



CALL TO ORDER - The Governing Body met for a regular meeting and the following commission members were present in the commission chambers: Mayor Nancy D. Bauder, Mayor Pro-Tem Camalla Leonhard, Commissioners Myron J. (Mike) Griswold and Jermaine Wilson. Commissioner Mark Preisinger joined the meeting at 7:08 via phone and left after the public hearing*.

Staff members present in the commission chambers: City Manager Paul Kramer, Police Chief Patrick Kitchens, Human Resources Director Lona M. Lanter, Finance Director Ruby Maline, Deputy Finance Director Roberta Beier, Public Works Director Brian Faust, Chief Building Inspector Harold (Hal) Burdette, Planning and Community Development Director Julie Hurley, City Attorney David E. Waters, Deputy City Clerk Cary L. Collins and City Clerk Carla K. Williamson.

Mayor Bauder asked everyone to stand for the pledge of allegiance followed by silent meditation.

OLD BUSINESS:

Consideration of Previous Meeting Minutes:

Commissioner Leonhard moved to approve the minutes from the August 10, 2021 regular meeting. Commissioner Wilson seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 4-0.

Second Consideration Ordinance:

Second Consideration Ordinance 8172 – Demolition Assessments – City Manager Paul Kramer presented the ordinance for second consideration. Since first consideration on August 10, 2021 there has been one change to the ordinance. Payment in the amount of \$125.00 was received for the fees incurred by the City for 1612 W 7th Street. That assessment has been removed.

Mayor Bauder called the roll and the ordinance passed 4-0.

Second Consideration Ordinance 8173 – Special Assessment for Nuisance Abatement Costs and Fees – City Manager Paul Kramer presented the ordinance for second consideration. Since first consideration on August 10, 2021 the following listings have been removed:

- Development Inc. 735 Metropolitan Ave \$515.08 Request removal by Code Enforcement
- Hulse, Charles J & Joanne; Trust 1519 Ohio St \$134.99 Request removal by Code Enforcement
- Clark, Matthew J & Dona A 1024 2nd Ave \$269.19 Paid
- Moritz, Terri J 1212 10th Ave \$139.99 Paid
- Jones, Scott R. 1226 10th Ave \$139.99 Paid

Mayor Bauder called the roll and the ordinance passed 4-0.

Geiger Ready Mix Closeout of Request to Vacate a Portion of Maple Street & Approve Encroachment Agreement – Public Works Director Brian Faust presented the close out of the proposed ordinance to vacate a portion of Maple Street placed on first consideration on June 22, 2021. Geiger Ready-Mix and Kansas Gas Service (KGS) were unable to come to an agreement to vacate the street, however a separate Right-of-Way Encroachment Agreement was agreed to by KGS. This will allow Geiger Ready-Mix to construct a parking lot adjacent to Maple Street. The agreement does require that the Commission authorize the Mayor to sign the document. At this time, the City will close out the petition for the request to vacate that portion of Maple Street. This item does not required a motion or action from the Commission however, this item does put on record in the official city minutes that the petition is withdrawn.

Commissioner Griswold moved to authorize the Mayor to sign the Right-of-Way Encroachment Agreement with Geiger Ready-Mix for the construction of a parking lot adjacent to Maple Street. Commissioner Leonhard seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 5-0.

NEW BUSINESS:

Public Comment: *(Public comment on non-agenda items or receipt of petitions- limited to 2-3 minutes)*
None

**At 7:08 Commissioner Preisinger joined the meeting via phone*

General Items:

Employee Benefits Plan Renewal - Human Resources Director Lona M. Lanter reviewed the recommended employee benefit coverages to be effective December 1, 2021. The renewal bid for United HealthCare (UHC) came in at a 4% premium increase with no plan design changes. The renewal for Delta Dental came in with no premium increase and no plan design changes. The renewal also provides for a rate cap guarantee not to exceed 5% for then next two years. The renewal for UHC Vision came in with a 5% premium increase and no plan design changes, with a three year guarantee.

Commissioner Leonhard moved to approve the benefit plan renewal. Commissioner Wilson seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 5-0.

Public Hearing:

Public Hearing Exceeding of the Revenue Neutral Rate for 2022

Open Public Hearing:

Commissioner Wilson moved to open the public hearing. Commissioner Griswold seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 5-0.

Presentation to Exceed Revenue Neutral Rate/Staff Comments:

City Manager Paul Kramer presented the City of Leavenworth's intent to exceed the Revenue Neutral Rate (RNR) which is required by SB13 passed by the Kansas Legislature.

The City's general fund includes hundreds of activities and line items, however, three broad elements of municipal operations make implementing a RNR infeasible without diverting alternative revenue sources, such as sales tax, thereby requiring the elimination or reduction of other city services. Those three factors are: 1) Property tax rebates and abatement for business recruitment and retention; 2) Maintaining a public safety presence that has access to required equipment and invests in personnel; and 3) A variety of operating costs related to commodities and service delivery that cause increases in general fund expenditures. They include:

1. Economic Development - Economic development incentives, such as Tax Increment Financing (TIF) and the Neighborhood Revitalization Act (NRA), return increases in property tax revenue back to businesses and property owners based on investment. This revenue is not generated from the public at large. Of the total increase in new property tax revenue, 50 percent (\$163,195) is budgeted to rebate back to business and property owners for investments they have made in new or existing projects. SB13 does not account for the use of many economic development tools, including TIF and the NRA, which have been used heavily by the City to promote growth.

2. Public Safety - The single largest driver of the City's operating budget is public safety: the Leavenworth Police and Fire departments. Making up nearly one-half of the entire work force, and accounting for 67 percent of the operating budget, the public safety operation costs are budgeted to increase 6.21 percent, or \$692,183 in 2022 over 2021. Costs increases are related to salary and benefits, commodities, technology and equipment. The public safety increased costs alone account for more than three times the increase in property tax revenue. In order to maintain personnel and equipment, an increase in expenditures in these departments are likely to occur every year.

(Mr. Kramer referenced the Moody's rating report regarding pension costs)

3. Other general fund obligations and notes - Along with property tax abatements and public safety costs, there are a number of other local government costs that are part of the general fund and are forecasted to increase in 2022. Those include, but are not limited to:

- +\$15,213 Legal Costs: These are largely beyond the control of the City and reliant up to trends and unforeseen action.
- +\$47,092 Information Technology: IT costs are related to software licenses that seem to increase every year. IT costs are also related to data storage, cyber security, data security and technology for internal and external (registrations, etc.) functionality.
- \$+93,491 Public Safety Salary Survey Implementation: The City phased a compensation and classification study salary adjustment in over four years in order to maintain a competitive balance with peer agencies.
- Consumer price, a key guide of inflation, rose 5.4% in June, which is expected to create strain on commodities in 2022.
- Fuel costs are now averaging 98 cents higher than this time last year, which required a higher budgeted amount for 2022.

Conclusion - Property taxes play a small, yet critical role in the core operations of the City of Leavenworth. With the market-based fluctuations of other revenue sources, the reliance on property tax growth is foundational for the financial strength of the City and the service delivery mentioned previously in this policy report. The majority of City operations are funded by sales tax, franchise fees, charges for services and other sources. The City Commission has moved a budget

forward that cuts the property tax rate by 0.66 mills. The 2022 operating budget, to be considered at the September 7 City Commission meeting, is designed to maintain service levels and retain personnel in a responsible manner, with modest increases in property related expenditures.

Commissioner Preisinger is proud of the rating and the lowest mil level of any city in the county and fiscal responsibility of staff.

Commissioner Griswold asked about the history of the city's reserves

Public Comments:

Maren Hart – 732 Michigan

- Everyone in the room and watching knows that the commission plans to raise taxes by 3% and knows that this is why all three should be voted out
- Urging voter to vote out the incumbents and vote for her, Ed Hingula and Griff Martin

Close Public Hearing:

Commissioner Griswold move to close the public hearing. Commissioner Leonhard seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 5-0.

Consider Resolution B-2288 Approval to Exceed Revenue Neutral Rate:

Commissioner Leonhard moved to approve Resolution B-2288 approval to exceed the revenue neutral rate. Commissioner Griswold seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 5-0.

*Commissioner Preisinger Left the meeting and was no longer on the phone

Resolutions:

Resolution B-2289 Camp Leavenworth 2021 Special Event Request for Street Closure for Temporary Liquor License – City Clerk Carla Williamson presented for consideration a resolution allowing for closure of streets during the 2021 Camp Leavenworth festival to allow for the sale, possession and consumption of alcoholic liquor.

Commissioner Griswold moved to approve Resolution B-2289 as presented to close streets for the Camp Leavenworth 2021 Special Event. Commissioner Wilson seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 4-0.

Resolution B-2290 Set Public Hearing for Unsafe or Dangerous Structure at 2201 Magnolia Drive Damaged by Fire - Public Works Director Brian Faust and Chief Building Inspector Hal Burdette presented for consideration and approval a resolution setting October 12, 2021 as the date for a public hearing regarding the fire damaged structure at 2201 Magnolia Drive.

Commissioner Leonhard moved to approve Resolution B-2290 setting October 12, 2021 as the date for a public hearing regarding the unsafe structure located at 2201 Magnolia Drive damaged by fire. Commissioner Wilson seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 5-0.

Bids, Contracts and Agreements:

Consider Bids for Plastic Trash Bags - Public Works Director Brian Faust presented the bids for the purchase of the 2021 refuse bags. Staff recommends approval of the qualified bid from Central Poly Corporation for 23,000 rolls of bags for a total cost of \$144,900.00. A total of two bids were received and Central Poly was the only qualified bid.

Commissioner Griswold moved to approve the qualified bid by Central Poly Bag Corp for 23,000 rolls of bags at a total cost of \$144,900.00. Commissioner Leonhard seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 4-0.

Approval of Bid from Denton Excavating for Emergency Demolition of 703 N 8th Street - Planning and Community Development Director Julie Hurley presented for approval the expenditure in the amount of \$46,250.00 for emergency demolition of the structure located at 703 N. 8th Street that was heavily damaged by fire on May 30, 2021. Due to the extent of the damage the City Engineer's Office determined the building to be structurally unsafe and unable to be repaired and an immediate hazard. Section 10-535 of the City's Code of Ordinances allows staff to commence demolition of a property deemed an immediate hazard without prior notice of hearing with such costs assessed against the property. Staff contacted Denton Excavating to complete the work. Staff did attempt to contact the owner of the property with no success.

Commissioner Leonhard moved to approve the expenditure of \$46,250.00 for the emergency demolition of the property located at 703 N 8th Street. Commissioner Griswold seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 4-0.

First Consideration Ordinances:

First Consideration Ordinance Rezoning 410 S 2nd from I-1 to Central Business District (CBD) - Planning and Community Development Director Julie Hurley presented for first consideration an ordinance rezoning 410 S 2nd from I-1 to CBD. The item was heard by the Planning Commission at their August 2, 2021 meeting and voted 6-0 to approve the proposed change.

Owner Jake Ross addressed the Commission and was available to answer any questions of the Commission. Also purchased Broadway Liquor recently and renovated part of the building.

There was a consensus by the Commission to place the ordinance on first consideration.

Consent Agenda:

Commissioner Wilson moved to approve claims for August 7, 2021, through August 20, 2021, in the amount of \$1,254,287.97; Net amount for Payroll #16 effective August 13, 2021 in the amount of \$383,308.22 (No Police & Fire Pension). Commissioner Leonhard seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 4-0.

Other:

City Manager Kramer:

- Gave an update on the Price Chopper renovation and grand opening set for mid-September
- Census report came out this week and over the next 8 months we will get additional data – the population of Leavenworth has increased
- Camp Leavenworth is still set to move forward
- Budget Hearing is September 7th to approve the City's 2022 Budget

Commissioner Griswold:

- Leavenworth PD is monitoring traffic and traffic violation throughout the city

Commissioner Wilson:

- Announced Heartland Resource Center for mental health, rehabilitation and addiction treatment

Mayor Bauder:

- Hospitals are turning away people as they are full and cannot take on additional COVID related patients – there is a cure and vaccine to prevent and reduce these numbers

Executive Session:

Commissioner Griswold moved to recess into executive session to discuss security measures pursuant to the discussion of matters relating to security measures, private property or persons exception per K.S.A. 75-4319 (b) (12) (D). The open meeting to resume in the City Commission Chambers at 8:11 by the clock in the City Commission Chambers. City Manager Paul Kramer and Police Chief Pat Kitchens are requested to be present during the Executive Session. Commissioner Wilson seconded the motion and the motion was unanimously approved. Mayor Bauder declared the motion carried 4-0.

The Commission returned to open session at 8:11 with no action taken.

Adjournment:

Commissioner Griswold moved to adjourn the meeting. Commissioner Wilson seconded the motion and the motion was unanimously approved and the meeting was adjourned.

Time Meeting Adjourned 8:11 p.m.

Minutes taken by City Clerk Carla K. Williamson, CMC