

City raising questions about Aircraft Seal & Gasket Corp.

COMPANY, from Page 1

though, that he is planning to begin production this month after finally solving the financial problems which have delayed the startup. He says he's had to find a way to replace \$800,000 in local investment that never materialized, but he's not giving up.

And, he said, while company headquarters will be in Wichita as planned, no work or machinery has been shifted there.

Pickman said the company failed to pay its utility bill on time in August, and the power was cut off. He said Menold came in and paid a de-

posit to have the power reconnected, and since then, the company has been on time paying its utility bill.

"I am planning to tell the city commission on Monday that they should consider voiding the lease contract with Aircraft Seal and Gasket," Pickman said. "I do not see any evidence of production, nor do I know of any company employees who live in Sherman County.

"I believe it would be better for the city to find a way to get out of the contract with this company and be in a position to attract another company to use the building."

Friday, Menold laid out the status of the plant in a letter to *The*

Goodland Star-News.

"I am not withholding any information," Menold said, "nor do I intend to keep anyone in Goodland wondering what is happening.

"When I first met with the local people of Goodland, I openly stated at every meeting that to have (the Goodland plant) succeed, it would require a maximum of \$800,000 from accredited investors. This has not happened. In fact, there has not been any money from accredited investors to date.

"One thing I was firm about was our company would not borrow any money for this project. We have, however, borrowed approximately

25 percent of the expected amount from primarily one local bank. I am personally not pleased with the necessity of borrowing more money for this program, but it is apparent that this is my only choice.

"ASG Corp. does have a plan to move forward. The plan requires that a (financial) restructuring be completed before any significant production can begin. I do anticipate this financial restructuring to be completed in October. In fact the Goodland plant is within reach of raising the balance of the money necessary to begin production during the week of Oct. 25. This restructuring plan does include pay-

ing all obligations incurred in the Goodland area.

"There has been no equipment moved from Goodland to Wichita that was not intended to be moved after being rebuilt in Goodland. The headquarters of Aircraft Seal & Gasket Corp. has always been openly stated to be Wichita.

"The bottom line is, since no local accredited investors have come to the table, other plans had to be put in place. I will start production when I can afford to. I have borrowed, and spent too much of my own money to walk away now. I cannot afford to loose the money I have personally invested. It is not my way of deal-

ing with this problem."

In a follow up phone call, Menold said he expects the financing to be completed in the next week, adding that the commitment has been made, but the final contract has to be completed.

When asked if there are any employees at the Goodland plant, Menold said, "yes," but would not comment any further. He said he expects to be in Goodland later this month, and is planning to begin production.

"I know we have many supporters in Goodland," Menold said. "I did not want it to go this way, but I have no plans to pull out of Goodland."

Plant project now over one-year

PLANT, from Page 1

Director Ed Wolak, who died of a heart attack.

Last December, Chuck Lutters, then a city commissioner, left his job with the Goodland School District to become the plant manager for the company. It looked like a good fit, as Lutters would be working to get all the equipment being shipped from California installed and operational so production could begin.

Menold told Goodland citizens it would take \$800,000 to bring his company to the city, and this did not include the over \$500,000 the city spent rebuilding the building, which was named for Wolak after his death.

A scheme for attracting local investors was suggested, but the state attorney general said the pooling of money was not legal unless it was established as a stock enterprise and was set up under state securities regulations.

Advisors estimated it would take about a year to get the investment program established under the state regulations. The pool plan was abandoned, leaving Menold short of the \$800,000 investment he had said would be required.

Another avenue was explored and the city commission agreed to

help get the company a \$200,000 economic development loan through the Kansas Department of Commerce and Housing.

This plan ran into a roadblock when the state decided it was a conflict of interest for Lutters to be a city commissioner and an employee of the firm. Lutters excused himself from any of the discussions on Aircraft Seal and Gasket, and the city attorney wrote a letter to the state saying that as long as Lutters continued to excuse himself from any discussions about the company, it would not be a conflict of interest. The state agreed to allow the loan on that basis.

The projected date for production at the Goodland plant had been moved back to February, and an opening ceremony was held with the city dedicating the building in the name of Wolak and Kansas Lt. Gov. John Moore coming to speak.

Andy Laue, former finance officer for Goodland Regional Medical Center, was hired by Menold to be the company's corporate finance officer. Lau spent time in California and was supposed to be setting up a companywide accounting system at the Goodland plant, but by June, he had left the company.

Several large pieces of equipment had arrived from California, and

there appeared to be work being done to get these ready for production.

April, May and June came and went without any evidence of production at the plant, and Menold told people he was having to delay the progress until he had the money to buy essential parts.

In July, Lutters resigned from the city commission and as the plant manager to accept the job of public works director for the city.

At the same time, the city was asked to approve the first payment to Aircraft Seal of \$35,000 from the economic development loan, and commissioners questioned Menold about when the plant would start production. Menold told the commission he had suffered some financial setbacks, but expected production to begin the end of August.

In September, Menold was in Goodland and was to be interviewing potential new employees. He said Dixon would be going to California for a week of training, and when he came back they would start putting pieces of gasket together for a rear door gasket the company had a large order for from Boeing.

The weeks passed, and there was no evidence of any production, nor was anyone at the plant, which is still dark and locked.

City of Goodland Treasurer's Financial Statement				
"For the period from July 1, 2004 to September 30, 2004 "				
FUNDS	PREVIOUS BALANCE	RECEIPT	CURRENT DISBURSEMENT	BALANCE
Special Highway		"145,356.20"	"24,514.65"	"139,760.86"
Self Insurance		"888,567.88"	"80,260.63"	"79,264.86"
Airport Fund		"302,628.31"	"3,414.82"	"21,723.64"
General Operating		"1,824,458.38"	"323,327.99"	"512,562.24"
Bond & Interest		"324,947.19"	"18,866.83"	"218,291.25"
Library		0.00	"9,997.54"	"6,885.08"
Sales Tax		"7,564.63"	"38,485.45"	"41,581.52"
Electric Utility		"1,968,611.53"	"1,299,561.63"	"1,222,552.07"
Municipal Court Diversion Fees		"9,777.15"	879.72	30.00
Law Enforcement		"22,417.33"	280.81	0.00
Electric Meter Deposit		"109,935.00"	"12,750.00"	"7,960.00"
Water Utility		"238,852.31"	"249,331.22"	"221,375.93"
Water Service Deposit		"50,578.00"	"7,200.00"	"5,025.00"
Sewer Utility		"9,854.89"	"119,919.53"	"45,322.39"
Special Park & Rec.		"34,325.08"	"1,294.54"	"2,040.12"
Vehicle Inspections(VIN)		"9,976.99"	"1,886.81"	"1,208.39"
Grant Imp Reserve Fund		"251,736.29"	"82,728.50"	"12,294.44"
Steever Park Project		109.99	"19,313.75"	"37,329.72"
Solid Waste		"170,203.59"	"83,021.40"	"112,497.28"
Fire Equipment		0.00	0.00	0.00
Airport Improvement		"-16,507.31"	"171,840.12"	"167,973.54"
CDBG Grant		0.00	"35,099.12"	"35,000.00"
Capital Imp. Reserve		"2,427,959.15"	"166,007.80"	"92,327.63"
Insurance Proceeds		0.00	0.00	0.00
Employee Benefit		"405,583.23"	"43,014.09"	"114,415.28"
Library Emp. Benefit		0.00	882.45	650.28
State Water Fund		"5,159.54"	"4,747.48"	"3,451.12"
Cemetery-Perp. Care		"82,500.00"	0.00	0.00
Cemetery Endowment		"57,750.79"	"2,000.00"	0.00
Cemetery Improvement		"90,101.10"	"3,051.20"	"6,312.00"
Replacement Tree		"1,928.76"	5.00	0.00
Electric Reserve		"1,298,684.97"	"48,585.95"	"11,438.65"
Water Reserve		"770,988.13"	"1,628.99"	0.00
Water System Improvement Proj.		0.00	0.00	0.00
CDBG Housing Grant		"3,986.64"	0.00	0.00
Sewer Reserve		"457,314.73"	"1,250.24"	0.00
M.E.R.F.		"2,017,964.99"	"95,457.14"	"164,493.99"
				"1,948,928.14"
Total		"13,973,315.46"	"2,950,605.40"	"3,283,767.28"
				"13,640,153.58"
LIABILITIES AND OBLIGATIONS				
ST OF KS PUBLIC WATER SUPPLY LOAN				"2,043,058.48"
STEEVER PARK PROJECT LEASE PURCHASE				"1,445,840.17"
"GENERAL OBLIGATION BONDS, SERIES 1996-1"				"270,000.00"
"GENERAL OBLIGATION BONDS, SERIES 1996-2"				"250,000.00"
TOTAL				"4,008,898.65"
"I, Janeil Dilling, do hereby certify that the above statement is correct."				
City Treasurer				
Published in The Goodland Star-News on Tuesday, October 12, 2004.				

SHERMAN COUNTY COMMISSIONERS EXPENDITURES	
FOR THE MONTHS OF JULY, AUGUST & SEPTEMBER, THIRD QUARTER AS AUTHORIZED BY HOUSE BILL 3211-1980.	
SALARIES:	
APPRaiser \$31,145.18; HEALTH \$38,901.52; ELECTION \$4,433.89; GENERAL \$229,213.36; NOXIOUS WEED \$7,669.22; ROAD/BRIDGE \$114,230.80; RURAL FIRE DISTRICT #1 \$3,630.00; SOLDIERS MEMORIAL PARK \$2,596.96; SOLID WASTE \$29,939.88; PRAIRIE DOG \$36.30; ECONOMIC DEVELOPMENT \$15,683.54	
TOTAL SALARIES: \$477,480.98	
EXPENDITURES:	
Abilene Machine \$561.53; Advance Ins Co \$1,321.95; Advanced Auto Body \$5,260.55; Dick Allaman \$21.90; Alltel \$1,048.95; Ambassador Club \$17.00; American Boiler Inc \$2,310.00; American Environmental Consulting LLC \$18,276.95; American Family Life Assurance Co \$1,497.30; American Fidelity Assurance Co \$3,997.10; American Public Health Assoc \$19.00; American Red Cross \$243.00; Americo LLC \$40.00; Jay Anderson \$94.40; APCO Intil Inc \$60.00; Carolyn Applegate \$486.30; Aquila \$1,077.22; AR Supplies \$464.27; Arlington Scientific Inc \$141.09; Raenita Artzer \$75.00; Assoc of Trial Lawyers of America \$440.00; AT&T \$370.04; ATCO Intil \$157.10; Atwood Cable Systems Inc \$20.00; Aventis Pasteur \$184.61; B&B Electric Inc \$649.50; B&K Pumping Inc \$517.50; DJ Baehler \$75.00; Dr Baker \$195.00; Barker Farm Services Inc \$843.73; Kay Barton \$177.61; Irma Benavides \$90.62; Birney Law Library \$67.00; Blossom Shoppe \$15.76; Blue Cross/Blue Shield \$61,646.60; Linda Bowen \$54.72; Bowen's Refrigeration & Appliance Service \$223.00; Bowman's Heating & Air Conditioning \$89.50; Business Office Systems \$128.95; Kevin Butts \$75.00; Central Detroit Inc \$1,050.19; Central Plains Labs \$456.30; Chamber of Commerce \$300.00; City of Goodland \$18,756.04; Clawson Auto Supply \$361.77; Clock Medical Supply Inc \$138.20; Cobblestone Floral \$49.00; Colby Community College \$4,690.00; Colby Free Press \$20.25; Colonial Life & Accident Ins \$108.00; Comfort Inn \$182.00; Conoco/Philips \$334.26; The Consortium Inc \$552.50; Conway Data \$499.37; Kendall Cooper \$1,200.00; Cowboy Loop \$28.70; Willard Crumrine \$13.32; Cummins Mid-America \$114.47; D&D Filter \$383.37; Rhea Daise \$35.92; Dr Daise \$1,209.31; Dan Brenner Ford-Mercury Inc \$1,462.96; Dependable Glass Inc \$557.39; Des Moines Stamp Mfg Co \$33.15; Diamond Blade Warehouse \$216.13; Dinkel Law Office LLC \$2,574.81; Barb Disney \$75.00; Documents Etc \$139.00; Marvin Duell \$20.16; Duerst Machine Works \$20.00; Eagle Communications \$324.06; Economic Development Petty Cash \$91.37; Election Board Workers \$3,600.30; Election System & Software Inc \$1,932.47; Ellis Co Sheriff's Dept \$395.00; ESA Inc \$26,350.00; Evercom Systems Inc \$1,032.50; Fastpro Intil \$359.90; Finley Motors Inc \$318.78; First BankCard \$916.94; First Nat'l Bank \$109,954.73; Fisher Healthcare \$431.95; Fishnet Security \$446.48; Fixsen Electronics \$188.88; LeAnn Friedrichs \$27.36; Frontier Equity Inc \$44,707.18; Garden City Community College \$36.00; Gempler's Inc \$159.85; GlaxoSmithKline Financial Inc \$1,056.05; Global Computer Supplies \$78.19; Goodland Arts Council \$2,500.00; Goodland Family Health Center \$106.00; Goodland Greenline Inc \$133.75; Goodland Machine & Auto LLC \$101.00; Goodland Medical Arts Pharmacy \$812.25; Goodland Regional Medical Center \$971.38; Goodland Star-News \$6,857.02; Goodland Yost Farm Supply \$75.42; Lance Goodman \$75.00; Goody's \$128.06; Kyle Gordon \$918.27; Graber Enterprises Ltd \$324.25; Grass Roots Lawn Service LLC \$168.14; Carol Guyer \$25.77; H&H Sprinkler \$789.41; Dorendo Harrel \$32.37; Hays Mack Sales & Service Inc \$1,043.41; Hemocue Inc \$283.50; Herl Chevrolet-Buick Inc \$323.36; High Plains Office Supply LLC \$7,724.61; Hitchcock Inc \$1,233.90; Hoidale Co Inc \$290.70; Holiday Inn \$409.16; Hopkins Medical Products \$197.85; Harlan D House \$120.00; Hunting Shack Inc \$143.21; Hutchinson Community College \$36.00; Ideal Linen Supply \$337.43; IDRT Inc \$55.95; IKON Office Solutions Inc \$1,082.25; In the Can LLC \$647.60; Infinitec Inc \$33,875.71; IRS \$492.45; J.O.M. Pharmaceutical Services \$766.28; J&J Drainage Products Co \$2,448.46; J&K Radiator Repair \$165.00; James Publishing Inc \$65.94; Jeffrey Sierer Memorial \$30.00; Johnson Co Community College \$60.00; Jackie Jorgensen \$200.00; July 4th Celebration Committee \$350.00; K-N Communications Service \$267.00; Kanorado Coop Assoc \$271.72; Ks Assoc of District Court Clerks & Adm \$125.00; Ks Chapter APCO \$120.00; Ks Co Treasurers Assoc \$120.00; Ks Dept of Administration DISC \$200.00; Ks Dept of Ag \$500.00; Ks Emergency Management Assoc \$150.00; Ks Jail Assoc \$250.00; Ks Judicial Branch \$1.83; Ks Payment Center \$953.05; Ks State University \$50.00; Ks Withholding Tax \$14,110.67; Kansasland Tire \$6,857.90; Ramona Kashka \$10.09; KDHE-BWM \$250.00; Kearney Co Sheriffs Office \$31.00; Paula Keller \$78.85; Sherry Ketter \$7.24; Bill Knitig \$75.00; Knox Consultant Service \$1,522.50; Koons Funeral Chapel \$452.50; KUMC AHEC \$70.00; L&M Rental \$5,490.00; LaFarge West Inc \$2,012.48; Larimer Co Sheriffs Office \$38.60; Larry's Professional 2-way \$901.75; Lawson Products Inc \$216.91; Legacy of Justice Foundation \$349.00; Leroy's Printing Inc \$53.00; Lockwood Co Inc \$5,586.55; Lonny's Quality Auto Body Inc \$2,662.14; Lorman Education Services \$558.00; Marriott \$62.54; Marshall & Swift \$521.90; Martin Tractor Co Inc \$4,912.02; Marty Electric \$359.69; McClung Appliance Inc \$225.00; McClure Plumbing & Heating Inc \$1,367.97; Bob McClure \$111.27; Dr McCullough \$500.00; McKesson General Medical \$1,581.57; Mechanical Component Co Inc \$32.38; Med-Enterprises \$703.00; Medical Arts Clinic \$120.00; Denise Meier \$34.27; Mary Messamore \$158.85; MHC Kenworth \$5,339.45; Mid-Continent Micrographic Inc \$4,279.60; Midwest Energy Inc \$407.83; Cesar Miller \$130.00; Mike Miller \$5,775.00; Shelby Miller \$54.77; Mitch Tiede Terracing \$4,900.00; Moore Medical Corp \$337.54; Moore Store \$263.16; Mr Good Rinse \$34.20; Mr Jims His Shop LLC \$213.99; NACTFO \$60.00; Natil Sign Co \$1,329.18; Penny Nemechek \$1,500.00; Nicom Technologies Inc \$30.00; 9-1-1 Magazine \$47.95; Dr Lyle Noordhoek PA \$1,395.85; Norwest Rec Inc \$114.68; NWAHEC \$55.00; NW Ks Area Health Education Center \$50.00; NW Ks Family Shelter \$850.00; Oakley Graphic \$3.25; Office Works Inc \$2,430.66; OMB Police Supply Inc \$69.96; Orschelns \$952.32; Overhead Door of NW Ks \$817.68; Ken Palmgren \$14.60; Parts House \$1,168.42; Paving Maintenance Supply Inc \$459.00; Pawnee Co District Court \$50.00; Penco Engineering PA \$3,290.00; Peoples State Bank \$28,899.00; Stan Pettibone \$42.34; Pfizer Pharmaceuticals \$433.41; Physicians Reference Lab LLC \$112.60; Burton Pianalto \$75.00; Plaza Inn \$67.60; Primedia Business Book Div \$\$214.35; Prints & the Paper \$659.60; Psychological Sciences Corp \$125.00; Quad Co Task Force \$5,000.00; Rasure Lumber Co \$3,608.64; Resource Management Co Inc \$300.75; Retailers' Sales Tax \$165.98; Roberts Truck Center \$16.01; Janet Rumpel \$96.95; S&T \$10,728.41; Sa-So \$939.00; Safety-Kleen Corp \$155.20; Sage Products \$137.55; SCA North America \$284.96; Scheopner's Water Conditioning Inc \$187.85; Schlosser Concrete \$1,392.30; Darrell Schrader \$61,714.29; SE & EC Recycling Assoc \$6,895.20; Bonnie Selby \$1,766.42; Serendipity Flower Shop \$30.00; Service Oil Co \$118.80; Shad's Electric \$331.45; Share Corp \$674.46; Sherman Co Convention/Visitors Bureau \$17,134.92; Sherman Co Economic Development \$12,500.00; Sherman Co Good Sam \$808.00; Sherman Co Health Dept \$260.00; Sherman Co Rural Fire \$220.00; Sherman Co Soil Conservation \$644.00; Sherman Co Treasurer \$3,885.21; Shores Inc \$647.52; Jason Showalter \$84.30; Scott Showalter \$5,070.00; Melvin Sieck \$23.36; SWB \$7,402.41; Roger Studer \$95.24; Superior Signals Inc \$43.40; SW Mgmt Fund-KDHE \$1,242.91; Sycom Inc \$39.22; Thomas Co Treasurer \$484.39; ThyssenKrupp Elevator \$1,148.97; Tiede Construction Inc \$520.00; Topside Inc \$2,986.08; Trego Co \$7,395.00; Tri-Co Incubator Fund \$25.00; Tri-State Initiative (\$236.62); Truck & Tractor Repair LLC \$197.16; UAP Timberland LLC \$5,755.77; Unicef \$42.55; United States Postal Service \$3,011.68; Universal Lubricants Inc \$602.00; Urban Designs \$15.50; Butch Vandiver \$42.00; VFW Post #1133 \$175.00; Vignery & Mason LLC \$5,638.32; Viking Office Products \$835.40; Voice Products Inc \$65.00; VonFeldt, Bauer, VonFeldt Chartered \$7,466.06; Walmart Community \$5,905.77; Walter F Stephens Jr Inc \$286.70; Perry Warren \$2,137.50; Washburn University \$36.00; Waste Connections Inc \$13,632.64; Wear Parts & Equipment Co Inc \$4,230.54; Weis Fire Safety Equipment Co Inc \$505.00; Weis Oil Co \$1,783.95; Wells Fargo Financial Leasing \$1,591.77; Daryl West \$135.41; Western Times \$3.40; Western Uniform Inc \$853.39; Doug Whitson \$149.40; Wilkens Manufacturing Inc \$80,350.00; Winchells Inc \$245.15; Witzel & Rhea Co \$1,414.84; Woofter Construction Inc \$495.00; Crystal Wright \$11.97; Wyrick Law Firm PA \$150.00; Xerox Corp \$162.00; Zimmerman Plumbing Inc \$886.83	
TOTAL EXPENDITURES \$815,292.67	
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