

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT.

The meeting was called to order by Chairperson Nancy Brown at 1:30 p.m. on January 25, 1994, 1994 in Room 521-S of the Capitol.

All members were present except: Representative Packer

Committee staff present: Michael Heim, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Lois Hedrick, Committee Secretary

Conferees appearing before the committee: Representative Don Rezac
Ella Mae Kraus, Treasurer, Wabaunsee County
Marita Elliott, President, Lake Wabaunsee Improvement District
Larry W. Emig, Chief, Bureau of Local Projects, Department of Transportation
Anne Smith, Kansas Association of Counties
Don Hardin, Riley County Engineer

Others attending: See Attachment 1.

The Chairman opened the hearing on **HB 2545**, duties of treasurer of improvement districts located in Wabaunsee County and asked Mike Heim, Legislative Research staff member, to outline the statutory authority given improvement districts. He stated the districts operate with powers similar to third class cities prior to Home Rule; and he briefed the provisions of the bill. Representative Rezac expressed support of the bill and introduced Ella Mae Kraus, Treasurer of Wabaunsee County, who also testified in favor of the bill (see Attachment 2). Marita Elliott, President of the Lake Wabaunsee Improvement District, stated support of the bill (see Attachment 3). There were no others present to testify either as proponents or opponents of the bill; so the hearing was closed. The committee briefly discussed the bill and the Chairman indicated that a representative of the Department of Administration will be invited to appear before the committee to provide information on the authority and operations of improvement districts.

Chairman Brown then opened the hearing on **HB 2639**, concerning joint engineer districts; relating to their creation. Anne Smith, of the Kansas Association of Counties, testified that the Association supports the adoption of the bill. Don Hardin, Riley County Engineer, testified in support of the bill.

Larry Emig, Chief, Bureau of Local Projects for the Department of Transportation, described the Secretary of Transportation's involvement in joint county engineering districts, caused mainly by administering federal funds. He said that presently K.S.A. 68-503 essentially permits formation of joint districts, subject to the Secretary of Transportation's approval, and sets out requirements. He said where joint districts exist, the salary of the engineer is generally shared on a proportional basis according to the assessed valuation.

There were questions about the proposal. Representative Mollenkamp stated that several counties in the western part of the state currently have formed joint districts. Discussion included interlocal governmental agreements which are currently utilized. A question was asked regarding the necessity of the bill since some counties have already formed joint districts. Chairman Brown asked if the bill affects the statutory relationship townships currently have with county engineers. The response was that this would not necessarily alter that relationship. There being no others present to testify, the hearing was closed.

The Chairman then asked if there were any subcommittee reports. Representative Mays presented the report of the Subcommittee on **HB 2570** (concerning Leavenworth; procedure to exclude veterans administration property from the city). The subcommittee's recommended amendments were discussed at length. After discussion, on motion of Representative Wootton, seconded by Representative Ballard, the amendments to **HB 2570**, set out on Attachment 4, were unanimously adopted. On motion of Representative Macy, seconded by Representative Grant, the committee passed **HB 2570**, as amended.

Representative Ballard, chairman of the Subcommittee on the Department of Emergency Preparedness, stated the subcommittee is reviewing Article 9 of the Statutes and has much work ahead.

The committee then reviewed several bills which have been assigned to the Committee. After discussion, on motion of Representative Pettet, seconded by Representative Hayzlett, the committee adversely reported the following bills:

- HB 2105** - Townships; board of county commissioners to serve as governing body.
- HB 2206** - Cities; annexation of certain cities.
- HB 2221** - Douglas county board of commissioners; number of members.
- HB 2264** - Unsafe structures; repair or removal of.
- HB 2265** - Closing of arterial streets; limitation.
- HB 2312** - Contractors required to post bond.
- HB 2333** - Townships; qualifications of officers.
- HB 2334** - Counties; eligibility for office of county commissioner.
- HB 2337** - Eligibility for office of county commissioner.
- HB 2339** - Eligibility for office of township trustee, clerk and treasurer.

The committee continued its review on the bills assigned to it. On motion of Representative Mays, seconded by Representative Alldritt, the committee voted to take **HB 2468** off the table for consideration. Also, on motion of Representative Tomlinson, seconded by Representative Welshimer, the committee approved taking **SB 116** off the table for consideration. After discussion, on motion of Representative Donovan, seconded by Representative Grant, the committee adversely reported the following:

- HB 2467** - Incorporation of city; approval by board of county commissioners.
- HB 2468** - Annexation; limiting cities' ability to annex land subject to previous annexation attempt.
- HCR 5018** - Constitutional amendment requiring state funding of mandates imposed on cities and counties.
- SCR 1610** - Kansas Blue Devil Novice Barbecue Contest.
- SB 116** - Replatting of land located outside a city.

On motion of Representative Wootton, seconded by Representative Pettet, the minutes of the meeting of January 20, 1994 were approved.

The meeting was adjourned at 3:20 p.m. The next meeting (subcommittees) is scheduled for Tuesday, January 26, 1994, in locations announced by subcommittee chairmen. The next meeting of the full committee will be on January 27, 1994, at 1:30 p.m., in Room 521-S of the Capitol.

GUEST LIST

COMMITTEE: House Local Government

DATE: January 25, 1994

[illegible]

Wabaunsee County has two improvement districts, one of which is standard to the fifty improvement districts in the State of Kansas and one that is in a separate class. I am referring to Lake Wabaunsee Improvement District. This district has three funds in my hands and 3 funds in their hands. I carry a separate bank account for the sewer fund in another town other than the County seat where I have the County working account. Collections are brought to me twice a month. The collections^{each} consist of 60 or more checks and some cash. The collections are for miscellaneous labor, trash hauling, sewer user fees and monthly payments for the sewer bond indebtedness. (Most bond payments are arrived from levied tax or special assessment taxes collected on the county tax roll.) I transfer the sewer collections by check and deposit with the services of the U.S. Postal Department. In 1993 I made 24 transfers for deposit.

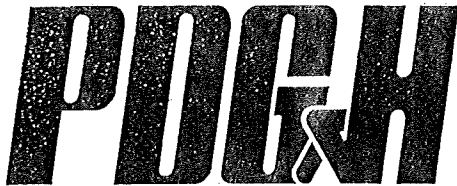
From my sewer account, the LWID Board transfers by requisition order to the Bond Reserve, Principal and Interest and Pump Reserve accounts, bearing their Federal ID number. Thirty transfers were made for this purpose in 1993. Two transfers were made back to the working account for bond and interest payments to the State Treasurer.

Besides the thirty-two transfers and two bond payments, I paid a total of eighty-six expenditures for the General and Road funds from the County working account and one hundred four expenditures for Sewer from the County Treasurers Sewer Account for Lake Wabaunsee Improvement District.

Bill Ervin, Chief, Municipal Accounting Section, Department of Administration helped me with information on the number of improvement districts in the State and the size of their budgets. In doing so he reviewed the budget of Lake Wabaunsee Improvement District to find that it has a budget far greater than some cities in Kansas. The total expenditures for Lake Wabaunsee Improvement District for 1993 was \$301,100.00.

The auditing firm of Pottberg, Dill, Gassman & Hoffman, Chartered are contracted by Wabaunsee County and are of the opinion that the way funds are currently being handled is inefficient and opens the door to several possible problems. I have set up special procedures to handle the funds for Lake Wabaunsee Improvement District as I want to have a good tracking system for anyone to follow and check. This has been time consuming on my part as well as the County Clerk who is obligated to keep a duplicate set of bookkeeping.

I feel the elected officers of Lake Wabaunsee Improvement District should maintain their own funds entirely.



Pottberg, Dill, Gassman & Hoffman, Chartered

Certified Public Accountants

816 N. Washington
Junction City, KS 66441
(913) 238-5166

1119 Westloop Place
Manhattan, KS 66502
(913) 537-9700

February 10, 1993

Wabaunsee County Commissioners
215 Kansas Avenue
Alma, KS 66401

Re: Lake Wabaunsee Improvement District

Dear Commissioners:

I received a letter from Ella Mae Kraus concerning Lake Wabaunsee Improvement District and their wish to become an independent agency. I discussed this with John Strain and both of us agree that this poses no problems from our standpoint and should be a welcome move for the county. The way funds are currently being handled is inefficient and opens the door to several possible problems. Allowing Lake Wabaunsee Improvement District to account for their own funds should benefit everyone involved and I urge the county to consider a move in this direction.

Mrs. Kraus also noted that it may be too late for legislation to be passed this year. Regarding this, John Strain has offered to contact Dr. Alex Scott, Representative of the 65th District, to see if an amendment can be added to any current legislation.

If you have any questions or we can be of further assistance, please contact myself at 238-5166 or John Strain at 238-6451.

Sincerely,

Randy, J. Gassman, CPA

RJG/mln

xc: Ella Mae Kraus

Members

American Institute of
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Accountants

HOUSE LOCAL GOVERNMENT
Attachment # 2-2
1 / 25 / 94

ELLA MAE KRAUS

Wabaunsee County Treasurer
P.O. Box 440
Alma, Kansas 66401
(913) 765-3812 or 765-3440

Memo

TO: Randy Gassman, CPA
Pottberg, Dill, Gassman & Hoffman
816 N Washington
Junction City KS 66441

DATE February 8, 1993

SUBJECT: Lake Wabaunsee Improvement
District

Dear Randy,

The President of LWID has visited the County Commissioners on a prospect of getting special legislation for them to handle their own funds rather than process all their collections and expenses through the County Treasurer.

I would appreciate any input that you might have on this matter. It is not that I am trying to shirk any duties or have less work to do, to me it is a fact that there is too much time spent on this when I have so many other things to do. I can handle the task of taking care of this, but I feel there are probably other things that I need to be spending my time on.

It is probably too late for legislation this year, but would appreciate your response before next Monday. Thank you.

SIGNED

Ella Mae Kraus

☐ Please reply

☐ No reply necessary

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HOUSE LOCAL GOVERNMENT
Attachment # 2-3
1 / 25 / 94

H.B. 2545
Statement by Marita Elliott, President
Lake Wabaunsee Improvement District

January 25, 1994

Honorable Members of the Kansas Legislature,

It is a privilege to address you on the subject of H.B. 2545 that is before you. I speak in favor of this legislation, and I wish to thank our representative, Don Rezac, for presenting it to you at this time.

My name is Marita Elliott. I have been elected to serve a two year term on the Board of Directors of the Lake Wabaunsee Improvement District. I have been chosen to be president by my fellow board members.

For those who do not know, Lake Wabaunsee covers about 500 surface acres and is located in almost the center of Wabaunsee County. Wabaunsee County borders Shawnee County immediately to the west. Our lake community consists of about 220 houses or cabins and we have about 200 people living full time at the lake. This lake was built in the late 1930's and people such as Governor Walter Huxman, Secretary of State Paul Shanahan and other state officials owned property at the lake at one time. Unlike Corps of Engineers lakes, individual families can own property to within 20 feet or less of the shore line -- so you can station your boat almost at the front door if you wish. The City of Eskridge draws municipal water from the lake and controls several parks and picnic areas.

Lake Wabaunsee is in the process of changing. What used to be basically a fishing and boating lake used by "week-enders," is now home to families. It is one of the fastest growing areas in Wabanusee County. The valuation of property within the Lake Wabaunsee Improvement District is \$1,015,988. In our county, among municipalities, that ranks us behind Alma and Maple Hill, but more than Eskridge, Paxico, Alta Vista, Harveyville and McFarland -- all incorporated cities.

The Lake Wabaunsee Improvement District was formed to maintain our roads. About three years ago we took on the additional chore of building and operating a sanitary sewer system and we offer trash pickup on a weekly basis. Our board of directors meet once a month and generally do business in front of 15-25 interested fellow citizen of the lake community.

There are four points I wish to make:

1) The motivation to have us take over our own books came from the county treasurer at the request of the official auditor. We did not seek out this additional task, it came to us. I believe our county treasurer will agree that our improvement district acts very much like a municipality, and the amount of work we have generated has placed a burden on the time of the county treasurer's office.

2) We are ready and able to assume the additional duties associated with taking over our own books. We have a computer in house and will purchase a software program. One has already been recommended by our auditor.

3) We presently have a voucher system. We intend to continue the voucher system so there will always be a check-and-balance bookkeeping system in place. It is now and will be in the future, open to the public.

4) Our books are audited annually by a CPA firm and we intend to continue this practice. This is a necessary safeguard for the citizens.

Thank you for this opportunity to speak in favor of H.B. 2545. I will be happy to be questioned by you at this time.

HOUSE LOCAL GOVERNMENT
Attachment # 3
1 / 25 / 94