

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Sen. Don Montgomery at  
Chairperson

9:00 a.m./~~p.m.~~ on February 26, 19<sup>91</sup> in room 531-S of the Capitol.

All members were present except:

Senator Gaines and Steineger

Committee staff present:

Thersa Kiernan, Revisor of Statutes  
Mike Heim, Legilsative Research  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Stan Scudder, Kansas Contractors Association  
Mike Welch, BRB Contractors, Inc.  
Dick Kistner, Hall Brothers Construction Company, Inc.  
T. M. Pickford, Director of Public Works/County Engineer, Shawnee County  
Bev Bradley, Kansas Association of Counties  
Gerry Ray, Johnson County

SB 186 - Relating to county roads and bridges; requiring the filing of project cost estimates and reports.

Stan Scudder, Kansas Contractors Association, testified in support of the bill. (Attachment 1). The Chairman asked Mr. Scudder if he had the same concerns for cities as counties as stated in his testimony. Mr. Scudder answered that he would apply the same concerns to cities, however, cities are not involved in as much of the type of work that counties are.

Mike Welch, BRB Contractors, followed with further testimony in support of SB 186. (Attachment 2).

Final testimony in support was given by Dick Kistner, Hall Brothers Construction Company, Inc. (Attachment 3). The Chairman asked Mr. Kistner if counties are involved in this implied abuse more than cities. Mr. Kistner replied that the cities in his area are smaller, and their forces are not as strong as in counties. Also, cities tend to subcontract.

T. M. Pickford, Director of Public Works, County Engineer, Shawnee County, testified in opposition to SB 186. (Attachment 4).

Sen. Petty had questions regarding county budgets as to publication of specifications and costing. The Chairman quoted the bidding statutes for bridges in an attempt to clarify statements in Mr. Pickford's testimony. Mr. Pickford said there is more than one statute that covers these items. The Chairman felt that it may be necessary to ask for an Attorney General's opinion to clarify this.

Mr. Heim asked Mr. Pickford if he was familiar with the study done a year ago concerning privatization as an economical way of operation. Mr. Pickford said this legislation applies more to sewage and water plants than to county roads and bridges.

Bev Bradley, Kansas Association of Counties, gave further testimony in opposition to the bill. (Attachment 5).

Gerry Ray, Johnson County, gave final testimony in opposition to SB 186. She will submit written testimony at a later date. She stated that counties have a need for flexibility to operate in a manner that fits their needs without unnecessary administrative work. The bottom line is trying to hold down the mill levy, and counties need latitude in order to hold down costs, but the bill would increase costs. With this, the hearing on SB 186 was concluded. Discussion will be taken up at a later meeting.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

room 531-N, Statehouse, at 9:00 a.m.~~a.m.~~<sup>p.m.</sup> on February 26, 1991.

The Chairman called the committee's attention to SB 25, previously heard, dealing with home rule powers. Ms. Kiernan had a balloon of the bill with the amendments proposed by the League of Municipalities. (Attachment 6). She began an explanation of the amendments. Sara Corliss, Home Builders Association of Kansas City, stood to offer further amendments. She suggested striking "impact" in the new language after line 27 and adding "in the amount to cover the cost of providing such service" after "charges" on line 20. She suggested putting in a \$100.00 cap. Sen. Petty recalled that in a previous meeting it was determined that separating specific funds for cities would be a problem because it would require the creation of too many funds.

Ernie Mosher of the League of Municipalities stated that the League would have no objections to removing "impact" from the bill, but would have concerns about flat limits and suggested alternative language which essentially does what he believes would accomplish the same objective without establishing a dollar amount cap. Ms. Corliss felt that the right of a protest petition should remain for cases where fees go up very dramatically. Mr. Heim noted that any financial contribution that is against an owner or developer is subject to protest. The Chairman instructed Ms. Corliss to work further with staff, the League and submit new language at a future meeting.

The minutes of February 20, 21, and 25 were approved.

The meeting was adjourned at 10:00 a.m.

Attachment 7, Testimony of Gerry Ray, Johnson County Board of Commissioners, submitted February 27, 1991.

Attachment 8, Letter of support for SB 186 from Richard E. Brown of Smoky Hill, Inc., General Contractors.



# THE KANSAS CONTRACTORS ASSOCIATION, INC.



## OFFICERS

STAN SCUDDER, President  
Newton, Kansas

DON POPEJOY, Vice President  
Ulysses, Kansas

TOM RITCHIE, Treasurer  
Wichita, Kansas

## STAFF

DANIEL W. RAMLOW, Executive Director  
ROBERT E. TOTTEN, Public Affairs Director

316 S.W. 33 RD ST. P.O. BOX 5061  
TOPEKA, KANSAS 66605-5061  
PHONE (913) 266-4152  
FAX (913) 266-6191

## DIRECTORS

DICK BROWN  
Salina, Kansas

W. CHARLES GAGNON  
Salina, Kansas

R. H. KISTNER  
Marysville, Kansas

BILL KLAVER, JR.  
Kingman, Kansas

HOWARD SHERWOOD  
Wichita, Kansas

ORVILLE SPRAY, JR.  
Great Bend, Kansas

WAYNE VAN METER  
Kansas City, Missouri

ROBERT WALSHIRE  
Topeka, Kansas

MIKE WELCH  
Topeka, Kansas

FRED WIMAN  
Mission Hills, Kansas

## TESTIMONY

BY THE

KANSAS CONTRACTORS ASSOCIATION

Before the Senate Local Government Committee  
Regarding Senate Bill 186 Regarding County Roads

Mr. Chairman and members of the Senate Local Government Committee, thank you for the opportunity to appear before you today to provide the industry's position on Senate Bill 186.

I am Stan Scudder, President of the Kansas Contractors Association. Our Association represents over 330 heavy, highway and municipal utility contractor and associate member firms in the Kansas construction industry. In addition, I am President of Bridges Inc. of Newton. Our company builds bridges throughout the state and the midwest.

The Association appears today in support of this Senate Bill. It is our position that contractors around the state are not allowed the opportunity to bid on certain road and bridge projects because they are presently being done by county crews. These projects, in our opinion, do not appear to be cost effective by virtue of construction time and ownership of specialized equipment which is under-utilized. We believe that private contractors with their experience, expertise and equipment to fit the job are by far the most cost effective constructing projects for infrastructure improvement.

Senate L.G.  
2-26-91  
Attachment 1

At the present time, when we try to determine whether a private contractor could perform construction work less expensively than the county, the figures we receive do not include all of the items we use when we bid on a project. This bill would change that so the public could easily determine an accurate cost of each road and bridge project in the county costing more than ten thousand dollars.

This is an update of the day labor act which was passed more than 80 years ago in 1917. It has allowed the county to avoid filing accurate project cost figures which include county labor costs. It has proved to be a stumbling block to access accurate county project costs and ultimately problems in determining the cost benefits of private contractors constructing county projects.

The emergence of this trend among local governments threatens to disrupt a long standing relationship between government and private enterprise. An alarming indicator of this trend is the sales ratio of the major equipment dealers. Fifteen years ago, one equipment dealer's sales were split one-third each to the government, mining and construction. In 1990, 72 percent went to government sales with the balance going to mining and construction. The construction industry has developed and grown in response to public capital improvements such that, state and local governments can undertake capital improvements knowing that private sector construction firms can construct these improvements at a reasonable cost to the public. The industry is therefore very sensitive to government infrastructure spending to the extent that when projects are constructed with government forces, the size of our market is directly reduced.

This measure is to help the public determine whether counties are doing an efficient job in building these important projects. The measure would require county engineers or his designate to file with the county clerk the approved plans for a project that uses county labor which exceeds ten thousand dollars. This would be documented using generally accepted accounting principles so the public could adequately compare costs on each project.

Right now, counties have to provide 30 days notice for projects in excess of ten thousand dollars. The only change this bill requires is that it include projects that use county forces and funds.

You can readily realize the importance of full public disclosure of advance job estimates if cost comparisons are to be made between private and public sector construction matters. Advance estimating and accurate job costing are key activities in controlling efficiency. This seems even more important when our state and local government entities are facing tough times and we need to control our tax dollars.

In closing, I ask that you support Senate Bill 186.....and I am available to answer your questions.

**BRB Contractors, Inc.**  
**HEAVY AND UNDERGROUND CONSTRUCTION**

Phone (913) 232-1245  
Fax # (913) 235-8045



400 N.W. Curtis Street

P.O. BOX 8128  
TOPEKA, KANSAS 66608-0128

**TESTIMONY OF  
MIKE WELCH  
PRESIDENT OF BRB CONTRACTORS, INC.**

**BEFORE THE SENATE COMMITTEE ON LOCAL GOVERNMENT  
COMMITTEE REGARDING SENATE BILL 186**

MR. CHAIRMAN, AND MEMBERS OF THE SENATE LOCAL  
GOVERNMENT COMMITTEE:

THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU  
TODAY TO PROVIDE ADDITIONAL COMMENTS ON SENATE BILL  
186.

MY NAME IS MIKE WELCH. I AM PRESIDENT OF BRB  
CONTRACTORS, INC. OF TOPEKA. WE ARE A FIRM THAT BUILDS  
WATER TREATMENT PLANTS, WASTEWATER TREATMENT PLANTS AND  
BRIDGES THROUGHOUT KANSAS AND THE MIDWEST.

I AM APPEARING IN SUPPORT OF SENATE BILL 186. AS MR.  
SCUDDER SAID, OUR INDUSTRY IS CONCERNED ABOUT THE  
ENCROACHMENT OF COUNTY CREWS PERFORMING WORK PRESENTLY  
DONE BY PRIVATE CONTRACTORS. IT IS A COMMON BELIEF  
THAT PRIVATE CONTRACTORS HAVE THE EXPERIENCE AND  
EXPERTISE TO DO A BETTER JOB OF BUILDING BRIDGES AND  
ROADS THAN WHAT COUNTY CREWS CAN DO ON AN IRREGULAR  
BASIS.

THIS MEASURE IS DESIGNED TO DETERMINE WHETHER COUNTY  
FUNDS ARE BEING SPENT EFFICIENTLY AND WHETHER PRIVATE  
CONTRACTORS COULD DO THE WORK MORE ECONOMICALLY.

RIGHT NOW, WHEN YOU TRY TO COMPARE FIGURES REGARDING  
GOVERNMENT WORK VERSUS PRIVATE INDUSTRY, THE FIGURES  
ARE LIKE COMPARING APPLES AND ORANGES. FOR INSTANCE,  
IF A ROAD GRADER IS OWNED BY THE COUNTY TO PERFORM SNOW  
REMOVAL IN THE WINTER, IT IS FREE IN THE SUMMERTIME FOR  
GRADING A WATERLINE. SINCE THE MEN ARE ON COUNTY  
PAYROLL ANYWAY, THEY ARE FREE, OR ONLY CHARGED ACTUAL  
WORK TIME ON A PARTICULAR JOB. (I.E., NO CHARGE FOR  
VACATION TIME, FOR THE 11 DAYS OF HOLIDAY PAY AND FOR  
FIVE DAYS OF SICK LEAVE. . .) IN OTHER WORDS, 11  
PERCENT OF THE PAY IS JUST FORGOTTEN ABOUT. BESIDES  
THE BENEFIT PAY OVERLOOKED, WE FIGURE FOR A FULL YEARS

*Senate L. Gr.*

*2-26-91*

*Attachment 2*

9132358045 PAGE.002

WORK, CONSTRUCTION CREWS LOSE AN AVERAGE OF ONE DAY PER WEEK FOR BAD WEATHER. WHERE DOES THE COUNTY MAN GET CHARGED FOR THIS TIME?

AS YOU CAN WELL SEE, THERE ARE HIDDEN CHARGES WHEN YOU ASK THE COUNTY TO RELEASE THEIR FIGURES ON THE PROJECT INVOLVED. NORMALLY IN MOST CASES, THE COUNTIES ONLY TELL YOU WHAT THE MATERIALS COST, NOT THE COST FOR VACATIONS, PENSION BENEFITS OR THE COST OF THE EQUIPMENT INVOLVED.

NOW LET ME MAKE MYSELF CLEAR, WE ARE NOT PROPOSING THE COUNTY STOP DOING MINOR REPAIR OR MAINTENANCE WORK. WHAT WE ARE CONCERNED WITH ARE PROJECTS IN EXCESS OF TEN THOUSAND DOLLARS; ESPECIALLY THE PROJECTS INVOLVING 6 TO 8 MILES OF PAVING; OR BUILDING A LARGE BRIDGE. THOSE INSTANCES MAKE US WONDER IF OUR TAX DOLLARS ARE BEING SPENT EFFICIENTLY.

WE ARE HOPEFUL THAT AFTER WE DETERMINE THE ACTUAL COSTS INVOLVED THAT WE CAN BID ON THE PROJECTS. WE FEEL ASSURED THAT THROUGH ACTUAL ACCOUNTING PROCEDURES WE WILL BE ABLE TO COMPETE ON A LEVEL PLAYING FIELD.

BY PASSING SENATE BILL 186 YOU WILL ASSURE US THE CHANCE TO REVIEW THE FIGURES AND DETERMINE IF WE CAN DO THE PROJECT FOR LESS MONEY. WE BELIEVE ONCE THAT IS ACCOMPLISHED, WE WILL BE ABLE TO SHOW OUR COUNTY OFFICIALS HOW MUCH MORE EFFICIENT IT WOULD BE FOR THE PROJECTS TO BE DONE BY COMPETENT OPERATORS IN THE PRIVATE SECTOR.

AGAIN, I ASK YOU TO SUPPORT SENATE BILL 186 AND I THANK YOU FOR THE OPPORTUNITY TO SPEAK BEFORE YOU THIS MORNING. I WILL BE GLAD TO ANSWER YOUR QUESTIONS NOW.



**HALL BROTHERS CONSTRUCTION COMPANY, INC.**  
GENERAL CONTRACTORS

R.R. 3 HWY. 36 & OKETO RD.  
BOX 166



TELEPHONE 562-2386

MARYSVILLE, KANSAS 66508

TESTIMONY BY R. H. KISTNER, VICE PRESIDENT  
HALL BROTHERS CONSTRUCTION COMPANY, INC.  
BEFORE THE SENATE COMMITTEE OF LOCAL GOVERNMENT  
REGARDING SENATE BILL 186 ON ROADS AND BRIDGES

February 26, 1991

Mr. Chairman, and members of the Senate Local Government  
Committee.

Thank you for the opportunity today to appear before you on  
Senate Bill 186.

My name is Dick Kistner. I am Vice president of Hall  
Brothers Construction Company, Inc. of Marysville, Kansas.  
We are a firm that performs various types of construction,  
Grading, Culverts, Municipal Paving, and specializes in  
Asphalt Paving.

I am appearing in support of Senate Bill 186. I am very  
concerned about the increasing use of County Road crews to do  
work normally done by Contractors in the private sector.

We feel that workers who do a job on a regular basis are  
better able to perform contracting work than those who do it  
only occasionally each year or two.

In one instance that I am familiar with in Cloud County, We  
are not allowed to bid on work that is now done by the  
county. They have their own asphalt plant which is 2 to 3  
times smaller than the one we have permanently stationed at  
Concordia. The county will therefore produce approximately  
1/3 to 1/2 of the material per day that our plant can  
produce.

we feel that our costs to produce and lay a ton of hot mix  
asphalt are considerably less than that of the county if all  
costs are taken into account.

*Senate L.G.*

*2-26-91*

*Attachment 3*

**HALL BROTHERS CONSTRUCTION COMPANY, INC.**  
GENERAL CONTRACTORS

R.R. 3 HWY. 36 & OKETO RD.  
BOX 166



TELEPHONE 562-2386

MARYSVILLE, KANSAS 66508

When we ask to supply the county with Mixed Material for a project they say that our cost is higher than theirs, but they do not show us their costs. We therefore do not know if they are accounting for labor which they have on their payrolls anyway and any extra labor that they may have, fringe benefits, unemployment insurance, workmen's compensation insurance, etc.

We do not know if they are accounting for Equipment Costs such as replacement cost, cost of capital, insurance costs property and liability, and fuel costs per piece of equipment or job. These costs are very significant and they are very real. Equipment is a very expensive item and if it is being used only for a short period each year it becomes even more expensive to own that piece of equipment.

We are not saying that local government should not do normal maintenance operations. But we are concerned that there is more work being done by the local government when it is unnecessary and extremely costly.

Senate Bill 186 addresses that concern. By passing Senate Bill 186 we can review the books and determine if a contractor could have performed that project more efficiently.

Right now most government operations are open for the public to inspect. Private industry has the opportunity to bid on Equipment and Provide Services to the county on a bid basis. However in the area of county construction this is not necessarily the case.

What we are asking for is for the counties to give us figures we can compare. This measure allows us to do just that.

For that reason we are asking you to support Senate Bill 186.

Thank you for your time this morning and I would be willing to respond to any of your questions.

SENATE BILL 186

A BILL OR ACT RELATING TO COUNTY ROADS AND BRIDGES

FROM: Kansas County Engineers Association

PRESENTED BY: T.M. Pickford, P.E.  
Director of Public Works/County Engineer  
Shawnee County

The Kansas County Engineers Association is adamantly opposed to Senate Bill No. 186.

The Bill, as written, amending K.S.A. 68-520 and K.S.A. 68-1116, would dramatically increase the administrative costs of each County in the State of Kansas.

This increase in costs would have to be borne by the tax payers in each County and would provide no increase in services provided by the County Engineers Departments.

For Shawnee County to comply with this proposed Bill, would mean the addition of three (3) full-time personnel to our Department. We would be required to add one Engineer, one Draftsman and a Certified Public Accountant (CPA), to the tune of approximately \$125 - 150,000.00 per year.

For example, the Shawnee County Public Works Department expends between \$450,000 and \$500,000 per month in road maintenance and construction activities.

A typical road sealing or surface maintenance project requires an expenditure of approximately \$6,000 per mile, so every two mile project would fall under the provisions of this act, thereby requiring the Department to file between 35 and 50 Certified sets of plans and reports for these routine maintenance projects. And this is just for one month's activities.

On average, the Department would be filing between 400 and 600 reports per year to the County Clerk.

In addition to the sheer volume of unnecessary paperwork generated in this act, it goes so far as to require the County Engineer to certify the financial reports required under the act.

You can be assured that I wouldn't certify any financial report without it being prepared by a licensed, Certified Public Accountant.

I would also require that the plans and specifications submitted would have to be prepared by myself, as a licensed, Professional Engineer and/or by an employee who is a licensed, Professional Engineer. This would require many of the Counties that do not have licensed Professional Engineers in their employ, to hire this work out to Consulting Engineers and/or replace their Road Supervisors with a Professional Engineer.

The information that would be generated for these reports, plans and specifications, etc. is available in most of the County Engineer's Offices. If it is not present in the County Engineer's Offices, for instance in some of the smaller counties, it would be available through the County Clerk's Office.

The Bill simply generates information that is already available. In most counties, the County Engineers report directly to the County Commissioners. A few counties do report through an Administrator to the County Commissioners.

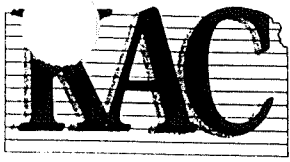
County Engineers are audited, as are all other Departments of County Government, on a routine basis. The County Engi-

neer's selection of projects is monitored directly by the elected County Commission Officials.

The system already has plenty of checks and balances as it is currently set up and does not need this type of Legislation.

It is my personal opinion that this type of Legislation was created to generate political confrontations. The County Engineers are currently operating under 100 State Statutes and we do not need useless Legislation of this type which would serve no purpose except an added burden on the tax payers of Kansas.

PLEASE DO NOT ALLOW SENATE BILL NO. 186 TO BECOME LAW.



**KANSAS  
ASSOCIATION  
OF COUNTIES**

*"Service to County Government"*

212 S.W. 7th Street  
Topeka, Kansas 66603  
(913) 233-2271  
FAX (913) 233-4830

**EXECUTIVE BOARD**

**President**

Marjory Scheufler  
Edwards County Commissioner  
R.R. 1, Box 76  
Belpre, KS 67519  
(316) 995-3973

**Vice-President**

Marion Cox  
Wabaunsee County Sheriff  
Wabaunsee County Courthouse  
Alma, KS 66401  
(913) 765-3303

**Past President**

Winifred Kingman  
Shawnee County Commissioner  
(913) 291-4040  
(913) 272-8948

Thomas "Tom" Pickford, P.E.  
Shawnee County Engineer  
(913) 266-0192

Murray Nolte  
Johnson County Commissioner  
(913) 791-5501

**DIRECTORS**

Leonard "Bud" Archer  
Phillips County Commissioner  
(913) 689-4685

George Burrows  
Stevens County Commissioner  
(316) 593-4534

John Delmont  
Cherokee County Commissioner  
(316) 848-3717

Berneice "Bonnie" Gilmore  
Wichita County Clerk  
(316) 375-2731

Betty McBride  
Cherokee County Treasurer  
(316) 429-3848

Roy Patton  
Harvey County Weed Director  
(316) 283-1890

Gary Post  
Seward County Appraiser  
(316) 624-0211

Nancy Prawl  
Brown County Register of Deeds  
(913) 742-3741

Vernon Wendelken  
Clay County Commissioner  
(913) 461-5694

**NACo Representative**

Keith Devenney  
Geary County Commissioner  
(913) 238-7894

**Executive Director**

John T. Torbert

February 26, 1991

**To: Senator Don Montgomery, Chairman  
Members Senate Local Government Committee**

**From: Bev Bradley, Deputy Director  
Kansas Association of Counties**

**Re: SB 186 An act requiring the filing of project cost estimates and reports.**

The Kansas Association of Counties is opposed to Senate Bill 186. We see this as an unnecessary and very costly added regulation. The public works director in Douglas County tells me that this would include virtually every maintenance operation in the county. The added paper work would be tremendous. Two or three additional persons would need to be employed who are knowledgeable in the generally accepted accounting principles as promulgated by the national committee on governmental accounting and the American institute of certified public accountants. These folks would be unique in that they would also need an engineering technical background. This would be another mandated cost that does not add to the efficiency or timeliness of any project.

There are many discussions in the capitol these days concerning the continuation of the tax lid. In fact the bill that came from the House Taxation Committee puts counties under the same dollar amount as 1990 and takes away all the exemptions of items over which the county has no control. If this bill were passed it would certainly add to the problem.

I would also point out that if this process were adopted, it would require breaking the law every time emergency repairs were needed. Some years spring rains for instance cause the washing out of a bridge or road. There is no way that a cost estimate could be filed 30 days before making emergency repairs.

The county engineers, the county commissioners and the Kansas Association of Counties oppose SB 186. We would respectfully request that it be laid to rest, right here.

**TSBSB186**

*Senate L.G.  
2-26-91  
Attachment 5*

# SENATE BILL No. 25

By Special Committee on Local Government

Re Proposal No. 24

12-28

Proposed by League of Kansas  
Municipalities

Similar amendments to be added to  
Section 2.

### Explanation

10 AN ACT concerning cities and counties; relating to the exercise of  
11 home rule powers; amending K.S.A. 12-137 and 19-117 and re-  
12 pealing the existing sections.

13  
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 12-137 is hereby amended to read as follows:  
16 12-137. Where, under the power of cities granted by paragraph (b)  
17 of section 5 of article 12 of the constitution of Kansas, the governing  
18 body of any city by ordinance proposes to levy for revenue purposes  
19 any tax, excise, fee, charge or other exaction other than *user fees,*  
20 *service charges,* ~~permit fees or license fees~~ for regulatory purposes,  
21 which is not limited or prohibited or a procedure for the levy of  
22 which is not otherwise prescribed by enactment of the legislature  
23 as provided by said paragraph (b) of section 5 of article 12 of the  
24 constitution of Kansas, such ordinance shall require a two-thirds  
25 <sup>2/3</sup> ~~2/3~~ vote of the members-elect of the governing body and shall  
26 be published once each week for two (2) consecutive weeks in the  
27 official city newspaper.

For the purposes of this act, any financial contri-  
bution required of an owner or developer of land  
for the cost impact of public facilities or improve-  
ments shall be levied in accordance with the same  
procedure required for the levying of a tax,  
excise or other exaction.

28 No such ordinance shall take effect until sixty (60) 60 days after  
29 its final publication, and if within sixty (60) 60 days of its final  
30 publication a petition signed by a number of electors of the city  
31 equal to not less than ten percent (10%) 10% of the number of  
32 electors who voted at the last preceding regular city election shall  
33 be filed with the county election officer of the county in which such  
34 city is entirely or primarily located demanding that such ordinance  
35 be submitted to a vote of the electors, it shall not take effect until  
36 submitted to a referendum and approved by a majority of the electors  
37 voting thereon. The governing body of any city may submit any  
38 ordinance providing for such levy to a referendum without petition.  
39 Ordinances authorizing such levies submitted to referendum without  
40 petition may be passed by a majority vote of the governing body  
41 and shall be published once in the official city newspaper.

42 Sec. 2. K.S.A. 19-117 is hereby amended to read as follows: 19-  
43 117. (a) Where the board of county commissioners of any county by

Inserting "or" and striking the first  
"fees" clarifies that the term "for  
regulatory purposes" does not modify  
"user fees, service charges".

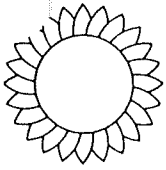
or

Clarifies that what are commonly called  
"development impact fees" are subject  
to the special procedure for levying  
taxes under this act. The words  
"impact fee" or "impact charge" are  
not used in the amendment to avoid  
confusing such a levy with "user fee  
or service charge" or fees for regu-  
latory purposes.

Under this bill, with these amendments, there would be three types of home rule-based  
revenue measures: (1) Service fees and user charges, requiring an ordinary ordinance.  
(2) Permit or license fees for regulatory purposes, requiring an ordinary ordinance.  
(3) Taxes, excises and other exactions, and development impact charges, requiring a  
special ordinance, passed by a two-thirds vote of the governing body, with two publications  
and subject to a petition for a referendum.

Senate L.G.  
2-26-91  
Attachment 6





FEBRUARY 26, 1991

SENATE LOCAL GOVERNMENT COMMITTEE

HEARING ON SENATE BILL 186

TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL COORDINATOR  
JOHNSON COUNTY BOARD OF COMMISSIONERS

My name is Gerry Ray, representing the Johnson County Board of Commissioners and appearing today in opposition to Senate Bill 186.

As true of any organization, Johnson County needs the flexibility to operate in a manner best suited to our needs without unnecessary administrative barriers. We believe Senate Bill 186 implements such extensive reporting that it would require numerous hours of additional personnel time to comply.

According to our county engineer, \$10,000 is a minimal road project. The determination as to whether county employees or a private contractor will do the work is based on the nature of the project and the time frame in which it must be completed.

The bottom line is, we are trying to hold down property tax and in order to do so we need all the latitude possible to also control our operating costs. This bill has the potential to force an increase in such costs.

Johnson would urge the committee to not recommend Senate Bill 186 for passage.

*Senate L.G.  
2-26-91  
submitted 2-27-91*

*Attachment 7*



SMOKY HILL, INC.

GENERAL CONTRACTORS



645 E. CRAWFORD

SALINA, KANSAS 67401

Equal Opportunity Employer  
February 22, 1991

PHONE 913 825-1224

FAX 913 825-7416

Senator Don Montgomery  
Kansas State Capitol  
Topeka, Ks, 66612

Dear Senator Montgomery:

I am writing in regard to Senate Bill no. 186, "Construction by Contract" legislation.

Mr. Bob Totten of the KCA asked me to attend a hearing on February 26, but I will be unable to attend due to a long-standing conflict. I would, however, like to present my thoughts, which are as follows:

I am very concerned because many counties and government agencies seem to be doing their own construction work, and this tendency seems to be rapidly accelerating. The publicity put out by these public bodies as justification for doing construction in-house tends to be spectacular in nature, and I suspect is incomplete, inconclusive, and likely incorrect in many instances. I therefore support bill 186, for the following reasons:

1. The original act, 68-520, addresses the principle of public works improvements to be constructed by private enterprise as opposed to construction by public employees. THE ORIGINAL ACT IS NO LONGER EFFECTIVE, but the issue is as valid a concern today as it was when the act was written.
2. It appears that a purpose of the original act was to provide a means for evaluating the cost and efficiency of construction when done by public employees, and the wording suggests that if job estimates are made before work is started by public bodies that the cost comparison process will be enhanced and made more meaningful. The act as it stands today is NOT EFFECTIVE in insisting that cost estimates be made.
3. COUNTIES, and OTHER GOVERNMENTAL BODIES, should be required to prove just how efficiently they operate. From my own experience I can state that advance estimating and accurate job costing are KEY REQUIREMENTS in controlling efficiency.
4. Full public disclosure of advance job cost estimates by public bodies is required if comparison of costs is to be made between private and public sector construction. My experience to date is that "Headline estimates" are all that are normally available under the laws and procedures as now interpreted. These are notoriously inaccurate and do not provide for any means of study and comparison.

Senate L.G.  
2-27-91 (2-26-91)  
Attachment 8

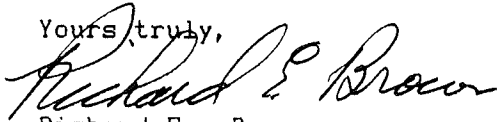
5. It is vitally important that advance job cost estimates and actual job costs be a matter of PUBLIC RECORD if long-term meaningful cost comparison is to be made between free enterprise construction as compared to construction by public entities.

6. I have visited with our Saline County officials about Construction by Contract and the costs when compared to County construction. So far neither myself or other contractors have been able to get enough information to make a comparison. Certain information has been released to the media which makes contractors look bad, but complete information has not been made available, and there is doubt that it exists in comparative form.

I believe this bill no. 186 will significantly improve the ability of county officials to make cost-effective decisions.

Thank you for your consideration.

Yours truly,

A handwritten signature in cursive script that reads "Richard E. Brown". The signature is written in black ink and is positioned above the typed name.

Richard E. Brown  
Pres, Smoky Hill, Inc.