

**STATE OF KANSAS                    )**  
**WYANDOTTE COUNTY            )) SS**  
**CITY OF KANSAS CITY, KS )**

**SPECIAL SESSION, THURSDAY, DECEMBER 6, 2018**

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, December 6, 2018, with eleven members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District (arrived at 5:20 p.m.); McKiernan, Commissioner Second District; Murguia, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO presiding. The following officials were also in attendance: Doug Bach, County Administrator; Ken Moore, Chief Legal Counsel; Bridgette Cobbins, Unified Government Clerk; Joe Connor and Melissa Sieben, Assistant County Administrators; Mike Taylor, Public Relations Director; Emerick Cross, Commission Liaison; Lynn Melton, Assistant to the Mayor; and Officer Doleshal, Sergeant-at-Arms.

Also present were Representative Kathy Wolfe Moore, Representative Stan Frownfelter, Representative/Commissioner Tom Burroughs, Representative Pam Curtis, and Senator Pat Pettey.

**MAYOR ALVEY** called the meeting to order.

**ROLL CALL:** Philbrook, Bynum, Burroughs, McKiernan, Murguia, Johnson, Kane, Markley, Walters, Alvey.

**NOTICE OF SPECIAL SESSION** of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, December 6, 2018, at 5:00 p.m. in the 5<sup>th</sup> floor conference room of the Municipal Office Building, for a legislative dinner/program.

**CONSENT TO MEETING** of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in

such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

**Mayor Alvey** said tonight we will hear a presentation regarding the 2019 Unified Government Legislative Program.

**Doug Bach, County Administrator**, said we're glad to have our Senator and Representatives with us this evening. As we go through each year we try to formulate the different thoughts for our community as far as the areas we would like to support or if there are any new legislative issues we would like to promote. We appreciate the opportunity of you coming this evening to allow us to present those to you and then have any open dialogue about some of those issues.

**Mike Taylor, Public Relations Director/Legislative Affairs Director**, said we will go over a short presentation looking at the major issues on what we call our priority agenda and then we will open it up for discussion.

A presentation slide titled "2019 Legislative Landscape" with a teal and dark blue background. The title is in white text on a dark blue rectangular background. Below the title is a list of seven bullet points in white text on a teal background.

## 2019 Legislative Landscape

- Democratic Governor
- More Conservative House/New Majority Leader
- School Finance
- Medicaid Expansion
- Transportation Plan
- Sports Betting
- Legalized Medical Marijuana

First, I would like to give you a little bit of a look at the 2019 Legislative Landscape. As a result of the elections, probably the major change is we now have a Democratic Governor Laura Kelly

who will be sworn into office and take over in January. That's after eight years of Republicans in the Governor's office so that will clearly lead to a change in thought and direction.

The interesting thing is we will also have a more conservative House of Representatives. A new majority leader was elected who is a bit more conservative than the previous Republican Majority Leader. Some of the big issues we will have to deal with are School Finance, Medicaid Expansion will be back on the table again this year and we will talk in a little bit more detail about that.

Transportation Plan, we've just gone through a visioning task force and they will be recommending a new 10-year Transportation Plan. We will talk more about details of that because we will be supporting that, specifically a particular project in Wyandotte County which was not named by name, but we're going to work to try to see if we can't get that done.

Sports Betting will also be an issue, so we will talk about that as we get into our agenda and what we would like to see on that and an issue that has been around for three or four years, but we think may get some traction this year is the legalization of Medical Marijuana. Not typically a local government issue, but we've got a local government angle on that that we will talk about.

## Unified Government Priority Issues

### • **Property Appraisal Reform**

The Unified Government favors procedural changes to the tax appeals process that are balanced and sensible for both the taxpayer and local governments. County governments should be allowed to appeal property tax decisions to District Court, the same as the taxpayer is allowed. **State law should be changed to clearly indicate fair market value does not include a hypothetical lease fee.**

The first issue of our priority issues is Property Appraisal Reform. The Unified Government, and we've had this language before, we are supporting procedural changes to the tax appeals process

that are balanced and sensible for both the taxpayer and local governments. Some things were done a few years ago that we think put local governments in actually a disadvantage in this entire process. One of those things is we used to be able to appeal property tax decisions to the District Court. We were prohibited from doing that although the taxpayer is still allowed to do that, so we would like to see a change that says both parties could appeal to District Court. Right now, the only option the local government has is to jump straight to the Court of Appeals.

The other new language which is being supported by counties across the state is in the bold print in the last line. “State law should be changed to clearly indicate fair market value does not include a hypothetical lease fee.” That’s the technical term for what you may have heard as the “dark store theory” and that is a theory that has gotten a lot of traction in the past couple of years. Johnson County has experienced it, we’ve seen it here in Wyandotte County, a couple of cases. The theory is that a big store could be doing \$100M a year in sales, but it should be appraised as if it’s an empty vacant store because it’s just a building and they disregard what goes on inside that building and the Board of Tax Appeals has leaned that way. There are a number of tax attorney’s that have been able to bring cases and get tax values lowered significantly based on that so-called “dark store theory” or hypothetical lease fee. We are going to, as counties across the state, recommend the UG support this as well trying to get it clarified that fair market value should not include the hypothetical lease fee.

**Mayor Alvey** said as this is discussed in the legislature, can we make the point that, for instance, a tax abatement project—an economic development project incentivized by tax abatements would no longer really be workable or would it? In other words, when we calculate that into the formula, do we base it on a hypothetical lease fee or do we base it upon what that building will be used for and what we expect those—**Mr. Bach** said I will take that, Mayor, because that’s a great point. If we’re to do an IRB, that tenant person that’s coming into it certainly looks at it from a full valuation of that building as they’re using it. You start at 100% valuation and you may do an abatement for all of it, but you’re working off of the full value and then if you do anything percentage from there on, so you’re right on. Every time you work with a new development they’re assuming it’s in full use. **Mayor Alvey** said with those projects that are already completed that were brought to fruition through a tax abated property, would it not invalidate the agreement because the revenues are based upon what we agreed to and if that is no longer on the table, then it no longer works as deal. **Mr.**

**Bach** said you couldn't make the adjustment on an IRB because that's in our agreement, so this really doesn't apply to something like that. If you do a TIF and then you're allowing for dollars to come back into it from a property tax TIF, you can't preestablish what the tax value of the property is.

**Mr. Taylor** said another interesting point about that, Mayor, that's been made is if you're the business, you would not go to the bank and be able to get a loan based on a hypothetical lease fee. This building is worth nothing or it's worth what it would be if it were empty. You're not going to go to the bank and try to get a loan on that, so we're going to try to get that corrected because we don't think it's a fair process.

## Unified Government Priority Issues

### • **Medicaid Expansion**

The Unified Government supports the expansion of Medicaid. The refusal of the state to expand Medicaid increases the burden on local governments to plan and fund health care for the poor. Wyandotte County has an overall uninsured rate of 19% compared to 12% in Kansas. Refusal to expand Medicaid burdens local healthcare facilities with providing tens of millions of dollars in uncompensated care every year.

Medicaid Expansion; we've seen this one for several years. We've got some new energy behind this again. Two years ago, in 2017 the House and the Senate both passed Medicaid Expansion and Governor Brownback, at the time, vetoed it. There was an override attempt that failed by three votes in the House and two votes in the Senate. I've been meeting with some of the folks working to push this. In fact, we had a conference call today, so the landscape has changed a bit. The sense is that given the shift as a result of the election, we may have lost 10 votes in the House and probably two votes in the Senate. That's still enough to pass it though and we do have a Governor who has said she will clearly not veto it. So, there is renewed hope there. The importance of this

issue, as we point out there, is that overall in Kansas there are 12% of our citizens that are uninsured. In Wyandotte County that number is 19%. Even though we've made some great strides in the past few years of getting people through the Affordable Care Act, registered for insurance and on in insurance, we still fall behind other counties.

The other thing to point out is, and I don't remember the exact numbers, and Representative Wolfe you may know, but KU Hospital and Providence write-off tens of millions of dollars a year in uncompensated care because people go and they're uninsured. I don't remember that exact number.

**Representative Kathy Wolfe-Moore** said systemwide for KU Health System is between \$22-\$25M that we have to write-off because they are not covered. Now, certainly, they wouldn't all be covered by Medicaid Expansion, but a good number of them would. The other thing I might add is that although we have the numbers, I think the difficult part is going to be getting on the floor because in the past couple of years leadership has kept it from coming to the floor because they knew we had the votes. So, that still remains to be seen how we actually get it to the floor for a vote. **Mr. Taylor** said I agree. I was going to point that out. I think the biggest concern is, particularly with the change in leadership in the House with the new Majority Leader, he is a Representative out of Wichita, he had chaired the Health Committees in the past and is very resistant to expanding Medicaid. He is now the Majority Leader and he in large part controls the debate agenda, so the tricky part may be actually getting, as you point out Representative, to an actual floor debate and vote. That will be perhaps the biggest challenge on that, but Wyandotte County has made this a priority issue for I want to say four or five years now and I'm recommending we continue that.

## Unified Government Priority Issues

- **STAR Bonds and Economic Development**

STAR Bonds have proven to be one of the most effective economic development and job creation tools in the State of Kansas. The Unified Government encourages the Kansas Legislature to continue a workable STAR Bond policy with maximum flexibility and without unnecessary restrictions. The Unified Government encourages the Kansas Legislature to work with local governments in developing innovative economic development tools.

STAR Bonds and Economic Development; we think there could be some attempts again this year mostly from the Senate side. That's where it's been in the past couple of years to do reforms on STAR Bond policy. There has been some criticism of some things that have been done both here and in other cities around the state and there are some Senators that are critical of the way STAR Bonds are used and would just as soon actually see them go away, quite honestly. That's not a majority opinion in the State Legislature, so our position is that we need to protect STAR Bonds. They have been hugely successful for this community and we keep that a very workable tool and not put so many restrictions on it that it becomes an unworkable tool. That would be our position and that's been the same position we've had for a number of years.

## Unified Government Priority Issues

### • **Comprehensive Transportation Plan**

The Unified Government supports implementation of a new Comprehensive Transportation plan which includes funding for the needed improvements to the I-70/Turner Diagonal interchange and increased State funding for transit. The improvements to the the I-70/Turner Diagonal will spark \$150-million in private investment and create more than 2,000 new jobs.

The Comprehensive Transportation Plan, as I mentioned, it is expiring. A task force of 30 to 40 people, citizens and legislators, have met over the summer. The Unified Government testified in front of that committee, recommended projects, particularly our I-70/Turner Diagonal Project. We got a lot of support for that project because of, as you can see in the last line, the economic development returns it would bring. It would result in a \$150M private investment for a new development and create more than 2,000 new jobs. The problem is every city in the state had a project or several projects that they wanted done. What the task force is basically recommending is that the project be funded, that the preservation or that the maintenance of highways continue and that the 21 projects that got dropped from the current program because of, quite honestly, rates on the funding that left the program without any funding, be picked up first and then they talk about new projects. That will be our challenge that we clearly support approval of a new Comprehensive Transportation Program. I would think the key is, can we get our project in there before the next eight or ten years.

**Mayor Alvey** said here's the latest update. I received a voice message today from Senator Moran and also communication from Congressman Yoder that in fact the Turner Diagonal has been funded at \$13.8M Department of Transportation. So, thanks to, again, our people in Washington who have been pushing this forward and all of you who have kept pushing this, but that is great

news and there will be \$150M in private investment at that location, so that's good news. **Mr. Taylor** said that is very good news.

**Senator Pat Pettey** said I might just add I had the opportunity to serve on the Transportation Task Force and, yes, it was a very dedicated group of 35 people. I think 13 from the Legislature and then the rest were from the industry or labor and we traveled all around the state. One of the things, and you're exactly right, the first priority is to finish the 21 projects that were not completed under T-WORKS along with preservation, but a continued conversation in the last two days and throughout was about economic development and the whole thing about partnerships. That is one thing that would be exhibited very strongly with this project with the \$150M of private investment and then the money that's coming from the feds, so a positive for that.

## Unified Government Priority Issues

- **Budget Timeline**

The Unified Government supports legislation to allow the adoption of local government budgets by November 30, but keep the August 25 deadline for certification of the amount of ad valorem tax revenue needed.

**Mr. Taylor** said this next item is fairly technical and kind of boring, but it is an important one to local governments. The way the budgeting process works is given the timelines proposed by the state we're largely trying to predict a budget 15 to 18 months ahead of when it actually goes into play. The League of Kansas Municipalities, and I'm recommending we join in their support of this, is legislation that would change those budget deadlines so that we would not have to adopt our budget until November 30<sup>th</sup> of the year. We would still by August 25<sup>th</sup>, which is the current

deadline for having the budget sent in and certified, we would still need to certify the amount of tax revenue in effect the mill levy—the tax revenue we would need, but then we wouldn't have to actually adopt that budget until November 30<sup>th</sup> buying us another two or three months in order to discuss budgets and programs and how that will be spent.

This is kind of a compromise because the County Clerks have to certify those budgets and in most counties in the state they're also the election official. They have objected in the past for just changing the deadline saying we can't get your budget certified and run our local elections and do all of that in that kind of timeframe. This is a compromise that was kind of worked out with all those County Clerks to say what if we still certify by that date, but then we can take more time to actually get the budget for the Commissions or City Council's to actually adopt the budget. I've talked with our CFO and she is very supportive of this and so I'm recommending that we support that as well and there will be legislation introduced to do this. That's why I put it on the priority issues because we will see legislation to do that this year.

With the Tax Lid that's in place, this also gives us a little more leeway there because it's not been an issue for us, but in some communities if they've exceeded those revenues, they have to go to a public vote because of the Tax Lid. This, again, helps with all that timing.

## Unified Government Priority Issues

### • Internet Sales Tax Collections

The Unified Government supports State legislation establishing a program to collect State and Local sales tax from in-state purchasers. Remitted taxes should be distributed using existing methods for State and Local governments.

Internet Sales Tax Collections; this is an issue, again, it has been around for a long time. The Supreme Court of the United States ruled just this year in a case called Wayfair which has come by the Wayfair decision that in fact states and local governments can impose sales tax on internet sales, the local and state sales tax on internet sales. That overturned what was known as the Quill decision which came back in the late 80's, early 90's and it mostly focused on catalog sales before the internet really existed the way it does. One of the arguments that was made was that the taxing structure for internet sales was very unfair to brick and mortar stores, our local hometown stores, who have to charge that sales tax, but then you can buy in affect the same product on the internet and not have to pay sales tax. Now we will be able to impose sales tax on those sales that are collected in Kansas. The legislature will have to act on that. The recommendation that we're making is that we've clearly supported this in the past.

The key here is we want to make sure that the local sales taxes get remitted to local governments because the way this could get structured is the state could say yes, we will impose an average fee for the state at 6.5% in state sales tax. We'll just impose that, you pay that, and we will keep the whole thing. We want to make sure that whatever happens that those sales tax revenues are distributed back to local governments.

**Mayor Alvey** said listening at the Chamber of Commerce and their legislative agenda, this is important to them, but there is an issue with this because if each locality imposes its own sales tax, how do you as a small business selling across the country, make yourself aware of and impose the sales tax commensurate that applies to each locality. It would seem to me that the state would jump in and say we're going to have a blanket one size fits all sales tax. That's why it's really important and we say okay, yes, but these revenues need to come back. **Mr. Taylor** said yes, and I'm aware of the Chambers position on that. I've left this a little bit open-ended to say it doesn't have to necessarily be the KCK, Wyandotte, or a Legends sales tax. If the state wants to impose kind of an average tax, that's fine, there are established formulas in which that revenue can be divided and sent back to the locals and that is what we would ask as well. I think that keeps us in a position where we can kind of go this way or that way and still agree with what the Chamber is saying.

## Unified Government Priority Issues

- **Marijuana Legalization**

If the Kansas Legislature chooses to legalize the sale and use of marijuana, local governments must be allowed to collect local sales taxes on those sales.

The most fun item probably, and I wish Senator Haley was here, because he has promoted this for a number of years, as has a Representative out of Wichita. Given what Missouri did and the fact that 32 other states have done this, it's likely that there will be a little more traction on legalization of marijuana, at least medical marijuana. This was suggested by one of our commissioners that we discuss this issue. The way I've worded this, and I'm open for discussion, is that if the Kansas Legislature chooses to legalize the sale and use of marijuana, local governments must be allowed to collect local sales taxes on those sales. If the legislature would approve medical marijuana and we have a shop that opens in KCK, our point is that we should be allowed to impose our local sales taxes and get those revenues the same as if they were selling any other product.

We toyed with the idea—this avoids us saying we actually support the legalization of marijuana, but it says if it is going to happen, we should be able to get those revenues. That one may spark some discussion, it may not, but I think the issue is going to advance this year.

**Commissioner Johnson** asked which way is the legislature leaning right now? **Mr. Taylor** said I would ask legislators to comment on that. They are probably closer to it than I am.

**Representative Stan Frownfelter** said it passed the House. The oils passed the House a couple years ago and it failed in the Senate. It didn't get anywhere in the Senate. I believe it's getting to

a time with Oklahoma, like we just said, Oklahoma, Missouri and Colorado around us that there is a good chance they don't want to hear this before the next election and they might go ahead and give us medical marijuana.

**Commissioner Bynum** said just a question because, Representative/Commissioner Burroughs, did you indicate that maybe there is a known projection of what tax collections could be on a product like marijuana. **Representative/Commissioner Burroughs** said I don't know that our Revenue Department has stated that specifically, but all you have to do is look at those states that have that are very much like ours in population. California is not a good comparison because it's such a large state my population, but you take a state like Colorado who is one of our border communities and then we will have Missouri on the other side. We can take actually a city out of Missouri that will reflect pretty close to the population that we have, and we will be able to generate the type of projections that we believe—I know some of these other states have right off the bat picked up \$40-\$50M in the first year easily in revenues. If you look at it over a period of ten years, which we have a tendency to do when you talk about the ancillary opportunities that come with the expansion of a product like that, we could see anywhere between \$250M to a billion dollars over a 10-year process.

**Commissioner McKiernan** said just a curious question. Does the federal government allow this money from these sales to be banked? How do we collect this tax if it were to be approved? I'm just curious. **Mr. Taylor** said there have been ways that—technically, no, it's still a controlled substance under federal law and I guess my answer to that would be they figured a way out to do that and I think with 32 other states allowing it, there are models out there that Kansas would look at on how to actually do that. **Representative/Commissioner Burroughs** said a clarification, are we talking about medical marijuana or are we talking about recreational and legalization of marijuana. **Commissioner McKiernan** said I didn't think the law distinguished between its use. **Representative/Commissioner Burroughs** said there is a distinguished between the use with medical marijuana versus the use of marijuana recreationally. One is a criminal activity. The other one is endorsed by a set of rules and regulations dealing with controlled substances. **Mr. Taylor** said I think in terms of the environment for this I think it looks better than its looked in past years. A couple of things, last year the legislature did approve CBD oils to be used. That's

the oils that minus the THC, which is the component of marijuana that gives you that intoxication or that high, dozens of CBD shops have opened around the state since that was legalized. The legislature also approved industrial Hemp as an agriculture crop, not the same as marijuana, but that has been resisted for years. We're seeing an incremental step toward approving this and that's why I wanted to put it in and, again, aim it toward the revenue side of the question.

## Unified Government Priority Issues

- **Expanded Gaming/Sports Betting**

The Unified Government supports the legalization of betting on sporting events. Local governments should receive a share of the revenues generated by expanded gaming.

Also speaking of revenue, a meeting just this week, we will see legislation. I think it will be quickly and readily approved is sports betting. Of course, they call it Vegas the Sports Book, so you can bet on athletic events and that kind of thing. Again, the question here is local government seeing a share of those revenues. If, for example, in our community the Hollywood Casino, it's allowed, and they would open a sports book, we think we should be able to get some revenue from that. We're not distinguishing at this point exactly how that revenue would come, if it would be counted as part of the total, percentage we would get from all betting at the casino, whether it would be an additional tax. I know an expert that came before that committee, the Federal and State Affairs Committee, said he thought a 6% to 6.5% sales tax would not be unreasonable on Sports Book betting.

The biggest discussion I think we'll see is will it be on-site betting or we will allow mobile apps or online betting and there seems to be a lot of concern about being able to pick up

your cellphone and go to an online app and bet. The flip side of that is, there's a lot of illegal betting sites out there, considered illegal, because it has not been legalized in the state and will people be driven to those sites because it's easier than having to drive to a fixed location. Those are all things that will be discussed, but I would predict pretty confidently that in some form Sports Betting will be approved this legislative session.

Again, our key, I'm focusing on the locals should be able in those revenues particularly if it's happening in our community.

## Unified Government Priority Issues

### • **Property Tax Lid Election Process**

The Unified Government supports repeal of the tax lid. If repeal does not occur, the Unified Government supports additional exemptions to make the law more workable and replacing the current election process with a protest petition. The current election procedures do not coordinate with local government budget timelines and are unworkable. The costs of holding an election are excessive and unnecessary.

Tax Lid; out of stubbornness and I think just philosophy, we say it should be repealed. We know that's not going to happen, but we would still like to see some additional exceptions and some more flexibility added to the Tax Lid that makes it more workable because, quite honestly, it's not workable. Now, fortunately for our community, you all as elected officials have been reducing the mill levy for three consecutive years, so it's not been an issue for us, but it has been in two or three communities around the state and will likely be an issue in more communities as time goes on. We're still going to continue to work that issue.

**Senator Pettey** said from the Transportation Task Force we really had quite a bit of discussion about the Tax Lid and some had a hard time understanding why the legislators in the group said

it's not going to go away. I know it's going to be reflected in the report that there should be the ability for recognizing the cost of infrastructure and that should be outside the Tax Lid. **Mr. Taylor** said yes, I agree. I was there and heard a lot of that conversation. I think one of the things that the Task Force said they would like to see is more local contribution to major projects and the question was raised, how can the local government contribute more to an interchange project if they're under a Tax Lid. That's kind of where that discussion revolved around. You're exactly right Senator.

**Mayor Alvey** said I will say other Mayors have mentioned that in their communities they have actually not moved to reduce the tax levy—mill levy because they don't know if something happens if they would be able to recover funds that they need. So, it is actually working against tax reduction in some places.

## 2019 Legislative Issues

- **Law Enforcement Discretion**

Local government must have discretion in establishing law enforcement vehicle pursuit policies and the ability of law enforcement officers to use discretion in determining when to make an arrest.

**Mr. Taylor** said this is an issue that legislators will see. It has kind of surfaced based off of a court case that a lot of attorneys that I talked to disagree with and think the court made an error. It was a Court of Appeals case, but it has to do with a Tort Liability and immunity that local governments have in terms of—regarding police chases whether that is a discretionary activity or not. The Attorney General is displeased with that ruling. He has actually appealed it to the State

Supreme Court, but I know the League of Municipalities and the counties are going to carry legislation here that would try to correct this problem. The downside here is if a police officer gets in a pursuit or a chase and something happens, our liability we basically could be vulnerable for all kinds of lawsuits over that which we wouldn't be otherwise. It's to correct a decision that many think many think was a bad decision by the court and we think we can get that fixed.

## 2019 Legislative Issues

### • Medical Charges

The Unified Government believes the the first person responsible for the payment of medical costs should be the individuals in custody. The entity charging the crime should be responsible in the event those costs cannot be recovered from the person charged with the crime. The UG supports the pooling of resources between all State and Local law enforcement agencies.

Medical Charges; this is also a law enforcement issue and it has been a case that Wyandotte County has experienced in the past and so have a number of other cities in terms of if someone is in custody, and let's say they suffer a heart attack or they're diagnosed with cancer while they're in custody; who has to pay for that medical care. That's been an issue about which entity should be charged or sent that medical bill. There will be some legislation that would try to clarify that to make it clear that the arresting agency or the charging agency should be the one that has to take care of those medical costs. Again, the first person responsible for the payment should be the individual who is in custody and this ties again back into Medicaid and whether they're eligible for Medicaid and if Medicaid would pay on those costs and also what kind of billing rate the local government, if we do have to pay costs, would be billed. It should be billed at Medicaid rate. There will be legislation introduced to try to clarify that. I'm recommending we support that.

The last line is an interesting concept that I guarantee won't happen this year, but there has been some discussion about all the law enforcement agencies in the state basically pooling creating a liability pool that if there is an extraordinary case of medical cost that there is a pool there to help cover that. We've heard some cases of some very small cities in Kansas that have had huge medical bills from someone in custody and it has nearly bankrupted the city because they just can't afford that. That's not going to happen this year, but there could be some discussion about that.

## 2019 Legislative Issues

- **Municipal Utilities**

The Unified Government supports the ability of cities to operate municipal electric, water, sewer, storm water, solid waste, telecommunications and broadband services. We further support the ability of cities to set and control the rates of municipal utilities. The Unified Government supports continued local control over power supply decisions.

I mention this last one because there will be a strong push on Municipal Utilities and it would be the deregulation or as the phrase has been called for years retail wheeling or consumer choice. There are some pretty active organizations out there that would like the ability of consumers to pick which electric utility they would like to have serve their house. You might be in Westar territory or you might be in KCP&L territory, you might be in BPU territory; but you as a consumer could say no, I want x, y, z utility to supply the electricity to my house. We're keeping an eye on that closely and recommending—this is language we've had before particularly about local control over power supply. The reason that I've included this is because we do see some political movement to make this happen and while consumer choice would be great, it could have some

huge repercussions on BPU and our revenues. Mayor, I will look to you because you're more knowledgeable about this.

**Mayor Alvey** said this is why municipal utilities work because they have this authority already. Anything that would limit that or take it out of that realm of the public realm, really works against the whole purpose of public utilities. I guess, and I don't know if it's going to be the next slide, but the very next item on our agency says Public Property in Rights-of-Way and that kind of goes to the heart of this issue of 5G small cell deployment. There is a move at the federal level from the Federal Communications Commission to simply dictate to municipalities, localities, how they can—basically giving the telecommunications companies the power to simply site their small cell wherever they want even if it's in the right-of-way and to even come up with perhaps a flat rate for this small cell deployment. The argument is made—they make the argument that if we don't go to a uniform application of the procedures and take this away from local governments, it's going to inhibit the development of 5G. They have never provided any evidence of any locality actually hindering the deployment of 5G, but this is simply a way for them to save the cost of coming to us and saying—working on an agreement with the BPU or the Unified Government, whoever the right-of-way or the poles.

I'm assuming the next item covers that. I think it would be helpful to name 5G deployment and that issue so that we can move on it. **Mr. Taylor** said we can do that, Mayor—yes, we do have that item here and it says specifically local government and the citizens they represent should be allowed to control and manage public lands and right-of-way as they see fit. This includes collecting franchise fees or other revenues from private companies or individuals would use public lands for personal benefit or profit. **Mayor Alvey** said it should include public facilities including such things as utility poles. **Mr. Taylor** said I can make that a little more detailed, but that's the point of that, I agree, because you're right; we are seeing that, and I've talked with Mr. Richardson—**Mayor Alvey** said this is a very general statement. I think we have to be specific that this is what it's really looking towards.

**Mr. Taylor** said those are the points that I wanted to bring to your attention. Now I would like to open up for any further—we've had some good questions, any further questions or just discussion.

**Mayor Alvey** said I would like to go to page 4, Casino Gaming. The Unified Government supports legislative measures which assist The Woodlands in reopening as a gaming facility and then it continues so long as The Woodlands makes a good faith effort to negotiate a developer agreement and master plan for overall development of The Woodlands site. My problem with that language is after the so long. I think we are assuming that the owner of that property does not want to fully develop the property and that we are asking them to put together a master plan because we're trying to protect our interest there, our property there. I would like just some public description of why that clause is in there and why that's necessary because I think if we left it the Unified Government supports legislative measures which assist The Woodlands in reopening as a gaming facility, that's enough to be said. To ask the state to enforce our desires for a master plan I think is a stretch. **Mr. Taylor** said the background on that was that for several years the UG's position on The Woodlands was no, we don't support your reopening. That changed about three years ago to something that was very similar to this that we would support—give our support to legislation to allow The Woodlands to reopen if the benefits produced by The Woodlands were on par with those produced by the Hollywood Casino and that was trying to juggle those interests. That position has migrated some to the degree of even just a year ago we were saying we want you to work with us on developing the rest of that land and not just opening a giant slots parlor so that's how this language—that's the history of it for about three years and how this evolved through Commission action and discussion.

**Commissioner Kane** said, Mayor, I've seen multiple plans that they came up with that they wanted to come and do, and they got beat in the House and the Senate, but they have a well-defined plan. I've seen it multiple times. They have even added to it since the first time I saw it. I would love to see The Woodlands open back up and so would the district.

**Representative Frownfelter** said if you look at it right now, we're getting a lot of revenue out of it. It looks like it would be—commonsense would say they're going to start with something, it has to go through Planning & Zoning before they can build it, so I mean they're going to have a say into it no matter what. I think we've crippled it over the last few years by some legislation and getting a little tougher on it. I think it's something we need to open up. As Commissioner Kane

said, I've seen a master plan. I think a few of us have. It is very nice, it was very well put, it was a PowerPoint and it would be a great asset to the community.

**Mayor Alvey** said I understand why we would want a master plan is because the original impetus of The Woodlands was this was going to create development. It didn't happen. The development around it did not occur. When the Speedway came in the idea was we're not going to make this mistake again, we're going to create an entertainment district, 400 acres, and the Commission at that time went through all the work, very difficult work, with the citizens to eminent domain or buy people out and it was very successful. To say that we're not for the gaming—reopening The Woodlands unless they do a master plan, again, I just think that's a stretch.

**Representative Pam Curtis** said maybe master plan is not the right word. I think what we were trying to do in the legislature was just to protect and make sure that you didn't have a developer that came in. We used the example that we've had the experience where there was little control by the local government of what was developed, and we've had the trailers with slot machines in it. I think what we were trying to do is just figure out what we could then legislatively do just to make sure that any development that came forward—because it's not like they own a corner. They own a huge amount of acreage and so we felt there should be something there that ties them locally to make sure you don't just have slot parlors get pulled in there. So, maybe master plan is not like the right word, but maybe there would be some other kind of thing that we could offer that then would just make sure that if they are asking us to change the revenue share that we get on the slots, then there should be some commitment in return for that, that it is a good quality development, something that we will all be very proud of.

**Commissioner Bynum** said I'm pretty sure it's 300 acres. Am I right, Commissioner Kane, so it's a big area. I kind of lean toward maybe not a master plan, but a development agreement. That is my recollection of what we locally were asking for in the past was just the opportunity to have an agreement. **Commissioner Kane** said when I talked to them where they talked about it, I don't know where the ball got dropped. They were talking about going in and fixing up The Woodlands, the building itself, and then across where the empty parking lot was building like a thing for kids to do the baseball, the football, the volleyball and then there was going to be regular restaurants,

nicer restaurant, super nice restaurant. They were going to donate all kinds of hours to all nine high schools in Wyandotte County to do the practicing and stuff like that and then after that they would charge them. The plan they had was probably the most sophisticated plan that involved gaming, food, entertainment, and something for all our kids to go do. I've been 13 years and nobody else has ever come to the table and offered all those qualities at one time and when it got shot down—when they were asking me about it I'm all for it. They got excited and said we will build this first and I think what the concern was you're going to have to build this one now, get it done, go to the next one and get it done, but the first thing they would want to do is get the gaming going. We're losing an opportunity and a lot money and a lot of jobs. Some of those jobs pay quite well. I don't know why we wouldn't want to pull that money in and we're always trying to expand our base Mayor. We've got a whole great big empty lot out there that we could utilize.

**Mayor Alvey** said I'm going to recommend that, if we could for the time being, strike that last clause, second clause, but also work this with staff to make sure that the Unified Government interests are protected here, that we have control over how this development—I'm not sure what this would like that. I don't think it's the right venue to do it. I'm going to go back to Representative Frownfelter's point. This will still have to come through Planning & Zoning. It will still have to go through our processes. Now, whether that will give us sufficient control to ensure we get the kind of development we want there, that's another matter. If we have to restore this language in order to protect our interest, then we will get to that point. At this point I just ask that we strike that language.

**Commissioner Philbrook** said I just want to make one more statement and it may be the elephant in the room, but the thing we haven't talked about is the monies that would come back to the city if they agree to do it, you know, like the old owners did when they were in operation. I don't know exactly what you call those monies. I'm sure we can come up with a name for them that we can put into Parks & Rec and that sort of thing. What was that we called that at the time? **Commissioner Bynum** said Track East. **Commissioner Philbrook** said so, the concept being—yes, it has to go through Planning & Zoning, but that doesn't include any kind of agreement. We can't ask for any kind of an agreement with them to give us additional monies off of their income. I wanted to make that statement.

**Senator Pettey** said I just would hope that—I mean I know this has been a moving target for several years now and from a legislative perspective I would say it's still pretty unclear even here as you're talking. You want a development agreement, but you don't want to say it in this deal. You want to just say that the legislative measures which assists The Woodlands in reopening as a gaming facility, that doesn't guarantee you anything. I'm just saying from a legislative perspective I want to support the UG and position, but I think you've got some work to do to make that clear what it is. It's not clear to me.

**Representative Curtis** said just another idea, I think when we did the casino, didn't we have to have a letter of endorsement. So, what if that was the case? If they are to reopen, they would have to have a letter of endorsement from the city and you all can figure out what is required in order for them to get that endorsement. That does give you at least some leverage. I don't know, it's just an idea.

**Mayor Alvey** said, again, I think those are all good suggestions. I don't think we decide it at this moment. This is early, but that's a good thought.

**Commissioner Kane** said I would be remiss if I didn't congratulate all the folks that just got reelected. Another thing I would like to point out, people see us on TV here and they know how we act or react or whatever, but these folks work their tails off for our community and nobody sees it except guys like me that are there. I want you to know we appreciate your work and congratulations on being reelected and the entire Wyandotte County elected body in Topeka does a fantastic job.

**Commissioner Bynum** said I have a different item if we're okay with moving to a different item. My only comment here on that same page 4 is Prevailing Wage. I see it listed here with our community and economic development. I would just put forward that it belongs as a priority issue and maybe everything in the packet is a priority, but to me it belongs on page 1. **Commissioner Kane** said I think it should be the first thing we're looking at.

**Representative Curtis** said I've already asked the reviser to draft that bill, no surprise, I've liked offered it for four years in a row now. Hopefully, we'll get it over the finish line, but

I'm going to go ahead and prefile it. Last year we did have a hearing and Mike Kane came and testified and did an excellent job in making our arguments and we just have so much on our side as far as like the arguments as to why this is a good policy and why this is really about local control because this is something we used as a tool that was effective for our community. We're the only ones in the state that used it and there was no reason to take that authority away from us.

**Commissioner Kane** said the House did a really good job, but Senator Pettey did a fantastic job. She was physically below my feet and did a really good job of explaining it. In fact, she got them so upset they called for a break and talked about it the next day and they had the Senators talk to the newbies, so they killed it the next morning. That work was much appreciated both in the House and in the Senate.

**Representative Frownfelter** said I think you will see a possibility county by county. There was—Mike, you might help me here, a law which Sedgwick County passed last year, Kelly Preference & Away on dealing with certain issues. This will eliminate the speculation that if we put it in one county, it's got to go on all of them. We could actually make a bid or a bill that says Wyandotte County would start it and do it here first which I think you can get that out of the House for sure.

**Commissioner Burroughs** said the Emergency 911 Service says the wording on that sentence at the end, I'm looking at page 5, Emergency 911 Services; everything reads well except the Unified Government supports legislation providing flexibility for local governments to utilize these funds to provide emergency services. My understanding is that 911 funding isn't to provide emergency services, it's to provide emergency equipment such as the 911 Data Center, to provide possibly the salaries for those individuals. I would have to go back and look at the salary, but I'm concerned about the wording of services. Is it talking about paying for Police and/or Fire? We have some issues with ensuring that our 911 Services are fully staffed and funded properly. Those dollars are going to be identified as a way to impact local governments. I want to ensure that I understand what emergency services means to this body. **Mr. Bach** said I can say from an operating standpoint, Commissioner, we interrupt that for the operations of our 911 Dispatch Center all the way from the call taking in through all the equipment that we buy in there and the personnel we utilize to get all the dispatching done. We could change this to provide 911 operations or something like that to give you that clarification, but I would assume that's just the terminology

that Mike has in there that's—it is somewhat broad from that perspective, but it is not intended to be our field service people responding to a call unless it is some equipment they need to receive it from a radio perspective.

**Commissioner Burroughs** said I do know the update of the equipment is extremely expensive and there is a movement among the state to get to a one system, I'm trying to think what they call that, one system where they can just click over, and everybody is on the same system in case of a natural disaster, a state of emergency. I know in the past the Kansas Universal Service Fund has been viewed as a honey pot by some and we find ourselves as an urban community defending those dollars because we do realize our rural friends need to have the communication also. I want to ensure that it's viewed as being responsible with those dollars and utilized properly so that it's not used against us to take those funds away during 911 discussions. We do have, not a task force, we do have an Emergency Committee in Topeka that reviews that.

**Mr. Taylor** said correct, there is a 911 Committee. This language actually came about, and again, in conjunction with the Association of Counties two or three ago. There were some attempts to put restrictions on how local governments could use that 911 money and we viewed that as trying to take some of those revenues away from things that we were able to use it for. That's what led to that language so it just kind of became a standard platform that we should have the discretion on how to use that money, not having the state dictate to us what we can and can't spend it on. That's the history of that platform.

**Commissioner Philbrook** said somebody around here will know the answer to this I'm sure. It's been brought to my attention, and I'm sure to everybody else around here, that yes, we want to improve our city and we want to have more households and we would like to have more income per capita. But, as we improve our community, then there have been areas that have been hit by 20 and 25% increases in their taxes because their property values have jumped up so high. My concern is around those folks that have been living in this community for quite a while that are limited income and how is this going to affect them and what can we do to help regulate that. Is this through state and through us or how does—I know we're not the only group dealing with this. There's a lot of towns dealing with it, but it is starting to hit us because now we're starting to improve on our property values and so on. I'm waiting. Does anybody know anything?

**Commissioner Burroughs** said we found we weren't in compliance to the extent we should be, and the Department of Revenue mandated a statewide reevaluation of our rule, Ag communities as well. They have been stricken hard. I know the county to our immediate south had a higher increase in value than what we had here, but to the upside to that is that we, as a Commission, should be pleased to see our properties increase in value. It shows that we're healthy, we have a financial base in which we can project our budgets and stuff on, but we do have concerns that when you start hitting a price point and price people out of their homes, it becomes a challenge. We have a larger challenge too with the Board of Tax Appeals dealing with commercial and industrial properties that would impact us even more dramatic than I think has taken up a majority of our legislative time. As Mike stated earlier, the "dark store theory" is one we should all be very concerned about here. I don't have an answer. If you're wanting an a to z profile, I don't have that answer tonight. **Commissioner Philbrook** said no, I just want us to be thinking about how it's impacting a lot of our folks with lower income and less discretionary funds for them to be able to stay in their homes that they have been in for a long time because if they can stay in their homes, it's a whole lot cheaper than taking care of folks and putting them in places that isn't their home. This is just a concern that's hitting me, and I have no idea what we can do about it to help.

**Commissioner Burroughs** said that financial burden is not only keeping them in their home, but to allow them to be a responsible respectful homeowner too to keep their property values up to code and to ensure they are part of the neighborhood fabric that makes our community a community. That's a responsibility of the local government as well as the state government, so I hear your message.

**Representative Frownfelter** asked can anybody fill me in since we took the rental property licensing out of the hand of our group here in Wyandotte County and the state, basically did away with it, can I ask how it's been going? Is it going downhill, are we maintaining, or is there something we need to take a look at again, and if not this two years, the two years after? I know in my area we still have a few problems over there. **Mr. Taylor** said I would say I think the answer to that from our perspective is we thought that was an unwarranted intrusion into local control and we would like to have the authority back to be able to do rental licensing and the inspections the way we did it. Currently the only way we can go in and inspect a property really is if the tenant asks us to come in and so it has restricted a number of inspections we can do although we've

adopted to the new standards and trying to do as much as we can. We would like to have the rental licensing and inspections back to the way it was quite honestly.

**Mr. Bach** said I would just say operationally it has impaired us to make improvements in certain areas. As Mike noted, we've been able to have some workarounds. The Public Housing Authority has a lot of property in the community. They have given us authority as the owner of that property to go in and make those inspections, but they're not really the one we were worried because when we do have an issue, they tend to fix it up and take care of it. If there is anything associated with it, that's what they do, so the legislative change is not in the best of those people that are wishing to see rental property be in its best condition.

**Senator Pettey** said I notice that there is nowhere mentioned in here any issues about the upcoming census and I think it's not too early for local governments to be interested about what the process is going to be. I went to an information session earlier, a couple months ago, and I know that you guys have started the process, but I was somewhat concerned when I heard that there doesn't seem to be much emphasis on reaching out to include everybody. So, just contacting the school district, but not ever getting a response back from them, so I'm interested whether that is—are you thinking about more than just putting in place your Census Committee and how important it is for the 2020—**Mayor Alvey** said actually I think we have a very—Gordon Criswell has started a very aggressive campaign to make every count, so I guess I would disagree that we are not reaching out. We are really reaching out. We have too much at stake not to. **Senator Pettey** said that's good to hear. I had this conversation with Gordon so that's why I'm speaking on it.

**MAYOR ALVEY ADJOURNED**

**THE MEETING AT 6:04 p.m.**

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Bridgette D. Cobbins  
Unified Government Clerk

December 6, 2018