

M I N U T E S

SPECIAL COMMITTEE ON LOCAL GOVERNMENT

June 13 and 14, 1977

Members Present

Senator Jan Meyers, Chairman
Representative Clarence Love, Vice-Chairman
Senator John Chandler
Senator Frank Gaines
Senator Norman Gaar
Senator Bill Mulich
Representative William Beezley
Representative Robert Caldwell
Representative Gerald Caywood
Representative Harold Dyck
Representative Vic Kearns
Representative Robin Leach

Staff Present

Mike Heim, Kansas Legislative Research Department
Alan Alderson, Revisor of Statutes' Office

Others Present

John Dekker, Wichita City Attorney
Don Bell, Bond Attorney, Wichita
Ken Harrington, State Planning and Research
Barkley Clark, Lawrence City Commission
Walter Cole, Beecroft, Cole and Company
John Wilhm, Aide, Kansas Speaker of the House
Ernie Mosher, League of Kansas Municipalities
Neil Shortlege, League of Kansas Municipalities
Laura Scott, Kansas City Star
Wayne Slater, Associated Press
Bud Grant, Kansas Association of Commerce and Industry
Dwight Keen, Kansas Securities Commissioner
Gary L. Hallar, Johnson County Park and Recreation District
Larry Heeb, University of Kansas
Joe Thornton, Winfield, Kansas
Ken Everhart, Wellington, Kansas
Fred Devictor, Lawrence Park and Recreation Department
Paul Keller, Chanute, Kansas
Marlene Natoli, Olathe Park and Recreation Department
Don Jolley, Salina Recreation Commission
Bill McKinney, Topeka Recreation Department
Harry Felker, Topeka Park Commission
Lynn Burris, Kansas Park and Resources Authority

June 13, 1977

Proposal No. 55 - Municipal Bonds

The Committee was called to order by Senator Jan Meyers, Chairperson, shortly after 10:00 a.m. Members of the Committee, staff, conferees, and guests introduced themselves. Senator Meyers then reviewed the charge to the Committee concerning Proposal No. 55, the review of municipal bond laws.

Mr. Don Bell, Wichita bond attorney, distributed an outline of the Kansas laws relating to municipal bonds, a copy of which is in the Committee notebooks. Mr. Bell then showed the Committee a Kansas bond complete with coupons and several transcripts of bond transactions. Mr. Bell explained that bond transcripts are filed for most bonds issued in the State of Kansas in the State Treasurer's Office. He noted that the general bond law itself is often not as important as the enabling legislation which authorizes the specific issuance of bonds in various cases. He said that there is a problem with city sewer bonds due to the Kansas law which requires that bonds issued for sewer laterals must be counted within a city's bonded debt limit. Bonds issued for all other types of sewer construction are exempt from a city's bonded debt limit. He said it is hard to differentiate the cost of sewer laterals from sewer mains and from other portions of the construction of a sewer project and that this has caused cities problems in obtaining federal grant money for sewer construction projects.

He stated that another problem area was with legislation authorizing bond issues for water system projects. Mr. Bell said it was hard for a municipality to issue water bonds unless a water district or special improvement district was formed. He felt that this requirement was often a hindrance in providing the type of water system improvements that are needed. Mr. Bell said that one of the most important areas the Committee should deal with was in the area of utility revenue bonds where additional leeway was needed.

Mr. Bell in summarizing the role of bond attorneys, noted that when bond attorneys work with more sophisticated and larger cities they only get involved in the actual process of issuing the bonds themselves since much of the preliminary work in these cities is done by the city clerk and city attorney. In some of the smaller and less sophisticated cities however, he noted that bond attorneys may get involved in the process as early as in initial planning stages of a project where bonds will be needed. He explained that often a financial advisor also is employed by a municipality which wishes to issue bonds. Concerning the actual sale of bonds, Mr. Bell said that a public sale of general obligation bonds valued over \$100,000 is required. (A public sale is conducted by obtaining written bids.) He said normally there are four to eight bidders on most bond issues of this type. He said underwriters and investment bankers or regular banks often form a syndicate and submit a formal bid as a unit on larger bond issues. He noted that the bidder who submits the lowest bid in terms of interest cost to the municipality over the life of the bonds is awarded the bond issue.

Mr. Bell said that there were two general types of bonds - coupon bonds and registered bonds. With coupon bonds a coupon must be submitted by the bond holder to the bond issue's fiscal agent to obtain the interest payment due whereas with registered bonds the bond holders' names are registered with the fiscal agency and interest payments are sent directly to them normally at six month intervals.

Mr. Walter Cole, Jr. of Beecroft, Cole and Company, Inc. of Topeka, explained the role of bond underwriters to the Committee. He noted that bonds were attractive to certain investors because of the high credit rating of the bonds achieved by a fine record of payment which was especially true in Kansas. He said that Kansas municipal bonds were just a little behind U.S. Government securities or securities of U.S. Government agencies in terms of low risk. He noted that interest in Kansas bonds is exempt from federal income taxes and in some cases the interest is also exempt from state income taxes, for example on bonds issued by state agencies or the Board of Regents and on highway bonds and industrial revenue bonds. He noted Kansas bonds are also exempt from the intangibles tax and from the bank privilege tax.

Mr. Cole explained that there were currently three classes of buyers of municipal bonds including commercial banks who own about one-third of the municipal bonds sold in the United States, although in Kansas these concerns own more than one-third of the municipal bonds sold. He said banks buy municipal bonds for their portfolios because of the tax advantages and that many banks own about ten percent of their assets in municipal bonds. The second major group of municipal bond buyers are individuals normally in the higher tax brackets. He noted that this market is increasing due to the fact that persons in the middle income brackets are able to purchase municipal bonds through numerous municipal bond funds that have been formed in recent years. The third major group that invests in municipal bonds are insurance companies and corporations. He said casualty insurance companies are by far the largest bond buyers in this category of investors. He said that pension funds seldom buy municipal bonds because pension funds are tax exempt and therefore are better off investing in taxable securities. There is an outstanding secondary market for municipal bonds also since banks, businesses and individuals often must change their liquidity status. As a result of this secondary market, an investor knows that he does not have to hold a bond until maturity in order to achieve some profit.

Mr. Cole noted that an underwriter's role is to act as a middleman in bond transactions. In Kansas there are four banks that actively seek to buy municipal bonds as well as 20 to 25 investment firms such as Beecroft, Cole and Company that engage in the bond business. Mr. Cole noted that bids are obtained from all over the United States for bond issues of larger cities and municipalities.

Mr. Cole then distributed to the Committee summaries of two bond transactions - one involving Unified School District No. 250 located in Crawford County and one involving the City of McPherson. He said that once an underwriter has purchased a bond issue he will immediately reoffer these bonds for sale to the public. Underwriters often form syndicates to spread the risks involved in buying large bond issues. One of the bond dealers then acts as manager of the group of investors in this type of situation.

Mr. Cole said that bond ratings are performed by two national firms -- Moody's Investor Service and Standard and Poors. Bond ratings are most important on larger bond issues which will attract out-of-state investors. Neither of the bond rating services will rate bond issues under \$1 million. The bond ratings now have to be paid for by the municipality requesting the rating.

Mr. John Small, Assistant Attorney General, then explained the functions of the Attorney General's Office in regard to the issuance of municipal bonds. He noted the Attorney General's Office has three basic areas of responsibility in this regard which include: (1) to issue opinions on all questions of law as required by K.S.A. 75-701 et seq.; (2) to review and approve municipal bond transcripts as required by K.S.A. 10-108; and (3) to advise municipalities on various issues involved in bond issues including advice concerning ordinances relating to the issuance of municipal bonds. Mr. Small noted that the purpose of the review of bond transcripts by the Attorney General was to ascertain that the documents conform to state law in form as well as in content. The purpose also is to protect taxpayers of the issuing municipality as well as potential bond purchasers. The Attorney General's Office now has two staff attorneys which review bond transcripts and it is currently in the process of training a third attorney to do this type of work. Mr. Small noted that it takes an average of 1½ hours to 2 hours to review of bond transcript and that his office reviews in the neighborhood of 800 different municipal bond transactions having a total value in excess of \$300 million each year. These bonds do not include various state bond issues that the Attorney General's Office reviews. The process of reviewing the transcripts includes looking at particular enabling legislation in which the bonds were specifically authorized and the procedures that are set out in the general bond law for issuing municipal bonds. Upon completion of the review of transcriptions, the Attorney General's Office may either approve the transcript for registration by the State Treasurer's office or it must notify the issuing municipality of the problems it has discovered in the bond transcript.

Mr. Small noted that the Attorney General's Office was not required to examine industrial revenue bond issues or bonds issued by public housing authorities. He said that he was not aware of any central tabulation or depository for industrial revenue bond issues. Occasionally the Attorney General's Office, however, does look at industrial revenue bond and public housing revenue bond issues if it is requested to do so by the city issuing these bonds. He noted there has been very few problems with bond transcripts that have been prepared by major bond firms but that there is often problems with bond transcripts prepared in smaller communities where expertise is not always available. He noted problems ranged from bonded debt limits being exceeded to the failure of a municipality to submit a notarized copy of an ordinance or resolution authorizing the bond issue.

The Committee Chairman asked Mr. Small to prepare a memorandum summarizing some of the technical changes that he feels are necessary to be made to municipal bond laws. Mr. Small noted that it would probably be late July before he would be able to prepare such a memorandum. After further discussion, the Committee adjourned at 12:00 noon for lunch.

Afternoon Session

The Committee was called to order shortly after 1:30 p.m. by Senator Meyers, Chairperson. Mr. Walter Cole and Mr. Don Bell then answered Committee questions concerning the issuance of municipal bonds. Mr. Cole said that generally an industrial revenue bond issue which had been defaulted would not affect a city's credit rating. He noted most

revenue bonds have what is termed a "call feature" provision which usually provides that after ten years the bonds can be called either in whole or in part and redeemed at a premium. Most general obligation bonds are not callable. The procedure for calling bonds is sometimes done by lot or a bond issue can be called in sequence normally by taking the last numbered bond first (the bond closest to redemption). In response to a question, Mr. Bell said it may be better for the Committee not to try to bring order into the chaotic bonded debt limits of cities. He noted that if bonded debt limits were abolished that this would be in line with the philosophy of home rule. Senator Gaines noted that ordinarily the bonds issued for projects involving public safety and public health do not require elections whereas bonds issued for other purposes normally do require an election.

In response to a question, Mr. Cole noted that his firm has a fee schedule which it uses to set charges for its services when it acts as a financial advisor in municipal bonds transactions. The schedule varies according to size of the issue and the type of bonds being issued. He said that his firm would charge approximately \$5,000 for acting as a financial advisor in an ordinary bond issue of \$1 million. He noted that acting as a financial advisor is a different function than that of acting as a bond underwriter. Mr. Bell noted that his law firm has a minimum base fee of one dollar for every \$1,000 in bonds issued and charges extra for various other services required.

The question was asked if Mr. Cole's firm could serve as a fiscal advisor and also act as underwriter for a bond issue. Mr. Cole noted that his firm did serve in both capacities in the Crawford County bond issue which the Committee previously reviewed. He said that he was hesitant to fill both roles in a bond proceeding, although an amendment to the Federal Securities Act in 1975 made it clear that a bond underwriter could also act as a fiscal agent if a full disclosure was made to all parties involved. Staff was then asked to check and see if there were any proposals during the last legislative session that would limit the amount of money a bond underwriter could be paid in a bond transaction. In response to a question Mr. Bell noted that practically all industrial revenue bonds are registered with the city clerk of the issuing city and that cities normally have a bank act as trustee. A bank acting as trustee or fiscal agent of a bond issue normally will notify the city if the industrial revenue bonds are near default. The State Treasurer's Office acts as fiscal agent for most of the bond transactions of municipalities. It was pointed out that there was even statutory authority for the State Treasurer's Office to operate a branch office in New York. Senator Gaar explained that this was an old statute and had never been used. Staff asked for a clarification between a fiscal agent and a fiscal advisor. It was noted that a fiscal advisor gives financial advice on how to issue bonds prior to the bond sale and that a fiscal agent handles bond transactions after the sale of bonds in such matters as the payment of interest or the payment of contractors, etc.

In response to a question, Mr. Cole noted that underwriters bids are made on a full bond issue and are not made a portion of an issue. A Committee member suggested that possibly a state agency should be established to oversee all state and municipal bond issues. In response to a question, Mr. Bell noted that the assessed valuation of municipalities has not kept up with inflation but that in most instances this had not been a problem in regard to statutorily set bonded debt limits. Senator Chandler questioned the necessity of school boards applying to the State Board of Education to exceed their bonded debt limit. He noted that 95 percent of the requests are approved by the Board of Education anyway and that all bond issues involving school districts must be approved by an election of the people of the school district.

Mr. John Dekker, City Attorney of Wichita, provided the Committee with a booklet explaining an advance refunding of a bond issue in 1965 involving \$50 million worth of water revenue bonds. A copy of this booklet is in the Committee notebooks. The city saved \$6½ million over the life of the bonds in this transaction and some have estimated that the actual value to the city of advanced refunding these bonds was about \$10 million. Mr. Dekker then discussed the most recent advance refunding of water revenue bonds by Wichita in which the city saved approximately \$2.4 million. The city also realized \$1 million in what is termed "windfall profits." He noted the city had several alternatives in regard to the windfall profits which included paying the bond attorneys and bond underwriters this million dollars as a fee, giving the money to the federal government, or putting the money in a charity trust fund. The city opted for the third alternative and is currently waiting for the federal government to clarify its regulations in this regard. Mr. Dekker said that the real purpose of issuing bonds by a municipality was to build public projects and it was not to protect the investments of individuals who decide to invest in the municipal bonds. He explained that the City of Wichita sells bonds twice a year and that the city may have 50 projects aggregated into one bond sale.

Mr. Dekker then distributed to the Committee a portion of the technical compliance audit procedure manual which Wichita follows in regard to bond issues. A copy of this handout also is in the Committee notebooks.

Mr. Dekker then discussed issues involving the proposed coal gasification project in the City of Wichita. He said the city began a study of its energy needs approximately six years ago and hired a consultant about 3½ years ago to do a study on the future availability of natural gas for the city. As a result of this study, it was determined that the amount of natural gas available to Wichita users would be extremely limited in the near future. The study pointed out that all electricity produced in the City of Wichita was through the use of natural gas and that all refineries in and around the City of Wichita were using natural gas as well as the packing plants and a number of other industries. The conclusion that the city drew from this study was that it would have to act on both a short-term and a long-term basis to provide a future energy supply for Wichita. As a short-term solution the city purchased its own gas production system. This system acts as a standby fuel supply for the various industries, businesses and public institutions in the City of Wichita. He noted that the natural gas curtailment list has increased considerably for this next winter but that it is hoped that the city's standby system will be able to meet all of the natural gas needs this coming winter. The city has entered into contracts with various businesses and governmental agencies on a take or pay basis meaning they must pay regardless of whether they use gas they reserve. Mr. Dekker said that experts have concluded that Hugoton field will be running out of gas in the next six to eight years and that by 1982 or 1983 there will be serious curtailment of the natural gas supply from this field and that the field will be all but exhausted by 1990. The city has estimated that converting various business and governmental agencies to electricity would cost in excess of \$1 billion. This conversion cost figure does not include any costs for the extra generation of electricity.

Mr. Dekker then discussed 1977 S.B. 341 which was killed in the Senate this past session. The bill would have authorized any municipality which could issue utility revenue bonds to issue these bonds for the purposes of establishing coal gasification facilities. Mr. Dekker said that concern over some of the provisions of the bill was caused by the fact that people did not fully understand its provisions. One area of concern he cited as an example involved bond anticipation notes which had been used in the bond issue by the Kansas Turnpike Authority to build the turnpike.

Mr. Dekker reported that the City of Wichita just in the past week had been asked by the United States Energy Resource Development Office to submit a "unsolicited proposal" on the proposed \$1¼ billion coal gasification project. He explained that the city has applied for a \$26 million grant or loan from this federal agency which, if obtained, would be used to cover start-up costs of the construction of the coal gasification facility. Start-up costs would include ordering machinery which would take from two to three years to be delivered once ordered. The agency is considering the possibility of piggybacking a test project involving coal gasification onto the Wichita coal gasification facility as an alternative to building a \$400 million test facility itself. Mr. Dekker noted that he has visited with all pipeline companies that operate in Kansas and a number of other pipeline companies as well to inquire if they would be willing to put up "front money" for the construction of the proposed Wichita coal gasification project. He has met with many favorable responses in this regard.

Mr. Dwight Keen, Kansas Securities Commissioner, reviewed the duties and responsibilities of his office in regard to notice filings of industrial revenue bond issues that are required under 1977 S.B. 434. He noted that his office would be requesting an Attorney General's opinion to clarify the number of issues in regard to this legislation including what constitutes a private offering and the provision of the bill which requires bond filings be received by his office 30 days prior to the proposed issue of these bonds. The Securities Commissioner may not have the authority to receive bond filings prior to July 1, 1977, which may preclude any industrial revenue bonds being issued July 1 through July 30. Mr. Keen noted that his agency was a law enforcement agency for white collar crime in Kansas since his office is responsible for enforcement of the Kansas Securities Act and the Kansas Uniform Land Sales Practices Act. There have been 45 cases involving securities fraud that have been brought to the attention of this agency within the last five months. Due to the small size of his staff, Mr. Keen reported that his office was having a very difficult time keeping abreast of its responsibilities.

The Committee then briefly discussed the future direction of its study of Proposal No. 55 dealing with municipal bonds. Senator Gaines and Representative Kearns suggested that hearings be held in Wichita to facilitate hearing both sides of the coal gasification issue.

After further discussion, the Committee adjourned at 5:00 p.m.

June 14, 1977
Morning Session

Proposal No. 56 - Park and Recreation Programs

The meeting was called to order by Senator Meyers, Chairperson, shortly after 9:30 a.m. Conferees and guests were asked to introduce themselves. Mr. Don Jolley, Superintendent of the Salina Recreation Commission, then explained briefly the role of the Kansas Recreation and Park Association. He noted that there were 160 communities that operate a recreation program and that the association was made up of approximately 350 lay and professional people in the field of recreation and parks in Kansas.

Professor Heeb of the University of Kansas then reviewed the history of Kansas park and recreation legislation. He noted that in 1907 the first recreation law was enacted by the legislature which allowed cities of the first class of more than 50,000 to establish recreation programs. Another law was passed in 1915 to allow municipalities to support municipal bonds. That same year boards of education of schools located in first class cities were allowed to operate recreational programs as well as to lease playgrounds. Legislation in 1917 allowed school boards in all cities to lease playgrounds. County park legislation which allowed any county to maintain parks was enacted in 1929. School boards and any city over 8,000 population were granted the authority in 1945 to jointly operate recreational programs. Copies of the 1945 legislation (H.B. 121) which Professor Heeb distributed to the Committee are in the Committee notebooks. This act was amended in 1948 to allow any city over 2,000 to participate with a school district in recreational programs. The population requirement was completely deleted in 1951. Professor Heeb then distributed a copy of the current Kansas Recreation Act K.S.A. 12-1901 et seq. to the Committee, a copy of which is also in the Committee notebooks.

Professor Heeb estimated that between 65 percent and 70 percent of the population in Kansas is now being served by recreation programs. He noted that communities which have voted a mill levy for a recreation program in almost all instances have retained the program.

Ms. Marlene Natoli of the Olathe Park and Recreation Department said that the increased leisure time of Americans has made recreation a necessity rather than a luxury. She said recreation programs also reinforce a person's positive self image of themselves. Recreation programs likewise, are not just confined to the summer months but are year around programs anymore. A copy of Ms. Natoli's remarks is attached to the minutes. (Attachment I.)

Mr. Gary Hallar of the Johnson County Park and Recreation District distributed to the Committee organizational charts which showed nine ways in which a recreation program could be organized under Kansas statutes. A copy of this handout is in the Committee notebooks. A Committee member suggested that it might be helpful if the Legislature mandated that the school buildings and school busses were to be made available to recreation programs of municipalities. Mr. Hallar noted that 80 percent of the Johnson County Park and Recreation District programs are conducted through the school.

Mr. Joe Thornton of the Winfield Recreation Commission explained that recreation commissions are limited to a two mill levy with the exception of the Topeka program which is authorized to levy 2.5 mills and the Newton program which is authorized to levy up to three mills.

Mr. Butch Felker, Topeka Park Commissioner, distributed several items to the Committee including a newspaper supplement which contained a listing of all the summer recreation programs available to citizens in Topeka and an article from the May 23, 1977 issue of U.S. News and World Report entitled "How Americans Pursue Happiness." A copy of the news magazine article is in the Committee notebooks. Mr. Felker noted that the City of Topeka has an extensive scholarship program to aid disadvantaged youth and senior citizens to allow them to participate in various recreation programs. He said that the city's public sponsored recreation programs cooperate well with private industry which also provides various recreation services in the city. A copy of Mr. Felker's remarks is attached to the minutes. (Attachment II.)

Mr. Jolley left a compilation of Kansas statutes relating to parks and recreation and a copy of a compilation of other states' laws in regard to parks and recreation with the Research Department. Senator Meyers asked Mr. Jolley to prepare a memorandum summarizing the specific legislative changes that the Kansas Recreation and Park Association favored. Mr. Jolley was asked to submit this memorandum to the Research Department and the Revisor of Statutes' Office for subsequent distribution to the Committee.

Mr. Lynn Burris, Director of the Kansas Park and Resources Authority, reviewed local applications for Federal Land and Water funds of the U.S. Bureau of Outdoor Recreation. The Kansas Park and Recreation Authority services as a pass through agency for these federal funds which are distributed to local units of government upon recommendation by the Kansas Joint Council on Outdoor Recreation. This Joint Council is composed of 13 members including heads of various state agencies as well as six members of the public appointed by the Governor. Mr. Burris explained that of the 82 applications for funds this year, only 26 were able to be funded by the Joint Council. The state receives approximately \$2.2 million in Federal Land and Water funds each year, 70 percent of which goes to local units and 30 percent goes to the State. The Joint Council uses an evaluation method whereby each community project is rated and then ranked to determine whether the project will be funded in a particular year. In no case may a local project receive in excess of 10 percent of the total amount of federal funds available to the local units of government in any one year. Mr. Burris noted that the Joint Council also was responsible for the adoption of a state comprehensive recreation plan. In response to a question, Mr. Burris said that his staff only evaluates applications and does not help local units of government prepare their applications for these federal funds. When asked if he thought that it would be beneficial for his agency to provide assistance to local units of government in the area of parks and recreation, Mr. Burris responded that the Park Authority would be receptive to anything that would improve the overall park and recreation program in the State of Kansas.

Mr. Jolley noted that many states do provide assistance to local units of government and that this would certainly be one of the recommendations made by the Kansas Recreation and Park Association. Mr. Burris also discussed the budget of the Kansas State Park Authority and its plan for financing park operations for FY 1977 and FY 1978. A copy of the handout which summarizes these expenditures and the Federal Land and Water applications is in the Committee notebooks.

Afternoon Session

The Committee was called to order shortly after 1:30 p.m. by Senator Meyers, Chairperson. Mr. Mike Heim of the Legislative Research Department then reviewed a number of bills that were enacted by the 1977 Legislature in regard to municipal bonds. Copies of this legislation is contained in the Committee notebooks. Bills summarized included S.B. 12 which deals with the investment of public moneys, S.B. 91 which provides that temporary notes issued by municipalities are not negotiable until countersigned by the clerk of the issuing municipality following registration in the State Treasurer's Office; S.B. 446 which provides for the advance refunding of municipal revenue bonds; S.B. 434 which requires the Kansas Securities Commissioner to review the issuance of certain industrial revenue bonds; H.B. 2319 which allows the formation of wholesale water supply districts and S.B. 152 which provides for the creation of municipal energy agencies. The Committee was briefed on S.B. 341 (killed in the Senate) which would have allowed municipalities to issue revenue bonds for purposes of constructing coal gasification facilities. After further discussion the Committee decided to change its July meeting date to July 21 and 22. Following is a list of the remaining meeting dates for the Committee:

July 21 and 22
August 9 and 10
September 12 and 13
October 6 and 7
November 17 and 18

After some discussion on whether the Committee should hold a Committee meeting in Wichita to hear from proponents and opponents of the proposed coal gasification facility, the Committee decided to defer that decision until after its next meeting. The Committee was informed that the Sedgwick County Legislative delegation would hold a meeting on July 16. It was noted that the Committee should know after this date if the Sedgwick County delegation was going to review the issue of coal gasification on its own. After further discussion the Committee adjourned at 3:00 p.m.

Prepared by Mike Heim

Approved by Committee on:

July 21, 1977

Marlene Kobi
Attachment I

THE 30 YEARS, APPROXIMATELY, THAT PARK AND RECREATION SERVICES HAVE EXISTED IN KANSAS, THE NATURE AND SCOPE OF RECREATION HAS BROADENED. BASEBALL, SWIMMING, AND YOUTH ACTIVITIES AREN'T ENOUGH. CITIZENS OF ALL AGES TODAY WANT AND DEMAND A WIDE VARIETY OF ACTIVITIES AND FACILITIES FROM THEIR MUNICIPAL PARKS AND RECREATION AGENCY.

RECREATION TODAY IS NO LONGER CONSIDERED A LUXURY IT IS AN INTEGRAL PART OF PEOPLE'S DAILY LIVES. AS WORK WEEKS BECOME SHORTER PEOPLE ARE FACED WITH INCREASINGLY LARGER AMOUNTS OF LEISURE TIME. CITIZENS ARE TURNING TOWARD THEIR LOCAL PARK AND RECREATION AGENCY IN PROVIDING THEM OPPORTUNITIES, THROUGH PROGRAMS OR FACILITIES, TO MEET THE LEISURE CHALLENGE.

INCREASED LEISURE TIME IS NOT THE ONLY REASON PEOPLE ARE SEEKING OUT AND PARTICIPATING IN RECREATION ACTIVITIES. MORE AND MORE PEOPLE IN TODAY'S SOCIETY ARE WORKING AT DULL, MONOTONOUS, AND REPETITIVE JOBS. THESE PEOPLE ARE SEEKING A SENSE OF SELF-SATISFACTION AND ACCOMPLISHMENT THAT WAS ONCE FOUND THROUGH THEIR WORK. THIS PHENOMONIA IS ILLUSTRATED BY THE INCREASING NUMBER OF PEOPLE TODAY WHO PARTICIPATE IN HIGHLY DANGEROUS AND ADVENTURESOME RECREATION ACTIVITIES, SUCH AS MOUNTAIN CLIMBING AND WHITE WATER CANOEING.

RECREATION CAN NO LONGER BE CONSIDERED JUST AN ACTIVITY THAT A PERSON ENGAGES IN DURING HIS LEISURE TIME. IT SHOULD BE REGARDED AS AN EMOTIONAL CONDITION IN AN INDIVIDUAL THAT FLOWS FROM A FEELING OF WELL-BEING AND SELF-SATISFACTION THAT

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IS DERIVED FROM PARTICIPATING IN THAT ACTIVITY. THIS CONDITION IS CHARACTERIZED BY FEELINGS OF ACHEIVEMENT, PERSONAL WORTH, AND PLEASURE. IT REINFORCES A POSITIVE SELF-IMAGE, ACHEIVEMENT OF PERSONAL GOALS AND A POSITIVE FEED-BACK FROM OTHERS. THE ACTIVITY PROVIDES THE VEHICLE FOR A MEANINGFUL RECREATION EXPERIENCE.

NO LONGER CAN PARKS AND RECREATION AGENCIES PROVIDE PROGRAMS AND FACILITIES WHICH ONLY SERVE THE YOUTH OF THEIR COMMUNITY. RECREATION PROGRAMS AND FACILITIES ARE BEING DEMANDED BY ALL PERSONS IN THE COMMUNITY -- SENIOR CITIZENS, PRE-SCHOOLERS, ADULTS, YOUTH HANDICAPPED, AND MINORITIES.

RECREATION TAKES MANY FORMS. THERE ARE THOSE WHO ENJOY PARTICIPATING IN ATHLETICS, WHILE OTHERS ENJOY THE FINE AND PERFORMING ARTS, AND STILL THERE ARE SOME WHO ENJOY NATURE RELATED ACTIVITIES, WHILE OTHERS ENJOY THE FELLOWSHIP THAT SOCIAL ACTIVITIES BRING.

SINCE RECREATION TAKES MANY FORMS, LOCAL PARKS AND RECREATION AGENCIES MUST OFFER A BROAD BASE OF ACTIVITIES IN ORDER TO MEET THE RECREATIONAL NEEDS OF THE CITIZENS THEY SERVE. NO LONGER CAN THESE ACTIVITIES BE OFFERED ONLY IN THE SUMMER MONTHS, BUT MUST BE OFFERED ON A YEAR ROUND BASIS. PARKS AND RECREATION AGENCIES CAN NO LONGER BE SATISFIED WITH PROGRAMS THAT HAVE BEEN OFFERED IN THE PAST. AGENCIES MUST CONTINUALLY ANALYZE THEIR PROGRAMS TO SEE THAT THEY ARE MEETING

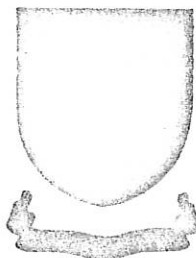
THE CITIZENS CURRENT RECREATIONAL NEEDS.

EXTENSIVE YEAR-ROUND ACTIVITIES CAN NOT TAKE PLACE UNLESS ADEQUATE RECREATION FACILITIES ARE AVAILABLE. PARKS, GOLF COURSES, SWIMMING POOLS, COMMUNITY CENTERS, AND TENNIS COURTS ARE THE BACKBOND OF ANY RECREATION PROGRAM. AS THE URBAN AREAS GROW, THE NEED OF MORE OPEN GREEN SPACE BECOMES APPARENT. EXISTING FACILITIES ARE BEING USED TO THEIR CAPACITY AND STILL, THEY DO NOT MEET THE CITIZENS DEMAND FOR RECREATION.

RECREATION WILL PLAY AN INCREASINGLY IMPORTANT PART IN OUR SOCIETY AS WORK WEEKS BECOME SHORTER AND OUR LEISURE TIME EXPANDS. AMERICANS ARE BEING FACED WITH LARGER UNCOMMITTED VOIDS OF TIME ONCE OCCUPIED BY WORK. AMERICANS ARE BEING FACED WITH HOW TO USE THEIR LEISURE TIME. THESE PEOPLE ARE TURNING TO THEIR LOCAL PARKS AND RECREATION AGENCIES TO ASSIST THEM IN FILLING THESE VOIDS OF TIME WITH MEANINGFUL RECREATION ACTIVITIES. MUNICIPAL PARKS AND RECREATION DEPARTMENTS NOW AND IN THE FUTURE, WILL BE CARRYING THE BULK OF THIS LOAD SINCE THEIR FACILITIES ARE IN CLOSE PROXIMITY TO THE URBAN POPULATION. THIS WILL BECOME INCREASINGLY IMPORTANT AS THE NEED TO CONSERVE ENERGY AND RESULTING RESTRICTIONS, WILL LIMIT THE MOBILITY OF KANSANS.

CITY OF TOPEKA

Attached II



Department of Parks
Harry L. Felker III, Commissioner

Room 250
City Building
Topeka, Kansas 66603

June 13, 1977

PRESENTATION TO SPECIAL COMMITTEE ON LOCAL GOVERNMENT

June 14, 1977

Re: Proposal #56

Since the inception of the Park and Recreation statutes of the late 40's and early 50's much has changed in the field of Parks and Recreation.

The statutes which originally encompassed basic playground operations are now expected to cover the entire spectrum of leisure time activities. Leisure time activities are now available for anyone at most anytime whether they be babes in arm or senior citizens.

In addition to administering traditional Park and Recreation Programs the staffs are now asked to operate day care centers, provide activities for senior citizens, provide new and ever expanding social programming and constantly strive to provide as varied a program as possible.

The following report using the City of Topeka as an example will illustrate the tremendous explosion in Park and Recreation Programming.

As cities expand more land will need to be set aside for public use. As that land becomes available it must be developed. Even if the land is only left as "green space" a maintenance cost will arise. If any development takes place in recreational programming the mill levy limit now in existence will be effected. If as in the case of Topeka the city is at its upper limit, financing becomes a problem. Three alternatives exist. One is always to change fees. This is done successfully in Topeka but in some other areas fees have been met with strong resistance. As fees increase more people are left out of the mainstream of recreation and park activities.

The second alternative is a cut back in programming. Cut backs again mean loss of utilization by those who need the service most i.e. youth, senior citizens and disadvantage citizens.

The third is always an increase in the mil levy. If the tremendous growth continues in park and recreation programming this alternative will be a necessity.

Another problem facing park and recreation administration is that of the horrendous increase in utilities. Increases of 25 to 40% per year are now commonplace. Faced with these increases and a levy limit administration will be hard pressed to provide the necessary services.

As mentioned earlier the City of Topeka has experienced phenomenal growth in park and recreation programming. The follow table shows attendance figures for following years:

	1960	1965	1970	1975	1976
Zoo	----	----	182,067	211,389	232,462
Golf Course	----	----	40,954	31,299	45,535
Swimming	228,134	232,477	190,329	130,047	85,888
Athletic Programs					
Softball	3,108	24,181	45,000	82,985	124,518
Tennis	3,646	6,349	11,694	18,303	23,108
Basketball	10,385	9,083	21,372	21,465	28,710
Volleyball	655	500	2,609	8,464	12,086
Theatre	----	1,744	16,999	10,452	10,776
Therapeutic	1,477	1,103	1,784	2,995	2,218
Senior Citizens	23,507	11,401	51,753	45,651	53,832

Another recent development in which parks and recreation administrators are participating in that of the "nostalgia" craze. The bicentennial saw a rebirth in visitation of historical places. The Meade Center in Topeka is a prime example of the surge in visitation. Since the home has been recognized as an historic place weekly attendance has jumped from 200 to 900 .

The therapeutic and senior citizen programming is a percent development which also show signs of tremendous growth as facilities and programs are made available. Their programs often follow federally mandated activities many of which provide no funding. Some that do provide federal funds are often very inadequate, thereby forcing the local unit to pick up the tab.

This report could go on and on but following the presentation by all those assembled, you will see that Parks and Recreation Programs are no longer the icing on the cake but an essential ingredient in the recipe for good government. The social impact of their programs can not be measured in dollars but if one looks nationwide one can see that the areas which have the greatest social problems have the least green space and the least leisure time activities.

As the work week is shortened more leisure time will be available and more activities will be needed to fill those hours.

As the life expectancy of Americans increases activities for senior citizens will increase.

As metropolitan areas increase consolidated program will need to be developed. Much has been done but much remains. Through the course of this interim study we will endeavor to develop solutions which will alleviate and hopefully solve the problems in leisure facing Park and Recreation staffs throughout the state.