



City of Leavenworth
100 N. 5th Street
Leavenworth, Kansas 66048

CITY COMMISSION STUDY SESSION
COMMISSION CHAMBERS
TUESDAY, JULY 19, 2022 6:00 P.M.


Welcome to your City Commission Study Session – Please turn off or silence all cell phones during the meeting
Meetings are televised everyday on Channel 2 at 6 p.m. and midnight and available for viewing on YouTube

Study Session:

1. Presentation of 2021 Audit (pg. 02)
2. Text Amendments Development Regulations (pg. 03)
3. Continued Discussion of American Rescue Plan Act (ARPA) Funding (pg. 05)

Policy Report
Presentation of 2021 Audit
July 19, 2022

Prepared by:



Roberta Beier
Finance Director

Approved by:



Paul Kramer
City Manager

Issue:

Michael Keenan, CPA, from Hood and Associates CPAs, PC will present the 2021 Audit. A copy of the audit report can be found on the City's website at www.leavenworthks.org.

POLICY REPORT
Text Amendments
Development Regulations

JULY 19, 2022



Prepared By:
Julie Hurley
Director of Planning and
Community Development



Reviewed By:
Paul Kramer
City Manager

DISCUSSION:

The Development Regulations were adopted by the City Commission in June, 2016 after a year-long comprehensive update process. Through the daily use of the Regulations by staff, several minor items have arisen that may necessitate possible updating. This process is not uncommon, and it is anticipated that an annual review of the Development Regulations will be performed in order to ensure that they remain up to date and comprehensive. Many of the proposed amendments consist of clarifying existing language, with no substantial policy change. The following general proposed text amendments will be presented to the Planning Commission for review and public hearing, along with any additional amendments proposed by the City Commission. Specific language will be presented at the time of public hearing.

- **Article 2; Applications & Procedures**
 - Clarify language regarding City Commission approval for dedication of land for public purposes.
 - Revise language regarding recording process for plats to reflect actual practice.
 - Stipulate that a parcel may only be split or combined one time through an Administrative Plat Process, any further subdivision requires Minor or Major subdivision process.
 - Clarify language that all plats must be recorded within 18 months, regardless of whether or not City Commission approval for dedication of land for public purposes is needed.

- **Article 4; Zoning Districts and Standards**
 - Add section to allow for construction of “tiny homes” on residential lots.
 - Update allowable size of home occupation sign to align with existing provisions in Article 8; Signs.
 - Clarify language regarding what counts as an Accessory Structure, ex.; flag pole, gazebo, pergola, chicken coop, etc.
 - Address total allowable square footage of Accessory Structure to account for “agricultural buildings”, which may reasonably be larger than 15% of the footprint of the main structure.

- **Article 5; Access & Parking**
 - Revise technical specifications for parking area construction material to match Public Works requirements.
 - Add language to specify maximum depth of gravel parking pad allowed in rear yard off of alley.
 - Add language to define “stand up curb”.

- **Article 8; Signs**
 - Clarify language regarding spacing of allowed freestanding signs.
 - Clarify that allowable number of temporary signs is related to individual businesses, not parcels.

- Add language requiring additional setback from ROW for inflatable temporary signs.
- **Article 11; Board of Zoning Appeals**
 - Add language regarding time frame for appeals as allowed by Kansas Statute.
 - Remove language requiring one board member to be member of Planning Commission.
- **Article 12; Definitions**
 - Multiple definitions for "Bed and Breakfast", revise and consolidate.
 - Remove requirement for weekly housekeeping services and allow for only a portion of the structure to be used in definition of "Residential Home Stay".
 - Add definition of "Community Playfields, Playgrounds and Parks".

A public hearing to formally consider the proposed text amendments will be scheduled for the September 12, 2022 Planning Commission meeting. At that time, the Planning Commission will make a recommendation to the City Commission regarding adoption of the proposed text amendments, and the item will come back before the City Commission for approval.

Policy Report
Continued discussion of American Rescue Plan Act (ARPA) funding
July 19, 2022

Prepared by:



Paul Kramer
City Manager

Issue

Continue discussion of planning and options related to funding provided by the American Rescue Plan Act (ARPA). Included in the discussion will be a presentation by the City Manager of updated and new items.

Background

The City of Leavenworth has received \$8,549,063 in ARPA funding from the U.S. Treasury Department. The award was divided into two equal tranches, the second of which the City Manager's Office received in May.

From the initial tranche of \$4,274,531.50, the City expended \$1,152,219.83 in 2021 for expenses beyond revenues, which was one of the original intents of the funding. Fortunately, based on a combination of revenues returning to pre-pandemic levels and operational adjustments, there have been no ARPA funds drawn for 2022, nor does staff expect to draw any ARPA funds for these issues going forward. Based on that, the amount available and under discussion is \$7,396,843.17.

Fund use and general discussion

At the May 17 City Commission Study Session, the governing body reviewed and discussed an outline of potential uses of ARPA funding. Following that meeting, items that received general support from the Commission have continued to move forward. Additionally, a few new items have been brought to the attention of staff and are presented tonight for more feedback.

Attachments:

May 17 policy report

Policy Report
Discussion of American Rescue Plan Act (ARPA) funding
May 17, 2022

Prepared by:

Paul Kramer
City Manager

Issue

Discuss planning and options related to funding provided by the American Rescue Plan Act (ARPA).

Background

The City of Leavenworth is set to receive \$8,549,063 in ARPA funding from the U.S. Treasury Department. The award was divided into two equal tranches, the second of which the City Manager's Office registered for earlier this month, but has yet to receive.

From the initial tranche of \$4,274,531.50, the City expended \$1,152,219.83 in 2021 for expenses beyond revenues, which was one of the original intents of the funding. Fortunately, based on a combination of revenues returning to pre-pandemic levels and operational adjustments, there have been no ARPA funds drawn for 2022, nor does staff expect to draw any ARPA funds for these issues going forward. Based on that, the amount available and under discussion is \$7,396,843.17.

Fund use and general discussion

The City has wide discretion on use of these funds, with two exceptions. Funds cannot be used to: 1) directly or indirectly offset or reduce taxes, or delay a tax increase; and 2) funds cannot be deposited into any pension funds nor into reserves.

The entirety of the funds must be obligated by December 31, 2024 and spent by December 31, 2026. While many project options can be accommodated within this time frame, if the Commission elects any type of complex infrastructure project or expansion, time could become an issue. When considering potential uses of the funds, the Government Finance Officers Association (GFOA), of which the City is a member, offers the following guidance:

- Investment in critical infrastructure is particularly well suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long-term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.
- Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.

- Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.

As a starting point for discussion, City staff has put together a framework of potential uses of the funds. Uses were reviewed and included based on the following:

- Known and immediate public infrastructure projects;
- Items that appear in the City Commission adopted 2030 Comprehensive Land Use Plan
- Items that appear in the City Commission adopted 2022-2023 goals
- Items that are one-time expenditures designed to have a positive impact on city operations and resident experience
- Items that could have long-term strong return on investment, but high initial costs that make them less viable
- Projects or uses that fit the expenditure deadlines
- Items that improve quality of life in the community or help businesses remove hurdles to growth and prosperity
- Items with significant cost that will have to be addressed in the near future

Funding categories

In the interest of organizing the discussion and attempting to create a framework to assign funds, below is a draft outline of funding categories, with potential projects/uses included.

1. Critical Infrastructure

- Wastewater Treatment Plant:

There is no more critical piece of City infrastructure than the 50-year old facility that intakes and treats wastewater for the entire City of Leavenworth, as well as Fort Leavenworth and the VA Eastern Regional Medical Center. In general, the plant is in good shape with the exception of three critical pieces of infrastructure. The replacement of those items is essential for plant operations and would most likely be funded by a wastewater rate increase if ARPA funds are not allocated.

(Other: ADA upgrades, replacement of known failing sewer lines, etc.)

2. Community/Business Investment

- Boys and Girls Club

The City Commission included “(e)xplore a partnership with the Boys and Girls Club or similar organization to promote activity and opportunity for Leavenworth youth” in the most recent Commission goals document. The Boys and Girls of Kansas City, which operates 13 locations in the area, is interested in pursuing a location in Leavenworth. The primary hurdle would be a location. While the City does not intend to own or operate a facility for an organization like this, the initial location is often the responsibility of the community until the organization can begin to operate and create a model to accommodate ongoing costs.

- Fire suppression and ADA upgrade grants

A significant hurdle for downtown businesses, as well as other businesses citywide, has been meeting fire safety codes for renovation projects. A very specific grant program to address this, along with ADA facility upgrades could be a valuable asset to our historic downtown.

(Other: Grants for non-profit agencies, grants geared toward workforce development)

3. City facility investment

- City Hall

In 2024, City Hall will turn 100 years old. Overall, the building is in sound structural shape, however there are mechanical/plumbing and exterior/water infiltration issues that remain unaddressed. Related to the mechanical and plumbing components, the hydronic and mechanical condensate piping needs to be replaced. These elements were not addressed in the 2004 renovation and are well-past their expected life.

- Riverfront Community Center

The administrative and public facing office for the Leavenworth Parks and Recreation Department located in the basement of the Riverfront Community Center. The offices have no meeting space, no front desk or reception area and are only marked by a single door. They are not inviting or conducive to conduct operations, nor do they provide an image consistent with a full service Parks and Recreation Department. Staff has explored moving the offices to the south end of the main floor of the Community Center. The goal would be to create administrative offices and a functional reception area and add a small conference room to meet with prospective conferences, wedding planners, tour group, contractors, vendors, visitors, coaches, parents, etc.

(Other: City Hall parapet and water line work, updates to the Municipal Service Center)

4. Long-term efficiency/investment projects

- Energy sustainability at the Riverfront Community Center

Renewable energy or upgrading existing systems appears in multiple places in the 2030 Comprehensive Plan, including two relevant strategies: 1) "Explore solar, battery and wind opportunities to diversify the City's power supply mix" (pg. 61); and 2) "Upgrade and maintain existing infrastructure and facilities to meet future needs and demands" (pg. 59). In this case, staff could explore the implementation of solar power at the Riverfront Community Center. The average annual cost of providing electricity at the RFCC is approx. \$100,000. The industry standard to see a return on investment for conversion to solar is 5-15 years, which is based off the initial investment. The use of ARPA funding would allow savings to be realized immediately.

(Other: Look at other energy efficiency upgrades at all City facilities)

5. Other/Commission discretion

- The purchase of one replacement fire truck.

The City has a fleet of seven (7) fire trucks. Four of them have been replaced in the last six years with the remaining three needing to be replaced at a later date by issuing bonds over

a 10-20 year period. The City could replace the worst of the remaining three, pushing off the issuance of debt and reducing the overall debt amount at such time that the full replacement was done.

- Refuse changes

The City's Solid Waste Task Force is currently working on recommendations for future operations of refuse pick up. The Committee may suggest a status quo approach, they may suggest a major shift, or something in the middle. Either way, any costs associated with a change would be passed on via rate increase. Until those recommendations are made, there may be value in reserving a portion of ARPA for implementing any changes.

- Housing

Pursuing a housing project is mentioned several times in the ARPA final rule, as well as in the guidance provided by the GFOA. There are no current projects that would fit City involvement, but could include something like land accumulation and site preparation with a bidding process for housing fitting the City's overall housing goals.

- Trails, playgrounds, park amenities, etc.

Staff would prepare a list of possible projects if the Commission wanted to move in this direction.

Beyond what is listed, staff evaluated:

- Road expansion projects (i.e. Muncie Road west of 10th Ave)
- Road rebuild projects (New Lawrence Road, Lakeview, Muncie west of Fourth Street)
- Expansion of sewer infrastructure
- A one-time expansion of the annual pavement management project
- Retiring old debt
- A community art project
- Funding a pilot internship program with the City (Fire, Police or other areas)
- Improvements along key corridors (i.e. a sign consolidation project)
- Enhanced funding over a two year period for a specific program (sidewalk replacement or curb replacement)

Next steps

There is no precedent for how to use these funds. To date, local government allocation of these funds nationwide is spread to many different areas:

| | |
|------------------------|--------------|
| Government operations | 37.6 percent |
| Housing | 12.5 percent |
| Community aid | 12.3 percent |
| Public health | 12.2 percent |
| Infrastructure | 11.9 percent |
| Economic workforce dev | 11.1 percent |
| Public safety | 2.3 percent |

There is time for careful consideration, within the lens of being fully aware of spending deadlines. I believe it is important to start forming a consensus around a few items so that staff can start working on project scope, design, bidding, award, implementation and completion.

| American Resuce Plan Act sample funding matrix | | |
|---|---|----------------------|
| Category | Project | Estimate Cost |
| Critical infrastruture | | |
| | Complete replacement of three identified, mission-critical elements at the WWTP | \$3,000,000 |
| Community Investment | | |
| | Initial investment related to a facility and Year 1 operating funding for the Boys and Girls Club | \$750,000 |
| | Fire suppression and ADA upgrade grants for Leavenworth businesses | \$500,000 |
| City Facility Investment | | |
| | City Hall comprehensive plumbing and piping replacement project | \$350,000 |
| | Relocation and creation of a Parks and Recreation central office. | \$375,000 |
| Long-term efficiency/investment projects | | |
| | Energy sustainability at the RFCC, potential including intallation of solar panels | \$375,000 |
| Total | | \$5,350,000 |
| Other | | |
| | Replacement Fire Truck | \$750,000 |
| | Refuse change reserve | \$600,000 |
| | Housing project | \$500,000 |
| | Trails playground amenities | \$200,000 |
| Total | | \$7,400,000 |