPOSAL FOR PREPACKAGED MEALS FOR ALLEN, NEOSHO AND WOODSON COUNTIES

OVERVIEW

Senior Services of SEK, Inc. received notice on May 19, 2014 that the Chanute SRS office would be closing. This kitchen services the following participants:

Allen County: Humboldt, Lola and Moran

Neosho County: Chanute, Erie, St. Paul and Thayer

Woodson County: Neosho Falls, Toronto, and Yates Center

Since that time we have been in search of a suitable place to move our kitchen. We have not been able to secure a site that would be suitable without costly renovations.

Following the trend of the last 3 years Senior Services is currently running on a deficit basis.

After careful consideration of the situation and the solutions available it has been determined that changing the format of the meal delivery program to once a week meal delivery for these counties, would resolve both problems.

The Objective

- Delivery of foods to the Chanute kitchen participants within quality and safety guidelines
- Decrease costs for the organization
- Ensure food is available during bad weather

The Opportunity

- Increase meals from 5 days to 7 days a week
- Decrease operating costs
- Participants are not given a meal option or choice of time when food would be delivered

- » Food safety
- » Provides more flexibility in the participants personal schedules

The Solution

- » <Recommendation #1: Provide once a week prepackaged meal delivery to participants with an in person wellness check.
- » <Recommendation #2: Provide additional wellness checks by phone at the participants request

OUR PROPOSAL

Senior Services has a well-deserved reputation for quality customer service. However, faced with changes in distribution systems, economic impacts to transportation and logistics, and limitations for food safety considerations, Senior Services faces the possibility of being unable to deliver meals to all of our current participants.

We have developed a solution that not only benefits our participants but also helps to lower costs. The participants will receive two extra meals a week, flexibility in choosing which meal they choose to eat and what time they want their meal, participants needing assistance with Activities of Daily Living would be identified and referred to Area Agency, improving all around quality of life. The prepackaged meal delivery would provide the recommended daily allowance of nutrients required by the federal government.

CONCLUSION

Without these changes meals would not be able to be delivered to the participants in a timely manner to insure food safety. These changes will also assist Senior Services in cutting costs and allow us to continue to serve all of our participants. Without this cost savings, the organization will not survive the fiscal year.

Office of the Secretary
915 SW Harrison St., 6th Floor
Topeka, KS 66612-1354



Phone: (785) 296-3271
Fax: (785) 296-4685
www.dcf.ks.gov

Phyllis Gilmore, Secretary

Sam Brownback, Governor

May 19, 2014

RE: DCF Chanute Office Tenants

Dear Tenant:

I am writing in regard to the Department for Children and Families (DCF) building located at 1500 W. 7th Street in Chanute, Kansas. As a tenant in that building, Secretary Gilmore wanted you to be notified as quickly as possible about our future intentions for the property.

We have determined it is in the State's long term best interest to sell the Chanute facility. We will soon release a Request for Proposal (RFP) for private office space in Chanute and eventually plan to vacate the current building. We will do our best to keep you and your staff apprised of the situation, so you can plan accordingly and make the necessary arrangements for your staff.

We will also provide you formal notification 120 days prior to termination of your lease as required. If you have any questions please do not hesitate to contact Matt Billingsley, Director of the Office of Property Management at (785) 368-6358. We have appreciated our partnership over the years and look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Chuck Knapp". The signature is written in a cursive style with a long, sweeping underline.

Chuck Knapp
Deputy Secretary of Operations & Public Affairs

MEALS ON WHEELS

% of ELIGIBLE SENIORS PARTICIPATING BY COUNTY

2.50% Allen
2.80% Bourbon
1.99% Cherokee
2.16% Crawford
1.99% Labette
3.30% Montgomery
3.30% Neosho
6.00% Wilson
5.40% Woodson

MEALS ON WHEELS

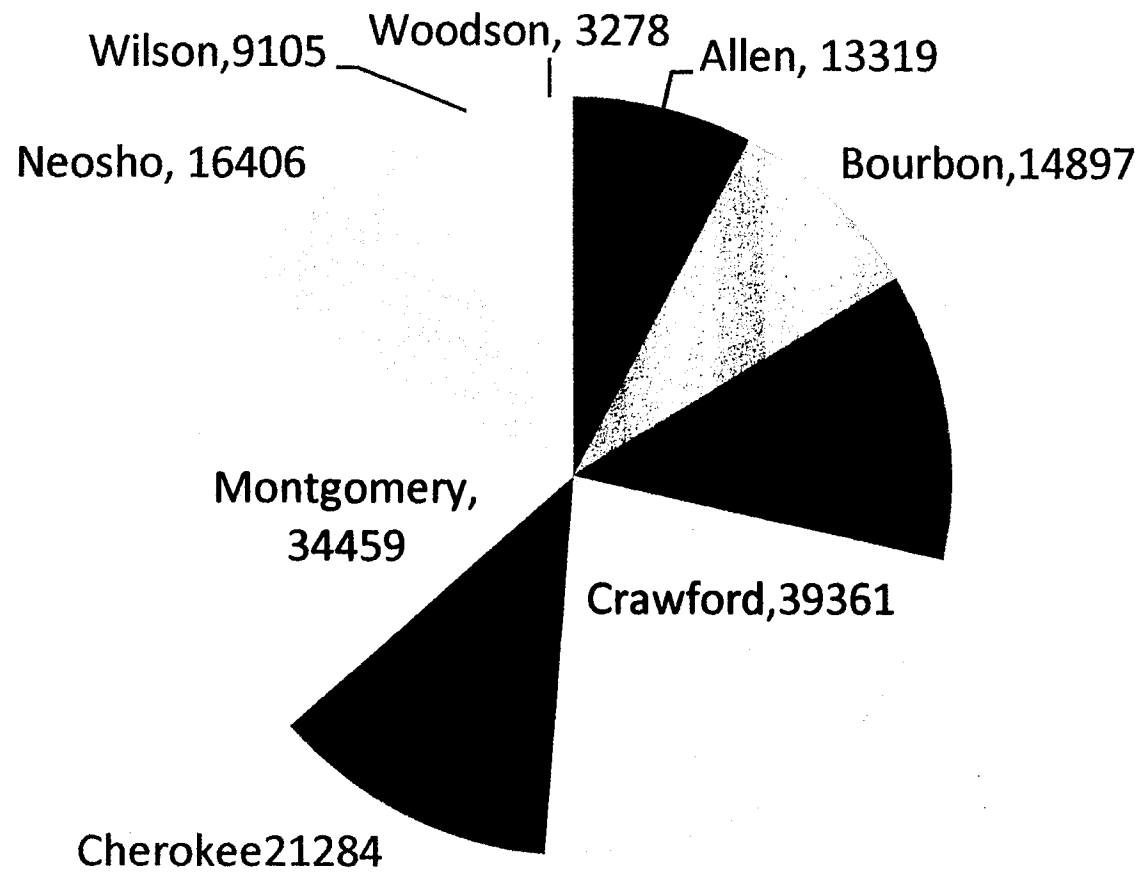
% of ELIGIBLE SENIORS PARTICIPATING BY COUNTY

2.50% Allen
2.80% Bourbon
1.99% Cherokee
2.16% Crawford
1.99% Labette
3.30% Montgomery
3.30% Neosho
6.00% Wilson
5.40% Woodson

Senior Services of Southeast Kansas

Meals Analysis

Month	Class	2014	2013	2012	2011	2010	2009	2008
Oct	C1	5,603.84	7,292.19	7,483.52	8,327.24	9,829.72	11,595.74	9,567.38
Nov	C1	4,158.59	5,322.30	5,948.50	8,386.86	8,769.15	9,446.99	8,810.64
Dec	C1	3,898.92	4,647.13	5,982.95	7,938.82	7,813.85	9,624.23	6,507.64
Jan	C1	3,281.48	5,483.03	5,486.60	7,218.12	6,980.97	9,744.50	8,221.87
Feb	C1	2,715.35	4,809.68	5,595.70	5,382.44	8,264.44	10,170.18	7,056.37
Mar	C1	4,050.41	6,700.72	5,978.41	7,757.66	10,006.56	10,074.21	8,288.04
Apr	C1	4,794.08	6,776.93	6,144.52	7,703.33	9,462.42	9,600.20	8,942.29
May	C1	4,584.73	6,830.96	6,702.92	7,507.01	8,013.02	9,091.53	9,040.80
Jun	C1	4,984.98	5,764.27	5,943.10	7,289.37	8,910.11	10,024.10	9,180.68
Jul	C1	4,772.00	6,266.67	7,150.57	6,794.08	7,771.92	9,507.60	9,655.13
Aug	C1	5,007.07	5,451.33	7,116.70	7,726.29	8,722.59	9,428.77	11,575.98
Sep	C1	5,077.27	5,426.42	5,169.10	6,869.77	8,185.24	9,102.19	10,956.06
		\$ 52,928.72	\$ 70,771.63	\$ 74,702.59	\$ 88,900.99	\$ 102,729.99	\$ 117,410.24	\$ 107,802.88
	Meals Served	40,030	50,758	57,167	56,729	58,880	67,299	74,129
	Collections Per Meal	1.32	1.39	1.31	1.57	1.74	1.74	1.45
	% Change in income	-25.21%	-5.26%	-15.97%	-13.46%	-12.50%	8.91%	
	% Change in meals served	-21.14%	-11.21%	0.77%	-3.65%	-12.51%	-9.21%	
Oct	C2	12,268.13	14,213.27	15,927.63	15,257.15	17,739.21	19,892.91	15,897.30
Nov	C2	11,357.90	14,203.31	15,359.17	15,457.28	15,567.20	15,436.84	14,742.10
Dec	C2	12,238.90	13,748.00	16,270.62	15,145.74	16,119.36	17,260.35	12,876.35
Jan	C2	11,672.74	13,267.95	14,188.77	15,805.85	13,565.63	18,208.72	15,858.28
Feb	C2	10,602.13	12,647.14	14,652.05	13,115.10	18,078.45	17,187.68	15,695.38
Mar	C2	11,633.35	16,428.35	14,353.30	16,062.58	16,689.05	19,105.74	18,298.23
Apr	C2	11,501.26	15,124.03	13,940.01	15,928.25	15,522.20	16,467.93	17,132.73
May	C2	11,507.78	15,238.07	13,706.50	17,266.84	13,720.93	17,299.64	15,522.66
Jun	C2	9,655.10	12,310.68	15,678.83	15,590.54	16,806.95	18,176.27	17,126.19
Jul	C2	9,493.73	13,564.56	15,043.05	17,131.57	13,948.65	17,320.58	18,564.87
Aug	C2	10,036.30	13,590.81	15,564.45	17,186.67	14,775.48	17,127.64	19,373.95
Sep	C2	11,131.25	11,147.79	13,848.91	15,493.08	16,876.36	17,877.67	21,869.62
Bourbon Co reimb instead		24,000.00	24,000.00	24,000.00	14,000.00	-	-	-
		\$ 157,098.57	\$ 189,483.96	\$ 202,533.29	\$ 203,440.65	\$ 189,409.47	\$ 211,361.97	\$ 202,957.66
	Meals Served	155,623	171,475	197,786	190,814	196,675	244,410	235,711
	Collections Per Meal	1.01	1.11	1.02	1.07	0.96	0.86	0.86
	% Change in income	-17.09%	-6.44%	-0.45%	7.41%	-10.39%	4.14%	
	% Change in meals served	-9.24%	-13.30%	3.65%	-2.98%	-19.53%	3.69%	
Food Costs		245,997.19	272,437.46	415,335.38	334,426.91	303,796.32	421,820.11	451,955.52
Commodities		25,561.82	31,005.23	23,022.00	22,941.00	25,736.00	32,878.00	26,010.00
Commodities Bonus		14,175.44	14,512.30	14,406.00	22,381.00	38,858.00	32,621.00	14,149.00
Total Food Costs		285,734.45	317,954.99	452,763.38	379,748.91	368,390.32	487,319.11	492,114.52
Total Meals Served		195,653	222,233	254,953	247,543	255,555	311,709	309,840
Cost Per meal		1.46	1.43	1.78	1.53	1.44	1.56	1.59
C1 Avg Attendance/Day		154	195	220	218	226	259	285
C2 Avg Attendance/Day		599	660	761	734	756	940	907
Both Avg Attendance/Day		753	855	981	952	983	1199	1192



Senior Services of Southeast Kansas

Meals Analysis

Month	Class	2014	2013	2012	2011	2010	2009	2008
Oct	C1	5,603.84	7,292.19	7,483.52	8,327.24	9,829.72	11,595.74	9,567.38
Nov	C1	4,158.59	5,322.30	5,948.50	8,386.86	8,769.15	9,446.99	8,810.64
Dec	C1	3,898.92	4,647.13	5,982.95	7,938.82	7,813.85	9,624.23	6,507.64
Jan	C1	3,281.48	5,483.03	5,486.60	7,218.12	6,980.97	9,744.50	8,221.87
Feb	C1	2,715.35	4,809.68	5,595.70	5,382.44	8,264.44	10,170.18	7,056.37
Mar	C1	4,050.41	6,700.72	5,978.41	7,757.66	10,006.56	10,074.21	8,288.04
Apr	C1	4,794.08	6,776.93	6,144.52	7,703.33	9,462.42	9,600.20	8,942.29
May	C1	4,584.73	6,830.96	6,702.92	7,507.01	8,013.02	9,091.53	9,040.80
Jun	C1	4,984.98	5,764.27	5,943.10	7,289.37	8,910.11	10,024.10	9,180.68
Jul	C1	4,772.00	6,266.67	7,150.57	6,794.08	7,771.92	9,507.60	9,655.13
Aug	C1	5,007.07	5,451.33	7,116.70	7,726.29	8,722.59	9,428.77	11,575.98
Sep	C1	5,077.27	5,426.42	5,169.10	6,869.77	8,185.24	9,102.19	10,956.06
		\$ 52,928.72	\$ 70,771.63	\$ 74,702.59	\$ 88,900.99	\$ 102,729.99	\$ 117,410.24	\$ 107,802.88
	Meals Served	40,030	50,758	57,167	56,729	58,880	67,299	74,129
	Collections Per Meal	1.32	1.39	1.31	1.57	1.74	1.74	1.45
	% Change in income	-25.21%	-5.26%	-15.97%	-13.46%	-12.50%	8.91%	
	% Change in meals served	-21.14%	-11.21%	0.77%	-3.65%	-12.51%	-9.21%	
Oct	C2	12,268.13	14,213.27	15,927.63	15,257.15	17,739.21	19,892.91	15,897.30
Nov	C2	11,357.90	14,203.31	15,359.17	15,457.28	15,567.20	15,436.84	14,742.10
Dec	C2	12,238.90	13,748.00	16,270.62	15,145.74	16,119.36	17,260.35	12,876.35
Jan	C2	11,672.74	13,267.95	14,188.77	15,805.85	13,565.63	18,208.72	15,858.28
Feb	C2	10,602.13	12,647.14	14,652.05	13,115.10	18,078.45	17,187.68	15,695.38
Mar	C2	11,633.35	16,428.35	14,353.30	16,062.58	16,689.05	19,105.74	18,298.23
Apr	C2	11,501.26	15,124.03	13,940.01	15,928.25	15,522.20	16,467.93	17,132.73
May	C2	11,507.78	15,238.07	13,706.50	17,266.84	13,720.93	17,299.64	15,522.66
Jun	C2	9,655.10	12,310.68	15,678.83	15,590.54	16,806.95	18,176.27	17,126.19
Jul	C2	9,493.73	13,564.56	15,043.05	17,131.57	13,948.65	17,320.58	18,564.87
Aug	C2	10,036.30	13,590.81	15,564.45	17,186.67	14,775.48	17,127.64	19,373.95
Sep	C2	11,131.25	11,147.79	13,848.91	15,493.08	16,876.36	17,877.67	21,869.62
	Bourbon Co reimb instead	24,000.00	24,000.00	24,000.00	14,000.00	-	-	-
		\$ 157,098.57	\$ 189,483.96	\$ 202,533.29	\$ 203,440.65	\$ 189,409.47	\$ 211,361.97	\$ 202,957.66
	Meals Served	155,623	171,475	197,786	190,814	196,675	244,410	235,711
	Collections Per Meal	1.01	1.11	1.02	1.07	0.96	0.86	0.86
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	% Change in meals served	-9.24%	-13.30%	3.65%	-2.98%	-19.53%	3.69%	
	Food Costs	245,997.19	272,437.46	415,335.38	334,426.91	303,796.32	421,820.11	451,955.52
	Commodities	25,561.82	31,005.23	23,022.00	22,941.00	25,736.00	32,878.00	26,010.00
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	Total Food Costs	285,734.45	317,954.99	452,763.38	379,748.91	368,390.32	487,319.11	492,114.52
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