

Approved Ivan Sand
Date

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by REPRESENTATIVE IVAN SAND at
Chairperson

1:30 ~~xxx~~ a.m./p.m. on FEBRUARY 20, 1984 in room 521-S of the Capitol.

All members were present except: Representative Arthur W. Douville (Excused)
Representative George R. Dean (Excused)
Representative Don M. Rezac (Excused)
Representative L. V. Roper (Excused)
~~Committee staff present:~~ Representative Pat Weaver (Excused)
Representative Darrel Webb (Excused)

Committee Staff Present: Mike Heim, Legislative Research Department
Theresa Kiernan, Revisor of Statutes Office
Gloria Leonhard, Secretary to the Committee

Conferees appearing before the committee:

Representative Richard E. Eckert, HB 2847
Mr. Jim Haag, City Administrator, Hiawatha, Ks., HB 2847
Mr. David Cazalet, Publisher, Hiawatha Daily World, HB 2847
Ms. Jaynell F. Robidoux, Executive Vice President, Hiawatha Chamber of Commerce, HB 2847
Ms. Anna M. Dietrich, Mayor, City of Morrill, Ks., HB 2847
Mr. Bickley Foster, Planning Consultant, Topeka, Ks., HB 2847
Mr. Ernest Mosher, League of Kansas Municipalities, HB 2847; 2866
Representative Betty Jo Charlton, HB 2866
Mr. E. R. Zook, Citizens Tax Limitation Committee, Lawrence, Ks., HB2866
Mr. Dan Morgan, Association of General Contractors of Kansas, HB 2872
Mr. Dan Ramlow, Kansas Contractors Assn., HB 2872

Chairman, Ivan Sand called for hearings on the following House Bills:

HB 2847, concerning planning and zoning; relating to certain cities and counties; - By Rep. Eckert

Mike Heim, Staff, gave a brief overview of the bill. (See Attachment I.)

Representative Richard E. Eckert, sponsor of the bill, appeared to give background and intent of the bill. Eckert pointed out that the proposed legislation gives the cities of Hiawatha and Morrill the opportunity to join the MO-KAN Regional Council; that it would not be compulsory and that the county would not need to join.

Mr. Jim Haag, City Administrator of Hiawatha, appeared in support of the bill. (See Attachment II.)

Mr. David Cazalet, publisher of the Hiawatha Daily World, appeared in support of the bill. (See Attachment III.) Cazalet confirmed that MO-KAN is a planning commission and that Brown County does not have a planning commission. He stated that it will cost 35¢ per head to join MO-KAN, or \$1,200 per year.

Ms. Jaynell F. Robidoux, Executive Vice President, Hiawatha Chamber of Commerce appeared in support of the bill. (See Attachment IV.) When asked, Robidoux stated that MO-KAN headquarters in St. Joseph, Missouri.

Ms. Anna M. Dietrich, Mayor, City of Morrill, appeared in support of the bill. (See Attachment V.)

Mr. Bickley Foster, Planning Consultant and Legislative Intern, presented a concern to the committee regarding the proposed legislation. He noted that sometimes planning commissions are established but then become paper organizations due to lack of money; that cities should make sure they are not a part of such an organization before becoming part of another regional planning district; that there may need to be some clarification of this in this bill.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT,
room 521-S, Statehouse, at 1:30 ~~xxx~~ p.m. on FEBRUARY 20, 1984

Mr. Ernest Mosher, League of Kansas Municipalities, pointed out that the bill presently allows a city or county to join two or more joint commissions; that sometimes there are city or county groups available.

Mike Heim noted that there may be a problem in specifying what they may or may not belong to.

HB 2866, concerning municipalities; relating to improvements therein and the payment and assessment of the cost of such improvements;
- By Rep. Charlton

Mike Heim, Staff, gave a brief overview of the bill. (See Attachment VI.)

Representative Betty Jo Charlton, sponsor of the bill, gave background and intent of the bill. (See Attachment VII.)

The deletion of "95%" in Line 58 was questioned. It was noted that this had been raised in recent years; that in some cities an improvement would not have been possible without this large percentage. Charlton pointed out that merchants often receive a more specific benefit than homeowners across town. It was noted that a "50%" limitation might keep a city from doing various desirable projects. A concern was noted about the "either...or" provision in Lines 34 and 35, as well as about the "\$500,000" limit in Line 73. Charlton pointed out that the \$500,000 set out in the bill would refer to a total project amount of a million dollars, and then the citizens would have a chance to vote on it.

Mr. E. R. Zook, a member of Citizens Tax Limitation Committee of Lawrence, Kansas, appeared in support of the bill. (See Attachment No. VIII.)

Mr. Ernest Mosher, League of Kansas Municipalities, testified in opposition to the bill. Mosher stated that K.S.A. 126a06 was enacted in 1957; that it has been used widely by many cities; that it is the general law for Kansas cities; that a great deal of flexibility is needed by cities for various projects; that a \$500,000 limitation would be a "drop in the bucket" for a large project in a large city; that HB 2866 kills special assessment projects.

Mr. Ed Johnson, City of Topeka, testified that he supports the League's position on HB 2866.

It was suggested that a portion of HB 2812 might be amended into HB 2866.

The hearing on HB 2866 was closed.

HB 2872, concerning contracts for purchases with nonresident bidders;
- By Committee on Local Government

Mike Heim, Staff, gave a brief overview of the bill. (See Attachment IX.)

Mr. Dan Morgan, representing the Association of General Contractors of Kansas, appeared in support of the bill. *Atch. X*

Mr. Dan Ramlow, representing the Kansas Contractors Association, testified that he is in total support of the bill.

Chairman Sand called for the introduction of new legislation.

Theresa Kiernan, Staff, explained new legislation proposed by Representative David Webb which would require a "simple majority" vote of county commissioners in lieu of the present "unanimous" vote requirement in the event of a request to incorporate territory located 5 miles from a city.

Representative Kenneth D. Francisco made a motion that the new legislation be introduced as a committee bill. Representative Mary Jane Johnson seconded the motion. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT,

room 521-S, Statehouse, at 1:30 ~~xxx~~ p.m. on FEBRUARY 20, 1984.

Chairman Sand called for discussion and possible action on the following House Bills:

HB 2701, concerning water districts; relating to the issuance of revenue bonds; relating to the annual audit thereof; By Rep. Fox

Representative Elizabeth Baker made a motion that the bill be lifted from the table for discussion. Representative Steve Schweiker seconded the motion. Motion carried.

It was noted that no amendments to the bill, in addition to those set out by Staff in balloon bill, were desired by committee members.

Representative Steve Schweiker moved and Representative Elizabeth Baker seconded that HB 2701 be passed as amended. Motion carried.

HB 2773, concerning improvement districts; relating to the powers thereof; - By Rep. Braden and Rep. Sand

Representative Steve Schweiker made a motion to adopt the amendments for HB 2773 as set out in balloon bill by Staff. Representative Mary Jane Johnson seconded the motion. Motion carried.

Representative Dorothy Nichols moved and Representative Mary Jane Johnson seconded that HB 2773 be passed as amended.

The minutes of the meeting of February 16, 1984, were approved as presented.

Meeting adjourned.

MEMORANDUM

February 20, 1984

TO: House Local Government Chairman
FROM: Legislative Research Department
RE: H.B. 2847

H.B. 2847 permits any city to join and become a member with an adjacent county in a metropolitan area or regional planning commission in which the adjacent county is participating. Several cities in Brown County apparently want to join the Mo-Kan Regional Planning Commission.

(ATTACHMENT I)

LADIES AND GENTLEMEN:

The Cities of Hiawatha and Morrill requested Representative Eckert to introduce House Bill 2847 because our cities would like the opportunity to join the MO-KAN Regional Council. A partial listing of the services provided to member communities by the Planning Council is attached to these remarks with the services Hiawatha would use indicated. Presently cities in adjacent counties are prohibited membership in the Planning Council unless the County elects to join or the City adjoins the planning area. In the latter case the decision to join the Planning Council is made by the local elected representatives of the community which will receive the benefits. Our neighboring community of Horton has made this decision and been a member of the Regional Council for over six (6) years. We are asking that other elected officials in the same county be allowed the same choice for their communities. and that you give House Bill 2847 your favorable consideration.

Thank You.

(ATTACHMENT II)

Services Available to
Member Local Governments
of the
Mo-Kan Regional Council

On going advisory services are the most apparent and accepted element of the Council work program. From the smallest member governmental unit, to the largest, all expect and receive a variety of advisory services and technical assistance. Individual staff members are assigned to each unit for general assistance, relying on each area of technical expertise in the agency.

Listed below are some of the services available to member governments:

1. Mapping Services; e. g.
 - * Base Maps
 - Land Use Maps
 - * Water and Sewer Maps
 - Ward and Precinct Maps
 - Ownership Maps (Countywide for reassessment purposes)
 - * Street Maps
 - * Zoning Maps
 - * Utility Maps
 - Cemetery Maps
 - Locator Maps
 - * Annexation Maps
2. Information and Data
 - * Population
 - * Economic
 - * Rules and regulations of various state and federal programs
 - * Revenue Sharing
3. Printing Services
 - * Letterheads and envelopes
 - Budgets
 - * Various forms
 - * Brochures
 - Public Safety Manuals
 - Firemen's Training Manuals
 - EMS Manuals
 - * Art work for brochures and covers is also part of this service

4. Assistance on Grant Applications
 - * Census information
 - * Forecasts and projections
 - Actual compiling of applications, public meetings, typing and submission
 - Administration of federal and state grants
5. Miscellaneous
 - * Seminars and Workshops of interest to member governments; e. g. Urban Development Action Grants, Flood Plain Management, Revenue Sharing, Legislative Conferences - Kansas Main Street Program
 - Planning Services
 - Zoning
 - Special District Organization
 - Historic Preservation - Surveying and Nominations
 - Manpower Programs
 - * Certified Development Company under SBA - 503 Loan Program

The benefits derived by a member government are varied, and are tailored to fit the needs of that unit of government. Staff is receptive to all requests, and although there are limitations in some areas, consideration is given to an expressed need of a member.

My name is David Cazalet. I am the publisher of the Hiawatha Daily World, an active member of the Hiawatha Chamber of Commerce, and a director of the Hiawatha Foundation for Economic Development.

The City of Hiawatha is the retail shopping center for an area in a 30 mile radius of the city. It is the largest town west of St. Joseph, Missouri, and north of Topeka.

The people of Hiawatha are very interested in the economic growth of their town and the area surrounding it. They have dedicated many hours of volunteer work to helping Hiawatha grow. They have also spent thousands of dollars of their own money to insure the future of their city. We have filled one industrial park and purchased another with private funds through a not-for-profit corporation. We have built a new sewer system to accommodate new growth. We have implemented a plan to reconstruct our city streets over a 17 year period. We are in the process of developing additional park facilities for our townspeople. Our city fathers, with the help of our local planning commission, are instituting a comprehensive plan for the future development of the area.

In short we are preparing ourselves for future growth.

Much of this work we have done on our own. We have had some help from the federal government in the form of grants for our parks and our sewer system.

There is other help available to us in the form of the Mo-Kan Regional Council, but we are currently being prevented from taking advantage of this help. Under current state statute, governing bodies desiring to join regional planning groups must be physically adjacent to a governing body

that is a member.

For the past 13 years, our county, Brown County, has refused to participate in Mo-Kan. Hiawatha has even offered to pay the entire cost of county membership, but the county government for reasons of their own has steadfastly refused to join.

Horton, our sister city in Brown County, is lucky enough to have city limits that adjoin Atchison County and they have joined Mo-Kan on their own. Through Mo-Kan's assistance, they have written and received two federal grants. One to rebuild an aging dam and the other to tear down several delapidated buildings. Horton is about half the size of Hiawatha. Without Mo-Kan's assistance, they probably would not have known about or applied for these valuable grants and their city would be the worse for having missed them.

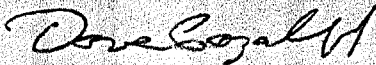
Hiawatha, and, as I understand it, several other smaller cities in Brown County, wish to avail themselves of the services that Mo-Kan will provide. We are prevented by state statute and a regressive county government. We cannot change the attitude of our county commissioners and we cannot unelect them since we have been ^{gently} ~~per~~mandered into a powerless position of only one representative on a three member commission, but we can attempt to change the state statute so that we can go on helping ourselves and our state by bringing in new industry to Kansas.

I am sure there are other cities in the state that are being held back by other county commissions with similar objectives. Won't you please report

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this bill out of your committee with a positive recommendation for passage? I think that you will agree with me when I say that we must take advantage of all our resources as we attempt to bring more jobs to Kansas. The people of Hiawatha are a resource that is not being fully utilized by the state of Kansas because we are being held back by this statute. Please, let us take advantage of our resources. Let us help you help the state's economy.

Thank you



Dave Cazalet

February 20, 1984
Jaynell F. Robidoux
Executive Vice President
Hiawatha Chamber of Commerce

THE 1980 CENSUS REVEALED THAT HIAWATHA IS THE LARGEST TOWN ON HIGHWAY 36 BETWEEN ST. JOSEPH, MISSOURI AND THE COLORADO BORDER. THIS WAS ADDITIONAL EVIDENCE THAT HIAWATHA IS PRIME FOR PLANNED GROWTH AS A REGIONAL TRADE CENTER.

FOR THE LAST YEAR THE HIAWATHA CHAMBER OF COMMERCE, THE HIAWATHA FOUNDATION FOR ECONOMIC DEVELOPMENT AND CITY OFFICIALS HAVE WORKED TOGETHER TO COOPERATE IN EFFORTS OF ECONOMIC DEVELOPMENT.

THROUGH CONTACTS WITH ASSOCIATES OF THE ATCHISON AND DONIPHAN COUNTY CHAMBER OF COMMERCE, I WAS INFORMED OF THE BENEFITS OF MEMBERSHIP IN THE MOKAN REGIONAL COUNCIL. SINCE SMALL RURAL COMMUNITIES SELDOM HAVE ADEQUATE FINANCIAL RESOURCES TO FUND LARGE STAFFS, IT CAN BECOME EXTREMELY DIFFICULT TO GATHER ALL INFORMATION AND DATA NECESSARY FOR ESSENTIAL SURVEYS AND ANALYSES.

MOKAN MEMBERSHIP OFFERS EXPERIENCED STAFF ASSISTANCE IN PREPARATION OF MAPS, INFORMATION AND DATA GATHERING, PRINTING SERVICES, AND KNOWLEDGE OF AVAILABLE GRANTS.

OF SPECIAL INTEREST TO THE CHAMBER OF COMMERCE, IS THE HELP THAT COULD BE PROVIDED THE CITY OF HIAWATHA BY MOKAN IN REGARD TO GATHERING INFORMATION TO SUBSTANTIATE AN APPLICATION FOR DESIGNATING CERTAIN AREAS FOR ENTERPRISE ZONE. THIS WOULD GREATLY BENEFIT THE EFFORTS OF THE CHAMBER IN SEEKING INDUSTRIAL PROSPECTS.

THEFORE, THE HIAWATHA CHAMBER OF COMMERCE SUPPORTS THIS BILL TO ALLOW THE CITY OF HIAWATHA TO JOIN THE MOKAN REGIONAL COUNCIL EVEN THOUGH BROWN COUNTY ELECTS NOT TO BE A MEMBER.

The City of Morrill

Telephone 459-2231
Morrill, Kansas 68515

Feb. 20, 1984

Dear Sirs,

As a third class city of 323 people, we look mainly to volunteers to accomplish much of our work. This does not always bring much experience into a lot of projects. We do not have paid professionals or the resources to have paid professionals to obtain the services available to us upon joining an organization such as MO-KAN.

We will be looking to MO-KAN for help in many areas of city management and planning. To list a few areas of concern, finding and applying for grants. The re-rating of our utility systems, the re-design of some of these systems. Our utilities are over 60 years old and the maps are not up to date. There are areas that need to be improved and we will be looking for grants to help in the paying of these improvements.

We need help in the codification of our ordinances, planning and zoning and we could use their services for printing. These are just a few of the services available to us.

I must apologize for not being better prepared in my testimony. A perfect example of the lack of experience, I as a volunteer, too!

Sincerely,

Conna M. Dietrich
Mayor, City of Morrill

MEMORANDUM

February 20, 1984

TO: House Local Government Chairman

FROM: Legislative Research Department

RE: H.B. 2866

H.B. 2866 amends portions of the city General Improvement Assessment Law to make it easier for citizens to protest a special assessment; to reduce the percent of the total cost that a city at-large may pay for an improvement made under this act; and to require an election on all bond issues exceeding \$500,000.

(ATTACHMENT VI)

HB 2866 by Rep. Charlton

Mr. Chairman and Members of the Committee:

HB 2866 amends the General Improvement and Assessment Law, KSA 12-6a01 through 12-6a18. This is the statute under which city governments can levy special assessments on property that receives special benefits from municipal works or improvements. The special assessments can amount to "all or any part" of the cost. Further on in the act, we find that a city government may decide that the taxpayers of the city at large shall pay up to 95% of the cost of such improvements.

Section 1 of the bill, lines 31 and 32, changes the period allowed for protest petitions from 20 days to 60 days. Sixty days is the time allowed under almost all other statutes. Twenty days from the time taxpayers first hear of a proposal seems an unreasonably short time to circulate petitions. The other significant change in Section 1 provides, in lines 33-37, for protests signed by either 51% of the resident owners or owners of more than half of the total area of a benefit district rather than both as the law now reads. Elsewhere in the statute, a majority of the resident owners or the resident owners of more than one-half of the area or the owners of record (whether resident or not) of more than one-half of the area can petition for an improvement without notice or hearing. I have tried here to make the law a little more fair to property owners who do not want to pay special assessments for a project they feel will not benefit them.

In Section 2, line 58, the figure 95% is changed to 20%, making the sentence read: "the city may pay such portion of the cost of the improvement as the governing body determines, but not more than 20% of the total cost thereof. A new sentence is added beginning on line 59: "If the property which benefits by the improvement constitutes more than 15% of the total land area within the corporate limits of the city, excluding property which is exempt from ad valorem taxes, the city may pay up to 50% of the total cost of the improvement." My original intent was to simply change the percentage

that can be paid by the taxpayers of the city at large to 20%. In discussions with constituents, the question arose about hamstringing large improvement projects city governments may be trying to make, so we added the sentence raising the taxpayers' portion to 50% in such cases. Questions also came up about the fact that, in our city, owners of property owing special assessments have been delinquent on hundreds of thousands of dollars.

We thought we would try to give benefited property owners some special assessments they could handle by raising the percentage the taxpayers at large could pay to 50% if the benefit district comprised more than 15% of the total area of the city.

In Section 3, language to the effect that a city governing body may submit the question of issuing general obligation bonds under the act at a general or special election is changed, beginning on line 71, to "The governing body of any city proposing to issue general obligation bonds of the city in an amount exceeding \$500,000 for payment of any portion of the costs of any improvement authorized by this act, by resolution, shall submit the question . . ." The present law contains no maximum amount for which bonds can be issued without being submitted at an election; there is, in fact, no requirement for any election. In another effort here to avoid the possibility of tying the hands of city governments on all projects, we have inserted the provision that a city can issue bonds up to the amount of \$500,000 exempt from protest petition and elections.

This bill leaves unaltered the power of city governments in Section 1 of the bill to improve connecting streets, intervening portions of improved streets, sanitary sewers and storm sewers regardless of protests. You will hear from the opponents to this bill that it will tie the hands of city governments, hamstringing efforts on improvements, and bring about government by referendum. I think if you look at the act and these amendments carefully, you will agree that cities will still be able to make a great many improvements without referendum. This bill is an effort to balance the interests of taxpayers and the power of city governments in an equitable way. I will appreciate your support.

STATEMENT PRESENTED TO THE LOCAL GOVERNMENT COMMITTEE OF THE
HOUSE OF REPRESENTATIVES OF THE STATE OF KANSAS, ON FEB. 20, 1984.

by E. R. ZOOK
Member of Citizens Tax Limitation
Committee of Lawrence, Kansas.

Mr. Chairman and Members of the Committee. My name is E. R. Zook and I live in Lawrence, Kansas, where I have resided for 36 years.

The Citizens Tax Limitation Committee, ^{is} a sub-Committee of the Citizens for Better Government Committee, which has existed for over four years. Its purpose is to examine existing statutes and ordinances with regard to taxation, both direct and indirect.

Thus, our interest in HB 2866 and amendments thereto.

We consider Article 6a.-GENERAL IMPROVEMENT AND ASSESSMENT LAW of the State of Kansas, to be "a complete alternative to all other methods provided by law", as stated in said law, but we also find that the law could be very oppressive if used to the ultimate limits provided in the law. HB 2866 suggests changes in the law that will not repeal it, but will bring about a more equitable situation for all parties who will sometime be affected by it.

The potential for abuses in using the statute defined under Article 6a.-General Improvement and Assessment Law (GIAL) came to our attention about one year ago when fairly large sums of money were involved, and ~~was~~ the proportions to be paid by the benefit district and the rest by the city at large seemed highly inequitable, as well as being a questionable use.

An examination of the municipal works or improvements which can be undertaken by this law provides a list of many, many projects which could cost millions of dollars each. One such project is alleged to now be in the planning stage in Lawrence.

I quote from the Lawrence Journal-World on 2/17/84 the following:
"On one issue, some members said a May deadline for setting up

a special benefit district to pay for a parking garage and an open plaza area in the 600 block project was unrealistic."

This statement was made in a meeting of the Downtown Improvement Committee which is interested in building a multi-million dollar shopping center on a portion of the downtown area. The parking garage is to be a multi-level structure and an underground garage to park a total of 1,300 cars, at a cost of \$7,500,000 to \$10,000,000.

Attached to this statement is a map showing how the ^{two} parking structures fit into the proposed shopping center scheme. These parking structures are bounded on two sides by city parks, and an exit from the bridge which crosses the Kaw River. The other two sides are remote to the parking structures due to a post office, a library, both of which have their own parking, and a street which has no stores on it that are fronting or adjacent to the parking structures.

Basically the parking structures are ^{entirely} for the benefit of a private interest- the shopping center.

This is what the public at large would pay for, after deducting the amount charged to a special benefit district which is obviously incapable of paying very much of the total cost.

We believe this project illustrates the type of thing which can happen to a community, and which can be very damaging to those who are struggling to meet their high energy bills, along with other inflationary costs just to survive.

With the possibility that 95% of the \$7,500,000 to \$10,000,000 cost could be charged to the public at large through general obligation bonds, creates grave concern about a statute (Article 6a.-General Improvement and Assessment Law) that permits such a

thing to happen. The public has no way to stop this from happening due to the fact the statute does not require a referendum so the taxpayers can register their opinion.

In our opinion we believe that Article 6a.-General Improvement and Assessment Law, has been constructed to keep the public from participating in the decision of how their money shall be used in the form of taxes, and the amount involved. This can be ruinous!

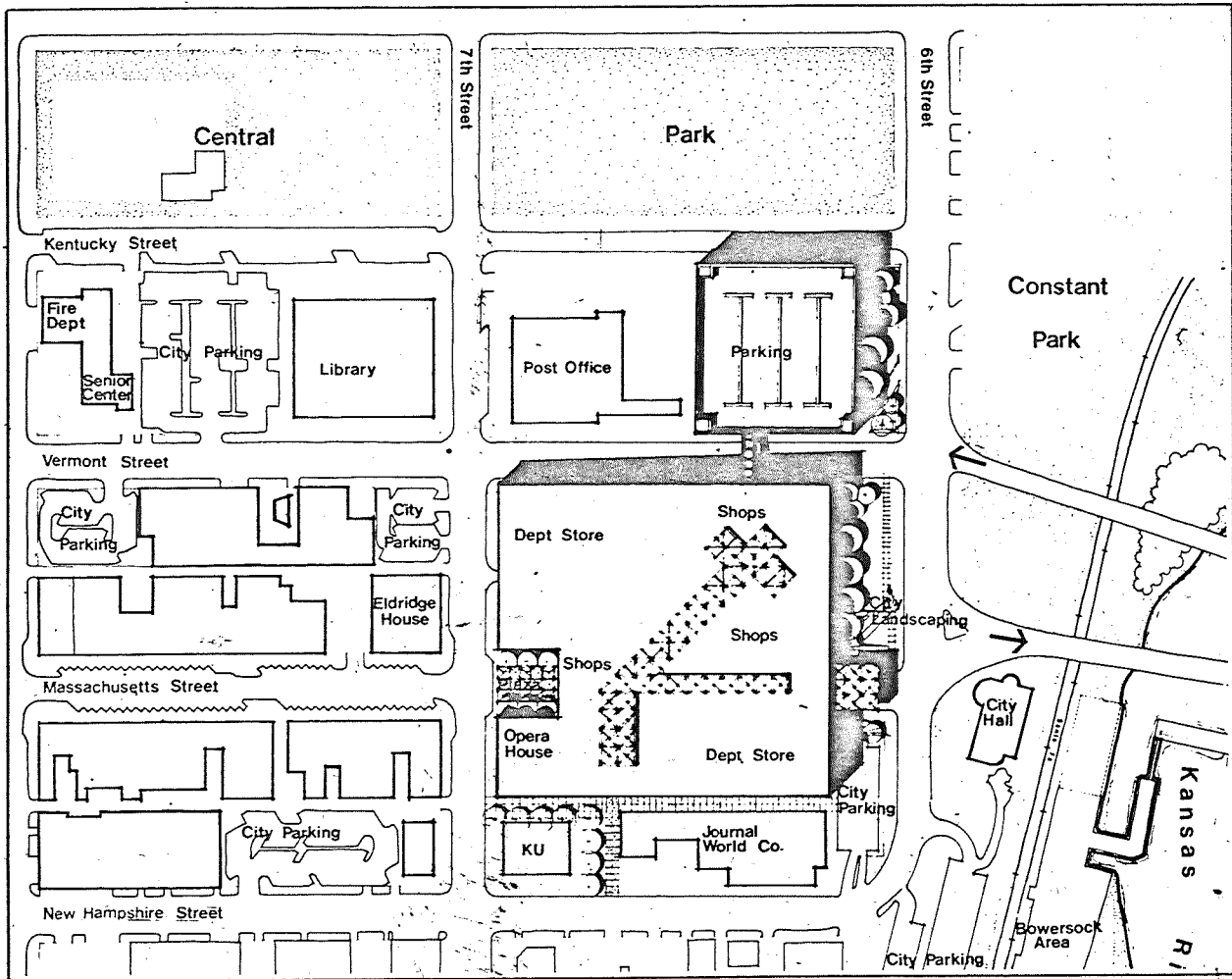
House Bill No. 2866 suggests ways in which the law can be changed without "tying the hands" of City Government to provide streets,sewers, etc. It is the exceptional projects which can be terribly expensive and provide very little benefit to the public, that we are concerned about. HB2866 addresses this concern.

We do not want the same type of thing to happen in Lawrence that happened in Johnson County when millions of dollars were spent for sewers that has caused much trouble. Nor do we want to be in the same position as Coffeyville and find ourselves strangling because of taxes without representation.

We suggest that HB 2866, Section 3., line 0072 be amended by inserting "to be paid by the city at large" behind the words general obligation bonds of the city, for the purpose of clarifying that the limit of ~~\$500~~,000 applies only to the city at large portion and does not include the special assessments portion of general obligation bonds which are to be issued.

We come today to respectfully request that the Legislature of the State of Kansas rescue the public from a law whose intention may be well meaning, but whose scope is not controlled in a way to protect the public from grave damages because of their defenseless position.

We support HB2866, and amendments thereto, as a solution to a dilemma which only the Legislature can resolve. (Exhibits are attached to this statement)



Map shows proposed Town Center shopping development in downtown Lawrence.

1/26/84

- The staff is working with various businesses to estimate costs for relocation.

PROJECT NOTIFICATION

- Staff members have informally been meeting with property owners and businessmen in the project area to discuss the proposed redevelopment and its potential affect on them.
- Staff prepared and mailed a letter from the Mayor to all of the property owners, businessmen and residents in the project area. The letter provided notice of the proposed project and a summary of land acquisition and relocation procedures that would be used.

CAPITAL IMPROVEMENT COST ESTIMATES

- The staff has formed a committee to obtain cost estimates for the public capital improvements necessary to implement the project. Staff members have met with local utility officials, parking garage experts, etc. to obtain estimates for the following improvements:

- * 1,000 space underground parking garage
- * 300 space aboveground parking garage
- * Street and traffic signalization changes
- * Gas
- * Electricity
- * Telephone
- * Water
- * Sewer
- * Cablevision
- * Landscaping

Block 250 x 500
 300 sq ft per car $\frac{417}{125,000}$ parking blocks
 120'0
 500
 400
 1000

TAX INCREMENT FINANCING (TIF)

- The staff has contacted a municipal bond attorney and local officials in Topeka and Manhattan about the use of TIF financing and how such financing might be used in Lawrence.

ENTERPRISE ZONE

- Staff prepared a proposal for creating several Enterprise Zones, including Downtown. The City Commission and State Department of Economic Development approved this proposal in December, 1983.

COMPREHENSIVE PLAN AMENDMENT

- The Planning Staff has prepared revisions to the Comprehensive Downtown Plan that are still being reviewed by the Planning Commission.
- The staff has presented the proposed revision to a joint public meeting with the League of Women Voters, the Lawrence Neighborhood Associations and Citizens For A Better Downtown.

Small city staring bankruptcy

KCTimes 2/2/84

News shocks residents of Kansas community

By Lynn O'Shaughnessy
Of the Mid-America Staff

COFFEYVILLE, Kan. — Coffeyville residents weren't prepared to hear what their new city manager told commissioners last week.

"I need your help," William A. Snell said. "This is where we're at — the city's going bankrupt."

For years Coffeyville's budget problems were masked by inattention to detail and plain reckless spending, officials here now contend.

A city commissioner once threw his copy of the budget in the trash can because, he said, it was useless. Critics say the city commission

adopted a rubber-stamp policy that led to runaway labor costs, overstaffing and questionable expenses — problems that have pushed the town of 15,000 residents to the brink.

If the town did go under, it probably would be a first: State officials cannot recall any Kansas city ever declaring bankruptcy. But city officials vigorously insist that they will never let the town go belly up.

"This time we are going all-out tightening the belt," Mayor Jack Anderson said.

That could mean a very hard squeeze.

According to the projections of Mr. Snell and a certified public accountant, the city could face a \$700,000 to \$900,000 deficit by the end of 1984. The city is overspending its budget at the same time that revenue projections made last year are proving to be overly optimistic.

That now presents the commission with the painful task of cutting the guts out of its \$3.37 million budget.

The first cut could have come

Wednesday night when the City Commission discussed whether one of the city's two fire stations should be closed. But the commissioners decided to put off any action on the move, which would save the city \$196,000.

Coffeyville's predicament is very serious, said William Ervin, chief of the municipal accounting section at the Kansas Department of Administration.

Mr. Ervin's office provides financial-management assistance to Kansas towns, usually with populations of 5,000 and under, that do not have

the resources to hire experts. Cities the size of Coffeyville normally can take care of themselves, Mr. Ervin said. But the state will go to Coffeyville to help out.

Coffeyville residents appear surprisingly optimistic. They seem relieved to know the full extent of the problem and ready to get the repairs started.

"There is no question in my mind, they will come out of this with a stronger administration," said Eve Graves, executive director of Coffeyville's Red Cross. "I think the community is good about solving its problems."

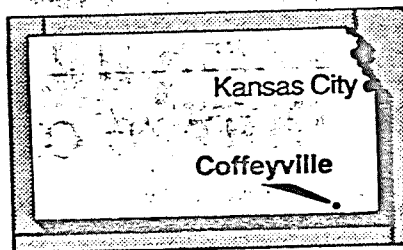
For Coffeyville the threat of bankruptcy is analogous to punching a boxer after he has crashed to the canvas. The town already was hurting. It received its first blow in the spring of 1982 when industries began shutting their doors or cutting back manpower drastically.

It has never quite recovered.

Last week's warning began an inevitable volley of accusations of who or what was to blame for the financial crisis.

Mr. Snell arrived in Coffeyville a little more than a month ago with the understanding that he would straighten out the finances, but neither he nor the commission had any idea that the problem was so monumental.

Mr. Snell persuaded the city to hire Dan Bryant, a CPA, to help with the task. They slowly waded through the records of an accounting system that they say was so simplistic and uninformative that it took a great deal of time to figure out where the money was.



"I don't believe the commission did have a good feel for the finances of this city," Mr. Snell said.

The commissioners are not quarreling with the critical assessment, but neither do they accept full blame. They complain that in past years the city managers gave them budgets that were not specific enough to allow them to know how they were spending money.

The proposed expenditures were not presented in line-items. In the 1984 budget, for instance, department allocations were broken down into five broad categories such as personnel and contractual services. Consequently, a person could not look at the budget and determine, for example, how much money was being allocated for the Police Department's gasoline needs.

"My reaction when the budget was presented to me was, I threw it in the waste can," said Bob Jones, who became a commissioner last spring.

The budgets, Mr. Anderson said, "frankly didn't have too much meaning."

Critics say the city has been spending too much money for years.

Perl Schmid, president of a Chevrolet dealership, has been running ads in the local newspaper comparing city labor costs with those in Montgomery County and Independence, the county seat. The first of

the ads, which showed that Coffeyville's wages are much higher, appeared hours before the bankruptcy announcement.

Mr. Snell also has run across items he thinks are extravagant.

For instance, the city employees' health insurance policy does not have a deductible. Some single employees are getting cash to make up the difference in the cost of health insurance between married and single employees. He also questioned the clothing allowances — some deductives were buying suits — and the mean city salary, which he placed at \$11 an hour.

In addition, questioning of the city's department heads indicated that budgets were prepared in a way that encouraged padding, Mr. Bryant said.

Some commissioners and residents contend that the city has been suffering from mismanagement for years. The dissatisfaction came to a head in July when the commission fired City Manager Ray Neale. When reached Wednesday, Mr. Neale said he would not comment on the accusations because he had just had a death in his family.

However, shortly after Mr. Neale was fired he told the Coffeyville Journal that the city would go bankrupt if the commissioners did not change their ways.

Jim Page, Mr. Neale's predecessor who was city manager for two years ending in 1981, contests the allegations of mismanagement. He attributes the city's current problems to the recession that has sucked revenue out of the city.

"They are painting a picture of gloom in order to get attention and make people more conscious," Mr. Page said.

MEMORANDUM

February 20, 1984

TO: House Local Government Chairman

FROM: Legislative Research Department

RE: H.B. 2872

H.B. 2872 clarifies a statute giving a bid preference to Kansas contractors over out-of-state contractors when the state from which the contractor is from has a comparable in-state bid preference.

(ATTACHMENT IX)

FEBRUARY 20, 1984

RE: HB 2872

THANK YOU MR. CHAIRMAN, MEMBERS OF THE COMMITTEE. MY NAME IS DAN MORGAN AND I AM HERE TODAY REPRESENTING THE ASSOCIATED GENERAL CONTRACTORS OF KANSAS. OUR ORGANIZATION IS MADE UP OF OVER 200 GENERAL CONTRACTOR AND ASSOCIATE SUBCONTRACTOR AND SUPPLIER MEMBERS FROM THROUGHOUT THE STATE. WE DO APPRECIATE THE FACT THAT THE LOCAL GOVERNMENT COMMITTEE INTRODUCED HB 2872 AS A COMMITTEE BILL AND I WILL TAKE JUST A COUPLE OF MINUTES TO REVIEW THE BILL WITH YOU.

VERY SIMPLY, HOUSE BILL 2872 IS DESIGNED TO CLARIFY OUR STATE'S SO-CALLED RECIPROCAL BID PREFERENCE LAW AS FOUND IN K.S.A. 75-3740A. BECAUSE THERE HAS BEEN CONFUSION AS TO WHAT IS INCLUDED BY QUOTE, "BIDS FOR CONTRACTS FOR ANY PURCHASES", WE HAVE RECOMMENDED THE AMENDMENTS YOU SEE BEFORE YOU WHICH SORT OF "FLESH OUT" WHAT IS COVERED BY OUR CURRENT LAW. THIS PROPOSED LANGUAGE DOES NOT EXPAND THE COVERAGE OF OUR PRESENT STATUTE. IT DOES, HOWEVER, CLARIFY THE STATUTE AND MAKES IT CLEAR TO CONTRACTORS, BOTH IN AND OUT-OF-STATE, JUST WHAT IS INCLUDED WITHIN THE PURVIEW OF 75-3740A. I WOULD REMIND YOU THAT WE HAVE ASKED THE STATE ARCHITECT'S OFFICE AND THE DIRECTOR OF PURCHASES FOR THE DEPARTMENT OF ADMINISTRATION TO REVIEW THIS RECOMMENDED LANGUAGE, THEY HAVE, AND THEY SEE NO PROBLEMS WITH IT.

ONCE MORE I WOULD LIKE TO MAKE IT CLEAR THAT 75-3740A IS NOT A PREFERENCE LAW AGAINST ALL OUT-OF-STATE CONTRACTORS WISHING TO BID ON PUBLIC WORKS PROJECTS IN OUR STATE. OUR LAW ONLY AFFECTS THOSE CONTRACTORS COMING FROM STATES THAT HAVE PREFERENCE LAWS THEMSELVES. OF OUR NEIGHBORS, ONLY OKLAHOMA HAS SUCH A PREFERENCE LAW - THEY HAVE A 5% PREFERENCE FOR THEIR RESIDENT BIDDERS. K.S.A. 75-3740A SAYS, IN EFFECT, THAT KANSAS WILL IMPOSE THE SAME PREFERENCE AGAINST OKLAHOMA CONTRACTORS, FOR EXAMPLE, WHO ARE BIDDING PUBLIC WORKS IN KANSAS AS OKLAHOMA DOES AGAINST KANSAS CONTRACTORS BIDDING PUBLIC WORKS IN THEIR STATE.

(ATTACHMENT X)

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IN OTHER WORDS, KANSAS WILL IMPOSE A 5% BID PREFERENCE FOR RESIDENT BIDDERS AGAINST OKLAHOMA CONTRACTORS BECAUSE THEY IMPOSE A 5% PREFERENCE AGAINST KANSAS CONTRACTORS BIDDING IN THEIR STATE. SO AS THE CHAIRMAN SAID BEFORE, OUR LAW IS A "DO UNTO OTHERS AS THEY DO UNTO YOU" SORT OF LAW. OUR LAW DOES NOT, HOWEVER, AFFECT ANY CONTRACTORS COMING FROM STATES THAT HAVE NO BID PREFERENCE LAWS THEMSELVES.

IN SUMMARY, THESE PROPOSED AMENDMENTS DO NOT CHANGE OUR PRESENT LAW, BUT THEY DO MAKE IT CLEAR WHAT THE LAW COVERS AND THAT IS WHAT WE WOULD LIKE TO ACCOMPLISH. THANK YOU VERY MUCH. I'D BE GLAD TO TRY TO ANSWER ANY QUESTIONS THAT YOU MIGHT HAVE.