



Meeting Minutes

Treece Relocation Assistance Trust Meeting
July 26, 2010 at 1:00 P.M.
Cherokee County Courthouse, Room 34, Columbus, KS

Trustee Members:

Present: Gene Bicknell, Jim Dahmen, John Delmont, Eddie Hamilton and Betty McBride. *Absent:* None
Quorum present: Yes

Others Present:

KDHE: Bob Jurgens, Ryan Singer,
Attorney General's Office: Asst. Attorney General Sam Speed via conference phone
City of Treece: Pam Pruitt
Representative Doug Gatewood

Proceedings:

Meeting called to order at 1:05 p.m. by Chair Gene Bicknell

Restoration Program:

- Dahmen introduces Representative Doug Gatewood.
- Doug Gatewood speaks about the Natural Resource Damage Assessment and Restoration Program. Lance Hedges with KDWP in Chanute is the contact. \$7,000,000 reportedly available, Program can buy land at appraised value.

Bylaws

- Signed with letter of approval from Governor. Everyone present agrees with final draft of bylaws.

Per Diem:

- Bicknell wants clarification on per diem amounts. Jurgens answers that per diem started at \$88.00 a day and after the legislative session, the amount was decreased by 5%.
- McBride called legislative research and the person who wrote the statute says income tax and social security will be paid except for reimbursements.
- Speed asks if anyone is interested in KPERS and none were interested.

Grants:

- Bicknell asks if any money is present. Jurgens states that the initial \$350,000 from EPA is available to KDHE. Contract needs to be signed to move money from KDHE to the Trust through the cooperative agreement. After contract signature from the Secretary, \$75,000 will be transferred. Bicknell, Dahmen, and Speed all have reviewed contract and agree.
- Jurgens hopes to have funding by next week.
 - Hamilton asks who is in charge of making sure taxes and loans are paid by residents. Jurgens suggest hiring a closing company to handle closing duties.

Vouchers:

- Dahmen suggests all trustees fill out W4 forms. Copies of all vouchers will be submitted to KDHE as proof of expense.
- Dahmen says vouchers for June 8, July 9, and July 26 meetings can be filled out.

Contract Bidding:

- Jurgens states that bidding must be made available to minority and woman owned businesses when hiring companies for work such as appraisers. Jurgens recommends putting out newspapers articles
- McBride is worried about who is responsible if lawsuits arise from administering money. Speed responds that the trustees are considered state officers and the Attorney General's office will represent the trust under the Kansas Tort Claims Act.
- KDHE provides administrative work for the trust but is not responsible for the allocation of money.
- Jurgens responds that reportedly the ODEQ is in lawsuits for influencing the money from the LICRA Trust and KDHE wants to be careful not to make that mistake.

Appraisal Companies:

- Three Responses: BP, WW O'Brien, Mid-America
- Guest appraiser Allen Collum????????
- Jurgens suggest appraisers give ideas about how to do appraisals.
- AJ Appraisers in Baxter Springs sent a letter with no return address.
- Jurgens suggest KDHE submitting newspapers notices stating the trusts' pre-bid meeting and intent to bid. Must put business rules up front to avoid lawsuits from potential influencing of appraisals.
- Some members of the trust want to be able to chime in on appraisals. Dahmen and Hamilton disagree.
- Jurgens states that the OK lawsuit is from influencing appraisers.
- Bicknell is worried about residents having the money to move somewhere else. There will be extenuating circumstances. Replacement value rather than just appraisal value.
- Collum???? Speaks of the three approaches when appraising
Sales comparison, Cost, and Income approaches. He suggests using the Sales comparison and taking interior and exterior pictures of residence. Only outside pictures of comparisons are necessary. An engineer is not needed for the age and constructional integrity of mobile homes.
- Jurgens is worried about finding comparisons for mobile homes.
- Hamilton states people in Picher say the properties were undervalued to fit in the budget.
- McBride suggests using the sales comparison approach when appraising.

Criteria for Appraisers

- Effective age of home
- Cannot be on contaminated property
- Verified and valued (market value)
- Non-comparables (mobile home and land comparable to residence not necessarily for sale.
- Mortgage lending 6-12 months.
- Collum says sales volume is down and now they can use foreclosed properties for appraisals. Listed sales will set your upper end value.
- Bicknell suggest looking at relocation value
- Jurgens suggest giving below average properties an average rating to boost value. McBride agrees.
- Vote on leaving "using income value" for appraisal instructions - all members vote yes.
- Pre-bid meeting set for August 9.
- Appraisers will submit their bids and resumes in writing to KDHE by August 19.
- August 26 at 1:00 P.M. set for Trust meeting.
- Legal notice in paper by August 3.
- Jurgens states that he won't be available for the August 9 meeting.
- Dates voted on and accepted.
- Pre-bid notices will be published in the Galena, Columbus/Baxter Springs, Pittsburg, and Joplin newspapers.

Bonding - Speed states that bonding will cost \$2.03 per trustee

Library should be used

Business Rules for Appraisers Set:

- 1) All sales and current listed properties in Cherokee county used -for comparables.
- 2) Pictures of Treece property (inside and out).
- 3) Comparable property picture (outside only).
- 4) Comparables cannot be on subsidence land.
- 5) Appraiser to disregard "environment" of buyout property.
- 6) Relocation value.
- 7) Appraiser must be certified by state.
- 8) Response deadline for all properties to be submitted to the trust.
- 9) Legal notice in paper August 3, 2010.
- 10) Pre-bids and resumes to the trust in writing to KDHE by August 19, 2010.
- 11) Appraisers awarded on August 26, 2010.
- 12) Papers for notice to be submitted to include Columbus, Baxter springs, Joplin, Galena, and Pittsburg.
Adopted in at 2:48 P.M.