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**CALL TO ORDER** - The Governing Body met in regular session and the following commission members were present: Mayor Mark Preisinger, Mayor Pro-Tem Jermaine Wilson, Commissioners Nancy Bauder, Larry Dedeke and Myron J. (Mike) Griswold.

**Others present:** City Manager Paul Kramer, Assistant City Manager Taylour Tedder, Fire Chief Gary Birch, Parks & Recreation Director Steve Grant, Finance Director Ruby Maline, Public Information Officer Melissa Bower, City Attorney David E. Waters and City Clerk Carla K. Williamson.

Mayor Mark Preisinger opened the meeting with the pledge of allegiance followed by silent meditation.

**PRESENTATIONS:**

**Proclamation Parks and Recreation Month**

Steve Grant Director of Parks and Recreation was present to receive the proclamation.

**OLD BUSINESS:**

**Consideration of Previous Meeting Minutes:**

Commissioner Griswold moved to approve the minutes from the June 26, 2018 regular meeting as presented. Commissioner Wilson seconded the motion and was unanimously approved. The Mayor declared the motion carried 5-0.

**Second Consideration Ordinance:**

**Second Consideration Ordinance No. 8081 Rezoning 1100 N. 2nd Street**— City Manager Paul Kramer stated that there have been no changes to the ordinance since it was first introduced on June 26, 2018. Ordinance No. 8081 was presented for second consideration and a roll call vote.

Mayor Preisinger called the roll and Ordinance No. 8081 was unanimously approved 5-0.

**NEW BUSINESS:**

**Citizen Participation:** None

**General Items:**

**Consider Community Improvement District (CID) Application - AFS Leavenworth LLC** - Assistant City Manager Taylour Tedder presented for consideration an application submitted by AFS Leavenworth LLC for the creation of a CID. AFS Leavenworth LLC is estimating project costs of \$2,293,434 with CID eligible expenses estimated at \$792,884. The application proposes a 22 year

1.5% CID on sales tax transactions on the property to offset some of the improvement costs. Staff has evaluated the request. The request does not pass the "but-for" principle in the Economic Development Incentive Policy approved by the City Commission. The "but-for" principle means that the incentive must make such a difference in determining the establishment or expansion of the business that the business would not otherwise be established or expanded in the City, if it were not for the availability of the incentive. It is the policy of the Governing Body that private business should not be subsidized with public funds, the indirect consequences of tax incentives, unless some public good results and the public subsidy can reasonably be expected to make a significant difference in achieving economic growth and the creation of new jobs within the City. The applicant has already assumed ownership and began renovations of the property. Staff recommends denial of the request for a CID at this time.

Mr. Trent Overhue addressed the City Commission:

- Was not given notice about the meeting ahead of time
- Has requested in other communities
- Plans to update the building to clean up the blighted area
- Thinks Family Dollar is looking to expand and would if the building is updated
- Without the CID will not be doing renovations to the extent planned

Mayor Preisinger:

Asked about sales tax on rental of the storage area

At this time rental of storage facilities is not subject to sales tax

The sales tax would be only on the retail business in the area

Only a couple small retail units in the area and the additional sales tax would possibly hurt the shoppers in the area and the businesses

Mayor stated that he was not in favor of giving support for the request at this time

The Commission did not make any decision. If the applicant wishes to request a public hearing on the process he may do so through the office of the City Clerk.

**Presentation of Proposed 2019 Budget** - City Manager Paul Kramer reviewed the proposed 2019 operating budget for fiscal year 2019. Budget Works Sessions are scheduled for Wednesday July 11 and Thursday July 12 from 1:00 pm to 5:00 pm and Friday July 13 if needed.

*Overview:*

- Balanced Budget
- City supported mill remains flat
- Library requested 0.385 mill increase for Employee Benefit Fund (\$0.55/month on a \$150K house)
- Changes in legal service costs and costs associated with housing inmates have added \$100,000 to the budget

*Budget Development Considerations:*

- Budgeting for mid-year addition of a Community Development Director
- Funding of court-ordered nuisance abatement in a way that brings more expedient relief to neighborhoods
- Implementing a portion of the commissioned employee classification and compensation study

- Addressing the adopted City Commission goals
- A new budget line item for aesthetic improvements in City parks and budgeting for tree removal of infected ash trees
- Employee health/welfare and retirement expenses

*Revenue Highlights:*

- Increase in assessed valuations
- General Fund sales tax revenue increase
- Refuse rate increase

*Expense Highlights:*

- RFCC subsidy
- Mid-year salary of new Community Development Director
- KPERS and KP&F increases
- Health insurance cost increase
- Fire Department specialty assignment pay
- Increase in legal budget
- Increase in County fees for inmate charges

Conclusion/Mill Rate Recommendation:

Fund	2018 Budget	2019 Budget	Variance
General Fund	16.589	16.150	-0.439
Recreation	1.822	2.277	0.455
Bond & Interest	7.634	7.635	0.001
Fire Pension	0.644	0.642	-0.002
Police Pension	0.060	0.064	0.004
<i>Subtotal - City</i>	<i>26.749</i>	<i>26.768</i>	<i>0.019</i>
Library Fund	3.750	3.750	0.000
Library Employee Benefits	0.844	1.229	0.385
<i>Subtotal - Library</i>	<i>4.594</i>	<i>4.979</i>	<i>0.385</i>
<b>Total</b>	<b>31.343</b>	<b>31.747</b>	<b>0.404</b>

**Citizen Comments:**

Jon Hall - 3014 Shrine Park:

- Asked about replication of services by the City and County

**Presentation of Business Park Research/Marketing Plan** - City Manager Paul Kramer outlined a report and recommendations by Newmark Grubb Zimmer for the Leavenworth Business and Technology Park. The study was done in preparation for the opening of the new park.

**CONSENT AGENDA:**

Commissioner Griswold moved to approve claims for June 23, 2018 through July 6, 2018 in the amount of \$1,414,542.34; Net amount for Pay #14 effective July 6, 2018 in the amount of

\$338,977.56 (No Police & Fire Pension). Commissioner Bauder seconded the motion and was unanimously approved. The Mayor declared the motion carried 5-0.

**Other:**

Commissioner Griswold:

- Discussed a request for a study session on roads
- Would like the Commissioners to agree to a study session in the month of August

Mayor Preisinger mentioned that there will be quite a bit of discussion during the budget on roads

City Manager Kramer asked for a clarification on the discussion topics

There was a consensus by the Commissioners to put the topic on a Study Session in August or September or at least before the CIP is addressed

**Executive Session:**

**Preliminary Discussion of the Acquisition of Real Property**

Commissioner Bauder moved to recess into executive session to discuss the acquisition of real property pursuant to the preliminary discussion of the acquisition of real property exception per K.S.A. 75-4319 (b) (6). The open meeting to resume in the City Commission Chambers at 8:18 by the clock in the City Commission Chambers. City Manager Paul Kramer, Assistant City Manager Taylour Tedder and City Attorney David Waters are requested to be present during the Executive Session. Commissioner Griswold seconded the motion and was unanimously approved. The Mayor declared the motion carried 5-0.

The Governing Body returned to open session at 8:18 with no action taken.

**Adjourn:**

Commissioner Dedeke moved to adjourn the meeting. Commissioner Griswold seconded the motion and was unanimously approved. The Mayor declared the motion carried and the meeting adjourned.

Time Meeting Adjourned 8:18 p.m.

Minutes taken by City Clerk Carla K. Williamson, CMC