

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:00 a.m. on May 01, 2001 in Room 423-S of the Capitol.

All members were present except: Senator Brungardt (Excused)
 Senator Steineger (Excused)
 Senator Kerr (Excused)

Committee staff present: April Holman, Legislative Research Department
 Lea Gerard, Secretary

Conferees appearing before the committee: Thomas C. Blackburn
 John G. Montgomery
 Thomas A. Page

Others attending: See attached list.

Chairperson Brownlee opened the confirmation hearings on new appointments for Thomas C. Blackburn, John G. Montgomery and reappointment for Thomas A. Page Members, Kansas Development Finance Authority.

Thomas C. Blackburn, John G. Montgomery and Thomas A. Page addressed the committee and provided a brief history of their background and experience (Attachment 1).

Thomas C. Blackburn, Executive Vice President with Kansas Venture Capital based in Overland Park, Kansas has been with Kansas Venture Capital since 1988. His primary responsibilities with Kansas Venture Capital are originating, analyzing, structuring, closing and monitoring portfolio company investments. Mr. Blackburn also has responsibility for general marketing activities, governmental relations and industry trade representation. Mr. Blackburn then stood for questions from the committee.

In response to a question from the Committee, Mr. Blackburn stated that KDFA can serve the role as a conduit organization to bring investors together with issuers for viable projects within a community and identify other areas that are not being served. Mr. Blackburn responded to questions regarding conflict of interest with companies which deal with KDFA, including OZ.

John G. Montgomery, Newspaper Publisher and TV Executive, Junction City, Kansas. He was past Chairman for the Kansas Board of Regents and former Chapter Chairman for the Association of the United States Army - Fort Riley - Central Kansas.

In response to a question from the Committee, Mr. Montgomery stated that the existence of the KDFA organization needs to be better known and should have a bigger role to play as the capital markets become more centralized and larger. Having access to these capital markets is becoming more important for the small entities.

Mr. Montgomery responded to a question regarding being the Co-chair of Economic Lifeline (a support group for the highway program). He stated KDOT does not utilize the services of KDFA and if that should change, he would probably resign from Economic Lifelines.

Thomas A. Page, President of Emprise Bank, Wichita. Mr. Page received a bachelors of science degree from the United States Air Force Academy in 1975 with majors in economics and management. From 1975 to May, 1980, he served active duty commitments for the United States Air Force. During his tenure of duty with the Air Force, he earned his masters of business administration from the University of Missouri.

In response to a question from the committee regarding clarification on payment of attorney fees by OZ, Mr. Page stated there have been one or two instances where KDFA discontinued work and instructed their attorneys to discontinue work until the fees were paid. KDFA operates out of a reserve account and whenever that reserve account balance is not equal to the accrued or unpaid fees that the attorneys have generated, KDFA asks OZ for reimbursement to replenish that reserve account. To his knowledge, OZ is current with all of the fees. Sixty percent of KDFA's net worth has been spent on attorney and accounting fees so it was important for OZ to pay these fees.

Senator Jordan moved, seconded by Senator Barone to confirm the appointments of Thomas C. Blackburn, John G. Montgomery and reappointment of Thomas A. Page , members of the Kansas Development Finance Association. Motion carried.

The meeting was adjourned at 8:50 a.m.