

BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS

WEDNESDAY, AUGUST 15, 2018

6:00 p.m.

-Consider approval of the minutes for March 7, March 14, March 28, April 4, April 11, April 18, April 25, May 2, June 20, June 25, June 26, June 27 (budget and 4 p.m.), July 9, July 10, July 11, July 18 and July 25, 2018.

CONSENT AGENDA

- (1) (a) Consider approval of Commission Orders;
- (b) Consider waiving the purchasing policy and extending the contract with Allen, Gibbs and Houlik for the Audit Services (Jackie Waggoner); and
- (c) Consider waiving the bidding process and extending contracts for Banking, Marchant Card and Procurement Card services. (Jackie Waggoner)

REGULAR AGENDA

- (2) Consider adopting building code regulations for Lone Star Lake (Sean Reid)
- (3) Commission discussion on funding mechanism for mental health initiative
- (4) (a) Consider approval of Accounts Payable (if necessary)
- (b) Appointments
- (c) Board of Zoning Appeals (1) positions 10/17
- (d) Building Code of Appeals Board (2) positions 12/16
- (e) Community Corrections Advisory Board (1) position open (edu); (1) 08/31/18
- (f) Fire District No. 2 (2) positions
- (g) JAAA Advisory Council (2) position
- (h) JAAA Board of Directors (1) position
- (i) Joint Economic Development Council (2) positions
- (j) Lawrence-Douglas County Advocacy Council on Aging (2) open positions
- (k) MPO Bicycle Advisory Committee (1) position
- (l) Mental Health Board (1) position 04/18
- (m) Property Crimes Compensation Board (1) position
- (n) Senior Resource Center (1) position 12/31/18
- (c) Public Comment
- (d) Miscellaneous
- (5) Adjourn

THURSDAY, AUGUST 16, 2018

-9:00 a.m. Election Canvass

WEDNESDAY, AUGUST 22, 2018

4:00 p.m.

-Acceptance of the 2017 Financial Statements (Tara J. Laughlin, AGH)

6:00 p.m.

-Consider approval of ballot language on behavioral health initiative for November election.

WEDNESDAY, AUGUST 29, 2018 – cancelled

WEDNESDAY, SEPTEMBER 5, 2018

6:00 p.m.

-Proclamation for First Responder Appreciation Week

-Extension request for a Conditional Use Permit, CUP-15-00613, for Calcio Village, an Athletic Field complex for youth soccer on approximately 80 acres, located at the intersection of E 1750 Rd & N 1300 Rd. Submitted by Calcio Village on behalf of John Pendleton for Lorita H Pendleton, Trustee, property owner of record. (Approved by the Board of County Commissioners on 2/10/16) Mary Miller is the Planner.

CUP-18-00239: Consider a Conditional Use Permit for Wakarusa Boat & RV Storage LLC, located at E 550 Rd & N 1190 Rd. Submitted by Jason Fike on behalf of Sharon Anderson, property owner of record. Becky Pepper is the Planner.

WEDNESDAY, SEPTEMBER 12, 2018

-Tobacco 21 featuring youth from the Boys & Girls Club of Lawrence

WEDNESDAY, SEPTEMBER 19, 2018

-3:30-5:30 p.m. – City/County/School District meeting. Location to be determined.

FRIDAY, OCTOBER 19, 2018

-12:00-2:00 p.m. - The Lawrence – Douglas County Planning Commission annual orientation with City and County Commissioners in attendance.

***Note:** The Douglas County Commission meets regularly on Wednesdays at 4:00 P.M. for administrative items and/or 6:00 P.M. for public items at the Douglas County Courthouse. Specific regular meeting dates that are not listed above have not been cancelled unless specifically noted on this schedule.*



DOUGLAS COUNTY ADMINISTRATIVE SERVICES

Division of Purchasing

1100 Massachusetts Street
Lawrence, KS 66044-3064
(785) 832-5286 Fax (785) 838-2480
www.douglascountyks.org

MEMO TO: The Board of County Commissioners
Craig Weinaug, County Administrator

FROM: Jackie Waggoner, Purchasing Director

SUBJECT: Consider waiving the purchasing policy and extending the contract with Allen, Gibbs and Houlik for the Audit Services

DATE: August 9, 2018

In 2010, the County conducted an informal solicitation with firms that had responded to previous solicitation and firms that served as auditors for comparable counties in Kansas. Allen, Gibbs and Houlik (AGH) was selected as a part of that process for auditing services for the five year term allowed under the Purchasing Policy.

In 2015, the Board authorized staff to extend the contract for a couple of years as 2015 was the first year for preparing financial statements in the new financial system. While the process of generating new reports for financial statements, and implementing new procedures for audit controls, has been challenging for staff during the implementation of our Payroll/Human Resources, the ability to retain the County's existing auditor would be a key advantage as staff continues to add financial modules (e.g. grant, contracts, and purchase orders). AGH is familiar with Douglas County and has served as a trusted advisor throughout the transitions. The pricing structure proposed by AGH assumes comparable activity at the original cost with only inflationary cost increases. The prices identified below are not-to-exceed cost:

Year 1	\$61,000
Year 2	\$62,830
Year 3	\$64,715
Year 4	\$66,656
Year 5	\$68,656

5 Year Total \$323,857

Suggested Action: The Board of County Commissioners waives the formal bidding process and approves a contract for audit services for 2018-2022 audits with Allen, Gibbs and Houlik, L.C.



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MEMO TO: The Board of County Commissioners
Craig Weinaug, County Administrator

FROM: Jackie Waggoner, Purchasing Director

SUBJECT: Consider Waiving the Bidding Process and Extending Contracts for Banking,
Marchant Card, and Procurement Card Services

DATE: August 9, 2018

Douglas County solicited proposals and established contracts in 2014 for banking, merchant, and procurement card services for the majority of county offices. At that time, staff considered contracting all of the service from one institution but reserved the right to split the award between institutions, whichever provided the best overall solution for the County. The financial institutions were provided monthly averages of previous services and collected balances to assist in determining their proposed fees and interest.

To provide a little background, prior to our last solicitation merchant services (credit card payments made by the public) had been decentralized within the County, creating multiple fees to be passed onto the public for County services. In the past, the County accessed the State contract with UMB for procurement card services (credit card charges made by employees) which allows the County to generate revenue based on rebate offers.

Following the solicitation process, the County established contracts with US Bank for banking and procurement card services, and FIS Company for merchant services which includes backend processing. During the last year's annual review staff expressed an interest in extending these contracts for another term (up to five years) due to the complexity of making changes, and based on monetary value of the existing contracts.

US Bank would continue interest and earning credits tied to an index that offset our monthly fees, but as a result of the market increase with earning credits the county will be looking at investing excess balances to generate additional revenue. Staff is also looking at approaches in increasing our procurement card spend to improve our rebates.

Recently FIS Company has been awarded a national cooperative contract with Sourcwell (formerly NJPA-National Joint Powers Alliance). In accessing this contract the fees would remain at 2.35% which is passed along to the public and ACH transactions would be reduced from \$1.49 to \$1.00 per transaction, and FIS has agreed to continue providing equipment at no cost up to \$5,000 over the term of the agreement.

SUGGESTED MOTION: The Board of County Commissioners waives the formal bidding process and approves a new term (2019-2023) with US Bank for banking and procurement card services, and access the national cooperative contract with Sourcwell with FIS Company for merchant card services.



DOUGLAS COUNTY ZONING & CODES DEPARTMENT

Sean W. Reid, Director
3755 E 25th Street, Lawrence, KS 66046
Phone: 785.331.1343 Fax: 785.842.1201

Memorandum

TO: Board of County Commissioners
FROM: Sean W. Reid, Director of Zoning and Codes
DATE: August 10, 2018
RE: Private Construction on Lone Star Lake and Lone Star Lake Park Property

Over the course of the past eighty years over a hundred privately owned structures have been placed on the County owned Lone Stare Lake or Lone Star Lake Park property largely without regulation or County authorization. Because this Department has received an increasing number of complaints about derelict or unsafe structures placed on the County owned Lone Stare Lake or Lone Star Lake Park property it has been determined that the private construction on public property require regulation. Further it has been determined that because the County's construction codes do not address floating structures, that construction criteria intended to address floating structures should be developed.

In the first matter, we have a unique situation where historically property owners have been allowed to place docks, floating platforms, retaining walls, accessory structures, and other privately owned construction on County owned Lone Star Lake Park and Lone Star Lake. In all other parts of Douglas County private construction may only occur only on private property.

In the second matter, the building and residential codes adopted by Douglas County do not address docks and floating platform structures with prescriptive design criteria. With no prescriptive design criteria, it is required they be design by a Kansas licensed engineer.

I propose we solve the first problem by adding an Article 8 to Chapter 13 of the Douglas County Code, (the Construction Codes of Douglas County, Kansas) to address privately owned structures placed on County property. I propose to address the second problem by referencing the Douglas County Dock and Swimming Platform Specifications and Criteria in Article 8.

Under cover of this memorandum please find proposed modifications to Chapter 13 of the Douglas County Code, as well as a proposed Douglas County Dock and Swimming Platform Specifications and Criteria document. If you have any questions please feel free to call me.

Sincerely,

Sean W. Reid, C.B.O.
Director, Douglas County Zoning and Codes

CHAPTER 13. CONSTRUCTION CODES OF DOUGLAS COUNTY, KANSAS

ARTICLE 8. LONE STAR LAKE PARK CONSTRUCTION RULES AND REGULATIONS

13-801 Definitions.

For the purpose of this Article, certain terms are herewith defined as follows:

- A. "Boat" for the purpose of this Article shall mean every description of watercraft, other than a seaplane, used or capable of being used as a method of transportation on the water which is either mechanically propelled, or propelled by wind or human and which requires a permit from the State of Kansas Department of Wildlife and Parks. Nothing in this definition shall be considered to contravene Sections 8-201.3 or 8-201.4 of the Douglas County Code.
- B. "Chapter" shall be construed to mean Chapter 13 of the Douglas County, Kansas Code.
- C. "Code" shall be construed to mean the Douglas County, Kansas Code, as now in effect or hereafter enacted.
- D. "Marine debris" shall mean any persistent solid material that is manufactured or processed and directly or indirectly, intentionally or unintentionally, disposed of or abandoned, into Lone Star Lake or park lake shore environment.
- E. "County" shall be construed to mean the Douglas County, Kansas, and its authorized employees and elective officials.
- F. "Director" shall be construed to mean the Douglas County Director of Zoning and Codes.
- G. "Fence" for the purpose of this Article, shall be any barrier, railing, or other upright structure, typically of wood, wire, stone, or other material, enclosing an area of ground to mark a boundary, control access, or prevent escape.
- H. "Floating boat dock" is a boat dock or swimming platform that floats on the water, supported by floatation devices, not anchored, or connected to pilings, posts, or pier structures by guides, or any other hardware. Floating boat docks are not subject to flood review.
- I. "Grading" shall include any activity that disturbs the soil or vegetation of Lone Star Lake, as defined herein.
- J. "Laws of Kansas" shall be construed to mean the Kansas Statutes Annotated or any supplement thereof or the regulations of any department of the State of Kansas authorized to issue the same.
- K. "Lone Star Lake" as used herein shall include such lake owned by Douglas County, Kansas.
- L. "Park," for purposes of this Article, shall mean the County owned park land below, around, and behind the dam for Lone Star Lake as identified on the Douglas County Lone Star Park plat.

- M. "Permanent improvement" shall include any manmade structure or construction, including, but not limited to, storage sheds, decks, concrete slab, retaining walls, stationary or floating docks or swimming platforms, or grading placed on or over park property. Permanent improvement shall include any electrical, plumbing, or mechanical equipment or installation regulated by this chapter.
- N. "Permit holder" shall be the resident or person to whom a dock permit or license has been issued.
- O. "Person" shall include all persons, firms, partnerships or corporations; provided, however, any license permit or rights herein granted shall be to an individual and shall not include or be granted to a partnership, firm or corporation.
- P. "Residents" includes only those lot owners owning lots in the Douglas County Lone Star Park plat with property adjacent to and contiguous with the County property comprising the actual lake and lake shore.
- Q. "Retaining wall" for the purposes of Lone Star Lake or Park as defined herein, shall include any construction that retains a surcharge.
- R. "Stationary boat dock" is a boat dock supported by or anchored to pilings, posts, or pier structures. Boat docks which float on the water, but are attached to posts or piers by guides or other hardware and poured concrete dock structures are considered stationary boat docks. New stationary boat docks will be subject to flood review by the State of Kansas Division of Water Resources.
- S. "Swimming platform" is a floating or stationary platform used for the purpose of swimming or diving that is not a dock.
- T. "Unsafe" for the purpose of this Article is a structure on park property or Lone Star Lake that is found to be unsound or dangerous to life, health, property, navigation, or safety of the public or the resident because the structure contains improperly installed equipment, or is so damaged, decayed, dilapidated, structurally unsafe, or of such faulty construction, unstable foundation or flotation device, that partial or complete collapse or immersion is possible as defined in Section 13-117 of this Chapter.

13-802 Permits or licenses.

It shall hereafter be unlawful for any person to keep, maintain or use any permanent improvement upon the Lone Star Lake or park property without first having obtained a permit or license to do so. Permanent improvements on park property, except for boat docks, or swimming platforms which float on the lake shall be subject to Article 1 of this Chapter. Boat docks and swimming platforms, the permit fee for which has been paid, may be placed at the location designated on the permit. Each boat dock or swimming platform permit may include the installation of a concrete slab, deck, or ramp attendant to the permitted boat dock or swimming platform. Each separate concrete slab, deck, or ramp attendant to a permitted boat dock or swimming platform may be not larger than 200 square feet. A maximum of two boat dock or swimming

platform permits shall be issued per lot. Existing permanent improvements once permitted may continue in their use unless they are determined to be unsafe or are removed.

13-803 Boat Docks, Swimming Platforms, and Privately Owned Permanent Improvement.

- A. Boat docks and Swimming Platforms. It shall hereafter be unlawful for any person to build or maintain a boat dock or swimming platform on Lone Star Lake or park property without first presenting a plan or design, together with the proposed location thereof, to the Director, and only after receiving a permit. The permit shall require the payment of a fee as listed in this Chapter. A separate permit shall be required for each separate boat dock, swimming platform. The plot plan showing the location of the improvement shall be provided. The plot plan or design shall include the proposed boat dock or swimming platform location, as well as any proposed concrete slab, ramp, or deck proposed for placement on private or park property in conjunction with the boat dock or swimming platform. Construction plans shall be provided. Boat docks or swimming platforms shall be constructed in accordance with the design standards for docks and swimming platforms provided by the County or shall be designed by a Kansas licensed Engineer. Dock or swimming platform designs designed by a Kansas licensed Engineer shall bear the seal and signature of the Kansas licensed Engineer. The permit to remodel an existing boat dock or swimming platform shall be valid for 180 days, subject to the provisions of Section 13-107.14.
- B. Permit Required to Remodel Existing Permanent Improvement. Hereafter no dock shall be changed or altered as it was originally approved in any manner, including widening, extending, adding to or removing any portion of the dock, without first submitting a plan and design in writing to the Director for approval, together with a plot plan and construction plans for the proposed alteration. The permit to remodel an existing boat dock or swimming platform shall be valid for 180 days, subject to the provisions of Section 13-107.14. This Section shall not prohibit or be construed to require an additional permit for maintenance of an existing boat dock or swimming platform where no alteration or structural change is contemplated.
- C. Unsafe Permanent Improvement Removals. No permit shall be granted for a boat dock, swimming platform, or permanent improvement determined unsafe by the Director. The permit holder of any boat dock, swimming platform, or permanent improvement designated unsafe must correct the unsafe condition within 90 days of the date of the written notice from the Director. If no action is taken by the permit holder, the County may remove said boat dock, swimming platform, or permanent improvement from the Lake, at owner's expense, and refuse thereafter to authorize a boat dock, swimming platform, or permanent improvement at said location. Any boat dock or swimming platform as herein authorized and licensed shall display its permit number during the period of time that the license has been paid as herein provided.

- D. Permission to Use Boat Docks, Swimming Platforms, or Permanent Improvement. Permitted boat docks, swimming platforms, or other permanent improvements shall be for the exclusive use of the permit holder and/or their guests.
- E. Numbering of Permanent Improvements. With all permits for permanent improvements, the owner will be assigned a permanent number by the County which shall be displayed on the lake side on the boat dock, swimming platform, or permanent improvement. If any boat dock, swimming platform, or permanent improvement owner fails to comply with this numbering requirement, the County will identify the boat dock, swimming platform, or permanent improvement and notify the owner in writing that unless the owner complies with the numbering requirement within 30 days of the date of the notice, a the County shall install the number placard and a numbering fee as stated in this Chapter be assessed to the owner of the permanent improvement.
- F. Anchor Buoys. Anchor buoys are not permitted.
- G. Any boat dock, swimming platform, or permanent improvement placed prior to adoption of this Article, shall be allowed to remain in place, as long as it is kept in good repair and the boat dock, swimming platform, or permanent improvement permit fees are paid and kept current.
- H. Residents may appeal decisions or request a variance relative to this Article made by the Director, to the County Administrator. The appeal must be made within 30 days of the Director's decision by submitting a letter to the County Administrator stating all reasons for the appeal. The County Administrator shall hear and decide appeals and requests for variances from the requirements of this section The County Administrator shall hear and decide appeals, within 30 days of receipt of the appeal.
- I. Persons shall prevent marine debris origination on their property from entering Lone Star Lake or the park.

13-804 Privately Owned Permanent Improvement Permit fees.

A permit fee of \$15 per permanent improvement shall be assessed for each permanent improvement. Unless otherwise specified, the boat dock or swimming platform license and boat dock or swimming platform permits shall not expire unless the boat dock, swimming platform or privately owned permanent improvement is modified or determined to be unsafe. Boat dock or swimming platform permit fees, boat dock or swimming platform remodel permit fees, late fees, and boat dock or swimming platform numbering fees shall be determined by the Governing Body through resolution. If the annual fee is not paid within 90 days after becoming due, the County may remove the boat dock or swimming platform from the Lake at owner's expense, and refuse thereafter to authorize a boat dock or swimming platform at the location. Permanent improvements other than boat docks or swimming platforms not otherwise exempt shall be subject to the regulations and fees as specified in this Chapter.

13-805 Fencing.

It shall be unlawful for any person to in any way, install fencing of any type on park property.



DOUGLAS COUNTY ZONING & CODES DEPARTMENT

Sean W. Reid, Director

3755 E 25th Street, Lawrence, KS 66046

Phone: 785.331.1343 Fax: 785.842.1201

Douglas County Boat Dock and Swimming Platform Specifications and Criteria

1. All new boat docks must be floating boat docks. Existing stationary boat docks on piling or piers constructed of concrete, steel, or wood will be permitted to remain in place until they become unserviceable, at which point they must be repaired or removed from the lake. Swimming platforms shall be constructed and maintained to the same standards as boat docks.
2. Lumber products treated with pentachlorophenol, creosote, or Chromated copper arsenate (CCA) are prohibited in the new construction of boat docks, swimming platforms, connection walkway ramps, or in repairs of existing docks, decks, or walkways. Wood used for docks, decks, or walkway connecting ramps must be preservative-treated in accordance with the American Wood Protection Association (AWPA) standard AWPA U1. Alkaline copper quaternary (ACQ) or copper azole (CA) preservative treated wood may be used in the construction of docks, decks, and connecting walkways. Fasteners and metal connectors used with ACQ treated wood construction must be stainless steel or approved for use with ACQ treated wood.
3. A roof structure covering the dock will be allowed. No second story construction will be permitted. The roof may not be used as a second story, deck, diving platform, or usable space. Roof structures for boat docks shall be designed and constructed to support a 20# live load/10# dead load, 20# snow load.
4. Boat docks must be constructed with a flotation method or flotation devices constructed of low-density, closed-cell, rigid plastic foam, high-impact polyethylene fiberglass material; or metal and/or timber framing. On all new docks, flotation shall be of materials that will not become waterlogged (not over 1 ½ percent by volume ASTM), is resistant to damage by animals, and will not sink or contaminate the water if punctured. Foam bead flotation is authorized provided it is encased in an approved protective coating. An approved coating is defined as warranted by the manufacturer for a period of at least eight years against cracking, peeling, sloughing and deterioration from ultra violet rays, while retaining its resilience against ice and bumps by watercraft. Existing flotation will be authorized until it has severely deteriorated and is no longer serviceable or capable of supporting the structure, at which time it must be replaced with approved flotation. Metal drum buoyancy units are not permitted unless they are steam cleaned and filled with flotation foam. Any existing floating dock that uses metal drums for flotation and previously contained harmful chemicals shall be removed from the lake.
5. Floating boat docks or swimming platforms shall not extend beyond a ray extending from the private property line perpendicular to the shore. Docks shall not be longer than 40 feet with the long dimension perpendicular to the shoreline.
6. Diving platforms will be allowed, but cannot be raised more than 2' above the surface of the dock.

7. Attendant features that are necessary for the use and maintenance of the dock may be constructed as part of the dock installation, i.e. walkways, deadmen, and stairs.
8. Floating boat docks must be anchored to the shoreline with a minimum of two, 3/8-inch diameter or larger steel cables. Anchoring docks to trees is prohibited.
9. Dredging for boat access or basins, or equipment in association with boat dock construction is prohibited unless approved by the Douglas County Public Works Director.
10. No gasoline dispensing facilities or petroleum storage tanks are allowed on boat docks.
11. Electrical, hydraulic, or pneumatic connections between the dock and the shore will be permitted, but only if there is a quick-disconnect device at the shoreline. The quick-disconnect device must meet the requirements of the Chapter 13, Construction Codes of Douglas County.
12. Electric or pneumatic boat lifts are permitted as part of a boat dock. Hydraulic boat lifts are discouraged, but will also be allowed unless leaks occur that leak fluids into the lake. If leaks occur the hydraulic lift shall be immediately repaired or removed by the owner. Failure to remove the hydraulic lift when notified will void the dock permit.
13. Fill material in association with dock placement, including the volume of area excavated, for placement of walkways, stairs, and deadmen shall be limited to a total of 25 cubic yards unless permitted by the Director of Public Works.
14. Uncontaminated materials for fill, in order to minimize excessive turbidity by leaching of fines as well as to preclude the entrance of deleterious and/or toxic materials into the lake, must be used.
15. Excess concrete and wash water from concrete trucks and other concrete mixing equipment must be done at an approved site at a location where the concrete and wash water cannot enter the lake.
16. Property owners must immediately remove all marine debris, construction debris, or waste materials located on County property and dispose of such materials according to federal, state, and local rules and regulations.
17. The clearing of timber and other vegetation on County property shall be kept to the absolute minimum required to accomplish the work.
18. No fill may be placed in the lake. Upon completion of earthwork operations, persons must seed, replant or otherwise protect from erosion all fills placed on County shore property disturbed during construction.
19. Riprap, field rock, or other erosion control methods for bank protection is prohibited, unless installed by or approved by the Douglas County Public Works Director.



DOUGLAS COUNTY ADMINISTRATOR

1100 Massachusetts Street
Lawrence, KS 66044-3064
(785) 832-5328 Fax (785) 832-5148
cweinaug@douglascountyks.org

G. Craig Weinaug
County Administrator

MEMORANDUM

TO: Board of County Commissioners

FROM: Craig Weinaug, County Administrator
Sarah Plinsky, Assistant County Administrator

SUBJECT: Draft Ballot Language

DATE: August 13, 2018

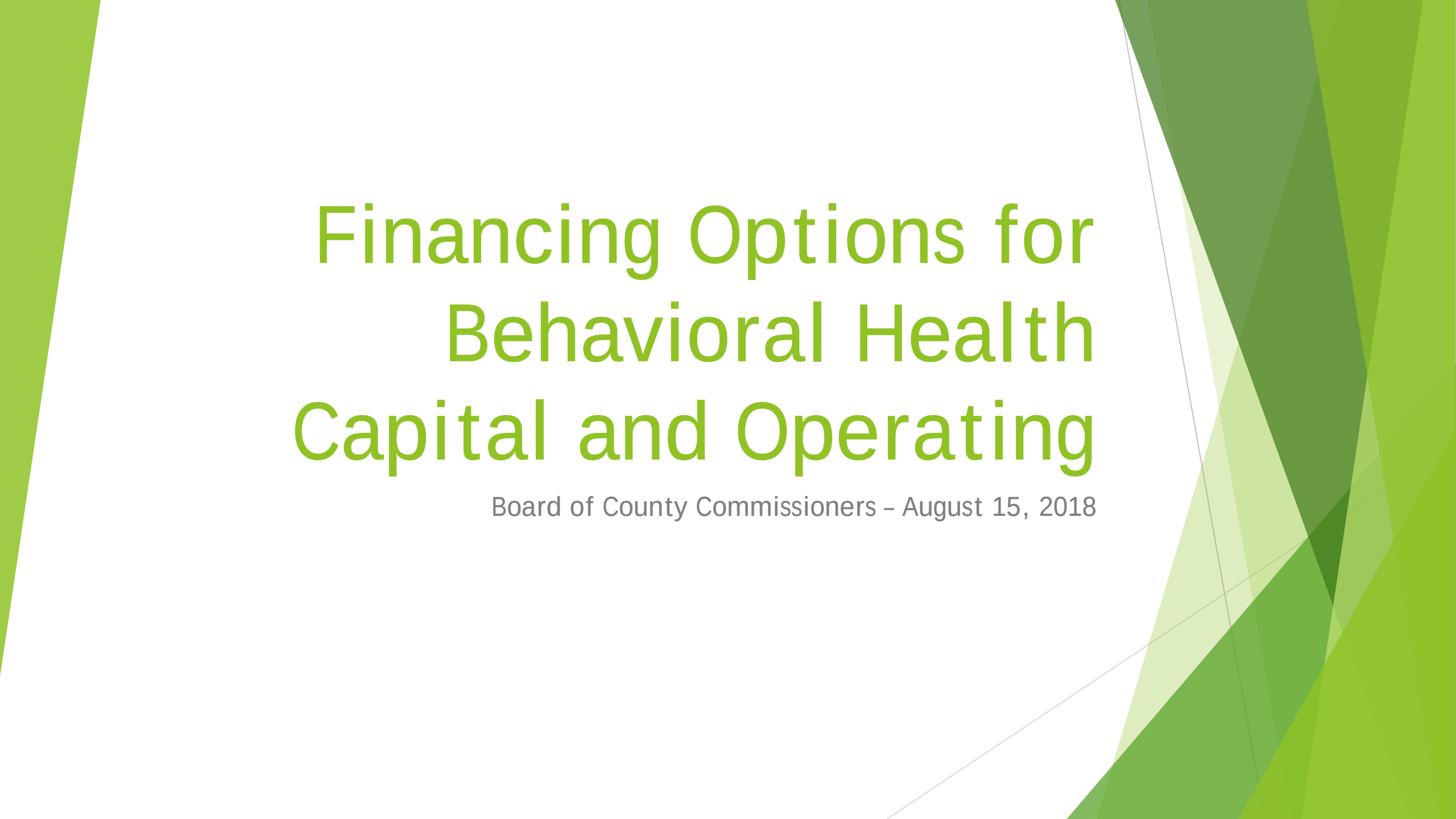
On July 18, 2018, the Board of County Commissioners met and reviewed various options to fund behavioral health campus and services. At that meeting, the Commission directed staff to prepare draft ballot language on both a half-cent and quarter-cent sales tax options. The presentation from that meeting has been updated slightly to include revenue estimates from a quarter-cent sales tax. That presentation is included in your packet.

Concerning the question of combining a mill levy increase and a sales tax, Bond Counsel has advised that it could be done and it is included as Option 1 in your attachment.

Draft ballot language for both sales tax options are included in your packet, specifically Options 2 and 3. The options were prepared by Bond Counsel in accordance with the specific statutory authorizations for each tax. The language used to describe the behavioral health project is similar to what was used in the May 2018 mail ballot election.

Also on July 18, 2018, the Commission asked staff to also research the viability of a sunset on the sales tax and if a property tax increase could be joined with a sales tax in one ballot question. The attached draft language from Bond Counsel discusses how a sunset could be implemented, if desired. It is important to remember that a significant majority of the expenditures associated with the proposed behavioral health campus improvements are on-going operating services that require an on-going source of funding.

Bond Counsel will attend the meeting and be available for questions.

The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect.

Financing Options for Behavioral Health Capital and Operating

Board of County Commissioners – August 15, 2018

Sales Tax authorization for Health Care Services

12-187(5) The board of county commissioners of any county may submit the question of imposing a retailers' sales tax at the rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, as enumerated in the question, to the electors at an election called and held thereon. Whenever any county imposes a tax pursuant to this paragraph, any tax imposed pursuant to subsection (a)(2) by any city located in such county shall expire upon the effective date of the imposition of the countywide tax, and thereafter the state treasurer shall remit to each such city that portion of the countywide tax revenue collected by retailers within such city as certified by the director of taxation. The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in K.S.A. 12-189, and amendments thereto. As used in this paragraph, health care services shall include, but not be limited to, the following: Local health departments, city or county hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks.

Half Cent Sales Tax Authorization for Jail and Mental Health

- ▶ 12-187b.(30) The board of county commissioners of Douglas county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the construction or remodeling of a courthouse, jail, law enforcement center facility, detention facility or other county administrative facility, specifically including mental health and for the operation thereof.

Sales and Use Tax

Estimates on a half cent (not shared with cities)

2019 Sales and Use Tax Budget	\$9,863,014
2018 Sale and Use Tax Budget	\$9,657,534
2017 Sale and Use Actual Collections	\$9,823,010

Estimates on a Quarter Cent (not shared with cities)

2019 Sales and Use Tax Budget	\$4,931,507
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Sales and Use Tax – Rate of Growth

Sales and Use Tax Rate of Growth	
2012	-2.04%
2013	0.87%
2014	6.75%
2015	4.75%
2016	6.22%
2017	3.55%

Property Tax

- ▶ Property taxes can be raised to finance capital and operating expenditures through an election and as a part of the Annual Operating Budget, under a variety of scenarios
- ▶ Estimated mill levy impact of the capital and operating expenses for the behavioral health proposal, as outlined in Proposition 1 is 4.3 mills
- ▶ The earliest property tax revenue could be received after a November 2018 election is the 2020 Operating Budget. Bonds could be issued in 2019, after a successful election before revenues are received. This means construction could start before 2020.

DOUGLAS COUNTY, KANSAS

NOVEMBER 6, 2018

SAMPLE BALLOT QUESTION NO 1

Shall the following be adopted?

Shall Douglas County, Kansas (the "County"), be authorized to: (1) issue general obligation bonds of the County in an amount not to exceed \$12,235,000 to finance the capital costs to construct, furnish and equip new mental health facilities for the County (the "Project") and related interest costs during construction and issuance costs; and (2) impose a one-quarter percent (0.25%) countywide retailers' sales tax (the "Sales Tax") for the purpose of paying operating expenses of the Project and providing other mental health services for the County, collection of such Sales Tax to commence on April 1, 2019, or as soon thereafter as permitted by law; all pursuant to the authority of K.S.A. 19-15,114 *et seq.* and K.S.A. 12-187 *et seq.*, as amended?

Comment:

This proposition would authorize general obligation bonds (the "Bonds") of the County to provide funds to finance the costs to construct, furnish and equip new mental health facilities for the County (the "Project"). The length of maturity and debt repayment structure will be determined by the BOCC (not to exceed 30 years) and estimated repayment amounts will be contained in the Notice of Election to be published by the County Clerk prior to the election. Levy of ad valorem taxation for the repayment of the Bonds is not restricted by the tax lid law. County Administration has calculated that if the repayment term was 20 years and the estimated average interest rate is 3.6%, the annual amount necessary for debt service would be approximately \$877,000. Based on current assessed valuation, this would result in a levy requirement of approximately 0.65 mills.

This proposition would also authorize a one-quarter percent (0.25%) countywide retailers' sales tax pursuant to K.S.A. 12-187(b)(5) (the "Sales Tax") for the purpose of paying operating expenses of the Project and providing other mental health services for the County, collection of such Sales Tax to commence on April 1, 2019, or as soon thereafter as permitted by law. The BOCC could place a sunset date on the collection of the Sales Tax in the ballot question; however, the above draft would permit the collection of the Sales Tax in perpetuity or until repealed by subsequent County election. County Administration has estimated that the annual Sales Tax receipts would be approximately \$4,931,507.

* * * * *

SAMPLE BALLOT QUESTION NO 2

Shall the following be adopted?

Shall Douglas County, Kansas (the "County"), be authorized to: (1) impose a one-half percent (1/2%) countywide retailers' sales tax (the "Sales Tax") for the purpose of financing

the costs of providing mental health services for the County, collection of such Sales Tax to commence on April 1, 2019, or as soon thereafter as permitted by law; and (2) issue sales tax/general obligation bonds of the County in an amount not to exceed \$12,235,000 (the "Bonds") to finance all or a portion of the capital costs to construct, furnish and equip new mental health facilities for the County, related interest costs during construction and issuance costs; provided that the County receive, prior to the issuance of the Bonds, a comprehensive feasibility study that indicates the revenues received from the Sales Tax will be sufficient to retire the Bonds without the necessity of levying any ad valorem taxation; all pursuant to the authority of K.S.A. 12-187 *et seq.*, as amended?

Comment:

This proposition would authorize the imposition of a one-half percent (0.50%) countywide retailers' sales tax pursuant to K.S.A. 12-187(b)(30) (the "Sales Tax") for the purpose of financing the costs of mental health services for the County, collection of such Sales Tax to commence on April 1, 2019, or as soon thereafter as permitted by law. County Administration has estimated that the annual Sales Tax receipts would be approximately \$9,863,014.

This proposition would also authorize sales tax/general obligation bonds [in an amount not to exceed \$12,235,000 (the "Bonds") of the County to finance all or a portion of capital costs to construct, furnish and equip new mental health facilities for the County, related interest costs during construction and issuance costs; provided that the County receive, prior to the issuance of the Bonds, a comprehensive feasibility study that indicates the revenues received from the Sales Tax will be sufficient to retire the Bonds without the necessity of levying any ad valorem taxation. The length of maturity and debt repayment structure (not to exceed 30 years) will be determined by the BOCC and an estimate of such repayment amounts will be contained in the Notice of Election to be published by the County Clerk prior to the election. County Administration has calculated that if the repayment term was 20 years and the estimated average interest rate is 3.6%, the annual amount necessary for debt service would be approximately \$877,000. This would leave approximately \$8,986,014 per annum for payment of mental health services other than debt service on the Bonds.

The BOCC could place a sunset date on the collection of the Sales Tax in the ballot question. For example, the Sales Tax could sunset when the Bonds have been retired and accumulated Sales Tax reserves, after payment of annual expenses of mental health services, achieved a specified amount. The reserves could then be expended over a period of years until exhausted. At that time, or shortly before, the County could again seek approval via referendum to impose another sales tax for mental health services, either pursuant to K.S.A. 12-187(b)(5) if only for operating expenses, or pursuant to K.S.A. 12-187(b)(30) if building construction is included in addition to operating expenses.

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SAMPLE BALLOT QUESTION NO 3

Shall the following be adopted?

Shall Douglas County, Kansas (the "County"), be authorized to: (1) impose a a one-quarter percent (0.25%) countywide retailers' sales tax (the "Sales Tax") for the purpose of financing the costs of providing mental health services for the County, collection of such Sales Tax to commence on April 1, 2019, or as soon thereafter as permitted by law; and (2) issue sales tax/general obligation bonds of the County in an amount not to exceed

\$12,235,000 (the “Bonds”) to finance all or a portion of the capital costs to construct, furnish and equip new mental health facilities for the County, related interest costs during construction and issuance costs; provided that the County receive, prior to the issuance of the Bonds, a comprehensive feasibility study that indicates the revenues received from the Sales Tax will be sufficient to retire the Bonds without the necessity of levying any ad valorem taxation; all pursuant to the authority of K.S.A. 12-187 *et seq.*, as amended?

Comment:

This proposition would authorize the imposition of a one-quarter percent (0.25%) countywide retailers' sales tax pursuant to K.S.A. 12-187(b)(5) (the “Sales Tax”) for the purpose of financing the costs of mental health services for the County, collection of such Sales Tax to commence on April 1, 2019, or as soon thereafter as permitted by law. County Administration has estimated that the annual Sales Tax receipts would be approximately \$4,931,507.

This proposition would also authorize sales tax/general obligation bonds in an amount not to exceed \$12,235,000 (the “Bonds”) of the County to finance all or a portion of capital costs to construct, furnish and equip new mental health facilities for the County, related interest costs during construction and issuance costs; provided that the County receive, prior to the issuance of the Bonds, a comprehensive feasibility study that indicates the revenues received from the Sales Tax will be sufficient to retire the Bonds without the necessity of levying any ad valorem taxation. The length of maturity and debt repayment structure (not to exceed 30 years) will be determined by the BOCC and an estimate of such repayment amounts will be contained in the Notice of Election to be published by the County Clerk prior to the election. County Administration has calculated that if the repayment term was 20 years and the estimated average interest rate is 3.6%, the annual amount necessary for debt service would be approximately \$877,000. This would leave approximately \$4,054,507 per annum for payment of mental health services other than debt service on the Bonds.