



Welcome - Please turn off or silence all cell phones during the Study Session.

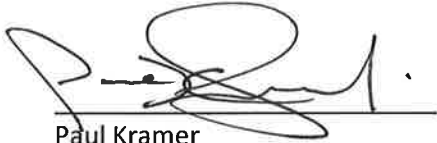
Meetings are televised everyday on Channel 2 at 7 p.m. and midnight

Study Session:

1. Shelter of Hope Presentation (pg. 2)
2. Westar Energy Substation Presentation (pg. 3)
3. Thornton Street Project Funding (pg. 13)
4. Storm Water Fee Review (pg. 19)

Policy Report
Shelter of Hope
April 17, 2018

Prepared by:

A handwritten signature in black ink, appearing to read 'Paul Kramer', written over a horizontal line.

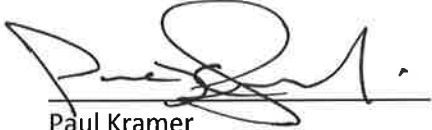
Paul Kramer
City Manager

Issue:

Sister Vickie Perkins will give a presentation on the operations of the Shelter of Hope.

Policy Report
Westar Energy Substation Presentation
April 17, 2018

Prepared by:

A handwritten signature in black ink, appearing to read 'Paul Kramer', written over a horizontal line.

Paul Kramer
City Manager

Issue:

Representatives from Westar will present information related to a new substation to be located along 20th Street. Westar has met with staff numerous times and would like to publically share plans for the project.

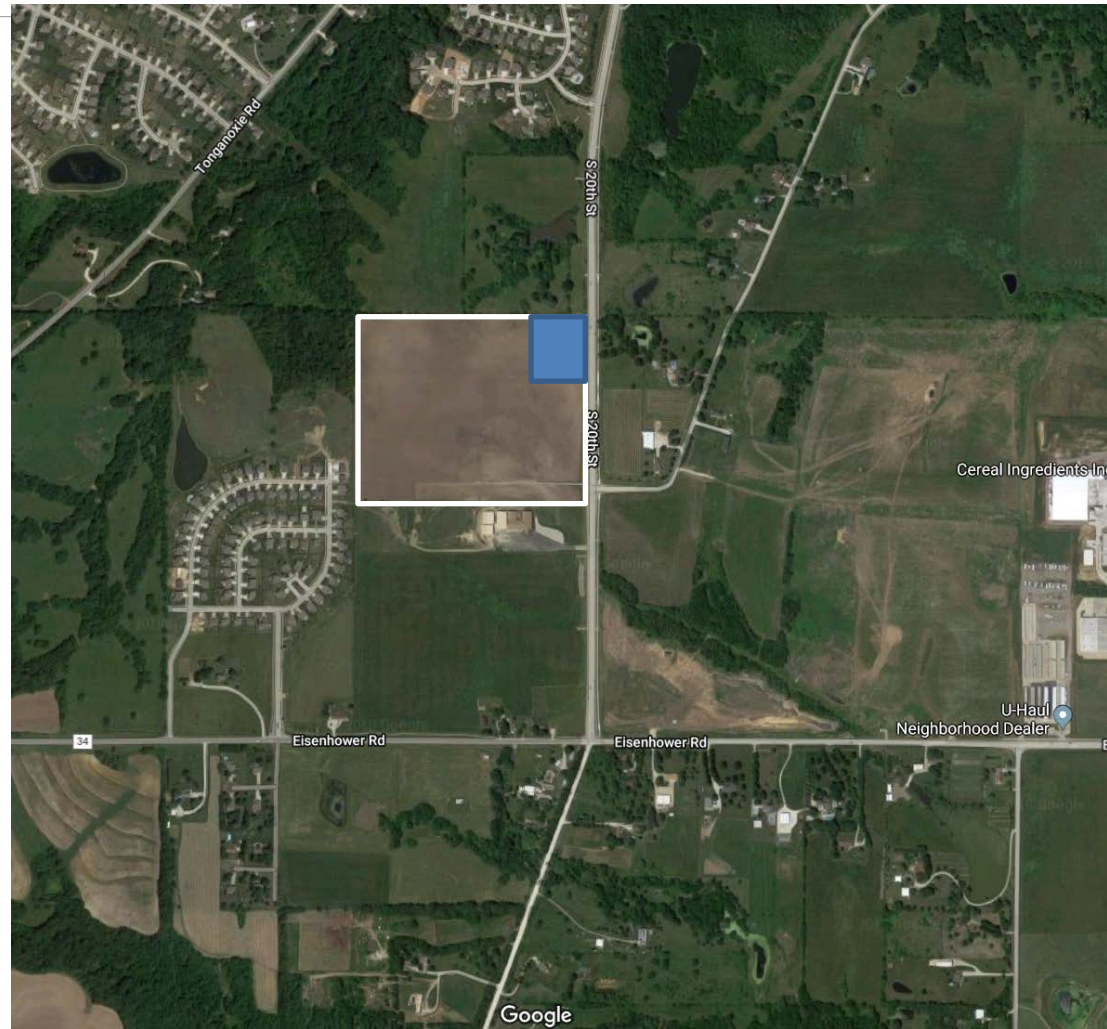
Proposed Richardson Substation

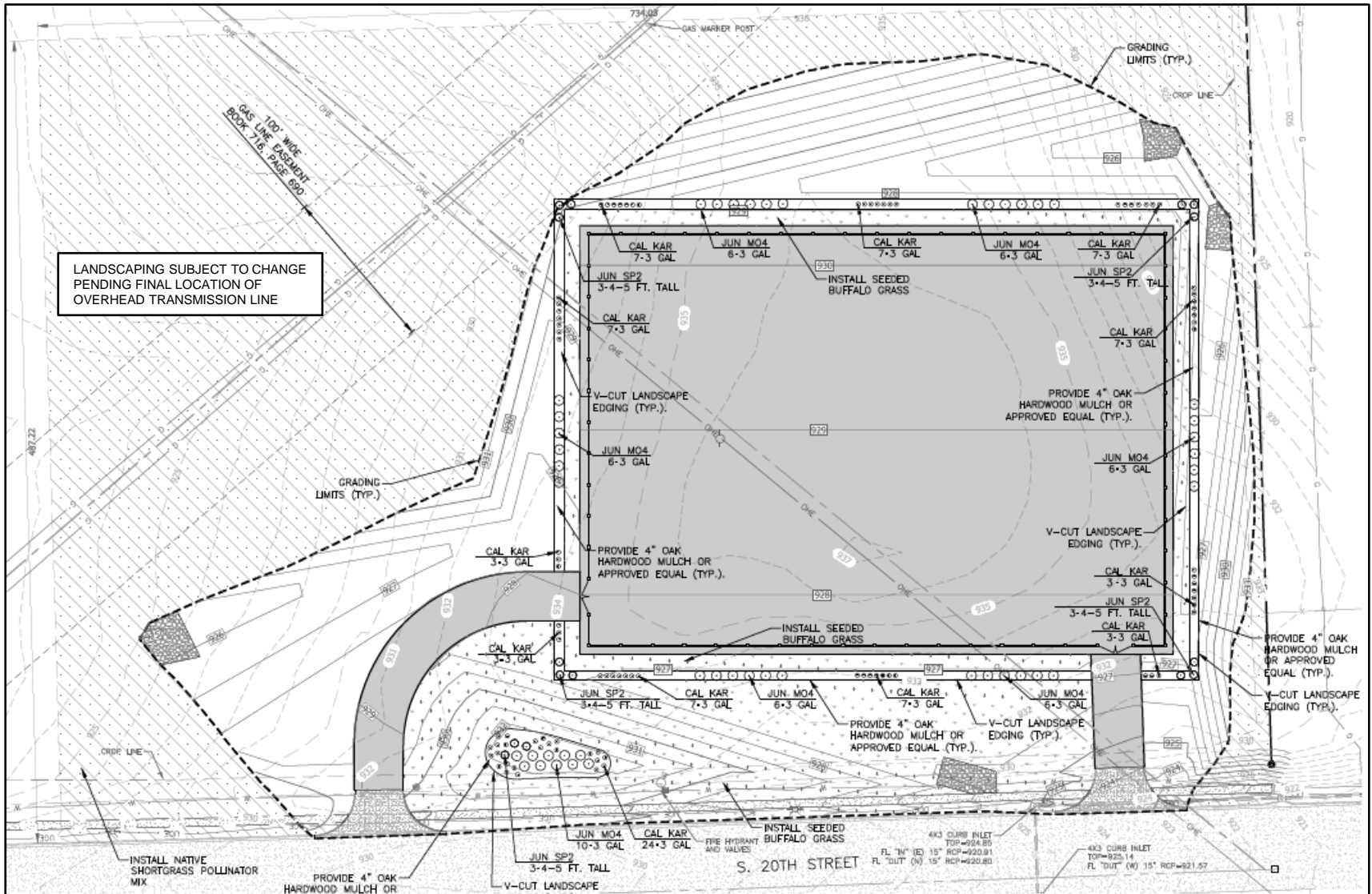
Project Overview & Benefits

- Current & Future Growth
- Aging & Over-loaded Electric Infrastructure
- \$7 million investment in the Leavenworth community
- Improved Reliability

Location Selection

- Proximity to existing power lines
- Availability of land
- Size of tract
- Community's Future growth





View from Back Side



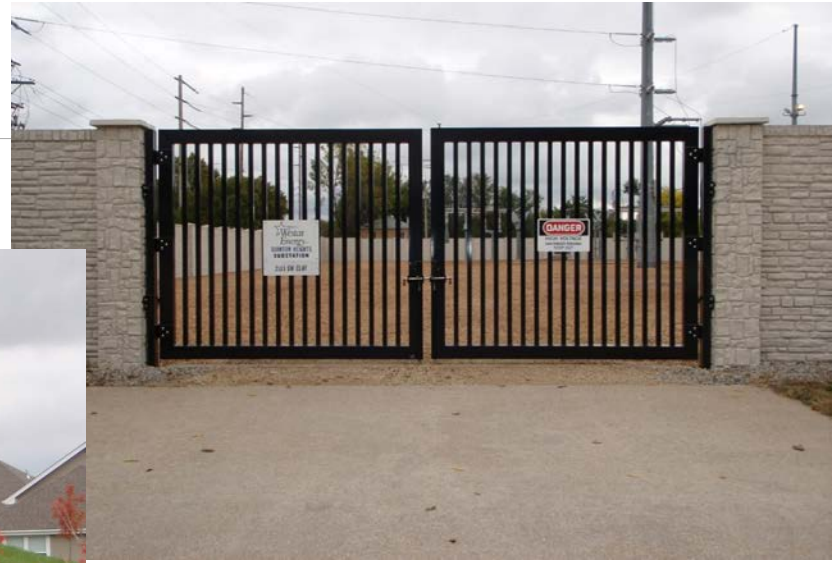
View 20th St



Aerial View



Fence Examples





POLICY REPORT
Thornton Street Project Funding
April 17, 2018

Prepared By:


Taylor Tedder
Assistant City Manager

Reviewed By:


Paul Kramer
City Manager

BACKGROUND:

The City Commission deemed reconstruction of Thornton Street a priority project earlier in 2018. Funding options mentioned below do not affect annual FFE funds, or the \$1.3 million in annual G. O. Bonds (General Obligation Bonds) dedicated to road maintenance.

A large number of funding options and best practices were evaluated in consideration for funding the Thornton Street project. Several options were deemed as non-viable options. Those **non-viable** options include:

1. *Special Assessments (over-burdens a small amount of residential property owners, unlikely to generate necessary revenue);*
2. *TIF (no commercial development in the surrounding area, estimated revenue generation for a tax increment financing district would not create necessary revenue stream); and*
3. *Local option income tax (the project could be paid with a 1/8% or less local option income tax, however would not be politically or economically feasible).*

Viable funding options identified include:

1. Millage increase via property taxes

- *In 2018, 1 mill generates approximately \$207,227.*
- *A 3.1 average mill increase would fully fund the \$5.5 million Thornton reconstruction project for ten years.*
- *A 3.1 average mill increase would mean the following increase in tax for the following homeowners:*
 - \$100,000 home - \$28.78 increase per year*
 - \$150,000 home - \$43.19 increase per year*
 - \$200,000 home - \$57.58 increase per year*

2. Full payment with existing CIP and/or Countywide sales tax dollars

- *In 2019, \$754,536 is unallocated to fund the bond payments.*
- *Note: this would push other priorities off for the 10-15 year term of the bonds leaving only \$101,331 available to fund the bridge program, computer replacement, traffic signals, any equipment replacement for Parks, Public Works, ballfield renovation, etc.*
- *Funding also becomes available as other commitments drop off including:*
 - *2nd Street Bridge is paid off in 2020*
 - *Network upgrades programmed will end in 2020*
 - *Animal Control is paid off in 2025*
 - *Downtown hotel bond payment expected to be TIF supported in 2020*
- *City administration has significant concerns with this option due to the impact of ability for departments to replace equipment and other items typically funded in the CIP.*

3a. Combination of sources with an element of millage increase via property taxes

- *Combine several sources to create a funding stream for the project*
- *Increase millage rate an average of 2.28 mills*
- *Utilize CIP/Countywide Sales tax allocations for partial funding components of the project (with the understanding this would push off already identified projects for stormwater funds and other funds slated for projects).*
- *Amount proposed: \$200,000 from mixed sources; Amount you would need from millage increase: \$473,205 for bond payments.*

3b. Combination of sources with no element of a tax increase

- *Combine several sources to create a funding stream for the project.*
- *Utilize CIP/Countywide Sales tax allocations for partial funding components of the project (with the understanding this would push off already identified projects for stormwater funds and other funds slated for projects).*
- *Amount proposed: \$653,205 average annual bond payment; leaving only \$151,571 available for any other projects during the ten year period.*
- *City administration has significant concerns with this option due to the impact of ability for departments to replace equipment and other items typically funded in the CIP.*

4. Thornton and Muncie projects in one millage increase

- *To reduce bonding costs, increase the mill levy by a little over 5 mills and fund an \$11.6 million bond issuance to complete both the Thornton Street reconstruction and the Muncie Road extension in the same year.*
- *An approximate 5 mill increase would mean the following increase in tax for the following homeowners:*
 - \$100,000 home - \$57.50 increase per year*
 - \$150,000 home - \$86.25 increase per year*
 - \$200,000 home - \$115.00 increase per year*

ATTACHMENTS:

1. Estimate of scenario 1
2. Estimate of scenario 2
3. Estimate of scenario 3A
4. Estimate of scenario 3B

City of Leavenworth, Ks
Public Works Project Funding Options-Thornton Street

1

Mills Only

10 Year @ \$5,540,000

Annual Impact of the mills on:

| | Annual Pymt | Impact on Mill Increase of: | \$100,000 | \$150,000 | \$200,000 | Appraised Value |
|------|---------------------|--------------------------------|-----------|-----------|-----------|-----------------|
| | | | \$11,500 | \$17,250 | \$23,000 | Assessed Value |
| 2019 | \$ 518,807 | 2.50 | \$28.79 | \$43.19 | \$57.58 | |
| 2020 | \$ 666,753 | 3.22 | \$37.00 | \$55.50 | \$74.00 | |
| 2021 | \$ 666,153 | 3.21 | \$36.97 | \$55.45 | \$73.94 | |
| 2022 | \$ 670,103 | 3.23 | \$37.19 | \$55.78 | \$74.37 | |
| 2023 | \$ 668,453 | 3.23 | \$37.10 | \$55.64 | \$74.19 | |
| 2024 | \$ 670,058 | 3.23 | \$37.18 | \$55.78 | \$74.37 | |
| 2025 | \$ 665,433 | 3.21 | \$36.93 | \$55.39 | \$73.86 | |
| 2026 | \$ 669,665 | 3.23 | \$37.16 | \$55.74 | \$74.33 | |
| 2027 | \$ 667,445 | 3.22 | \$37.04 | \$55.56 | \$74.08 | |
| 2028 | \$ 669,175 | 3.23 | \$37.14 | \$55.70 | \$74.27 | |
| | <u>\$ 6,532,045</u> | | | | | |

City of Leavenworth, Ks
Public Works Project Funding Options-Thornton Street

2

CIP Sales Tax only

| | <u>Annual Pymt</u> | | |
|------|----------------------------|------------------------------|---------------------|
| | | CIP Sales Tax (2017 actuals) | \$ 2,082,692 |
| | | Current Obligations | <u>\$ 1,328,156</u> |
| 2019 | \$ 518,807 | | \$ 754,536 |
| 2020 | \$ 666,753 | | |
| 2021 | \$ 666,153 | Average annual pymt | <u>\$ 653,205</u> |
| 2022 | \$ 670,103 | | |
| 2023 | \$ 668,453 | Available for projects | \$ 101,331 |
| 2024 | \$ 670,058 | | |
| 2025 | \$ 665,433 | | |
| 2026 | \$ 669,665 | | |
| 2027 | \$ 667,445 | | |
| 2028 | <u>\$ 669,175</u> | | |
| | <u>\$ 6,532,045</u> | | |

City of Leavenworth, Ks
Public Works Project Funding Options-Thornton Street

3.A.
Combination

10 Year @ \$5,540,000

| | Stormwater | County Wide Sales Tax | Debt payment -Prop Taxes | Annual Pymt | Impact on Mill Increase of: |
|------|------------|-----------------------|--------------------------|---------------------|--------------------------------|
| 2019 | \$ - | \$ - | \$ - | \$ 518,807 | 2.50 |
| 2020 | \$ 25,000 | \$ 175,000 | \$ 466,753 | \$ 666,753 | 2.25 |
| 2021 | \$ 25,000 | \$ 175,000 | \$ 466,153 | \$ 666,153 | 2.25 |
| 2022 | \$ 25,000 | \$ 175,000 | \$ 470,103 | \$ 670,103 | 2.27 |
| 2023 | \$ 25,000 | \$ 175,000 | \$ 468,453 | \$ 668,453 | 2.26 |
| 2024 | \$ 25,000 | \$ 175,000 | \$ 470,058 | \$ 670,058 | 2.27 |
| 2025 | \$ 25,000 | \$ 175,000 | \$ 465,433 | \$ 665,433 | 2.25 |
| 2026 | \$ 25,000 | \$ 175,000 | \$ 469,665 | \$ 669,665 | 2.27 |
| 2027 | \$ 25,000 | \$ 175,000 | \$ 467,445 | \$ 667,445 | 2.26 |
| 2028 | \$ 25,000 | \$ 175,000 | \$ 469,175 | \$ 669,175 | 2.26 |
| | | | <u>\$</u> | <u>\$ 6,532,045</u> | |

Annual Impact of the mills on:

| | \$100,000 | \$150,000 | \$200,000 | Appraised Value |
|------|-----------|-----------|-----------|-----------------|
| | \$11,500 | \$17,250 | \$23,000 | Assessed Value |
| 2019 | \$28.79 | \$43.19 | \$57.58 | |
| 2020 | \$25.90 | \$38.85 | \$51.80 | |
| 2021 | \$25.87 | \$38.80 | \$51.74 | |
| 2022 | \$26.09 | \$39.13 | \$52.18 | |
| 2023 | \$26.00 | \$38.99 | \$51.99 | |
| 2024 | \$26.09 | \$39.13 | \$52.17 | |
| 2025 | \$25.83 | \$38.74 | \$51.66 | |
| 2026 | \$26.06 | \$39.10 | \$52.13 | |
| 2027 | \$25.94 | \$38.91 | \$51.88 | |
| 2028 | \$26.04 | \$39.06 | \$52.07 | |

City of Leavenworth, Ks
Public Works Project Funding Options-Thornton Street

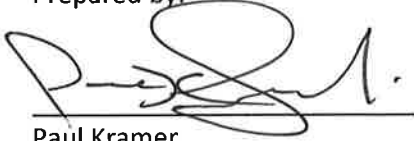
3.B.

County Wide Sales Tax only

| | <u>Annual Pymt</u> | | |
|-------------------------------|---------------------|--------------------------------------|---------------------|
| | | County Wide Sales Tax (2017 actuals) | \$ 2,193,529 |
| | | County Wide Use Tax (2017 Actuals) | \$ 425,997 |
| | | | <u>\$ 2,619,526</u> |
| | | By Ordinance: | |
| 2019 | \$ 518,807 | 15% Goes to Debt Reduction | \$ 392,929 |
| 2020 | \$ 666,753 | 15% Goes to Economic Development | \$ 392,929 |
| 2021 | \$ 666,153 | 15% Goes to Sidewalk Program | \$ 392,929 |
| 2022 | \$ 670,103 | 15% Goes to Stormwater Program | <u>\$ 392,929</u> |
| 2023 | \$ 668,453 | | <u>\$ 1,571,716</u> |
| 2024 | \$ 670,058 | | |
| 2025 | \$ 665,433 | | |
| 2026 | \$ 669,665 | Current Obligations | <u>\$ 766,940</u> |
| 2027 | \$ 667,445 | | |
| 2028 | \$ 669,175 | | \$ 804,776 |
| | <u>\$ 6,532,045</u> | | |
| Average annual pymt | | | <u>\$ 653,205</u> |
| Available for projects | | | \$ 151,571 |

Policy Report
Storm water fee review
April 17, 2018

Prepared by:



Paul Kramer
City Manager

Subject:

At the April 3, 2018 City Commission Study Session, the Commission discussed the main elements – Funding Structure, Collection Methods, and Management Plan – of a Storm Water Program Fee. The Commission reached consensus on all items except the fee collection amount on the “Residential” classification. The Commission asked staff to present possible program expenditures for three residential funding levels: \$72/annually, \$84/annually, and \$96/annually. The enclosed represents a draft of a possible program at the levels reflected above.

The highlighted areas represent either an enhancement or new program from the previous funding option. A summary of the changes include:

Enhancements from \$72/annually to \$84/annually

- Orange Fence Big Projects - increase of \$100,000 per year, starting in 2021
- Inlet Project Program – start the program two years earlier (2020 vs 2022)
- Lining Project Program – start the program one year earlier (2021 vs 2022)

Enhancements from \$84/annually to \$96/annually

- Capacity to Bond \$2,500,000 starting in 2019, allowing:
 - \$750,000 supplement for the Broadway System
 - \$1,050,000 for the Ninth Street System
 - \$550,000 influx for the Stone Arch Replacement Program
- Inlet Project Program – start the program two years earlier (2019 vs 2020)
- Lining Project Program – start the program one year earlier (2020 vs 2021)

All examples above are potential changes to the program, all of which are subject to further study, changes in priority and other considerations.

PRK/

| PROPOSED City of Leavenworth Stormwater Fee Residential - \$72.00 per year (\$6/month) | | | | | | PROPOSED City of Leavenworth Stormwater Fee Residential - \$84.00 per year (\$7/month) | | | | | | PROPOSED City of Leavenworth Stormwater Fee Residential - \$96.00 per year (\$8/month) | | | | | | | | |
|--|----|--------------|--------------|--------------|--------------|--|----------------------|----|--------------|--------------|--------------|--|--------------|----------------------|--------------|--------------|--------------|--------------|--------------|--------|
| | | 2019 | 2020 | 2021 | 2022 | 2023 | | | 2019 | 2020 | 2021 | 2022 | 2023 | | | 2019 | 2020 | 2021 | 2022 | 2023 |
| Fees | | \$ 1,280,928 | \$ 1,280,928 | \$ 1,280,928 | \$ 1,280,928 | \$ 1,280,928 | Fees | | \$ 1,397,616 | \$ 1,397,616 | \$ 1,397,616 | \$ 1,397,616 | \$ 1,397,616 | Fees | \$ 1,514,304 | \$ 1,514,304 | \$ 1,514,304 | \$ 1,514,304 | \$ 1,514,304 | |
| Bond | | | | | | | Bond | | | | | | | Bond | \$ 2,500,000 | | | | | |
| Revenue | | \$ 1,280,928 | \$ 1,280,928 | \$ 1,280,928 | \$ 1,280,928 | \$ 1,280,928 | Revenue | | \$ 1,397,616 | \$ 1,397,616 | \$ 1,397,616 | \$ 1,397,616 | \$ 1,397,616 | Revenue | \$ 1,514,304 | \$ 4,014,304 | \$ 1,514,304 | \$ 1,514,304 | \$ 1,514,304 | |
| Debt | | | | | | | Debt | | | | | | | Debt | | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 | |
| Project Manager | \$ | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | Project Manager | \$ | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | Manager | \$ | 80,000 | 80,000 | 80,000 | 80,000 | |
| GIS Technician | \$ | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | GIS Technician | \$ | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | GIS | \$ | 40,000 | 40,000 | 40,000 | 40,000 | |
| Orange Fence - Small | \$ | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | Orange Fence -Small | \$ | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | Orange Fence -Small | \$ | 100,000 | 100,000 | 100,000 | 100,000 | |
| Orange fence - Big | \$ | | | 150,000 | 150,000 | 150,000 | Orange fence - big | \$ | | | 250,000 | 250,000 | 250,000 | Orange fence - big | \$ | | | 250,000 | 250,000 | |
| Creek Clean-up | \$ | 50,000 | 50,000 | 25,000 | 25,000 | 25,000 | Creek Clean-up | \$ | 50,000 | 50,000 | 25,000 | 25,000 | 25,000 | Creek Clean-up | \$ | 50,000 | 50,000 | 25,000 | 25,000 | |
| System - Broadway | \$ | | 500,000 | 500,000 | 400,000 | 100,000 | System - Broadway | \$ | | 500,000 | 500,000 | 400,000 | 100,000 | System - Broadway | \$ | | 1,250,000 | | 250,000 | |
| System - 9th St | | | | | | 250,000 | System - 9th St | | | | | | | System - 9th St | | | 1,050,000 | | | |
| System - 2nd St Arch | \$ | | 300,000 | 300,000 | 300,000 | 100,000 | System - 2nd St Arch | \$ | | 300,000 | 300,000 | 300,000 | 300,000 | System - 2nd St Arch | \$ | | 300,000 | 300,000 | 300,000 | |
| Inlet Project | \$ | | 75,000 | 75,000 | 75,000 | 75,000 | Inlet Project | \$ | | 100,000 | 100,000 | 100,000 | 100,000 | Inlet Project | \$ | 100,000 | 100,000 | 100,000 | 100,000 | |
| Lining project | | | | | 100,000 | 100,000 | Lining project | | | | 100,000 | 100,000 | 100,000 | Lining project | | | 100,000 | 100,000 | 100,000 | |
| Stone Arch program | | | | | | 50,000 | Stone Arch program | | | | 50,000 | 50,000 | 50,000 | Stone Arch Program | | | 550,000 | 50,000 | 50,000 | |
| Design (See Note 1) | \$ | 275,000 | 175,000 | | 50,000 | 75,000 | Design (See Note 1) | \$ | 275,000 | 175,000 | | 50,000 | 75,000 | Design (See Note 2) | \$ | 275,000 | 275,000 | | | 75,000 |
| Inspection | | | | 50,000 | 25,000 | 50,000 | Inspection | | | | 50,000 | 25,000 | 50,000 | Inspection | | | 150,000 | 50,000 | 50,000 | |
| Contingency (15%) | \$ | 128,093 | 128,093 | 128,093 | 128,093 | 128,093 | Contingency (15%) | \$ | 139,762 | 139,762 | 139,762 | 139,762 | 139,762 | Contingency (15%) | \$ | 151,430 | 151,430 | 151,430 | 151,430 | |
| Expenses | \$ | 673,093 | 1,448,093 | 1,448,093 | 1,473,093 | 1,323,093 | Expenses | \$ | 684,762 | 1,484,762 | 1,734,762 | 1,659,762 | 1,409,762 | Expenses | \$ | 796,430 | 4,196,430 | 1,546,430 | 1,796,430 | |
| Balance | | \$607,835 | \$440,670 | \$273,506 | \$81,341 | \$39,176 | Balance | | \$712,854 | \$625,709 | \$288,563 | \$26,418 | \$14,272 | Balance | | \$717,874 | \$535,747 | \$503,621 | \$221,494 | |

| General Approach | Other Notes - descriptions |
|---|--|
| <p>It is the intent of the program to focus initially on long standing "orange fence" problems throughout the community while addressing larger water quantity and water quality efforts. Larger projects occur after the first few years, and additional funds from bonds move them forward substantially increasing expenditures in Year 2 and Year 3.</p> <p>Design - Note 1 Yr. 1 - System Condition Assessment, Inlet Project, Broadway Yrs. 1 & 2, 2nd St. Yrs. 1 & 2 Yr. 2 - Inlet Project, Broadway Yrs. 3 & 4, 2nd St. Yrs. 3, & 4, 9th St. Yr. 3 Yr. 4 - Inlet Project, Lining Project, 9th St. Yr. 5</p> <p>Design - Note 2 Yr. 2 - additional design costs in anticipation of Bond Funds</p> <p>Inspection - Note 3 Yr. 2 - additional contract inspection for Bond Fund Projects</p> | <p><i>Broadway Project is generally considered repair/replace stormwater infrastructure North of 3-Mile Creek between Broadway and 7th Street</i></p> <p><i>9th Street Project is generally considered repair/replace stormwater infrastructure North of 3-Mile Creek along 9th Street alignment</i></p> <p><i>2nd Street Arch Project is generally considered repair/replace stormwater infrastructure beginning east of 2nd Street near the Justice Center and proceeding west to approximately 6th Avenue and Spruce.</i></p> <p><i>All other projects are city-wide and can be selected based on input from Citizens, staff knowledge, recommendations/guidelines from assessment, etc. Work can proceed geographically or follow prioritization guidelines.</i></p> <p><i>There is considerable overlap between project types</i></p> |