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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

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The Honorable Bob Dole
United States Senate

Dear Senator Dole:

Your July 12, 1973, letter requested that we comment on matters raised by Mr. Clarence W. Stephens concerning the use of revenue sharing funds by Ottawa County, Kansas, to purchase a sanitary landfill site. Mr. Stephens contended that the county paid too much for the site, that it was poorly located, and that the county needed more than one site. He also stated that he had been unable to obtain all the facts related to the acquisition.

To obtain data on the transaction and to determine whether it complied with the State and Local Fiscal Assistance Act of 1972 (Revenue Sharing Act) and Department of the Treasury regulations, we reviewed State laws and county records and discussed the matter with State and Ottawa County officials. We also examined State solid waste management regulations, the Ottawa County solid waste plan, and engineering site evaluation reports.

SITE ACQUISITION

The acquisition of the landfill site was part of Kansas' overall solid waste program. The State requires that each county have a solid waste management plan by June 30, 1974. The Ottawa County Solid Waste Management Committee was formed in December 1970 to develop a workable plan for management of solid waste. Between March 22, 1973 and April 10, 1973, the Committee considered three possible sites. A State geologist evaluated each of the sites and recommended them with certain reservations.

The Chairman of the Solid Waste Management Committee told us there were problems with each site. Two would have required construction of hard surface access roads and bridges and the third would have required legal action to break an existing lease.

In late April 1973, Mr. Richard Haddock offered a fourth site located next to a hard surfaced road. The Chairman said the primary advantage of this site was that it was more economical because no hard surface roads or bridges would have to be built. On May 14, 1973,

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the county entered into an option to purchase the property, subject to its technical acceptability for use as a landfill. A State geologist inspected the site on May 21, 1973, and reported that the property should be recommended without reservation. By letter dated May 25, 1973, a State public health official advised the county that the property appeared to be an excellent landfill site. On June 5, 1973, the Committee voted unanimously to recommend to the county commissioners that the site be purchased.

On June 7, 1973, the Minneapolis Messenger, a local newspaper, reported that the county commissioners had announced acquisition of an option to purchase a 55-acre tract of land for use as a sanitary landfill. The newspaper reported the tract was located 5 miles southeast of Minneapolis, Kansas, and was owned by Richard Haddock. The decision to use revenue sharing funds for capital expenditures for solid waste land acquisition was shown in the county's planned use report which was published, as required by the Revenue Sharing Act, in the same newspaper on the same date.

On June 11, 1973, the Ottawa County Commissioners exercised the option to purchase the property for \$20,500. The three members of the County Board of Commissioners, the County Attorney, and the County Clerk approved an order to purchase the site.

A July 1973 engineering study stated that a useful life of 20 years was used to develop acreage requirements for the sanitary landfill. From estimates of the solid waste which would be generated in the county, the study concluded that the 55-acre site should be adequate under almost any circumstances.

COMPLIANCE MATTER

The Revenue Sharing Act and Department of Treasury regulations require that a recipient government must provide for the expenditure of revenue sharing funds in accordance with the same laws and procedures that are applicable to the expenditure of its own revenues. Kansas statutes require a local government to hold a public hearing before it adopts its proposed budget. However, the county purchased the landfill site without holding such a hearing.

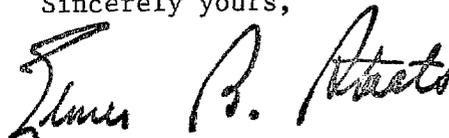
County officials advised us that the county did not follow normal budgetary procedures in purchasing the site because (1) the calendar year 1973 budget was approved about 4 months before revenue sharing funds were first received in December 1972 and (2) the acquisition of the site was part of a State requirement for a county solid waste plan. We are bringing this matter to the attention of the Office of Revenue Sharing, Department of the Treasury.

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We trust the above information is responsive to your needs.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "James B. Arato". The signature is written in dark ink and is positioned to the right of the typed name.

Comptroller General
of the United States