

City of Leavenworth Adopted Budget

For the 2020 Calendar Year



Adopted by the Leavenworth City Commission on August 13, 2019

City of Leavenworth, Kansas
100 N. Fifth St.
Leavenworth, Kansas

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Mission Statement

The ongoing mission of the City Government of Leavenworth, Kansas is to protect and maintain the health, safety, and general welfare of the Leavenworth community. All representatives of the Leavenworth city government will carry out this mission on a daily basis within the parameters of all fiscal resources available and in a fair and equitable manner for all individuals who live in, work in, conduct commerce in, and visit the City of Leavenworth.

City of Leavenworth, Kansas
List of Elected and Appointed Officials
July 31, 2019

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Jermaine Wilson	Mayor	2022
Myron "Mike" Griswold	Mayor Pro Tem	2022
Nancy Bauder	Commissioner	2020
Larry Dedeke	Commissioner	2020
Mark Preisinger	Commissioner	2020

<u>Appointed Officials</u>	<u>Position</u>	<u>Length of Service</u>
Paul Kramer	City Manager	4 years
David Waters	City Attorney	2 years
Taylour Tedder	Assistant to the City Manager	4 years
Melissa Bower	Public Information Officer	8 years
Lona Lanter	Human Resources Directors	16 years
Carla Williamson	City Clerk	4 years
Ruby Maline	Finance Director	4 years
Steve Grant	Director of Parks & Community Activities	4 years
Michael McDonald	Director of Public Works	31 years
Pat Kitchens	Police Chief	12 years
Gary Birch	Fire Chief	6 years
Julie Hurley	Director of Community Development	5 years



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Leavenworth

Kansas

For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Leavenworth, Kansas**, for its Annual Budget for the fiscal year beginning January 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Staff Responsible for the 2020 Budget Include:



Paul Kramer, City Manager



Taylour Tedder, Assistant City Manager



Ruby Maline, Finance Director



Brandon Mills, Deputy Finance Director



Karen Parker, Senior Accountant



Stephanie Alexander, Accountant I



Carla Williamson, City Clerk



Melissa Bower, Public Information Officer

July 9, 2019

Mayor and City Commission
City of Leavenworth
Leavenworth, Kansas

Dear Mayor and Commissioners:

The City of Leavenworth Management Team is pleased to present the 2020 Operating Budget and 2020-2024 Capital Improvements Program (CIP). The two budget processes were combined this year to provide the Commission and residents of Leavenworth with a clearer comprehensive view of total city resources and expenditures. The change also reflects the interconnectivity between the budgets.

I. OPERATING BUDGET

The 2020 Operating Budget is balanced, as required by law, and builds on the City's goal to provide high quality services while maintaining sound financial standing. The budget contains revenues and expenses for all City funds and includes a "pass-through" levy as mandated by the Library Ordinance. The overall proposed mill levy shows a minimal decrease from 31.747 to 31.729.

The Management Team has evaluated economic trends, City Commission priorities and adopted goals, public discourse and feedback, staff recommendations and many other factors while drafting the operating and capital budgets. The following issues, in context of their relation to available resources, were discussed at length in development of the 2020 budget:

- Shifting considerable existing resources to the 2020 allocation for road maintenance. Part of the decision to combine the two budget processes was to discuss road funding – a CIP expenditure – in context of the larger budget process.
- Funding of a rental property coordinator to implement a new program for the City.
- Implementing the first full year of the employee classification and compensation study.
- Adding a civil engineering position, which will be funded by resources traditionally allocated to contracted engineering work on street and street-related projects.
- Employee health/welfare and retirement expenses.

General Fund

The City's General Fund accounts for core municipal functions and services such as Police, Fire, Parks and Recreation, Public Works, Planning and Administration. This is an operating budget focused primarily on revenues coming and going in a particular fiscal year. The primary revenue streams that support the General Fund budget are: 1) Sales and Use Taxes; 2) Property Taxes; 3) Charges for Services; 4) Fines and Forfeitures; and 5) Franchise Fees. Fluctuations in these revenue streams affect how the City is able to pay for and maintain core services.

Revenue Highlights

- The City experienced an increase in initial assessed valuation from \$212,395,600 in 2019 to \$219,502,504 in 2020 – an increase of 3.0%.
 - Total sales tax revenues in the Tax Funds are budgeted to increase \$433,680, or 3.0%, over 2019.
 - Several other revenue sources increased, including property tax (\$221,818), franchise fees (\$165,062) and motor vehicle tax (\$32,032). The most substantial decline is in court fines/ fees (\$50,000).
- There are increases in other revenue sources, including interest income, transient guest tax, and charges for services.

Additionally, the General Fund includes a budgeted reserve of \$2,727,289, which is available to support unanticipated expenses or underperforming revenues. The 2020 budgeted reserve decreased to 31% from 33% in 2019, which is still well above the City's reserve target of 16.67 %.

Expense Highlights

- The Riverfront Community Center requires an operating subsidy of \$400,000 in the 2020 Operating Budget. Everything from utilities, insurance, supplies and maintenance increase year-to-year, without a corresponding increase in revenue. Future changes in either revenue or expenses will need to occur to freeze or reduce the trend in escalating operating subsidies.
- The inclusion of \$62,000 in total compensation for a rental property coordinator.
- City contributions to the Police and Fire KP&F State Pension system and in the KPERS State Pension system contribution rate for all other City employees saw a \$26,035 increase for 2020.
- Health insurance costs are budgeted to increase 8% (which would equate to \$310,000), although the exact amount is unknown at this time. There are also slight increases budgeted for dental and vision costs.
- The 2020 portion of the 5-year phased implementation of the employee classification and compensation study of \$268,000.

The 2020 employee compensation plan recommendation is to include a 2.25 % across the board increase for employees, implemented mid-year. The compensation plan is slightly below those being provided by most municipalities in the region. However, when combined with the classification and compensation allocation, the City remains competitive in the region for employee investment.

Other budgets included

It is again useful to consider the 2020 budget document as consisting of four separate budgets: Library Funds, Federal Grant Funds, Non-Tax Funds and Tax Funds.

Library

The Library Ordinance establishes a mill rate of 3.75 mills, which generates \$823,143 for 2020 operations. Additionally, there is a second levy for the Library Employee Benefits Fund (EBF). That levy

fluctuates based on cost and is currently anticipated to be 1.080, which will generate \$237,167. The library also receives other (motor vehicle and delinquent taxes) funding.

Federal Grant Funds

The City receives grants each year for Planters II, Section 8, Community Development, and Comprehensive Improvements Assistance Program (CIAP) activities. The 2020 Planters II expense budget increased \$15,335 over 2019. Increases in expenditures are due to increased health insurance and paying for a portion of the Community Development Director position. The financial condition of the Fund is stable. The 2020 Section 8 Fund expense budget include a \$5,843 increase in personnel costs, but mostly stays the same as 2019.

The 2020 Community Development Block Grant funds are estimated to decrease to \$319,799. Of that total budget, \$63,959 may be used for administrative purposes; the balance, or \$255,840, is used for a variety of community projects in accordance with CDBG guidelines.

The CIAP Fund (Planters II Capital Fund) was established to account for federal grants received each year for repairs and renovations to the Planters II facility. The Fund will begin 2020 with a balance of \$150,000 while federal grant revenue of \$370,023 is budgeted for the year. Thus, total resources in 2020 are \$520,023 and are budgeted for building improvements.

Non-Tax Funds

These Funds derive their financial support from sources other than ad valorem taxes. Expense budget levels for these Funds are generally dependent upon the availability of revenue generated through the pursuit of the Fund's activity. For example, the Sewer Fund expense budget is dependent upon funds generated from the sale of sewer services.

The 2020 expense base budget for this group of Funds increases \$1,412,746 or 6.4%, to \$22,000,727. These increases are due to projects carried over from 2019 that are restricted for capital outlay (\$502,452); for streets (\$310,358); increased TIF payouts; increased activity in the CVB funds; and increased activity in the sewer and refuse funds.

Fund	2019 Budget	2020 Budget
Countywide Sales Tax	3,728,062	2,792,940
Streets	2,149,944	2,460,302
CIP Sales Tax Fund	2,607,792	4,045,366
Zeck TIF Fund	804,711	980,544
Econ Develop Fund	950,265	942,230
Probation Fund	255,522	238,643
Sewer	5,811,099	6,126,264
Refuse	2,295,911	2,637,622
Refuse Restricted	35,760	15,000
Police Seizure	157,592	0
CVB Fund	872,311	917,281
Hotel TIF Fund	529,174	537,451
Home Depot Tax Increment	359,838	307,084
Special Park Gift	30,000	0
Total	\$20,587,981	\$22,000,727

The 2020 Streets Fund operating budget increases \$310,058, or 12%, from the 2019 budget due to decreases in personnel costs and budgeted capital outlay. There is no anticipated subsidy transfer from the General Fund.

The Convention and Visitor's Bureau Fund was established in 2014 to account for the receipt of transient guest tax revenue that had previously been accounted for in the General Fund. The Fund began 2019 with \$466,481 and an additional \$450,800 in revenue was budgeted during 2020. Budgeted expenses are \$389,790. Operating Reserves are budgeted at \$527,491 to be available should other projects become identified. The 2020 budget is \$44,970 higher than 2019, due to increases in grant payouts, promotional activities, and professional services.

The 2020 Sewer Fund budget is \$282,715 higher than 2019; Long-term financing analysis of the fund indicates that a utility rate increase of 8% will be required for expenditures at the sewer plant and will generate an additional \$293,390 in utility revenue this year. This increase is necessary for the replacement of the sweep arm, skimmer and interior mechanisms of the original 1972 final clarifier in the amount of \$250,000; the balance is due to increased personnel costs.

The 2020 Refuse Restricted Fund beginning balance is expected to be \$13,714 and a \$5,000 transfer from the Refuse Fund will result in total 2020 resources of \$18,714. Budgeted 2020 expenditures include \$15,000 mowing and erosion control activities.

The 2020 Refuse Fund long-term financing analysis indicates that a utility rate increase of 6% will be required for future capital expenditures of a refuse truck that will bring the fleet back to the original replacement schedule. The 6% rate increase will generate an additional \$156,100 in utility revenue.

The Home Depot Tax Increment Fund was established to account for the receipt and distribution of funds received from Home Depot as required by the tax increment financing agreement initiated in 2003. It is estimated that approximately \$307,084 will be paid to Home Depot in accordance with the agreement.

Two additional TIF funds were added to account for the collection and distribution of funds as required by tax increment financing agreements with Zeck Ford, First City Hotels, and Home 2 Suites Hotel. Zeck Ford TIF fund is anticipated to have \$914,911 paid out and the Hotel TIF funds are anticipated to have \$537,451 paid out.

Bond and Interest Fund

The 2020 Bond & Interest Fund expense budget increases \$464,535 due to increased debt service payments. Budgeted 2020 payments consisted of principal of \$3,430,000 and interest of \$579,762. New debt payment for 2020 includes principal of \$110,000 and interest of \$47,347 for the 2018 general improvements bonds.

Assessed Valuation

Based upon information recently received from the County Clerk, the City of Leavenworth experienced an increase in assessed valuation from \$212,395,600 to \$219,502,504. This is about a 3.0% increase; however, tax abatement property values increased to \$4,940,194.

	2019 Budget	2020 Budget	Variance
Real Property	\$196,347,637	\$202,828,770	\$6,471,133
Personal Property	4,009,374	3,894,684	-\$ 114,690
State Assessed Utilities	12,038,589	12,779,050	\$ 760,461
Total	\$212,395,600	\$219,502,504	\$7,106,904

Ad Valorem Taxes

The following table illustrates the 2020 ad valorem tax levy (prior to the delinquency rate calculation) required by each City Fund.

Fund	2019 Budget	2020 Budget	Variance
General Fund	\$3,430,109	\$3,675,224	6.70%
Recreation	483,670	449,291	-7.65%
Bond & Interest	1,621,569	1,676,576	3.30%
Fire Pension	136,257	90,028	-33.90%
Police Pension	13,605	13,317	-2.20%
Subtotal - City	5,685,210	5,964,746	4.70%
Library Fund	796,403	823,143	2.50%
Library Employee Benefits	261,126	237,167	-9.2%
Subtotal - Library	1,057,529	1,063,310	0.5%
Total	\$6,742,739	\$6,964,746	3.20%

Mill Levies

The table below illustrates the 2020 mill levy rate for each City Fund requiring ad valorem tax support given the assessed valuation data provided by the County Clerk.

Fund	2019 Budget	2020 Budget	Variance
General Fund	16.150	16.743	.593
Recreation	2.277	2.047	-0.23
Bond & Interest	7.635	7.638	0.003
Fire Pension	0.642	0.410	-0.232
Police Pension	0.064	0.061	-0.003
Subtotal – City	26.768	26.899	0.121
Fund	2019 Budget	2020 Budget	Variance
Library Fund	3.750	3.750	0.000
Library Employee Benefits	1.229	1.080	- 0.149
Subtotal - Library	4.979	4.830	0.385
Total	31.747	31.729	-0.018

II. CAPITAL IMPROVEMENTS BUDGET (CIP)

The CIP is comprised of three sources: 1) ¼ of the City’s local sales tax, 2) The City’s portion of the countywide sales tax, and 3) General Obligation Bonds issued by the City for the road maintenance program. The CIP is allocated for a number of bond financed and pay-as-you-go projects, buildings, equipment needs, operating transfers and infrastructure items. Projects included in the CIP are prioritized by staff evaluation of operations, equipment, building and infrastructure along with Commission priorities and direction. Although the CIP represents a five-year-look-ahead, the program is evaluated on a yearly basis to offer the most flexibility to the Commission and the Community.

2020 CIP Highlights Include

- The inclusion of \$650,000 of CIP sales tax funds to go along with the \$1.35 million in GO bonds to bring the 2020 road expenditure program to \$2 million.
- Budgeting for the replacement of the 1992 Fire Department Aerial Truck.
- The replacement of six (6) City vehicles, including four (4) Police patrol vehicles.
- Ongoing debt allocations for the Business and Technology Park, Thornton and 10th Avenue street projects, the Animal Control facility and the Second Street over Three-Mile Creek project.
- The replacement of the playground equipment structure at Dougherty Park.

- A variety of equipment and tools to allow the Streets Division to more comprehensively and efficiently work on limited road repairs and pothole patching.
- A budgeted \$24,926 for repairs and painting to shelters, concession stands and shelters at various parks.

Conclusion

The 2020 recommended operating budget and 2020-2024 CIP reflect the continuation of modest, yet positive growth in revenue and service delivery. The recommended budget proposes to invest heavily in the City’s road network, to invest in employee development and workforce stabilization while making enhancements in parks and recreation, community resources and City capabilities with a decrease in mill rate. Additionally, revenue trends and careful consideration of expenses in the previous few years has allowed the City to sustain pre-recession reserve levels.

As with any budget process, certain areas were selected for enhancements, while others that were equally affected by cuts in previous years remained unchanged. We hope the proposed budget matches the goals and expectations of the residents of Leavenworth and the City Commission.

We appreciate the support of the staff in the preparation and presentation of the 2020 City recommended budget and 2020-2024 CIP and we look forward to reviewing its contents with the City Commission.

Sincerely,



Paul Kramer
City Manager



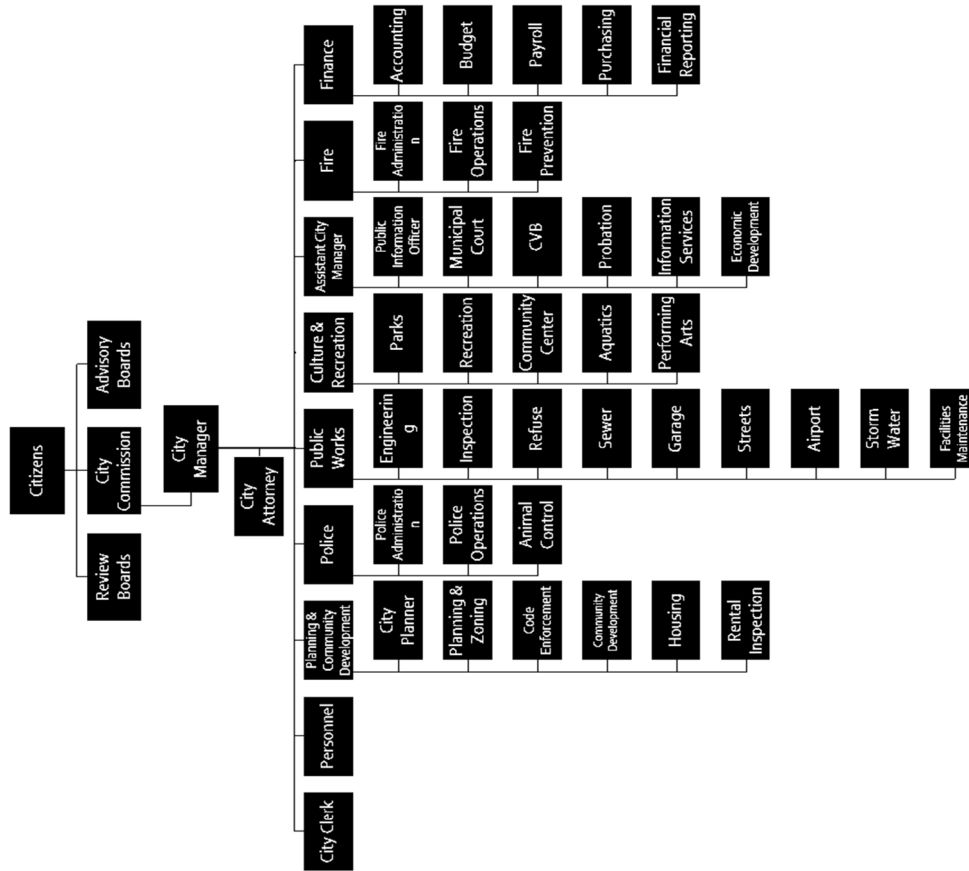
Ruby Maline
Finance Director

Summary of Changes Between Proposed and Adopted Budget

The health insurance rate increase was budgeted and adopted at 8 percent. Subsequently, negotiations lowered the rate increase to 7.77 percent. The budget was already adopted so the lower rates were not incorporated.

The 2020 Capital Improvement Program (CIP) includes an additional \$25,690 of spending authority for the Backstop and Dugout Repairs at Cody Park and Library Landscaping projects. These changes were a result of decisions made by the Commission during the 2020 Budget Hearings.

City of Leavenworth Organization Chart



Community Profile

The City of Leavenworth, Kansas is located on the west bank of the Missouri River in the Dissected Till Plains region of North America's Central Lowlands on land that was originally inhabited by the tribes of the Delaware, Kansa, and Osage peoples. Four small tributaries of the Missouri River flow eastward through the city, Quarry Creek, Corral Creek, Three Mile Creek, and Five Mile Creek. The City's water source comes from the Missouri River.

Leavenworth is 28 miles northwest of Kansas City, Missouri and 45 miles northeast of Topeka, Kansas, 145 miles south-southeast of Omaha, and 165 miles northeast of Wichita, at the intersection of US Route 73 and Kansas Highway 92. The City has a population of 36,062 and covers an area of approximately 24.06 square miles.

Fort Leavenworth, built in 1827, was originally named Cantonment Leavenworth by Colonel Henry Leavenworth. For several decades the fort played an important role in keeping the peace between the various Indian tribes and the settlers moving west. Many Leavenworth city streets are named after local Indian tribes.

While Fort Leavenworth was separate from the city until annexation in 1977, the two are interdependent on each other and their histories are inextricably intertwined. The City provides additional housing, shopping, recreational, and cultural amenities that are not available on base. In addition to the military personnel, the Fort provides thirty-six percent of civilian employment.

Fort Leavenworth is home to the Combined Arms Center, the intellectual center of the Army; the U.S. Army Command and General Staff College; National Simulation Center and the Army Corrections Complex. Leavenworth is home to the University of Saint Mary, the Dwight D. Eisenhower Veterans Affairs Medical Center, and the US Federal Federal Penitentiary.

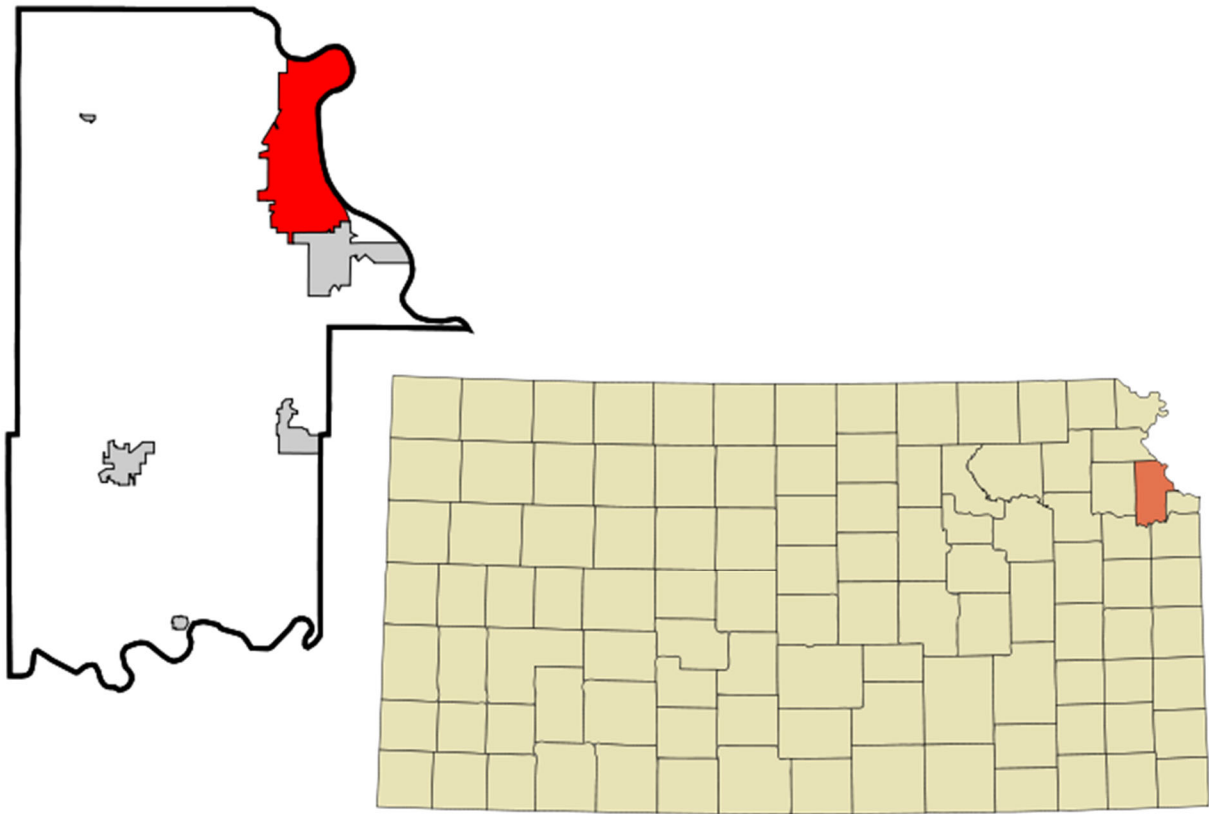
Leavenworth has a small town, historic atmosphere with access to the amenities of a larger city. In addition to the large federal presence and large private employers such as Hallmark Cards, the Leavenworth community is home to many smaller, family-owned businesses. The 28-blocks of downtown Historic Leavenworth still contains many of the buildings that were present in the early 1900's. Vintage homes are scattered throughout the community.

The City grew south of and in support of the fort, was established in 1854, and was incorporated by the first Kansas territorial legislature in 1855. The City was the first city incorporated in the Kansas Territory, hence its' motto: First City of Kansas. American history identifies Leavenworth for its key role as a supply base for settlers going west. The City was home to freight companies, meat packers, provisioners, stove makers, and furniture manufacturers. As the city grew, factories and businesses flourished and stately homes were built to house the families whose wealth grew as the city grew. Leavenworth was the industrial center of Kansas and of the west. The city has a historic wayside walking and driving tour commemorating the notable events and locations in the community.

Leavenworth also became known as a refuge for African-American slaves fleeing the slave state of Missouri, with the help of Abolitionists. In the years preceding the Civil War, Leavenworth frequently had physical confrontations between anti- and pro-slavery factions.

In April 1858, the Leavenworth Constitution was adopted for the State of Kansas in Leavenworth. The constitution was never officially recognized by the federal government, but was considered the most radical constitution drafted for the new western territories because it included freed African-Americans as citizens.

The following map shows the Location of Leavenworth County in Kansas and the City of Leavenworth within Leavenworth County.



Federal Presence

As mentioned earlier, the City has a strong federal presence, which includes Fort Leavenworth, home to the U.S. Army Combined Arms Center and the U.S. Army Command and General Staff College, School of Military Studies, the Center for Army Leadership, the Combat Studies Institute, the Combined Arms Directorate, the Center for Army Lessons learned, and the Mission Command Center of Excellence.

The Fort has been continuously occupied by the U.S. Army since its inception in 1827. The original purpose of the fort was to protect settlers on the Santa Fe Trail. The fort also played a key role in both the Mexican and Civil Wars. In 1854, it was the temporary capital of the Kansas Territory. There are two National Cemeteries located in Leavenworth. One of these, the Fort Leavenworth National Cemetery is located on the Fort itself.

In addition to Fort Leavenworth, the U.S. Department of Veteran's affairs operates the Dwight D. Eisenhower Veterans Affairs Medical Center. The other National Cemetery, the Leavenworth National Cemetery is located on the grounds behind the Veteran's Affairs Medical Center.

There are several prisons also located in Leavenworth and the immediate surrounding area. The United States Federal Penitentiary was built in 1903, along with its satellite prison camp, and the Federal Bureau of Prisons operates both. The United States Disciplinary Barracks, which is the military's only maximum-security facility is located on the fort and the Midwest Joint Regional Correctional Facility, are both military facilities. The Leavenworth Detention Center is privately operated by the Corrections Corporation of America on behalf of the United States Marshals Service. The Lansing Correctional Facility is operated by the Kansas Department of Corrections in Lansing, Kansas, which is a neighboring city.

These facilities provide strong financial stability to the City.

Education

Primary and secondary

Two public school districts provide educational services to local citizens. Fort Leavenworth, Unified School District (USD) 207, has three elementary schools and one junior high school on the Fort. The high school students attend USD 453, the City of Leavenworth's school district. USD 453 operates four elementary schools, one middle school, Leavenworth Virtual School (LVS), and Leavenworth High School. Leavenworth High School boasts the very first Junior Reserve Officer Training Corps (JROTC). Leavenworth Virtual School is an internet-based school for kindergarten through eighth grade students.

There are also two private schools, Xavier Elementary school for students in pre-kindergarten through eighth grade and St. Paul Lutheran School for students in pre-kindergarten through eighth grade.

Colleges and Universities

The University of Saint Mary is a four-year private Catholic university located in Leavenworth, other higher education opportunities in Leavenworth include a Kansas City Kansas Community College satellite campus and a University of Kansas satellite campus.

Educational Attainment (Ages 25 and over)	
High School or higher	91.3%
Bachelor's degree or higher	31.0%
Master's degree or higher	34.5%
Graduate or Professional Degree	14.6%
Doctorate	2.0%

2017 American Community Survey/U.S. Census Bureau

Economy and Growth

Leavenworth is a prime middle class community with a sound business base in the Kansas City Metropolitan area.

The cost of living in Leavenworth is 87.1% of the national average (or 12.9% lower than the national average).

New Business or Expansion in Leavenworth (past year) include:

- Information from the Leavenworth County Development Corporation: 29 new jobs, \$15 million capital investment, 52 retained jobs, \$460,148,000 in grants and tax savings.
 - Census tract in an economically challenged area was designated as a Federal Opportunity Zone by the Governor. The area begins at Metropolitan and 4th Street west to 7th Street. The program will provide an economic incentive for investors/developers to defer and reduce capital gains tax when the gain is invested in an opportunity zone and maintained for at least five years. Additional tax incentives are available for investments held for 7 to 10 years
 - University of Kansas established a presence in Leavenworth and began offering classes in the fall of 2018.
 - City Electric built a 6,000 square foot facility.
 - As a joint venture between the City of Leavenworth and Leavenworth County, a new business and technology park was constructed on an 81-acre park and was completed in 2018. It was a \$9.6 million capital investment split between the entities. This is a first class park with walking trails, wide streets, high capacity utilities, street lighting, landscaping, monument signage, drainage detention, etc. Recruitment for tenants or owners of the park are ongoing.
 - Several small businesses have opened in various areas of the city ranging from Chiropractor, restaurants, and more.

- Small business grants provided to businesses in amounts ranging from \$5,000 to \$15,000 for improvements to their facilities and facades.

✚ The military presence also demands additional housing options. Multi-family housing additions in Leavenworth (last four years) include:

- Carnegie Lofts, 601 S. 5th St., redevelopment of historic library into 10 residential units and three ‘artist in residence’ commercial/residential spaces, approx. \$1.6 million capital investment
- Ben Day Lofts, 1100 Third Ave., redevelopment of former school into 25 apartments, approx. \$3 million capital investment
- Stove Factory Lofts, 401 S. 2nd St., redevelopment of five former industrial buildings in heart of downtown, 184 units open, ballroom event space, active construction since Fall 2013 with phased openings, \$28.2 million in capital investment with over \$11 million federal and state historic tax credits. Project is in the final stages of completion with occupancy continuing to increase.
- Broadway School, 801 N. Broadway St., redevelopment of former school into 19 apartments, approx. \$2 million capital investment.
- Construction of 120+ single-family residences began in the 20th and Eisenhower vicinity in 2019 and will be ongoing into 2020.

Governmental Structure

Leavenworth is a legally constituted city of the First Class and the county seat of Leavenworth, County. The City is within Kansas’s 2nd U.S. Congressional District, the 5th District of the Kansas Senate, and the 40th, 41st, and 42nd districts of the Kansas House of Representatives.

The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City operates under the commission-manager form of government and has since 1969. Policymaking and legislative authority are vested in the City Commission, which consists of five commissioners elected at large on a non-partisan basis by the general population. The commission elections are held every two years. Three of the commissioners are elected at each election. The two highest vote totals receive a four-year term and the third highest vote total receives a two year term. Each year the Commission selects the Mayor from amongst themselves.

In comparison to the federal government, the City Commission performs the legislative function; the Municipal Court performs the judicial function; and the City Manager and city staff perform the executive function.

The Commission is responsible for passing ordinances, adopting the annual budget and capital improvement program, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying

out the policies and ordinances of the City Commission, overseeing the day-to-day operations of the City, and appointing the heads of the City's departments.

The City's financial reporting entity includes all the funds of the primary government (the City of Leavenworth) and of its component unit-the Public Library. A component unit is a legally separate entity for which the primary government is financially accountable.

The City provides a full range of services, including:

- Public safety: police and fire protection, animal control, and parking enforcement.
- Public Works: sewer, refuse, storm water management, building inspection, airport, and the construction and maintenance of streets, bridges, and other infrastructure.
- Housing and urban development: code enforcement, and a range of housing and community development programs supported by federal grants.
- Culture and recreation: parks, recreation, library, community center, aquatic center, farmers market and performing arts.
- Community and economic development: planning and zoning and economic development activities.
- General government: Commission, City Manager, Legal, Municipal Court, Contingency, Civil Defense, City Clerk, Human Resources, Finance, General Revenue (Gen Gov't), Information Technology

Media

- The City of Leavenworth is in the Kansas City metropolitan area for radio and television markets, however, Fox News affiliate, KKLO radio station is licensed to broadcast from Leavenworth and KQRC radio station is also licensed to the City but broadcasts from Mission, Kansas. There are approximately 30 AM and FM radio stations that broadcast in the Leavenworth area.
- There are approximately fourteen television stations that broadcast in the Leavenworth area. Channel 2 is the channel the City uses to broadcast live Commission meetings and other City related public announcements.
- *The Leavenworth Times* is the city's daily newspaper and is published by GateHouse Media. GateHouse Media also publishes *The Fort Leavenworth Lamp*. The Leavenworth Lamp is a weekly newspaper covering local military news, on contract with the U.S. Army.

Medical and Health Facilities

Area medical facilities provide a full range of services including general health care, preventive health care, dental and vision, behavioral and counseling, dialysis, long-term care facilities, hospice care, rehabilitative care, and surgical care. These facilities provide in excess of 1,355 jobs.

In addition to medical facilities for the civilian population, the Dwight D. Eisenhower Veteran's Affairs Medical Center is located in Leavenworth City limits and there is a medical care facility located on the Fort.

Financial and Banking Institutions

Currently, there are seven banks in Leavenworth with thirteen locations. The following summary of deposit report is as of June 2018:

Armed Forces Bank	\$ 35,545,000
Citizen’s Savings and Loan Association	\$ 108,229,000
Commerce Bank	\$ 99,988,000
Country Club Bank	\$ 89,209,000
Exchange Bank & Trust	\$ 52,953,000
Mutual Savings Association	\$ 91,238,000
The Citizens National Bank	\$ 2,929,000

Source: FDIC Bank Ratings

Transportation Facilities

Leavenworth’s location in the Kansas City metropolitan area provides advantageous commercial transportation. The intermodal park in Edgerton, Kansas is just a few minutes away and hosts railway shipments, trucking shipments, and is an inland port access to ocean shipping.

The Kansas City International (KCI) airport is located twenty minutes from Leavenworth. In addition, the City has a joint-use agreement with the Department of the Army for the use of Sherman Army Airfield located on the Fort. The airfield is approximately one-mile north of the city and while it is a military airfield, civilian access is unlimited.

As mentioned earlier, Leavenworth is located at the intersection of U.S. Highway 73, Kansas Highway 92, and Kansas Highway 7. It is within a few minutes of U.S. Interstates 70, 435, and 35. Highways 29 and 45 are with a few minutes on the Missouri side of the river.

Distance to Major Cities	
City	Driving Distance (in Miles)
Chicago	525
Dallas	554
Des Moines	209
Kansas City	28
Little Rock	454
Minneapolis	452
Oklahoma City	351
Omaha	174
St. Louis	281
Topeka	63
Tulsa	253
Wichita	201

Culture and Recreation

The City of Leavenworth enjoys a multi-cultural and religious diversity due to its military and international military heritage.

The Leavenworth Parks and Recreation Department maintains a system of more than twenty-five parks, and an aquatic center, as well as, the Riverfront Community Center. The community center offers an indoor cardio facility, an indoor pool, gymnasium, and an excellent event venue. In 2010, private donations provided funding for an off-leash dog park near the VA Medical Center.

The Leavenworth Public Library offers many programs such as meeting rooms, technology services, elementary and teen gaming, and interlibrary loan programs, in addition to specialty programs for children, teens, adults, and seniors.

The River City Community Players provides year-round plays and musicals at the Performing Arts Center.

The City is home to several museums such as:

- The Richard Allen Cultural Center (contains items and artifacts from African-American pioneers and members of the military and collections of 1870-1920 photos from the Mary Everhard Collection).
- C.W. Parker Carousel Museum (features carousel horses and three complete carousels that can be ridden)
- National Fred Harvey Museum (created the world's first chain of restaurants and hotels in association with the Atchison, Topeka, & Santa Fe railroad).
- First City Museum (many different collections and displays of Leavenworth history)
- Carroll Mansion Museum
- Fort Leavenworth Frontier Army Museum

Leavenworth has an historic shopping district that includes artisan shops, antique shops, bakeries, restaurants, a brewery, farmers market, and many other points of interest. A result of the military and international military presence is the variety of cuisine offered in local restaurants.

In addition to the many cultural and recreational opportunities in Leavenworth, its proximity to the Kansas City metropolitan area enhances the City's quality of life. There are many

professional sports venues, such as baseball, football, soccer, hockey, and racing. Kansas City also has many museums, art galleries, performing arts venues, restaurants, shopping, farmers market, micro-breweries, and of course, the zoo.

Demographics

Population

Census	Population	Percent change
1860	7,429	-
1870	17,873	140.6%
1880	16,546	-7.4%
1890	19,768	19.5%
1900	20,735	4.9%
1910	19,363	-6.6%
1920	16,912	-12.7%
1930	17,466	3.3%
1940	19,220	10.0%
1950	20,579	7.1%
1960	22,052	7.2%
1970	25,147	14.4%
1980	33,656	33.8%
1990	38,495	14.4%
2000	35,420	-8.0%
2010	35,251	-0.5%
Estimated 2020	36,062	-0.4%

U.S. Decennial Census

Population by Gender	
Male	53.9%
Female	46.1%

U.S. Census Bureau

Ethnic Composition	
White	75.0%
African-American	15.5%
Hispanic or Latino	8.1%
Two or more races	4.6%
Other	2.0%
Asian	1.8%
American Indian	0.9%
Pacific Islander	0.2%

U.S. Census Bureau

U.S. Census Bureau

Population by Age	
Less than 18	25.5%
18-24	8.5%
25-44	31.6%
45-64	23.2%
65 and older	11.2%

U.S. Census Bureau

Climate

Average Climate Conditions	
January	74F high/-17F low
July	110F high/45F low
Average precipitation	42.97 inches
Average snowfall	16.1 inches
Average precipitation days	89.7 days
Average snowy days	7.9 days
Elevation	840 feet

National Weather Service; The Weather Channel

Household Data	
Median age	34.8 years
Average household size	2.55
Average family size	3.15

U.S. Census Bureau

Crime Indices Per 1,000	
Violent crime	6.3
Non-violent crime	35.2
Total Crime Index	41.5

Kansas Bureau of Investigation 2016 annual report

City of Leavenworth, Kansas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Income (2)	School Enrollment (3)			Unemployment Rate (4)
				Public	Private	Total	
2007	34,993	1,181,993,554	33,778	4,201	439	4,640	7.1%
2008	34,787	1,233,164,363	35,449	4,069	477	4,546	8.4%
2009	34,729	1,221,766,220	35,180	4,075	481	4,556	10.7%
2010	35,251	1,232,057,701	34,951	3,707	484	4,191	7.9%
2011	35,675	1,284,870,800	36,016	3,755	476	4,231	7.4%
2012	35,675	1,317,228,025	36,923	3,866	429	4,295	6.7%
2013	35,816	1,342,526,944	37,484	3,886	375	4,261	5.8%
2014	35,891	1,394,078,222	38,842	3,919	338	4,257	4.6%
2015	36,000	1,405,692,000	39,047	3,843	327	4,170	4.8%
2016	36,154	1,427,251,458	39,477	3,894	323	4,217	5.7%
2017	36,240	1,041,646,320	28,743	3,873	217	4,090	4.9%
2018	36,210	1,455,424,740	40,194	3,878	212	4,090	5.5%

- (1) Kansas Secretary of State
- (2) Kansas Statistical Abstract & U.S. Bureau of Economic Analysis
- (3) Kansas Department of Education
- (4) U.S. Bureau of Labor Statistics

Families below Poverty Level	9.8%
Individuals below Poverty Level	12.9%

Median Housing Price	\$124,200
Home ownership rate	54.4%

HUD CPD Maps

Unemployment Comparison

City of Leavenworth	5.1%
State of Kansas	3.7%
U.S.	4.3%

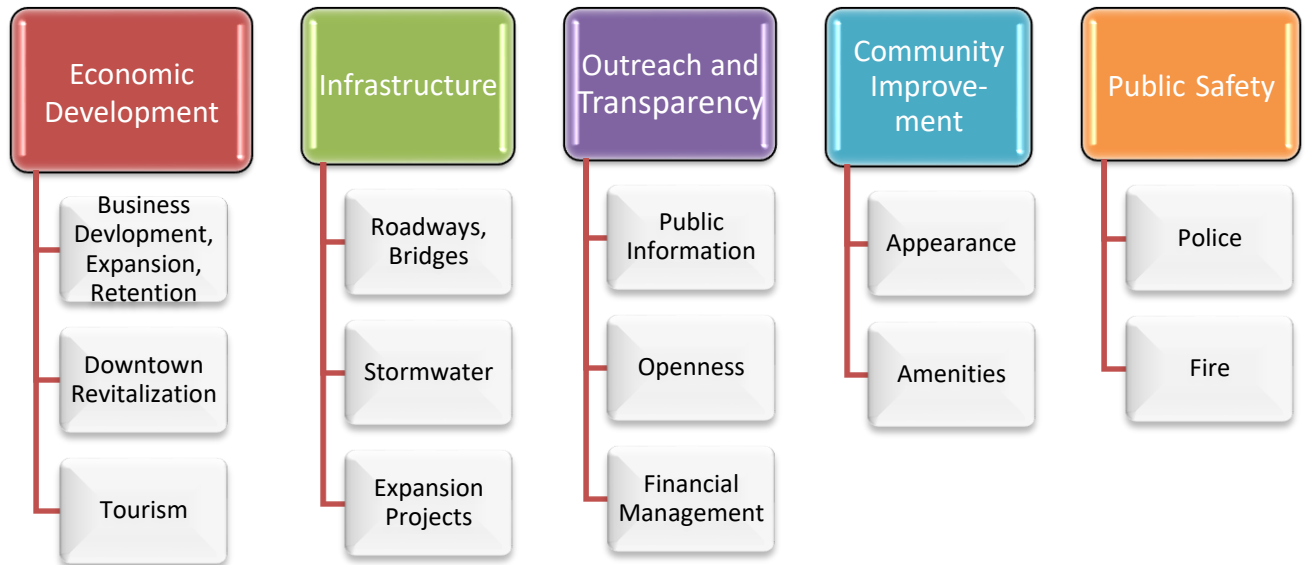
July 2018 U.S. Bureau of Labor Statistics and Kansas Department of Labor

City of Leavenworth, Kansas							
Principal Employers							
December 31, 2018							
	2018			2009			
Taxpayer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
Fort Leavenworth	5,821	1	36.8%	2,279	1	29.8%	
Veterans Administration	685	2	4.3%	600	4	4.6%	
Leavenworth USD #453	630	3	4.0%	829	2	3.3%	
Leavenworth County	405	4	2.6%	370	8		
Veterans Administration-Consolidated Patient Account Center	400	5	2.5%	-	-		
Leavenworth Federal Penitentiary	355	6	2.2%	390	6		
Walmart Supercenter	350	7	2.2%	N/A	-	2.1%	
Northrup-Grumman	345	8	2.2%	589	5	3.0%	
Hallmark Cards, Inc.	300	9	1.9%	320	3		
City of Leavenworth	267	10	1.7%	287	-	2.0%	
St. John's Hospital	-	-	-	292	10	3.6%	
Capital Electric	-	-	-	326	9	1.8%	
Cushing Memorial Hospital	-	-	-	350	7	1.9%	
	9,558		60.4%	6,632		52.1%	
Source: Kansas Statistical Abstract							
Leavenworth County Development Corporation							

Community Focus

2019-2020 Commission Goals

During the 2019-2020 goal setting session, the Commission identified the following categories of goals for staff to budget for and pursue during the 2020 budget process:



These are a combination of short-term and long-term goals used in the development of the 2020 budget.

Economic Development

The specific goals for economic development includes:

Business Development, Expansion, and Retention

- Pursuing businesses for inclusion in the new Business and Technology Park
- Continue to lobby for federal funding for the new medium-security prison and increased funding for the existing federal prison
- Actively pursue a grocery store for North Leavenworth
- Exploring projects and innovations for entrepreneurs and transitioning veterans

Downtown Revitalization

- Plan/pursue future Downtown TIF
- Work to reduce the number of unoccupied and/ or abandoned buildings using available tools, methods and incentives
- Plan/pursue future northeast area TIF improvement projects (and other incentives)

Tourism

- Boost travel demand through industry events and extending invitations for conferences and other meetings
- Support local and destination transportation efforts for the city
- Concentrate on specific markets to include social, military, education, religious, athletic, arts, ethnic groups, and group tours, etc.
- Identify projects and programs to reinvest transient guest tax funds

Infrastructure

Specific infrastructure goals includes:

Roadways and Bridges

- Create a long term arterial street plan
- Explore options for streetscape improvements
- Pursue improvements to roadways, landscaping and amenities on the west side of the Centennial Bridge
- Support projects and improvements that lead to annexation

Storm Water

- Review the implementation of the funding source for storm water projects

Expansion Projects

- Implement storm water maintenance program with transparent reporting, outreach and updates.

Outreach and Transparency

Public Information

- Performance measurement tools to determine the effectiveness of providing city services
- Streamline registration, reservation, and payment processes for all services

Openness

- Make Development Regulations available online
- Include section on City website to post upcoming bids
- Issue the RFQ for the 2030 Comprehensive Land plan

Financial Management

- Update the Investment Policy
- Establish a uniform cash management policy and procedures
- Create Grant Management Policy
- Prepare long-term financial policy that incorporates the long-term capital improvement plan to help establish the structure and issuance of debt

Community Improvement

The specific goals for community improvement are:

Community Appearance

- Implement rental property program and collect relevant data
- Continue to include city funding source for blight removal
- Engage in partnerships to benefit look, perception and quality of life in the City
- Adopt the 2018 International Property Maintenance Code
- Determine options to focus on perpetually blighted properties, including all legal opportunities available to the City Commission

Community Amenities

- Update and improve amenities at less-used city parks to spur growth and use
 - Increase youth participation in sports
- Streamline registration, reservation, and payment process for Parks and Recreation
- Support partnerships to continue increased use of Havens Park

Public Safety

Police

- Address recent trend in domestic violence incidents
- Engage in target initiatives to reduce crime in high risk areas
- Continue to focus on community engagement
- Develop training and reporting with technological advancements for crime analysis and mapping
- Develop a program for unmanned aerial drones (2 drone pilots and a supervisor)
- Continue active shooter training
- Make state funding of mental health facilities a top legislative priority.

Fire

- Explore the replacement of Fire Station #3
- Adopt the 2018 International Fire Code

Financial Overview



Financial Overview

As of December 31, 2017, the City of Leavenworth has received the Government Finance Officers' Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for twenty-four consecutive years for its Comprehensive Annual Financial Report (CAFR). The City has submitted its 2018 CAFR to the GFOA for review.

Additionally, the City received the the Government Finance Officers' Association (GFOA) Distinguished Budget Presentation Award for the first time for its 2019 Budget. The City will submit its 2020 budget to the GFOA for review.

Effective financial management involves oversight from several people within the organization, as well as, strong internal controls. Financial policies help strengthen internal controls by providing guidelines for daily operations, decisions, and long-term financial planning. These policies are designed to ensure financial stability, provide adequate funding for services, and to maintain public facilities.

Financial policies are developed by the Finance staff, reviewed by the City Manager and are approved by the City Commission to ensure the City is functioning in a financially responsible manner and is prepared for changes in economic conditions. Once in place, financial policies need to be reviewed and updated on a regular basis to ensure that they are still relevant to the organization's activities and processes.

The Commission has reviewed and approved the following policies:

February 2017: The Commission approved an **Economic Development Incentive Policy**, which identifies types of incentives the city will offer and the eligibility requirements for each type of incentive. The policy also identifies the methods of evaluation used for each project to determine eligibility. This policy encourages consistency in the application of economic development incentives.

March 2017: The City's **Budget Policy** formalizes the City's commitment to a balanced budget, a fund-type of budget format that provides three years of applicable revenues and expenditures presented in financial statement manner. The City's basis of budgetary accounting conforms to Kansas Cash Basis Budget Laws.

March 2017: The City's **Budgetary Reserve Policy** was previously approved in December 2003. The policy addressed reserves only for the General Fund and established that goal as 8.33% of annual General Fund expenditures. The new policy incorporates the GFOA recommended

minimum of two months of revenues or expenditures as the City's minimum reserve levels and includes the CIP Sales Tax, County Wide Sales Tax, Sewer, and Refuse Funds. The new policy specifies the acceptable uses of excess unassigned reserve balances, mandates periodic reviews and updates, as necessary.

March 2017: The City Commission adopted Charter Ordinance 56, which became effective March 1, 2016, exempting the City from the provisions of K.S.A. 13-1024a related to paying for infrastructure improvements. This was the first step toward implementing a debt management policy, which the Commission adopted in March 2017. The City's current **Debt Management Policy** addresses debt limitations, and includes specific ratios, which the City will not exceed, debt structures, post-issuance disclosures, when the City will issue debt, and the repayment scheduling. The policy also mandates periodic review and updates as necessary.

March 2017: Prior to the adoption of the current **Revenue Control Policy**, the City only had informal policies. The current Revenue Control policy addresses segregation of revenue related duties; revenue diversification that reduces the impact of short-term fluctuations in a revenue source; reviewing and updating the effect of fluctuations in property values and mill levies; identifying and obtaining additional revenue sources, and using forecasting and revenue ratios to identify whether rates and user fees are adequate.

September 2019: In September of 2016, the City Commission approved the current purchasing policy which the City utilizes. Since adoption, there have been changes in operations and purchasing that have made aspects of the policy obsolete. In addition, items previously omitted have been added. At the request of the commission, Finance staff revised the policy. They include: increasing the threshold for construction bonds, changes to the Affirmative Action procedure, the addition of Request for Information policies, and ethics section.

During 2020, the Finance staff will propose the following policies: Cash Management, Investment, Capital Planning, and Grant Management for consideration and approval by the Commission. Summaries of these policies can be found in Appendix B.

Fund Structure

The City of Leavenworth has established several funds that are organized in accordance with generally accepted accounting principles (GAAP) for reporting purposes. The activities of each fund are accounted for by providing a separate self-balancing set of accounts that includes assets, liabilities, fund balance, revenues, and expenditures. The City has the following types of budgeted funds:

General Fund: The general fund is the main operating fund of the city, which accounts for all financial resources not accounted for or reported in another fund. The majority of the City's current operations are financed by the general fund.

Special Revenue Funds: These funds account for revenues derived from specific sources which are designated for particular functions or activities. The City budgets the following special revenue funds:

- **Recreation Fund:** This fund is used to account for cultural and recreational activities of the City. Its resources are generated from ad valorem property taxes, sales taxes, and user fees.
- **Economic Development Fund:** This fund is used to account for the City's economic development activities. Its resources are generated from a 15% allocation of the County Wide sales tax.
- **Special Highway Fund:** This fund accounts for the activities of the street department and derives its revenues mostly from a state fuel tax.
- **CIP Sales Tax Fund:** This fund accounts for the activities related to the ½-cent permanent sales tax dedicated for capital improvements.
- **County Wide Sales Tax Fund:** This fund accounts for the receipt and disbursement of sales tax revenues resulting from a one-cent County Wide sales tax enacted by Leavenworth County.
- **Convention & Visitors Bureau:** This fund accounts for the activities of the tourism department. Revenues consist of transient guest taxes for the promotion of tourism and conventions.
- **Probation Services Fund:** This fund accounts for the Probation Department. Resources are generated from 1/3 of the state liquor tax allocation and user fees.
- **Business & Technology:** This fund accounts for the activities of maintaining the Business & Technology Park.

Debt Service Funds: The debt service fund is used to account for the receipt of revenues and disbursement of principle and interest on the City’s outstanding debt. Resources come from property taxes and transfers from other funds related to specific projects.

Enterprise Funds: These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Budgeted enterprise funds include:

- **Sewer Fund:** This fund accounts for all activities necessary to provide sewer services to the citizens.
- **Refuse Fund:** The refuse fund accounts for activities necessary to provide refuse collection and disposal services to the citizens.
- **Storm Water Fund:** This fund accounts for the activities related to the Storm Water fee dedicated to storm water capital improvements.

Fiduciary Funds: These funds are collected and held on behalf of others and are not available for use in support of the City’s activities. The City budgets the following types of fiduciary funds:

- **Pension funds:** These funds are used to report resources that are held in trust for members and their dependents related to pensions. The City provided and administered a single-employer defined pension plan for police officers and firefighters. The plan was established by ordinance in 1945. In 1971, the City affiliated with the Kansas Police and Firemen’s Retirement System (KP&F). At that time, the City plan became closed to new entrants. All members were given the option of joining KP&F or remaining with the City Plan. The General Fund absorbs all administrative costs. As of December 31, 2018, the plan consists of four (4) beneficiaries. The City budgets for the following Pension Plans:
 - **Fire Pension:** This fund accounts for the activities related to the payment of pension benefits to retired firefighters and/or their dependents. Revenue supporting this activity comes from ad valorem property taxes.
 - **Police Pension:** This fund accounts for the activities related to the payment of pension benefits to retired police officers and/or their dependents. Revenue supporting this activity comes from ad valorem property taxes.
- **Agency funds:** This type of fiduciary fund accounts for resources held by the City in a custodial capacity, on behalf of its component unit, the Leavenworth Public Library and the various TIF districts. The City budgets for the following Agency funds:

- **Leavenworth Public Library:** This fund accounts for the levying, collecting, and disbursement of ad valorem property taxes in support of the library activities. Current City Ordinance limits the mill to 3.75 for the Library general operations.
- **Library Employee Benefit Fund:** This fund accounts for the levying, collecting and disbursement of ad valorem property taxes related to the payment of employee benefits such as Kansas Public Employee Retirement System (KPERS), health insurance and other employee benefits in support of the Leavenworth Public Library employees. There are no constraints upon levying the necessary millage to support the library employee benefits.
- **Tax Increment Fund-Zeck:** This fund accounts for the transactions related to Zeck Ford properties economic development incentives. Revenues come from a portion of the City sales tax, a CID specifically for Zeck, and property tax abatements on the improvements above the base year valuations.
- **Tax Increment Fund-Hotels Fund:** This fund accounts for the transactions related to Hotel economic development incentives. Revenues come from property tax abatements on the improvements above the base year and in late 2017, a CID established specifically for the First City Hotel.
- **Tax Increment Fund-Home Depot:** This fund accounts for the receipt and disbursement of sales tax revenues related to the 2001 tax increment-financing project. This TIF sunsets in 2021.

In addition to the fund types mentioned above, the City's fund structure includes **departments**, which is a group of related operations within a functional area; **divisions**, which are segments within a department that are assigned specific operations; **categories**, which are classifications of specific revenues and expenditures; and **account lines**, which are specific revenue and expenditure types.

The revenue structure used in the City's budgeting and accounting system is by fund, function, department, division, category, and object. The revenue object number designates a specific revenue source and is applied consistently throughout the funds. The expenditure structure is set up similar to the revenue structure. The expenditure object number designates a specific expenditure type and is applied consistently throughout the funds.

Fund, Department, and Division Structure:

<u>Budgeted Funds</u>	<u>Fund #</u>	<u>Department</u>	<u>Division</u>
General Fund	1101	Administration	Commission City Manager Legal Municipal Court Contingency Airport Civil Defense City Clerk Human Resources Finance General Revenue (Gen Gov't) Information Technology City Wide
		Police	Police Admin Police Operations Animal Control
		Fire	Fire Admin Fire Suppression Fire Prevention
		Public Works	Engineering Buildings and Grounds Library Maintenance Inspections Street Lighting Garage Service Center
		Comm & Ec Develop	Planning & Zoning Rental Coordinator Program
		Parks & Rec	Parks Riverfront Park

Fund, Department, and Division Structure (continued):

<u>Budgeted Funds</u>	<u>Fund #</u>	<u>Department</u>	<u>Division</u>
Special Revenue:			
	2113	Administration	Conv & Visitor's Bureau (CVB)
	2117	Administration	Probation
	2304	Public Works	Street & Alley Maint. Traffic Control
	2502	Parks & Recreation	Recreation Aquatics Performing Arts Community Center
	2603	Comm & Ec Dev	Economic Development
	2618	Comm & Ec Dev	Business & Tech Park
	2905	CIP Sales Tax	Capital Improvements
	2906	County-Wide S. Tax	Capital Projects
Enterprise Funds:			
	4340	Public Works	Sewer
	4344		Refuse
	4346		Refuse Restricted
	4941		Storm Water Capital Projects
	5820	Debt Service	Debt Service
Debt Service			
Fiduciary Funds:			
	8180	Administration	Fire Pension
	8182		Police Pension
Agency Funds:			
	8510	Parks & Recreation	Library
	8512	Parks & Recreation	Library Employee Benefit
	8607	Economic Develop	TIF-Zeck
	8608	Economic Develop	TIF-Hotels
	8609	Economic Develop	TIF-Home Depot

The relationships between City funds and functions are shown in the matrix below:

Funds	General Gov't	Public Safety	Public Works	Culture & Recreation	Housing & Urban Dev	Debt Service	Public Utilities	Comm & Ec Dev
General Fund	*	*	*	*	*	*		*
Parks & Rec				*				
Economic Development						*		*
Street			*					
CIP Sales Tax	*	*	*	*	*	*	*	*
County Wide Sales Tax	*	*	*	*	*	*	*	*
TIF-Zeck								*
TIF-Hotels						*		*
TIF-Home Depot								*
CVB	*			*				*
Probation	*	*			*			
Bus/Tech Pk								*
Debt Service						*		
Sewer						*	*	
Refuse							*	
Refuse Restricted							*	
Storm Water			*					
Pension Funds		*						
Agency Funds				*				

Budget Process

Development

Preparing and adopting an annual budget is the most important responsibility of the commission and its management team. A budget is an operating plan that identifies likely sources and uses of resources and helps assess the effect they have on the City's financial position.

Benefits of budgeting includes:

- Providing the authority to levy taxes
- Providing spending authority
- Implementing Commission policies and priorities
- Providing an opportunity to monitor and adjust activities as necessary
- Acknowledging and complying with legislative requirements

The City of Leavenworth's budget process is a cooperative effort between the City Commission, City Manager, Finance, and Department Directors. In April 2019, the Commission met with the City Manager and each Department Director to establish the goals for 2020. These goals, which are discussed in more detail in the section on Community Focus, are the basis for the 2020 budget. The goals focused on the following activities:

- Economic development
- Community improvement
- Public Safety
- Infrastructure
- Outreach and Transparency

Budgeting Basis

The City budgets according to Kansas cash basis budget laws (K.S.A. 10-1116), which requires that cash be on hand before incurring an obligation. The City maintains its financial system in such a manner that ensures compliance with those laws and with generally accepted accounting principles (GAAP). Kansas budget law requires that the annual budgeted resources and uses be balanced, but allows the use of un-appropriated cash carryover to balance the budget, if necessary. However, the City is committed to maintaining an acceptable minimum reserve level. Therefore, only the portion of unrestricted cash balances that exceeds the minimum reserve level identified in the City's Budgetary Reserve Policy will be used to offset shortfalls between anticipated revenues and expenditures.

The annual budget is a line item budget that shows anticipated revenues and expenditures by fund, function, department, division, category, and object. The budget document itself, contains the prior year (2018) actuals, current year (2019) estimates, and the adopted budget for the 2020 year.

Kansas budget law requires that the General Fund, Special Revenue funds, Debt Service funds, and certain Enterprise funds be budgeted, unless exempted by specific statute. Statutory exemptions exist for all Capital Project funds, Fiduciary funds, certain Special Revenue funds, and certain Proprietary funds. The City budgets ten governmental funds, four enterprise funds, and eight fiduciary funds. The budgeted governmental funds do not include two capital project funds, five grant funds, and one fiduciary fund, (although they are budgeted internally to show compliance with federal grant requirements and for internal control purposes) which are included in the audited annual financial statements.

The following table shows the City funds, some of which are budgeted and some of which are not:

<p>Budgeted Governmental Funds:</p> <ul style="list-style-type: none"> General Fund Debt Service Fund Recreation Fund Special Highway Fund Economic Development Fund Convention & Visitors Fund Probation Fund CIP Sales Tax County Wide Sales Tax Business & Technology Fund 	<p>Budgeted Enterprise Funds:</p> <ul style="list-style-type: none"> Sewer Fund Refuse Fund Refuse Restricted Fund Storm Water Capital Project Fund
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<p>Budgeted Fiduciary Funds:</p> <ul style="list-style-type: none"> Fire Pension Fund Police Pension Fund Library Fund (Agency Fund) Library Employee Benefit Fund (Agency Fund) TIF-Zeck (Agency Fund) TIF-Hotels (Agency Fund) TIF-Home Depot (Agency Fund) 	<p>Unbudgeted Governmental Funds:</p> <ul style="list-style-type: none"> Capital Improvement Fund Capital Project Fund Planters II Fund Section 8 Housing Fund Community Development Blight Elimination Police Seizure Fund Police Grants Fund 	<p>Unbudgeted Fiduciary Fund:</p> <ul style="list-style-type: none"> Special Park Gift Fund Park Foundation
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While Capital Projects funds are not required to be budgeted, City staff prepares and presents a separate five-year capital project plan to the City Commission for approval every year. The Capital Improvement Plan is included in Appendix A of this document.

Budget Calendar

Kansas Statutes require that the governing body must notify the public and conduct a public hearing for the purpose of answering questions of taxpayers about the budget. The public hearing is an opportunity for citizens to have input into the budget. The Notice of Public hearing must be published along with a summary of the proposed budget at least ten days prior to the public hearing.

2020 Budget Calendar:

- March 29, 2019: Goal Setting Session with Commission
- April 1, 2019: Department Directors begin budget requests
- May 7, 2019: Department requests are due to Finance
- June 5-8 2019: Department meetings with City Manager and Finance
- July 5 2019: Budget Books to Commission
- July 11-12, 2019: Department meetings with Commissioners
- July 26, 2019: Publish the Notice of Public Hearing
- August 13, 2019: Public Hearing and adoption of the 2020 Budget
- August 25, 2019: 2020 Adopted budget to the County Clerk



Budget Amendment Process

The level of budgetary control is at the fund level. Expenditures cannot legally exceed the appropriated fund amount. Municipalities are authorized by K.S.A. 79-2929a to amend budgets to spend money not in the original budget. The additional expenditures must be made from existing revenues and cannot require additional tax levies. Before amending the budget, revenues should be analyzed to ensure the revenue source is required to be included in the budget. A budget amendment is not required if the receipt comes from a source exempt by statute from the budget law. Federal and state grants do not require a budget amendment.

If a budget amendment is necessary, there must be a notice of public hearing similar to the original budget process. Ten days after the notice of public hearing has been published, the public hearing is held and the governing body may approve the amendment. Amendments to the budget can be made throughout the year, but all budget amendments that are going to be made must be completed by December 31st of the current year.

Basis of Accounting

Although the budget is prepared in accordance with Kansas cash basis budget laws, the annual reports for the governmental funds are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available to pay current liabilities. Expenditures are recognized when the liability is paid. Interest on general long-term debt is recognized when due. Enterprise funds are reported on an accrual basis.

The City has received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the year ended December 31, 2017, which is the 24th consecutive year the City has received this prestigious award. The 2018 CAFR has been submitted for review.

The City has received the GFOA Distinguished Budget Presentation Award Program for the 2019 Budget, which is the first year the City has received this prestigious award.

Basis of Reporting

Department Directors have access to their department financial information at all times and are responsible for monitoring their budget status and notifying Finance of corrections or unseen events that will require budget changes. In addition, Finance reviews the entire organization's budget to actuals on a monthly basis. The Finance Director submits monthly reports to the City Manager and Department Directors. Monthly reports are placed on an internal drive for all employees to access. Financial reports are made available to the commission upon request, but no less than semi-annually.

2020 Adopted Summary of All Budgeted Funds

City of Leavenworth, Kansas
Adopted Budget Summary

	Governmental Funds			Proprietary Funds	Totals
	General Fund	Debt Svc Fund	Non-Major	Public Utilities	
	Major	Major	Funds	Major	
Revenues:					
TOTAL TAXES	\$ 16,008,164	\$ 1,909,077	\$ 9,750,394	\$ -	\$ 27,667,635
TOTAL INTERGOVERNMENTAL	\$ 71,728	\$ -	\$ 1,298,352	\$ -	\$ 1,370,080
TOTAL LICENSES & PERMITS	\$ 441,500	\$ -	\$ -	\$ -	\$ 441,500
TOTAL CHARGES FOR SERVICES	\$ 2,370,000	\$ -	\$ 1,164,025	\$ 8,649,610	\$ 12,183,635
TOTAL MISCELLANEOUS	\$ 504,000	\$ -	\$ 29,250	\$ 8,207	\$ 541,457
TOTAL SPECIAL ASSESSMENTS	\$ 54,863	\$ 73,810	\$ -	\$ -	\$ 128,673
TOTAL REVENUE	\$ 19,450,255	\$ 1,982,887	\$ 12,242,021	\$ 8,657,817	\$ 42,332,980
Expenditures:					
TOTAL PERSONNEL	\$ 15,606,397	\$ -	\$ 2,295,477	\$ 2,255,008	\$ 20,156,882
TOTAL CONTRACTUAL	\$ 3,292,229	\$ -	\$ 4,330,676	\$ 2,630,717	\$ 10,253,622
TOTAL COMMODITIES	\$ 1,119,658	\$ -	\$ 390,823	\$ 745,375	\$ 2,255,856
TOTAL CAPITAL OUTLAY	\$ 37,212	\$ -	\$ 374,079	\$ 1,851,883	\$ 2,263,174
TOTAL DEBT REPAYMENT	\$ -	\$ 4,009,762	\$ 166,068	\$ 897,283	\$ 5,073,113
TOTAL RESERVES	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 20,055,496	\$ 4,009,762	\$ 7,557,123	\$ 8,380,266	\$ 40,002,647
Net Revenues Over (Under) Expenditures	\$ (605,241)	\$ (2,026,875)	\$ 4,684,898	\$ 277,551	\$ 2,330,333
Other Financing Sources (Uses):					
Transfers In	\$ -	\$ 1,958,093	\$ 350,000	\$ 5,000	\$ 2,311,093
Transfers Out	\$ (222,962)	\$ -	\$ (6,314,863)	\$ (52,345)	\$ (6,590,170)
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	\$ (222,962)	\$ 1,958,093	\$ (5,964,863)	\$ (47,345)	\$ (4,277,077)
Net Increase (Decrease) in Cash Balance	\$ (828,203)	\$ (68,782)	\$ (1,279,965)	\$ 230,206	\$ (1,946,744)
Beginning Cash Balance	\$ 3,555,493	\$ 233,782	\$ 4,629,373	\$ 1,219,783	\$ 9,638,431
Ending Cash Balance	\$ 2,727,290	\$ 165,000	\$ 3,349,408	\$ 1,449,989	\$ 7,691,687
% Change	-23.29%	-29.42%	-27.65%	18.87%	-20.20%

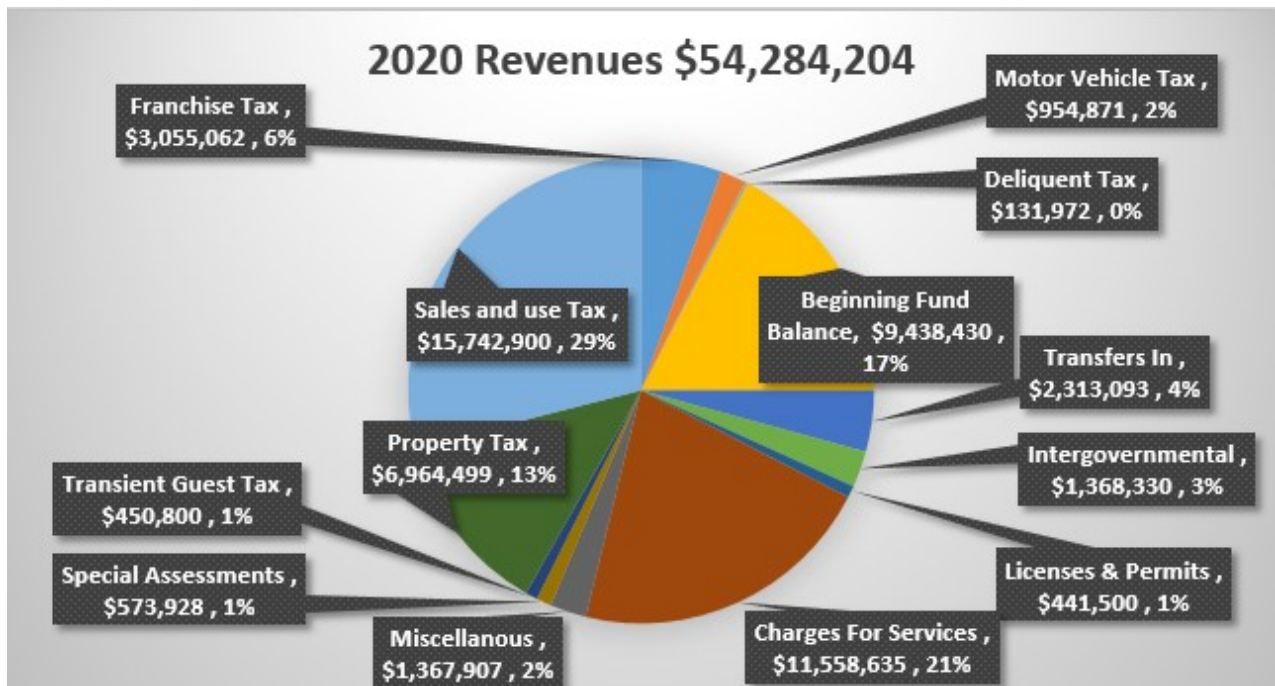
Major changes in the fund balances are projected for the following funds:

- 1) General Fund is budgeted to use \$828,203 of the beginning cash balance in 2020. The City's fund balance is healthy and this amount is used to balance the budget rather than increase the mill rate. However, it is hoped that it will not be necessary to use this because the health insurance rate increase came in lower than budgeted; Employee turnover may result in lower personnel costs. The planned changes are 1) partially funding two new positions-rental coordinator and civil engineer; 2) funding for specific community appearance projects related to commission goals; 3) implementing the first full year of the result of the compensation study.
- 2) Debt Service Fund is budgeted to use \$68,782 of beginning cash balance in order to keep the debt service mill the same as 2019.

- 3) Non-major funds are budgeted to spend down some fund balance. The main change is in transfers to capital projects and debt service. During 2018, temporary notes were issued for a bridge project and the notes are going to be repaid from capital projects. Also during 2018, general obligation bonds were issued for the development of a new Business and Technology Park. The bond and interest payments are going to be paid from the capital projects fund. Prior to 2018, bonds were issued for the purchase of blighted property in the downtown area. Subsequent to that, there was a TIF district established and in 2018 a hotel was built on the property. In 2019, the revenues from the increased property value was enough to assume payment of the bond from the TIF district. This increases the amount available for capital projects by the amount of the bond payment.
- 4) Proprietary Funds were budgeted with an 8% increase in Sewer rates and an 6% increase in Refuse rates. However, these increases are to address specific issues. During 2019, the Sewer fund purchased a vacuum truck and issued a three-year capital lease to pay for it. Debt payments for the truck are \$133,950 per year. Additionally, the 2019 flood expedited the need to replace the final clarifier at the treatment plant, which is estimated to be approximately \$250,000. Other capital outlay increases are due to the necessity of replacing sewer lines. The current region for sewer line repairs is the oldest section of town and the condition is such that it's more replacement than repair. The lines are significantly deeper than other areas so the replacement costs are higher. During 2018, the City engaged a firm to do a rate study, however, the results were presented to the Commission for consideration, who then asked for some modifications, the modifications were not completed in time for Commission consideration, therefore; they were not included in the 2020 proposed budget. The Refuse fund had a five-year replacement plan established to replace sanitation trucks every other year. During the recession, that plan was set aside. In order to get back on the replacement schedule, a sanitation truck must be purchased in each of the next two years. In 2018, the Commission approved implementing a storm water impact fee to address deferred maintenance to the storm water system. The impact fees became effective January 1st, 2019.
- 5) Transfers Out and Transfers In do not equal because some of the transfers are to non-budgeted funds.

Total Budgeted Resources

The City's total resources for 2020 is \$54,284,204. Of this amount, \$2,313,093 comes from Interfund Transfers, and \$9,438,430 comes from prior years' funds, \$15,742,900 comes from sales and use taxes, \$11,558,635 comes from Charges for Services, \$6,964,499 comes from property taxes. While the City receives revenue from a variety of sources, seventy-five percent of revenue is collected into one of six main funds: The General Fund, the Sewer Fund, Debt Service Fund, County-Wide Sales Tax, CIP Sales Tax, and Refuse Fund. The following chart shows the City's total 2020 budgeted revenues by source and the percentage of total revenues each source represents:



Of the many sources of revenues available to the City, the four main sources are Sales Taxes, Charges for Services, Property Taxes, and Franchise Taxes, in that order.

Sales and Use Taxes:

Sales Taxes are taxes paid on the sales of certain goods and services. Use taxes are sales tax on purchases made outside of the state of residence for taxable items that will be used, stored, or consumed in the state of residence of the purchaser and which no tax was collected in the state of purchase. In June 2018, the Supreme Court overturned a 1992 ruling that exempted internet sales from collecting sales tax and gave states the authority to collect sales taxes on e-commerce companies just as they do any other retailer, whether they have a physical presence in the state or not. It is estimated that cities and counties in Kansas could benefit from an additional \$32 million per year. Proponents note that it is not an additional tax; it is just collecting what is already due. Those opposed state that it would negatively impact small businesses who rely heavily on e-commerce.

The Kansas legislature adopted legislation designed to comply with requirements of the Streamlined Sales Tax Project. The Streamlined Sales Tax Project is a combined effort among states and businesses to establish uniformity in states' sales tax laws and addresses concerns related to merchants collecting and remitting sales tax on remote sales. Retailers are required to use destination-based sourcing to identify sales taxes to collect and remit on their sales.

Currently, sales and use taxes are the City's leading source of revenue at thirty percent. It is also the most susceptible to fluctuations due to economic conditions, which makes it difficult to project. The large federal presence from the Fort, Dwight D. Eisenhower Veteran's Medical Center, the military disciplinary barracks, and the U. S. Federal Penitentiary stabilizes the revenues from this source.

The State of Kansas caps all cities' sales tax rate at 2%. The City of Leavenworth's sales tax rate is two percent. In 1977, the Commission passed Ordinance 6393 that created the original permanent ½ percent sales tax. In 1984, Ordinance #26 passed increasing the sales tax by another permanent ½ percent. Then in 2014, the citizens voted to increase the City sales tax by another one percent in order to stabilize the property tax levies (Ordinance #7943). There are Community Improvement Districts (CIDs) located within the City which are allowed to, and do, charge an additional amount above the City's two percent sales tax, however, those revenues are not available for operations and, therefore, are only included in this discussion because the City receives and disburses those taxes to the recipient.

There are several TIF districts also located within the City, which receive rebates of a portion of the sales tax their business generates. These are also not available for operations and therefore, are only part of this discussion because the City receives and disburses those taxes to the recipient. These economic development incentives are discussed in more detail on page 249 of this document.

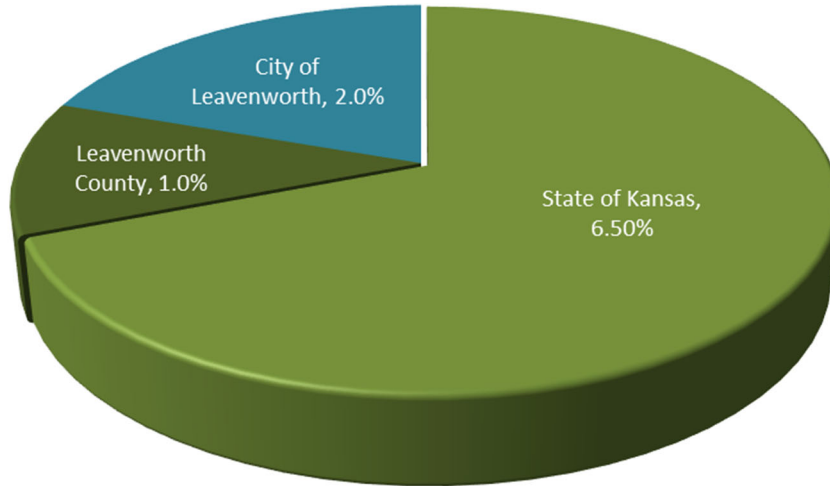
In 2015, the citizens passed the ballot for one percent County Wide sales tax. The City receives a portion of the County-Wide sales tax, as does each city within Leavenworth County. The Commission approved Charter Ordinance 54, which specifies how the City's portion of the County-Wide sales tax will be used.

The allocation of County Wide sales taxes is based on a formula of population and levied taxes. As mentioned earlier, in 2014 residents of the City of Leavenworth passed a permanent one percent sales tax in order to stabilize property tax levies. In 2015, the City reduced property tax mill rates by 21 mills. This reduction in

mill rates resulted in a significant reduction (\$4.0 million) of the amount of property taxes levied, which reduced the amount of County Wide sales tax the City receives.

The overall sales tax rate for the City, excluding the CID's, is shown below:

Overall Sales Tax Rate - 9.50%



The City's portion of the sales tax rate is 2.0 percent earmarked as follows:

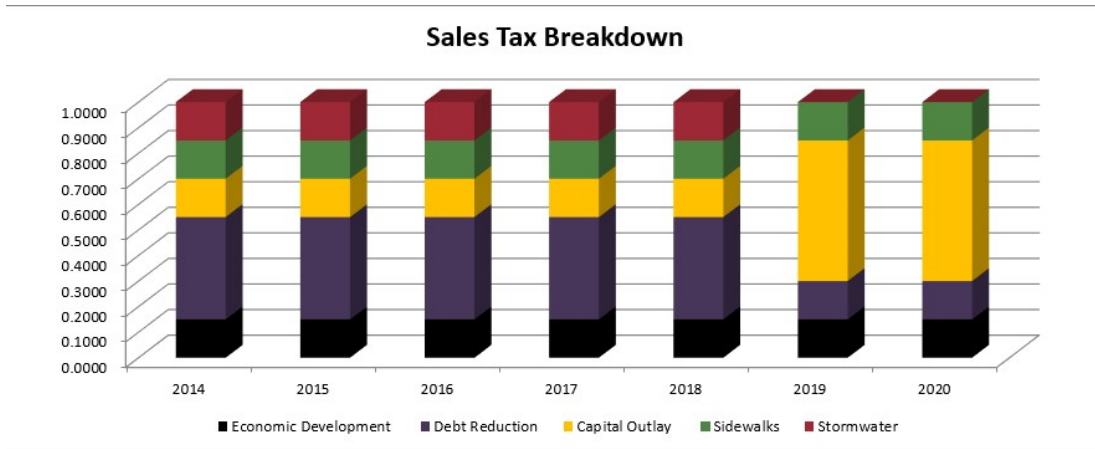
General Sales Taxes In Leavenworth		
<u>Purpose</u>	<u>Rate</u>	<u>End Date</u>
General Operations	1.75	Ongoing
Capital Outlay	.25	Ongoing
TOTAL	2.00	

In addition to the general operations and capital outlay supported by general sales taxes, there are five programs funded by the County Wide sales tax, in accordance with Charter Ordinance 54. The Ordinance specifies that 15.0 percent must be allocated for debt service. It also specifies

what else it can be used for but does not state what the percentage of allocation must be. Beginning in 2020, the allocations will be :

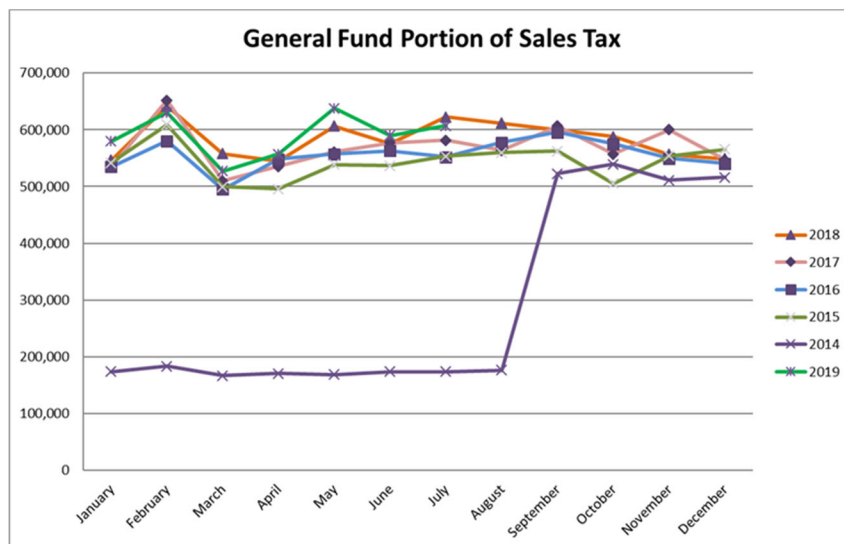
County Wide Sales Taxes In Leavenworth		
<u>Purpose</u>	<u>Rate</u>	<u>End Date</u>
Debt Reduction	.15	2035
Sidewalk Program	.07	2035
Economic Development	.15	2035
Capital Outlay	.63	2035
TOTAL	1.00	

The following graph shows the breakdown between resources available for operations and capital projects.

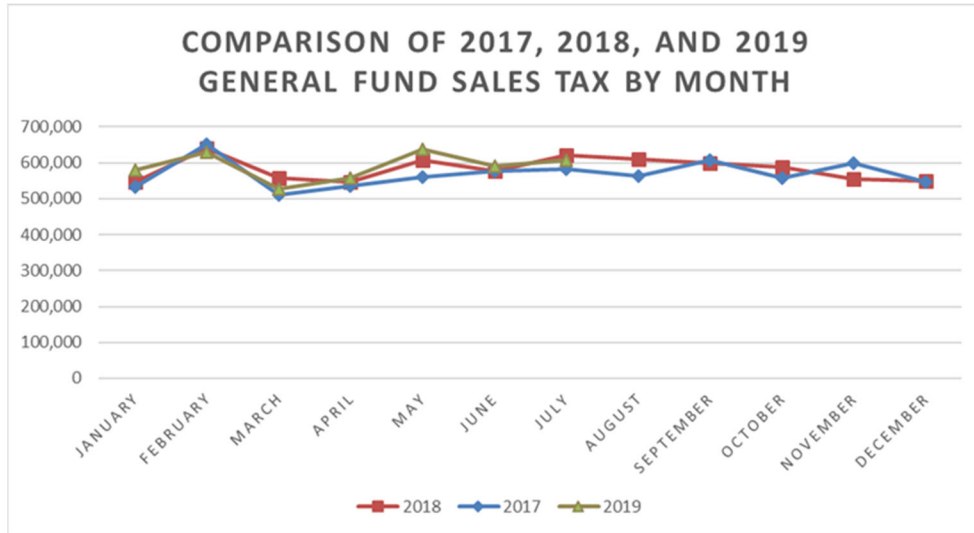


The 2020 budget includes \$15,742,900 of sales tax; of that amount, \$1,269,391 is related to TIF incentives, and not available for operations. The 2019 estimates are based on annualized actuals received through August 2019.

The graph below shows the trend of sales tax receipts since 2014. Prior to August of 2014, the sales tax rate was one (1) percent. However, the monthly fluctuations are still within the overall trends. 2015 through 2017 show the same monthly trends as 2014 until October. Subsequent years show the same activity throughout the year.



The following chart, while showing the same trends, also shows the relationship between 2017, 2018 actuals, 2019 YTD, and the higher levels of 2020 year to date actuals. The sales taxes for January and February were similar for 2017 and 2018. The drop off in March was still apparent, but receipts didn't drop off as significantly in 2019 as they did in 2017. That trend has remained the same for all of 2019 through September.

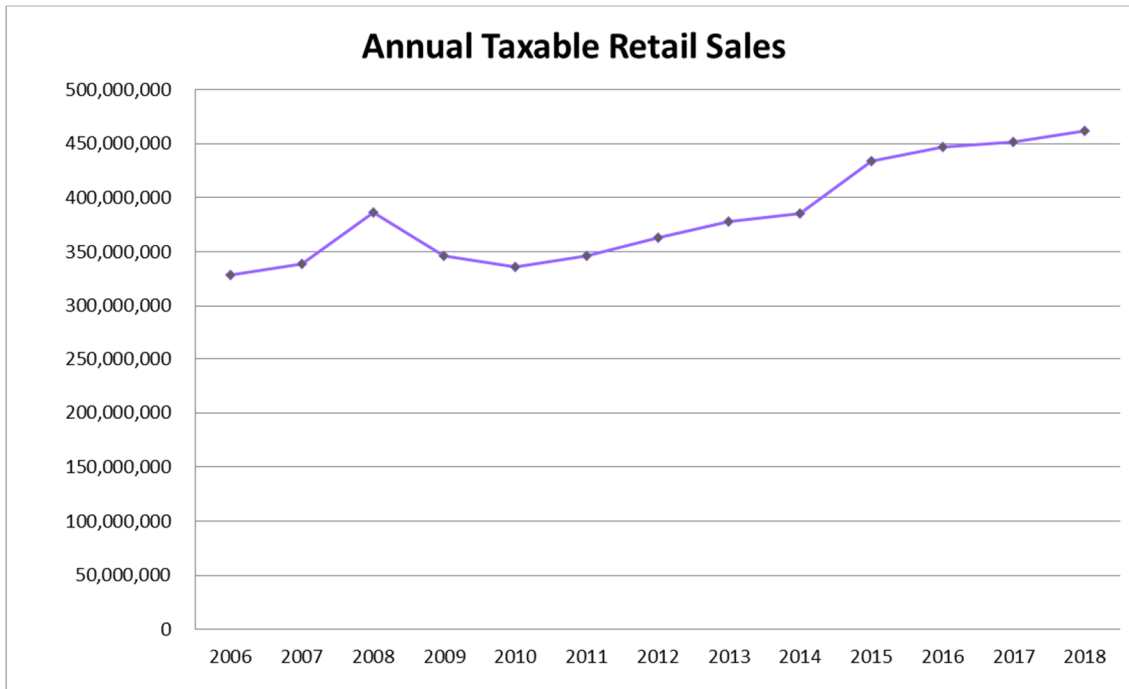


Taxable retail sales peaked in 2008, steadily declined through 2010, then began steadily increasing in 2011. Between 2014 and 2015, taxable retail sales increased sharply. This is coincidental to the additional one-cent sales tax, and most likely relates to the construction of two new hotels. Since then, taxable retail sales have steadily increased, though at a slower rate. Considering the totals also include costs of inflation, not all the growth is due to increased volume.

The long-term financial plan assumed a 2.0% increase in sales tax, but the 2017 increase was 2.83 percent. The 2018 increase was 4.0 percent and 2019 is trending to be about 4.90 percent.

The 2020 budgeted sales tax revenues are estimated to be 3.0 percent based on historical trends.

The following graph shows the annual taxable sales for 2006-2018:



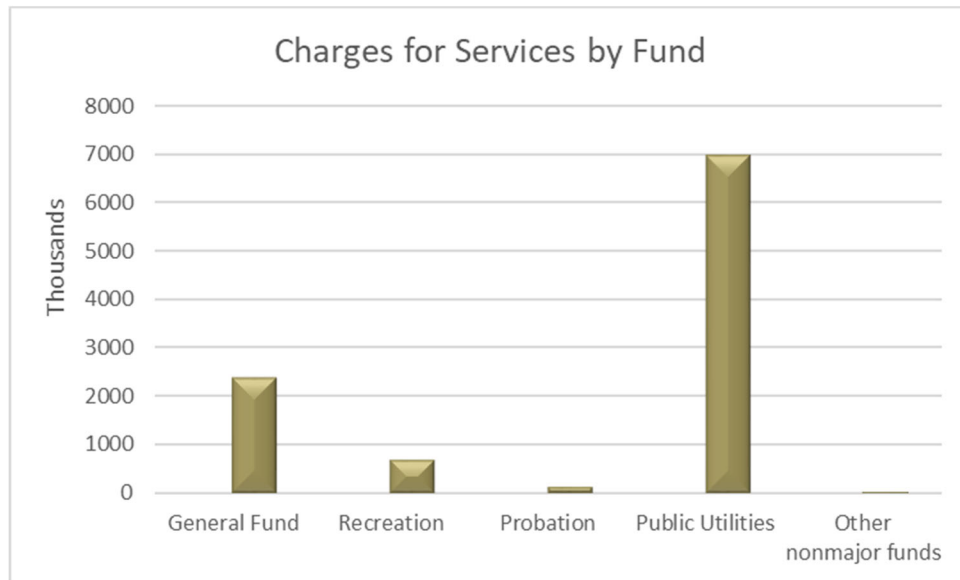
Source: KDOR

Charges for services

Charges for services are the second leading resource for the City at twenty-one percent of total revenues. These are consumption based and include such things as parks and recreation user fees, sewer and refuse fees, probation fees, and various general fund charges for services including administrative fees and court fees among others.

The estimate for the 2020 charges for services is \$11,558,635 and is based on historical trends, a eight percent increase in sewer rates, and a six percent increase in refuse rates. As mentioned earlier, the City engaged a consultant firm to perform a sewer rate study during 2018. However, the final results were not presented to the Commission in time for inclusion in the 2020 budget process.

The City engages a third party to provide billing services for the sewer and refuse billings. The third-party reduces the remittance of collections to the City by the amount of their fee. Historically, this was not included in the budget but is included in the Comprehensive Annual Financial Report (CAFR). In order to comply with the transparency goal established by the commission, the 2020 budget includes the revenues and expenditures associated with this transaction.

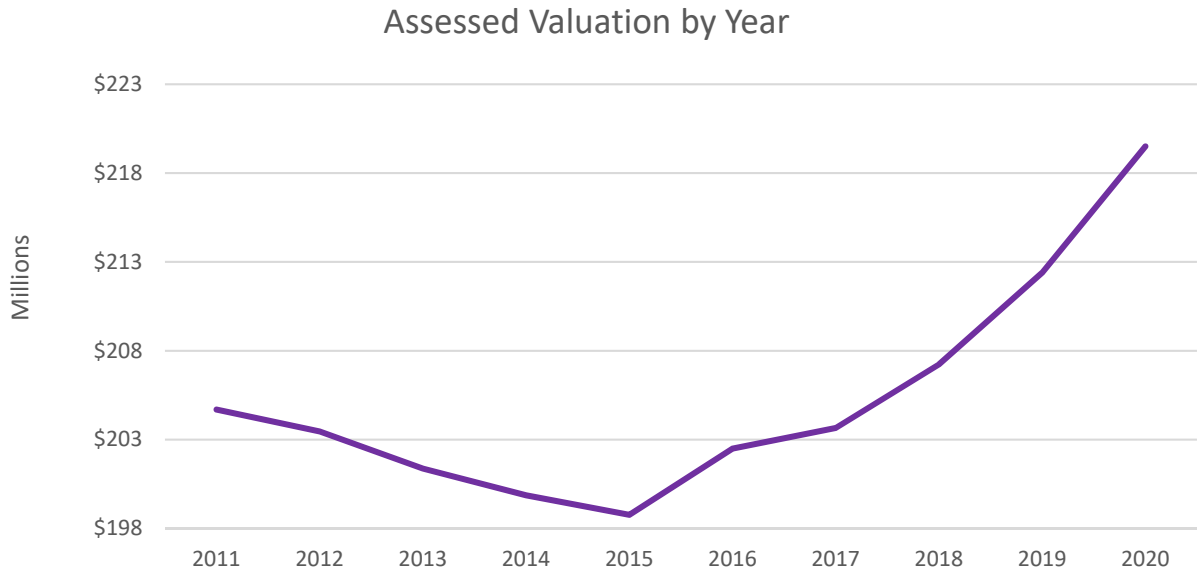


Property Taxes

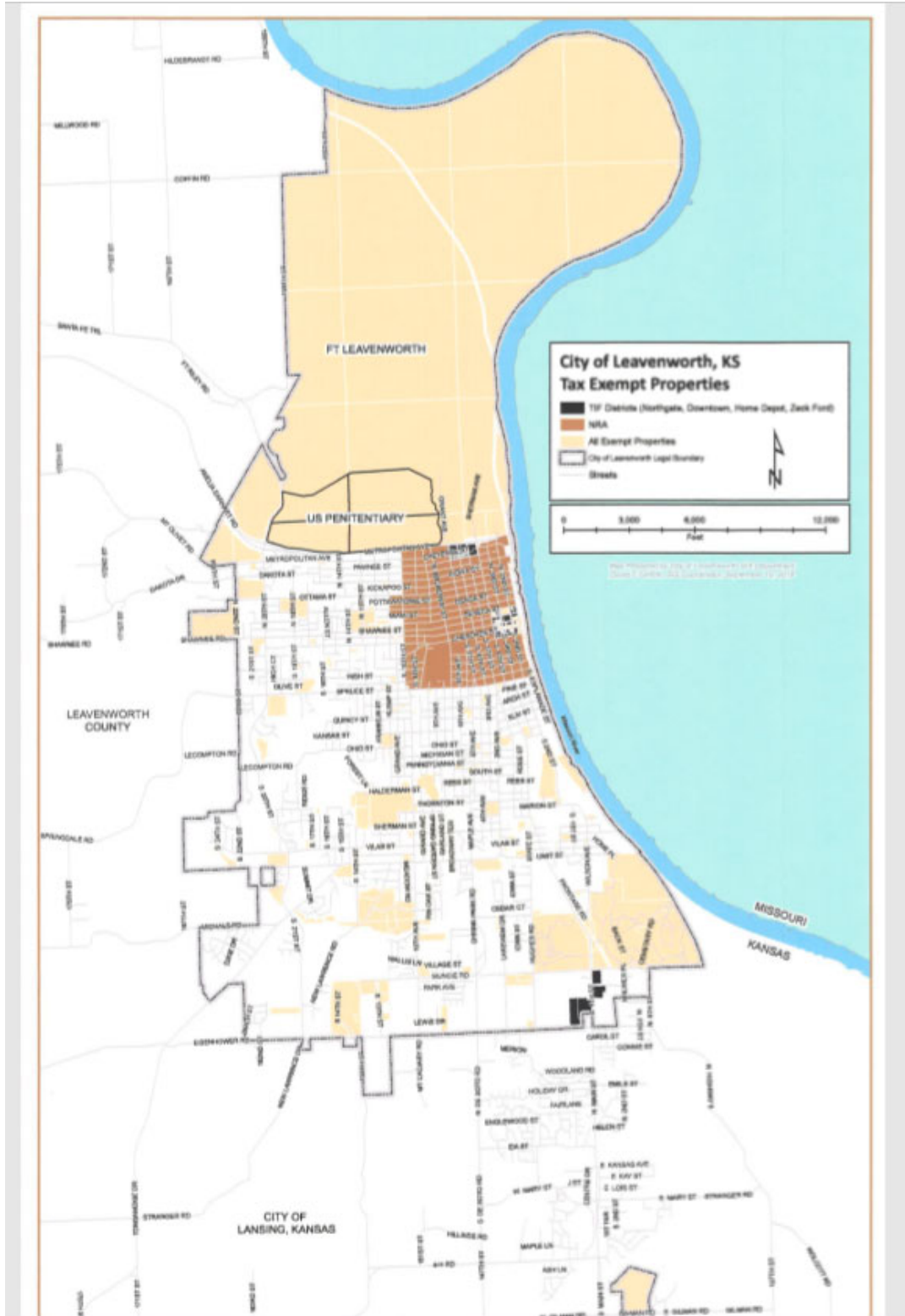
Property taxes are an ad valorem tax meaning according to value. There are two components to City property taxes: property values, which are determined by the County Assessor and mill levy rates, which are set by the City. The City determines the level of services for the upcoming year and sets the property taxes at an amount that will pay for those services. Property taxes are the City's third-largest source of revenues at thirteen percent.

As mentioned earlier, the City has a strong federal presence that stabilizes the City's financial position. The properties where these facilities are located are exempt from property taxes and therefore, not considered part of the assessed valuations. While federal properties are not part of the assessed valuation, this does not add an undue burden on the City because the City does not maintain the facilities or infrastructure on the federally owned properties. In addition to the federally-owned properties, there are other types of tax-exempt properties, such as state, county, city-owned properties; neighborhood revitalization areas (NRA's); tax increment financing (TIFs) areas; churches; and schools. Therefore, large sections of the City's incorporated area are not included in the assessed valuation.

Assessed valuations peaked in 2009 with a higher estimate for 2010 than was realized. Beginning in 2009, valuations driving the property tax collections experienced a significant decrease through 2010. 2011 increased a little, but after that, assessed valuations dropped significantly even with predictions of economic recovery, until 2016. While the 2016 valuation did not reach the 2009 levels, it is the first time in five years that it did not decrease. Since the housing crisis, lending practices have tightened, housing prices have stabilized, and the economy has continuously recovered. Although unemployment continues to fluctuate, it has remained lower than the 2009 levels. The 2019 valuations used to calculate the property taxes for the 2020 budget increased from \$212,395,600 to 219,502,504. This is approximately 3.0% higher than the previous year; estimates in the long-term plan are based on a 2.5% increase in valuations.



The following depicts the tax-exempt, NRA, and TIF areas:



The second component of property taxes is the mills levied. During the period of 2008 through 2010 when the valuations declined, the mill levy for the City did not increase to compensate for the reduction in property values. As mentioned earlier, in 2014 the Commission placed a one percent sales tax on the ballot for approval by the public. This allowed the City to reduce the total mill levy by twenty-one mills. Because the election took place too late to adjust the 2014 mill, the decrease in mills took place in 2015, as shown below.

For the 2020 budget, one mill generates approximately \$219,502. Historically, the City collects approximately ninety-seven percent of the taxes levied.

Valued for	Valuation	Mill Rate	Tax Dollars Collected
2014	\$ 199,870,247	52.029	10,133,604
2015	\$ 198,767,953	31.023	6,038,709
2016	\$ 202,499,606	31.027	6,117,804
2017	\$ 203,654,933	31.343	6,383,157
2018	\$ 207,227,412	31.343	6,300,166
2019	\$ 212,395,600	31.747	6,540,635
2020 (budgeted)	\$219,502,504	31.729	6,964,499

In 2017, the mill increased from 31.027 to 31.343 in order to provide probation services to our citizens, which the City did not provide before. This service will continue indefinitely and is included in the 2020 budget in its own special revenue fund. As can be seen in the graph above, the budgeted mill for 2018 was the same as 2017. The 2019 mill increased slightly from 2018. The mill for City operations stayed the same; the increase is due to an increase in the Library’s Employee Benefit fund, which is a pass-through. The Library is a component unit of the City, however; the City does not maintain the financial records of the library. The 2020 mill decreased .018 from 2019. City operations increased by .124 and the Library Employee Benefit Fund decreased by .15 mill.

Understanding the Mill Levies and Taxing Units

A “mill” is equivalent to one-thousandth of a dollar (\$1 of tax per \$1,000 assessed valuation). Taxing units (cities, counties, school districts, etc.) identify their mill levy or tax rate as the minimum rate that can be applied against property values to provide revenue for the taxing unit for the budget. For the 2020 budget, the City of Leavenworth will assess a maximum mill levy rate of 31.729. Taxpayers can use a formula to determine their total tax burden for Leavenworth.

The following chart helps to describe the formula used for a \$150,000 residential property to determine total taxes due for Leavenworth for the 2020 budget year:

2020 Formula

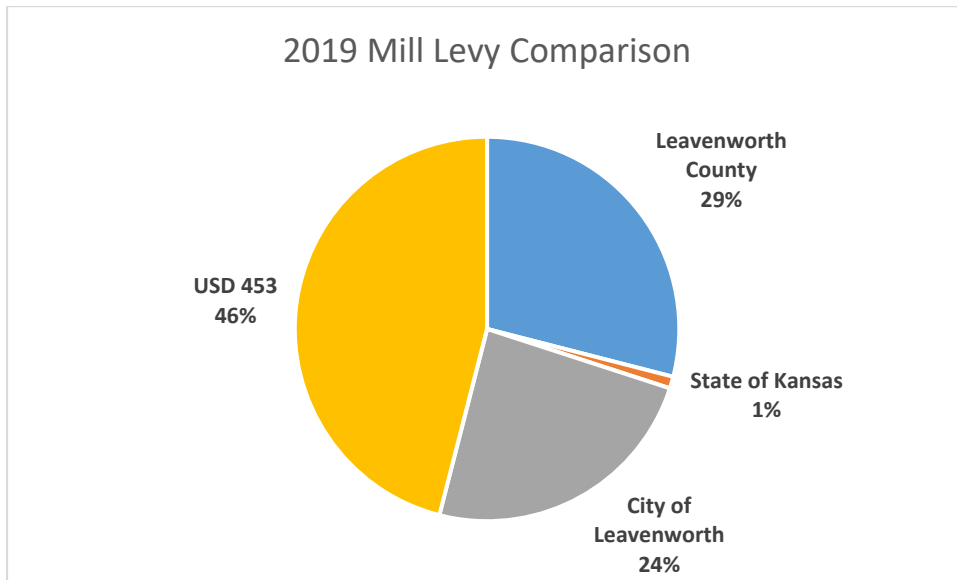
Appraised Value		Residential Assessment Rate (Percentage)		Total Levy Rate (Mills/1,000)		Total Due (Dollars)
\$150,000	X	11.5%	X	.031728	=	\$547.31

Several factors affect the amount of ad valorem taxes actually available for use:

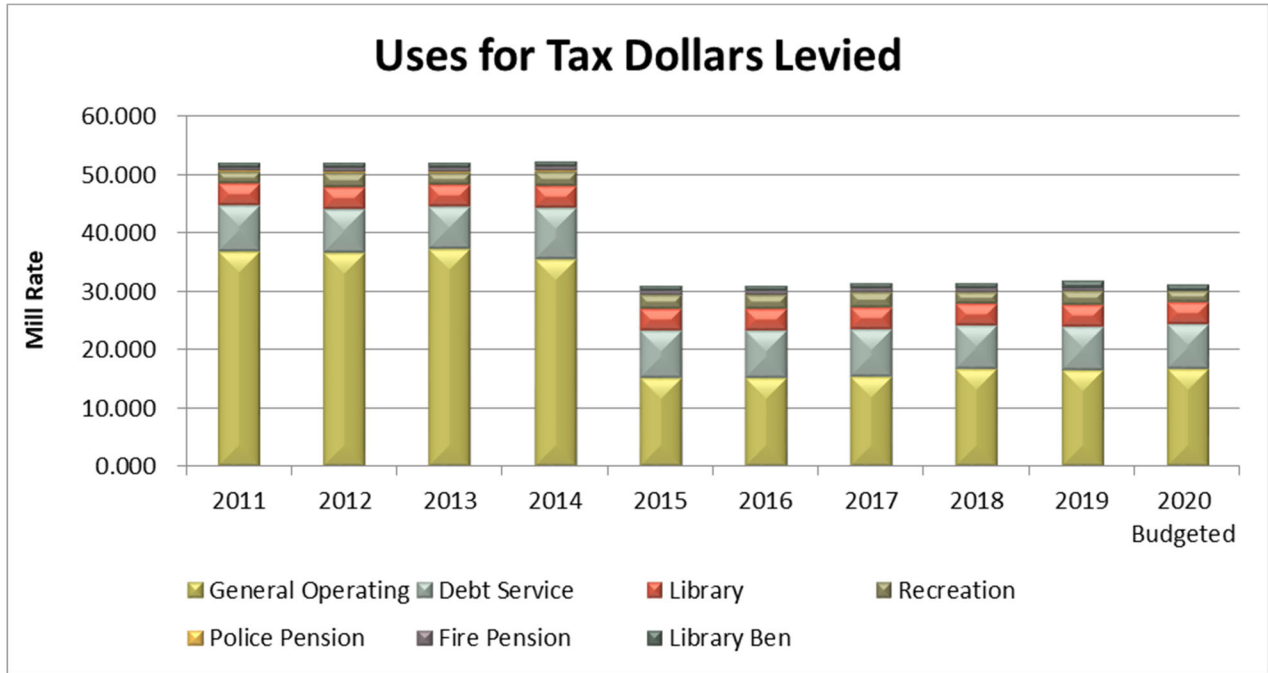
- Current valuation increases that are in the Neighborhood Revitalization Areas (NRAs) and Tax Increment Financing (TIF) Districts, do not increase the amount of revenues available for operations; the NRA taxes are estimated to be about \$100,000 (about ½ of the amount one mill generates) and are refunded to the property owners. The property taxes generated in the First City Hotel district are paid into an escrow account to pay for the bonds issued to pay for site preparations for the second hotel in the district, therefore, these are not available for operations. Property taxes generated by the Zeck Ford Dealership are paid into an escrow account to pay for the purchase of the land and improvements to the property. Therefore the funds not available for operations. In the interests of the transparency goal established by the Commission, the 2020 budget includes both the property tax revenue and expenditures related to the NRAs and TIF’s.
- Current economic development activities such as the new Business and Technology Park and several new housing developments-both single-and multi-family dwellings are anticipated to increase the City’s tax base, but not in time to be considered for the 2020 budget. The Business and Technology Park was completed in 2018, but currently, there are no tenants or purchasers. Construction in the housing developments began in 2018. There were bonds issued for infrastructure in this housing development and the payments are scheduled to be paid from the incremental value of the properties once homes are completed.
- Legislation has imposed a property tax lid that limits the amount of revenues that can be generated through increased valuations without reducing the mill rate, unless placed on a ballot and voted on by the public. This was effective beginning with the 2018 budget. The 2020 budget is the third year the tax lid is in effect. The timing required to accomplish this, should an election be required, most definitely forces a long-term financial plan in order to anticipate whether a vote would be required early enough to get a question on the ballot and still meet Kansas budget law deadlines. It also implies the necessity of creating two budgets, one in case the ballot passes; one in case it does not.

Fortunately, the City was able to meet its 2018, 2019, and 2020 funding requirements without raising the mill, cutting services, or seeking an election.

The City receives only a portion of the property taxes paid by residents. The State of Kansas, Leavenworth County, and Unified School District #453 also assess taxes on property:



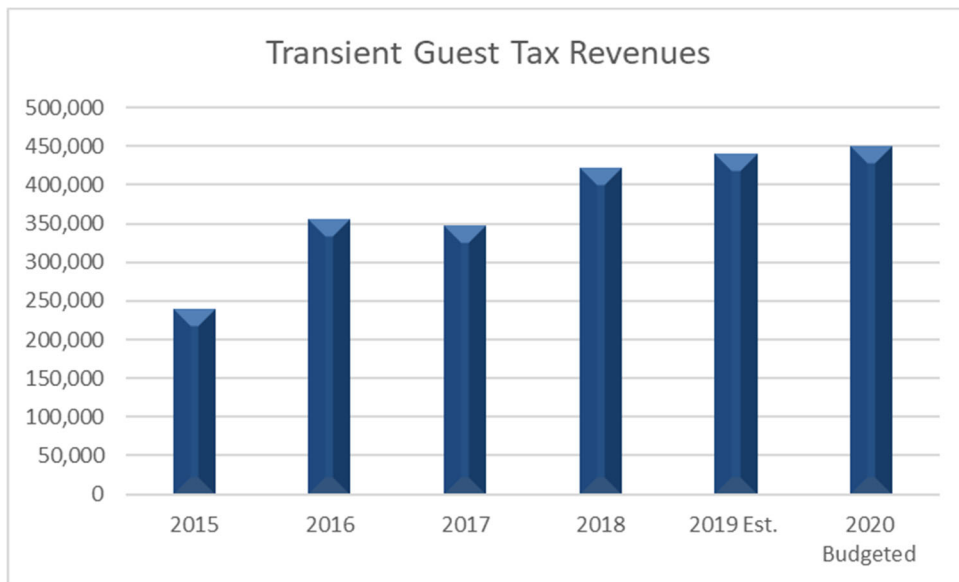
The following graph shows the breakdown of the uses of City property taxes levied:



Transient Guest Tax

These are taxes imposed on hotel or other lodging guests. The City levies an 8.0% guest tax, which became effective in 2015. Prior to 2015 the Convention and Visitor’s Bureau (CVB) was an independent entity. In 2015, the City incorporated the CVB as a function within the City. At that time, the CVB employees became City employees and receive full City benefits. The CVB function is fully self-supported and with the addition of the new hotels, the revenues have steadily increased.

When the 2020 budget was prepared, the revenue trends for guest tax indicated a modest increase and the 2020 estimate was based on those trends. The 2020 budget assumes a modest increase of 2.25%.



Motor Vehicle Allocations

All monies received from taxes levied upon motor vehicles under the provisions of K.S.A. 79-5101 through 79-5115 are allocated to the taxing unit in which the motor vehicle is located, per K.S.A. 79-5109. The amount budgeted each year is allocated to each fund that levies property taxes. The County Treasurer calculates the amount each fund receives as a percentage of the previous year's ad valorem tax levy. For 2020, the City budgeted \$875,286 to be allocated as follows:

City of Leavenworth		Allocation of MV, RV, 16/20M, Commercial Vehicle, and Watercraft Tax Estimates					2020
Budgeted Fund for 2019	Ad Valorem Levy Tax Year 2018	Allocation for Year 2020					
		MVT	RVT	16/20M Veh	Comm Veh	Watercraft	
General	3,478,645	451,557	4,083	744	0	0	
Debt Service	1,621,608	210,498	1,903	347	0	0	
Library	796,403	103,379	935	171	0	0	
Library Emp Benefit	261,126	33,896	306	56	0	0	
Recreation	483,670	62,784	568	104	0	0	
Police Pension	13,605	1,766	16	3	0	0	
Fire Pension	87,871	11,406	103	19	0	0	
TOTAL	6,742,928	875,286	7,914	1,444	0	0	

County Treas Motor Vehicle Estimate	<u>875,286</u>					
County Treas Recreational Vehicle Estimate		<u>7,914</u>				
County Treas 16/20M Vehicle Estimate			<u>1,444</u>			
County Treas Commercial Vehicle Tax Estimate				<u>0</u>		
County Treas Watercraft Tax Estimate					<u>0</u>	

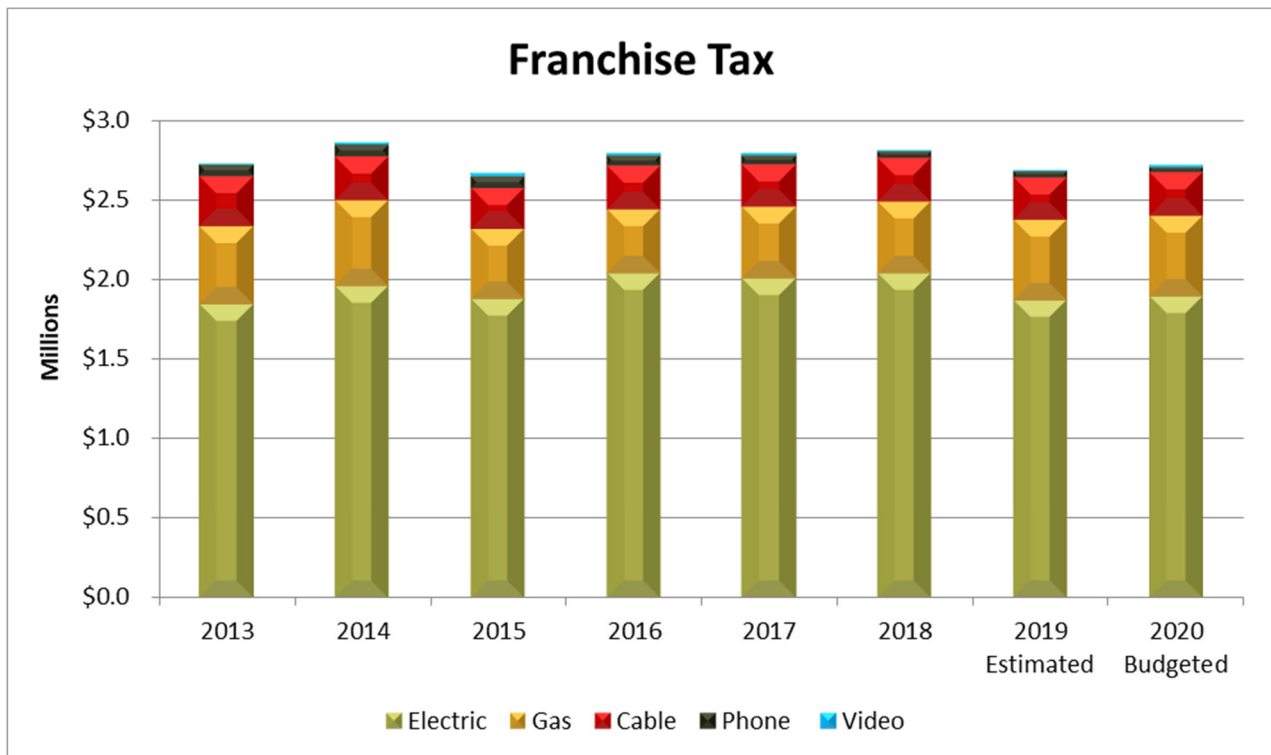
Motor Vehicle Factor	<u>0.12981</u>					
Recreational Vehicle Factor		<u>0.00117</u>				
16/20M Vehicle Factor			<u>0.00021</u>			
Commercial Vehicle Factor				<u>0.00000</u>		
Watercraft Factor					<u>0.00000</u>	

Franchise Fees

Franchise fees are negotiated between utility companies and municipalities for the right to use public right of ways. Usually, the fees are based on a percentage of gross receipts. The maximum is five (5) percent; the City agreement is at five (5) percent. The City of Leavenworth has franchise agreements with the following types of utilities:

- Electric
- Gas
- Cable
- Telephone
- Video

Franchise fees are volatile, but their unpredictability is based on climatic conditions and the commodities market rather than housing and the economy. Based on the mild climate of the past two years, gas franchise fees are projected to remain relatively flat until 2021. The electric franchises are estimated to be 5.0 percent higher than previous years based on historical trends and the rate increase imposed by the electric utility company. The estimates for Cable, Phone, and Video are estimated to be relatively flat. In the long-term plan, franchise fees were estimated to remain relatively flat through 2020. However, with added housing availability, the projections for 2021 and forward will be revised.



Intergovernmental Revenues

Intergovernmental revenues are those that come from other levels of government and are usually for a specific type of activity. This source provides \$1,368,330 of revenues. The City receives Alcohol tax revenues from the State of Kansas. The state requires this revenue source to be allocated between three activities- 1/3 to Probation (drug and alcohol treatment); 1/3 to Recreation; and 1/3 to general operations.

The City also receives gas tax money from the state and a portion of the County's gas tax money. This is specifically for the maintenance of roads and is budgeted in the Special Highway fund.

The Highway Fund receives Connecting Highway Link (KLINK) monies from the state.

Other sources of intergovernmental revenues come from various grants.

Unencumbered Cash Carry Over

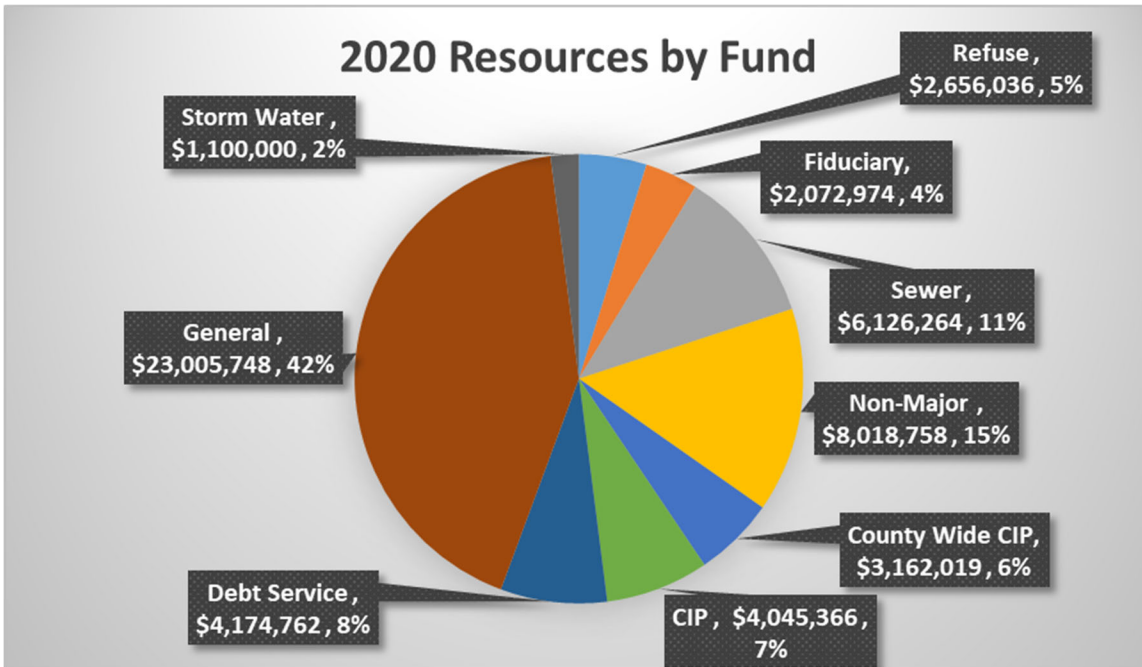
Of the \$9,438,430 of unencumbered cash carry over, approximately \$3.5 million is discretionary and \$5.8 million is restricted for a specific use by the State of Kansas or the City of Leavenworth. Some of the restrictions include the actuarial reserves of the police and fire pension funds, amounts held in reserves for the interest related to debt payments, economic development activities, tourism activities, and capital projects. The City classifies some of the reserves as operating reserves or capital reserves, in addition to the actuarial reserves mentioned above.

Other Resources

As mentioned in the Budgeting Basis section, the City has funding sources that are not required to be budgeted under Kansas Budget Laws, but there is an internal budget process to show compliance with federal grant guidelines and for internal control purposes. The City receives federal grant dollars used for moderate to low income and veterans housing, home repairs, first time home buyers assistance, blight removal, and assistance to social service agencies, such as children's Court Appointed Special Advocates (CASA), Aid to Domestic Violence, etc. These resources are not included on the state budget form but the previous year's expenditures are reported in the non-budgeted funds section. Also, the Commission approves a budget resolution to authorize the expenditures of these funds at the same time as it approves the operating budget.

The City also receives police grants and proceeds from properties and resources seized during police activities. These proceeds are not budgeted because they are unquantifiable; they are typically received once the case has been tried and settled in court, which can be many years after the arrest was made. Expenditures made from the seizure funds are mostly for equipment purchases; follow the City's purchasing policies; and if they exceed the expenditure authorization of the Police Chief, are approved by the City Manager or Commission prior to making the expenditure.

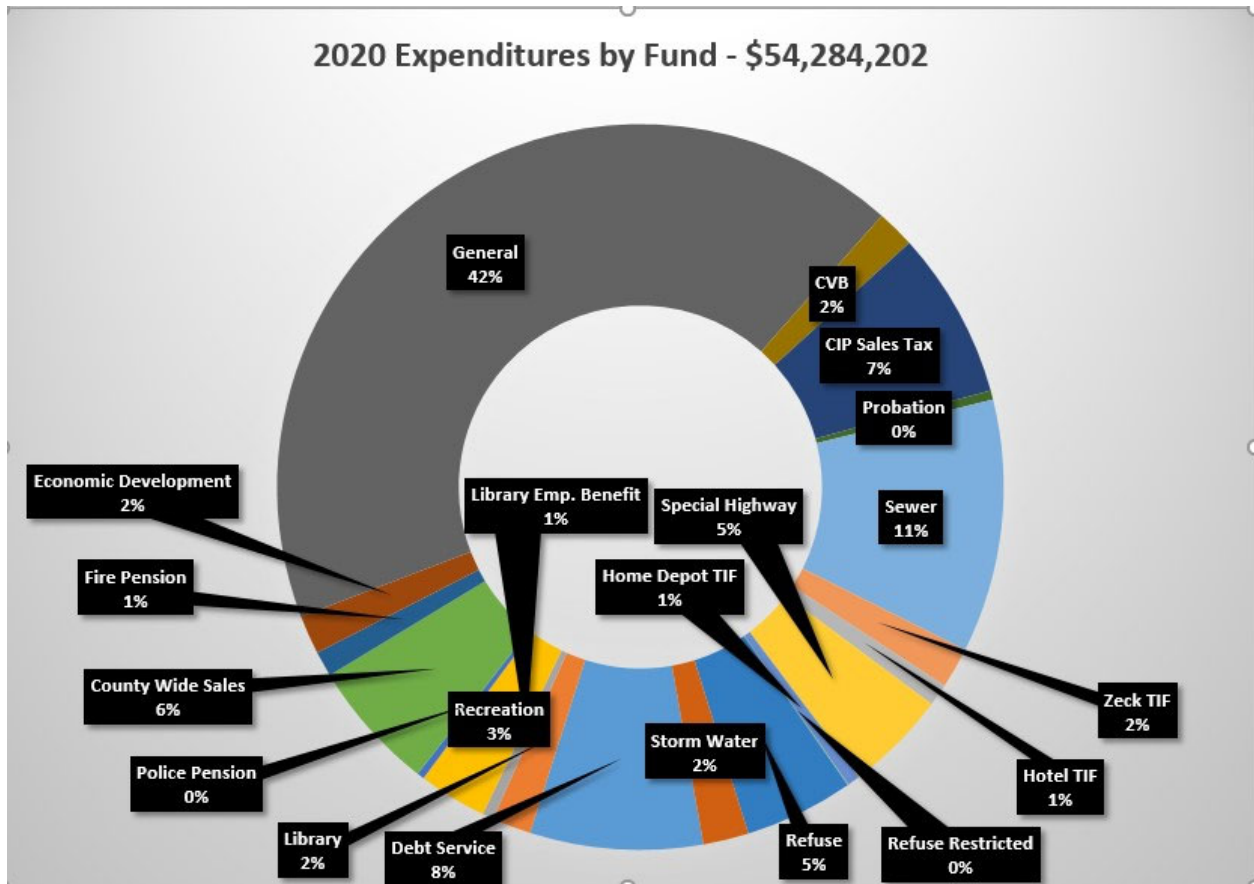
The following graph shows resource by fund.



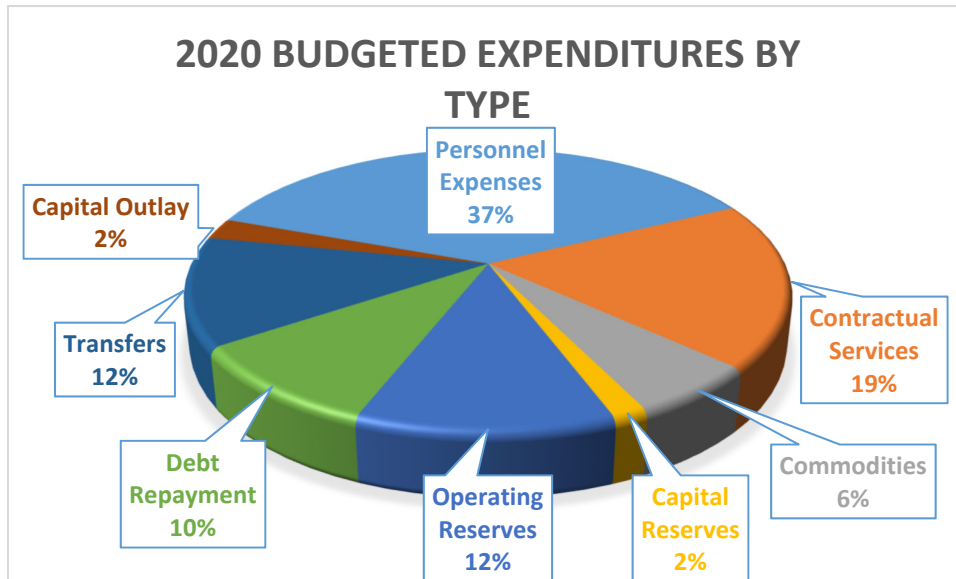
Total Budgeted Expenditures

The City's 2019 total budgeted expenditures are \$54,284,202. The general fund accounts for the largest percentage (42%) of total expenditures. This is to be expected since it funds the most costly services such as public safety, public works, administration of justice, and other administrative expenses.

The 2020 budget includes a 1.5% increase in CPI.



Of the budgeted expenditures, interfund transfers totals \$6,775,913 (12 percent). Most of these transfers are to the bond fund or to non-budgeted capital improvement funds for capital projects. Even though they are budgeted, there is no intention of spending them unless necessary, identified for a specific project, and allowed according to the Commission approved budgetary reserve policy.



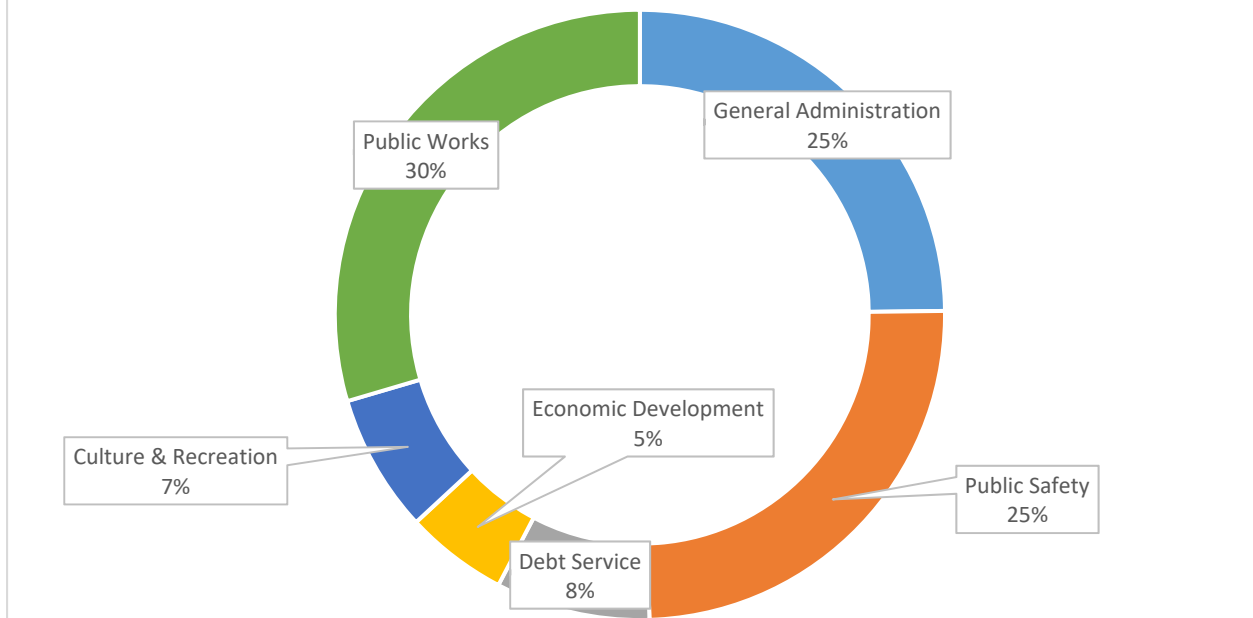
Personnel Services, is the largest expenditure category, as is the case with most entities, at thirty-seven percent (37%). These expenditures include such items as wages and salaries, health insurance, retirement benefits, and other benefits. The 2020 budget includes a two and one quarter percent (2.25%) COLA applied at mid-year, eight percent (8%) increase in health insurance (actual rate increase of 7.77 % came in subsequent to the Commission approval of the budget), 0.28% decreased in KPERS rates, and a .2% decrease in KP&F rates.

Contractual services are the next highest expenditure category at nineteen (19%) percent. Expenditures in this category include services such as property and liability insurance, software licensing, professional services, etc. Debt services payments are contractual by nature but are shown separately on the graph above at ten percent (10%).

Commodities are items consumed through normal operations with a value less than \$5,000 and an expected life cycle of less than one year (six percent).

Capital Outlay expenditures are for land, buildings, infrastructure, improvements, vehicles, equipment, historical treasures, works of art, and other tangible and intangible assets whose cost exceeds \$5,000; whose life expectancy exceeds one business cycle; and does not include maintenance types of items that do not enhance or extend the value or life of an asset.

2020 Budgeted Expenditures by Function



Administrative expenditures include such departments as City Commission, City Manager, Human Resources, City Clerk, Convention and Visitors Bureau, Information Technology, Legal Services, Finance, Municipal Court, Probation, Police and Fire pension payments, Code Enforcement, and Planning, as well as, operating reserves.

Public Safety expenditures include police administration and operations; fire administration, suppression, and prevention; and animal control.

Public Works expenditures include engineering; facility maintenance; building inspections; vehicle and fleet maintenance; streets, highways, sidewalks, curbs, and street lighting maintenance; and sewer, storm water, and refuse services.

Economic Development includes economic development activities and incentives, as well as, Tax Increment Financing (TIF) incentives.

Culture and Recreation includes parks, recreation activities, performing arts, community center activities, aquatics activities, and the library.

Capital Outlay include expenditures for all functions, but not the transfers to non-budgeted capital outlay funds.

Debt service includes repayment of debt related to all functions.

Three Year Summary of Financial Sources and
In thousands of Dollars

	General Fund (Major Fund)		Debt Service Fund (Major Fund)		Nonmajor Funds		Fiduciary Funds (Non major)		Proprietary Funds (Major Funds)		Total All Funds	
	2018 Actual	2019 Estimated	2018 Actual	2019 Estimated	2018 Actual	2019 Estimated	2018 Actual	2019 Estimated	2018 Actual	2019 Estimated	2018 Actual	2019 Estimated
Revenues												
TOTAL TAXES	\$14,937	\$15,319	\$1,798	\$1,849	\$6,843	\$7,612	\$1,235	\$1,307	\$ -	\$ -	\$24,813	\$26,087
TOTAL INTERGOVERNMENTAL	\$ 112	\$ 72	\$ -	\$ -	\$ 1,225	\$ 1,229	\$ -	\$ -	\$ -	\$ -	\$ 1,337	\$ 1,346
TOTAL LICENSES & PERMITS	\$ 441	\$ 442	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 441	\$ 442
TOTAL CHARGES FOR SERVICES	\$ 2,248	\$ 2,303	\$ -	\$ -	\$ 1,182	\$ 1,147	\$ -	\$ -	\$ 6,528	\$ 8,263	\$ 9,958	\$11,713
TOTAL MISCELLANEOUS	\$ 468	\$ 441	\$ -	\$ -	\$ 38	\$ 30	\$ 9	\$ 6	\$ 15	\$ 15	\$ 530	\$ 492
TOTAL TRANSFERS	\$ -	\$ -	\$ 1,461	\$ 1,655	\$ 480	\$ 480	\$ -	\$ -	\$ -	\$ 10	\$ 1,941	\$ 2,145
TOTAL BOND PROCEEDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL SPECIAL ASSESSMENTS	\$ 29	\$ 30	\$ 74	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103	\$ 108
TOTAL REVENUE	\$18,235	\$18,652	\$3,333	\$3,582	\$9,768	\$10,498	\$1,244	\$1,313	\$6,543	\$8,288	\$39,123	\$42,333
Expenditures												
TOTAL PERSONNEL	\$14,084	\$14,305	\$ -	\$ -	\$ 1,930	\$ 2,012	\$ 139	\$ 146	\$ 1,765	\$ 2,087	\$17,918	\$18,550
TOTAL CONTRACTUAL	\$ 3,067	\$ 3,269	\$ -	\$ -	\$ 2,324	\$ 2,844	\$ 1,071	\$ 1,185	\$ 2,466	\$ 2,549	\$ 8,928	\$ 9,847
TOTAL COMMODITIES	\$ 1,164	\$ 1,124	\$ -	\$ -	\$ 350	\$ 363	\$ -	\$ -	\$ 461	\$ 744	\$ 1,974	\$ 2,231
TOTAL CAPITAL OUTLAY	\$ 86	\$ 38	\$ -	\$ -	\$ 139	\$ 91	\$ -	\$ -	\$ 324	\$ 2,081	\$ 548	\$ 3,031
TOTAL DEBT REPAYMENT	\$ -	\$ -	\$ 3,287	\$ 3,710	\$ 238	\$ 164	\$ -	\$ -	\$ 894	\$ 899	\$ 4,419	\$ 4,773
TOTAL TRANSFERS AND OTHER COSTS	\$ 407	\$ 405	\$ 223	\$ -	\$ 4,052	\$ 4,981	\$ -	\$ -	\$ 47	\$ 57	\$ 4,506	\$ 5,444
TOTAL EXPENDITURES	\$18,808	\$19,141	\$3,287	\$3,710	\$9,033	\$11,275	\$1,209	\$1,330	\$5,956	\$8,418	\$38,294	\$43,875
Revenues Over/(Under) Expenditures	\$ (573)	\$ (489)	\$ (46)	\$ (128)	\$ (735)	\$ (777)	\$ 35	\$ (17)	\$ 587	\$ (130)	\$ 829	\$ (1,949)
Cash Balance												
Beginning Cash Balance	\$ 4,618	\$ 4,045	\$ 316	\$ 362	\$ 4,086	\$ 4,820	\$ 641	\$ 675	\$ 763	\$ 1,350	\$10,424	\$11,253
Ending Cash Balance	\$ 4,045	\$ 3,556	\$ 362	\$ 234	\$ 4,820	\$ 4,043	\$ 675	\$ 634	\$ 1,550	\$ 1,220	\$10,578	\$ 9,053
Change in cash Balance	\$ (573)	\$ (489)	\$ (46)	\$ (128)	\$ (735)	\$ (777)	\$ 35	\$ (17)	\$ 587	\$ (130)	\$ 155	\$ (2,200)
% Change	-12.41%	-12.09%	-14.56%	-35.36%	17.98%	-16.12%	5.40%	-2.32%	76.87%	-9.66%	7.95%	-13.70%

(1) The city prepares the budget on a cash basis according to Kansas budget laws, therefore, the above fund balances are reflecting beginning and ending unencumbered cash balances.
(2) Nonmajor funds include Special Revenue Funds, but not project funds. The Street Fund will have about \$866,000 of committed cash. It has been identified for capital projects but no specific project has been identified at this time.
(3) Fiduciary Funds include the Police and Fire Pension Funds and the Library and Library Employees Benefit Funds. The Library is considered a component unit of the City, but the City does not maintain its financial records. The City levies the amount needed for the pension payouts, but still maintains a reserve in those funds, that is restricted for those purposes.
(4) The Proprietary Funds include the Sewer and Refuse functions of the City. The transfers are from the Refuse Fund to the Refuse Restricted fund which records the transactions affiliated with post-closure landfill maintenance expenses.
The reduction in fund balance is related to projects began in previous years, but not anticipated to be completed until 2019.

Fund Balance

The City's governmental funds use the term ***fund balance*** to describe the difference between fund assets and fund liabilities. The City's enterprise funds use the term ***working capital*** to describe the difference between fund assets and fund liabilities.

In March 2017, the City Commission approved a revised Budgetary Reserve Policy which incorporates the GFOA recommended a minimum of two months of expenditures as the City's minimum reserve levels in fund balance for the General Fund, CIP Sales Tax Fund, County-Wide Sales Tax Fund, Sewer Fund, and Refuse Fund. The new policy specifies the acceptable uses of excess unassigned reserve balances, mandates periodic reviews and updates as necessary, limits the authorization to use reserves to the City Commission and City Manager, and provides for budgeting 4% of expenditures for restoration of reserves should they fall below the minimum established in this policy.

In 2009, the Governmental Accounting Standards Board (GASB), the governing body charged with establishing accounting and financial reporting standards for governments, issued Statement 54, which changed the way fund balances are reported on financial statements. The City prepares the budget per Kansas statute on a cash basis where cash balances are not typically presented according to GASB 54 designations. However, the City recognizes that the same constraints apply and is presenting the budgetary cash balances in the GASB 54 format for the purposes of this document.

Non-spendable: This includes amounts that are a) not spendable in any form, or b) legally or contractually required to remain intact. This includes items that are not expected to be converted to cash, such as inventories, pre-paid items, or long-term notes receivable.

Restricted: This includes amounts that can be spent only for the specific purposes stipulated by external sources either constitutionally or through legislation. Restrictions may only be lifted with the consent of the source provider. This includes grants or certain types of sales taxes.

Committed: This includes amounts that can only be used for specific purposes determined by a formal action (resolution/ordinance) of the City's highest level of decision-making authority-the City Commission. Commitments may only be lifted by taking the same formal action that originally imposed the restriction (resolution/ordinance).

Assigned: This includes amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by a) the City Commission or b) the City Manager to which the Commission has delegated the authority to assign amounts to be used for specific purposes.

Unassigned: This includes the classification of the residual amount for the General Fund and includes all amounts not contained in the above-mentioned classifications. Unassigned amounts are technically available for any purpose.

In situations where expenditures are made for a purpose that has amounts available in multiple fund balance classifications, fund balances are depleted in the order of restricted, committed, assigned, and unassigned.

Summary of Long-Term Financial Plan

City of Leavenworth, Kansas

During 2019, Finance staff development and refined a Long-Term Financial Plan. As of the printing date, the plan is still in draft form and will be presented to policy makers in early 2020. The following is a summary of the draft plan. Staff will present the plan to policy makers in 2020. A full copy of the draft can be found in Appendix D – Long-Term Financial Plan on page 256.

Introduction:

Local governments will always face serious challenges from external forces that include natural disasters, policy changes from other levels of government, and economic downturns, just to name a few. It is the role of governing bodies, management, and finance officers to find ways to not just overcome, but thrive in this type of environment. A long-term financial plan is an important tool that can assist in accomplishing this goal.

There are several reasons to prepare a long-term financial plan.

- Long term financial planning is a key factor in creating an organization that can not only survive but thrive during economic challenges.
- Rating agencies tend to increase bond ratings for those entities with a long-term financial plan in place.
- A long-term financial plan assesses the implications today's decisions have on future financial viability.
- A long-term financial plan assesses programs and services that may be offered or discontinued.
- Long -term financial plans can help develop strategies to achieve goals and objectives.

A financial forecast is a tool used in developing a long-term financial plan by estimating future revenues and expenditures and identifying the factors which impact them. This forecast is intended to help formulate decisions that encourage financial stability while delivering essential community services.

The information in this forecast includes an analysis of major revenue sources and uses for the primary government. The estimates include both quantitative and qualitative information. Quantitative estimates are based on historical data and trends, as well as economic conditions that may impact the City's ability to collect or generate revenue. The qualitative estimates are based on the experience and knowledge of finance staff that will indicate the most likely outcome.

Financial forecasts include a lot of economic variables that can and do change frequently. Other things that will affect the accuracy of the forecast include operational changes, the timing of large capital projects, and policy changes.

Executive Summary:

The City constantly looks for ways to maximize limited resources in order to address the priorities set by the City Commission. The current commission priorities were the result of the 2020 budget and goal setting processes involving discussions between the City Commission, City Manager, and Department Directors. The result was a list of priorities which would allow the City to attain the overall vision of where Leavenworth should be in the future. Five core areas were identified as critical and are the focus of the implementation plan going forward. These goals were a priority in the 2020 budget and will be in subsequent years through 2024. They are:

- Economic Development
 - Business Attraction, Retention, and Expansion
 - Transportation Plan
 - Downtown Development & Revitalization
 - Tourism
- Community Improvement
 - Neighborhoods
 - Rental Coordinator Program
 - Parks and Recreation
- Roadways and Infrastructure
 - Street Plan
 - Infrastructure Improvements and additions
- Public Safety
 - Police
 - Fire
- Outreach and Transparency
 - Public Information
 - Transparency

As with all levels of local government, the City of Leavenworth had been adversely affected by the reduction of property values, reduced sales tax, reduced funding from higher levels of government, and other reductions of revenue due to the Great Recession. However, the City of Leavenworth was able to withstand the effects of the recession due to the following:

- Organizational restructuring
- Freezing vacant positions
- Significant federal institution presence
- Reliance on reserves

Beginning in 2016, the City has shown small but steady annual improvements in the economy.

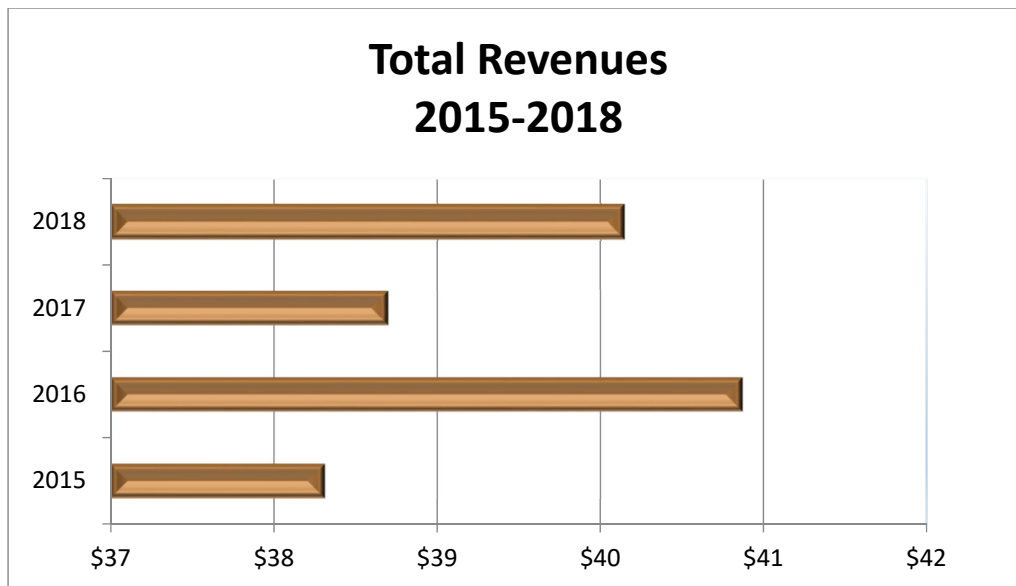
The following summary provide an overview of the City's sources and uses of resources and an in depth analysis of the General Fund, Capital Outlay, Debt Management, Public Utilities, Recreation Fund, Street Fund, and Fund Balance (Reserves). With the adoption of the 2020 budget, staff recommendations are made with the 2021 budget as the focal point.

REVENUES

Overview

When comparing revenue levels in the operating funds from 2015 through 2018, revenues remained relatively stable with the following fluctuations:

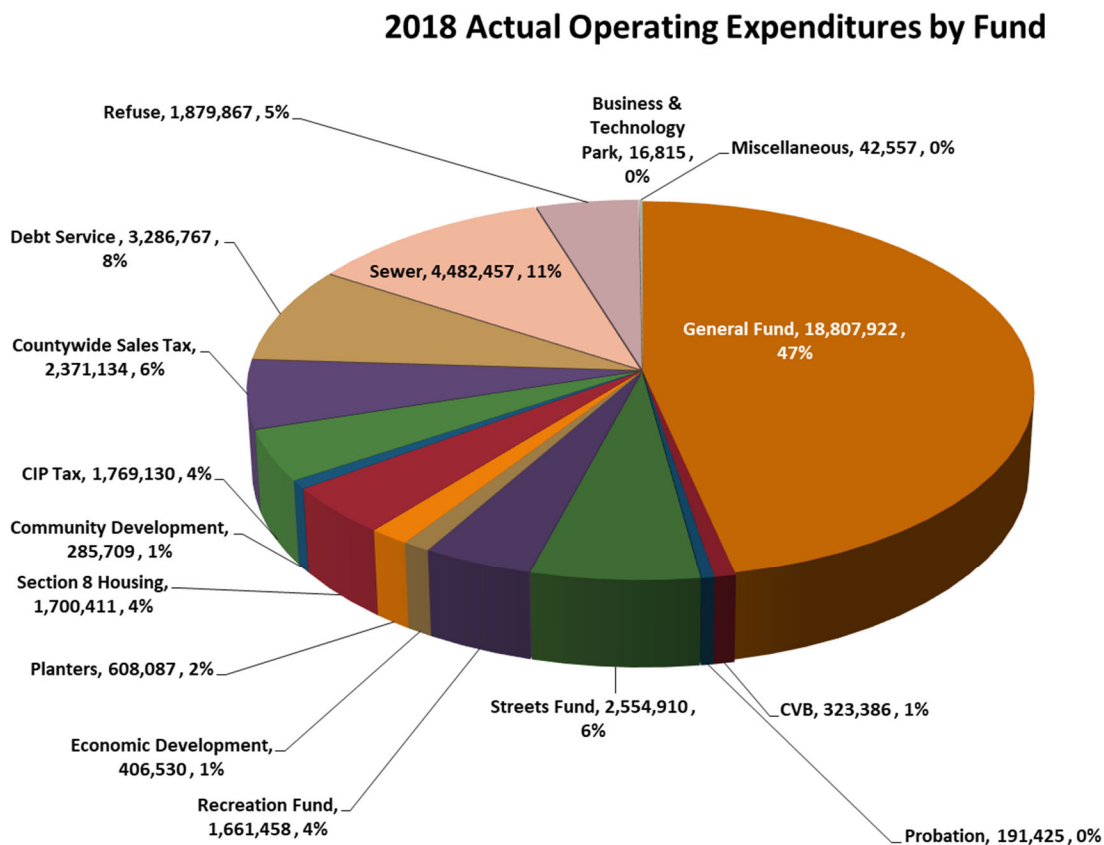
- In 2016, the City refinanced bonds which impacted revenues by \$3,080,190.
- In 2017, the City began offering probation services, so the mill was increased by 0.321 to cover those services.
- In 2018, the utility rates increased 5% and 8% for Sewer and Refuse, respectively, to cover specifically identified capital improvements and offset anticipated shortfalls.
- 2016 through 2018 assessed values increased by 2.5%; City operating mills remained flat except for the increase for probation services mentioned above.
- While Convention and Visitor's Bureau (CVB) revenues make up only 1% of the City's revenue; it is one of the fastest growing resources. There has been a 58% increase between 2015 and 2018.
- Sales tax, which is the largest revenue source of the City grew 1% between 2015 and 2016; 1% between 2016 and 2017; and 4% between 2017 and 2018. Some of the sales tax is earmarked for capital outlay and some is tied to TIF districts; therefore, not available for operations.
- Interest rates on investments improved significantly so interest income, which also represents 1% of City revenues, grew by 89% between 2015 and 2018, some due to the improved economy, some due to changes in the City's investment strategy in 2016.



EXPENDITURES

Overview

The City has redirected its financial focus to priority-based initiatives and in 2017 began budgeting expenditures accordingly, in order to accomplish goals established by the Commission. As mentioned earlier, the current commission priorities were the result of the 2020 budget and goal setting processes involving discussions between the City Commission, City Manager, and Department Directors. The result was a list of priorities which would allow the City to attain the overall vision of where Leavenworth should be in the future. The following chart shows the 2018 actual operating expenditures by fund:



The General Fund is the main operating fund for the City, and as shown above, is 47 percent of total expenditures. While the City of Leavenworth pays for programs from many funds, 72% of expenditures are made from four main funds: the General Fund, the Sewer Fund, Streets Fund, and the Debt Service Fund.

DEBT SERVICE

Effective financial management includes analyzing several funding mechanisms to determine what option is the most beneficial to the City. In some cases, issuing debt is the best available option. The City of Leavenworth traditionally uses debt for equipment and capital improvements which cost too much to pay from the operating budget. The length of the debt issuances do not exceed the estimated useful life of the asset being funded by the debt. The financial plan for the City includes debt payments for current obligations and forecasted payments associated with issuing new debt in 2020. Those additional payments are anticipated to begin in 2021.

In 2019, Moody's Investor's Service reviewed and assigned a rating of Aa2 to the City of Leavenworth for the 2019-A bonds that were issued to redeem the temporary notes issued for the 2018 Pavement Management program.

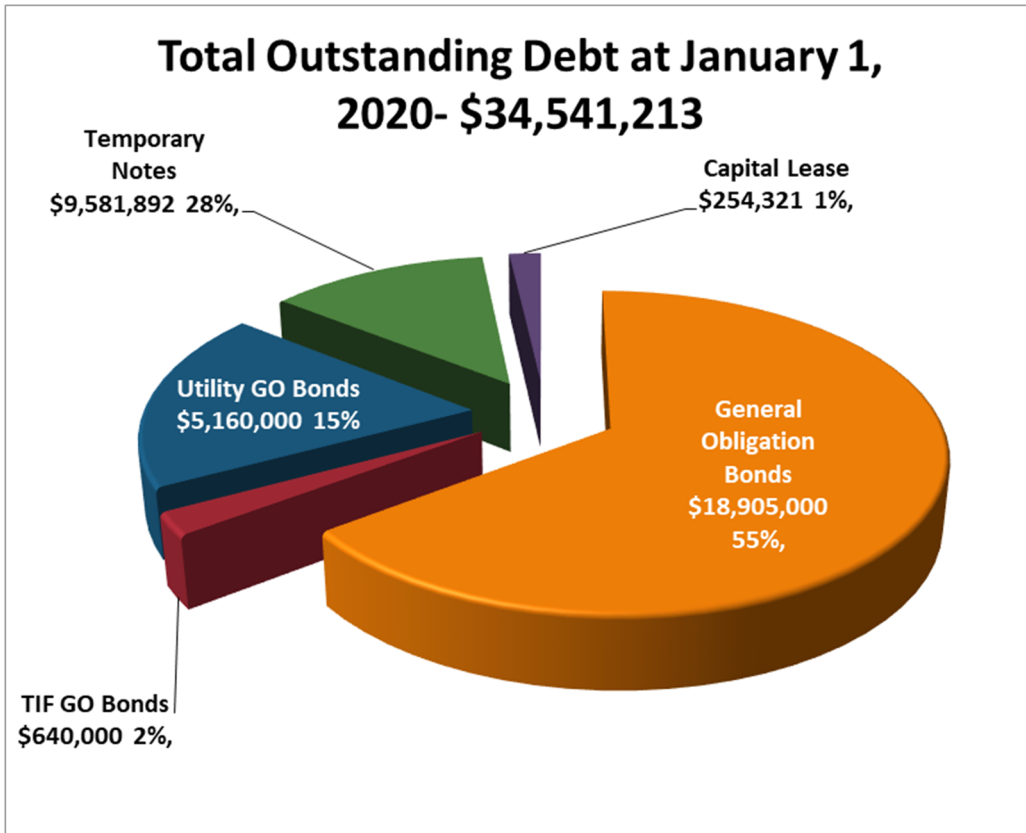
The revenues for making the debt payments are derived from the following sources based upon the nature of the improvement and the type of debt that has been issued:

- Property Taxes
- Charges for Services
- Special Assessments
- Investment Income
- Transfers
- Other

Types of Debt

The City of Leavenworth mostly uses general obligation bonds, temporary notes, and capital leases to pay for equipment and improvements. General Obligations bonds are those that require pledging the full faith and credit of the City, including levying property taxes. The City issues this type of bonds, even for debt that will be paid from utility revenues, since the interest rates are usually lower. The interest rates are lower because the risk of default is lower.

Effective debt management requires monitoring debt levels to ensure the soundness of the City's financial position and continued credit worthiness. K.S.A. 10-308 places limitations on the amount of debt cities can issue at 30% of the assessed valuation of the city. For purposes of the statute, assessed valuation is defined as the value of all tangible property certified to the County Clerk on the previous August 25th, which includes the assessed valuations of motor vehicles. K.S.A. 10-309 identifies certain types of debt that are not subject to the legal debt limit. The following chart shows the City's debt total and the percentage each type is of the total:



The following chart shows the City's actual ratios for 2019 compared to the goals established in the Debt Policy:

Policy Levels	Goal	Actual
Net direct bonded debt:		
Statutory requirements for General Obligation Debt (less than)	30%	30%
City's General Obligation Debt (as a percent of legal debt margin)	28%	26.6%
General Obligation Debt per Capita	\$ 1,000	\$ 605
Mills (not to exceed)	10 mills	7.637 mills

SUMMATION AND RECOMMENDATION:

Fortunately, the City of Leavenworth has had reserves to rely on during the worst of the most recent economic downturn; however, those reserves have declined because they were used to balance the budget.

Current decisions and plans will have a direct impact on the financial stability and the ability of the City to thrive throughout future financial challenges. The purpose of this document is to outline the current financial position and provide insight to some of the issues that the City faces in the near future.

As mentioned earlier, external factors are those that the city has very little control over and yet those factors have a significant impact on our financial position. Some of those factors are property valuations, extreme or unusual weather, intergovernmental funding source reductions, health insurance costs, property and liability insurance costs, retirement rate changes, and other consumer pricing increases.

Deferring maintenance on city infrastructure and other fixed assets is both costly and inefficient. Providing service to the citizens efficiently and effectively requires that we devote resources to maintaining and/or replacing those assets.

Cities can only generate revenues allowed to them by State Statute. Current legislation has placed limits on cities' ability to generate the revenues needed to provide services by imposing the property tax lid.

While there are some exclusions from the tax lid calculations that will help compensate for the limits in place for the 2021 budget and future budgets, the City will benefit most by continuing to analyze revenue and expenditure trends. This will allow enough time to place a ballot before the people should it become necessary.

Changes in our economic condition will affect our projections. We will review our situation annually and adjust as needed.

Recommendation for the 2021 budget preparation:

Revenues

- 2.5% increase in assessed valuation
- 2.0 increase in mills levy in the general fund and every year through 2024
- 0.750 increase in mills for the recreation fund will reduce the subsidy from \$400,000 to \$350,000
- 2.8% increase in sales tax
- 2.0% increase in Franchise taxes
- 3.0% annual increase in sewer rates through 2024
- 3.5% annual increase in Refuse rates through 2024

Expenditures

- Approximately \$100,000 in property tax refunds to property owners in the NRAs
- 9% increase in employee health insurance
- .07% decrease in KPERs and 1.13% increase in KP&F
- Efficiency/rate study for Recreation Fund
- Street Fund analysis to reduce expenditures
- Bring utility billing in house
- In 2021 allocate resources for KDOT transportation grant matching funds

Capital Outlay

As mentioned earlier, the City of Leavenworth defines capital outlay as expenditures for the acquisition, construction, improvement of, or addition to capital assets. Capital assets are tangible and intangible assets with a value exceeding \$5,000 and a useful life exceeding one business cycle.

The City classifies its assets into one of the following categories:

Land	
Buildings	15-30 years
Improvements	15-30 years
Machinery & Equipment	5-15 years
Infrastructure	15-30 years
IT Equipment	3- 5 years
Other Capital Assets	Varies

Depreciation is a non-budgeted expense that the City uses to determine levels of needed capital reserves and upcoming expenditures. Depreciation is calculated annually, using the straight- line method over the estimated useful life shown in the table above.

Leavenworth creates and implements a five-year capital improvement plan that prioritizes its equipment purchases and construction and maintenance projects. The planning process is a joint effort of the City Department Directors and their staff, City Manager, Finance, and the Commission. A copy of the 2020-2024

Capital Improvement Plan (CIP) is included in Appendix A on page164. This plan contains both recurring and non-recurring capital expenditures. Non-recurring capital expenditures are those that are unlikely to occur again in the normal course of business.

While most of the City's capital investments are recurring, such as road repair and maintenance, two projects are considered non-recurring. One project was the design and construction of the Business and Technology Park. The Business and Technology Park was a joint project with Leavenworth County, each contributing \$5,000,000. The City issued G.O. Bonds to pay for its portion of the project. Annual appropriations for debt repayment comes from the City's portion of Sales Tax. The bonds were issued for twenty years. The Park was completed in 2018. There are approximately \$34,000 of annual maintenance costs for utilities, legal fees, and landscaping services, associated with maintaining the park until lots are sold to businesses.

The other non-recurring capital project was the final phase of the stone restoration of the City's Community Center. In the mid-1980's, the City purchased the historic train depot in order to preserve the building. Because the building is on the historic register, all repairs and maintenance must comply with the State Historic Preservation Office guidelines. The current project is Phase IV of the exterior stone replacement. The funding for this \$850,000 project comes from a \$500,000 grant from Mid-America Regional Council (MARC); \$181,800 in Tax Credits from the State Historic Preservation Office (the City usually sells the tax

credits and receives 90% of the value of the credits), the balance of \$168,200 will come from the City sales tax set aside for capital projects.

Leavenworth, like all cities, has more needs than funding. Budgetary pressures cause maintenance delays due to lack of resources. This is referred to as deferred maintenance. The City has identified in excess of \$36 million dollars of upgrades, maintenance or replacements necessary through 2024 in the 2020 Capital Improvements Plan. Of this amount, \$4.0 million is funded in 2020 while the balance is funded in out years through 2024. However, this can and does change regularly, based on changing needs and priorities.

The CIP includes both funded and unfunded projects and the anticipated funding sources. The 2020-2024 CIP includes \$31,818,569 of projects. Of this amount, \$4,324,004 is unfunded.

As mentioned on page 184, the sources of funding for CIP includes ¼ of the City's two percent sales taxes, 63 percent of the County-Wide sales tax, monies from the sewer and refuse operating budgets, federal grants, state grants, an inter-local agreement with Leavenworth County, capital leases, temporary notes, and bond issuances.

During the 2020-2024 CIP process, \$2,100,950 in vehicle purchases and lease payments were identified as a priority for 2020 including:

Vehicles

- \$1,400,000 100' Aerial Ladder Fire Truck Replacement (Go Bonds – Recurring)
- \$133,950 Sewer Vactor Truck capital lease payment (Wastewater Operating Fund- Recurring)
- \$200,000 Refuse Truck Replacement (Refuse Operating Fund- Recurring)
- \$367,000 Numerous vehicle replacements, such as police cars, parks trucks, service center truck, etc. (Sales Tax-Recurring)

The operating impact of the above equipment includes the reduction of maintenance costs and the reduction of downtime waiting for repairs. Having new equipment does not impact normal maintenance items as tires, batteries, oil changes, etc. It is the City's policy to replace 3 or 4 police vehicles every year. Due to the wear and tear on these vehicles, the estimated life is 4 years and 100,000 miles. Once the vehicles reach the 100,000-mile mark, it is no longer cost-effective to repair/maintain them. The 100' Aerial Ladder will replace the 1990 model that will reach the end of its useful life in 2020. In 2020, the City plans to issue 10- year General Obligation Bonds (GO Bonds) to purchase the vehicle. Other City vehicles are depreciated according to the vehicles' estimated life, but vehicles are used until the maintenance costs and downtime exceed the costs of replacing them.

Other Equipment

During the 2020-2024 CIP process, \$271, 776 was allocated for other equipment. Sales Tax is the primary source of revenue for the following projects

\$26,900 Fuel Tank Monitoring System (Sales Tax – Recurring)

This purchase is to enable the City to secure the fuel tank system and ensure expenses are allocated to the correct organization.

\$43,000 Computer equipment (Sales Tax – Recurring)

This is, in essence, an operating cost. This allocation provides annual funding for replacing computers and other technology equipment.

\$17,339 Spreader System (Sales Tax - Recurring)

This equipment will replace a spreader that is no longer functioning. The new spreader will allow street maintenance staff to operate more efficiently.

\$12,500 Fire Metal Clothing Locker (Sales Tax - Recurring)

This project provides funding to replace clothing lockers at fire stations #1 & #2. The current lockers are no longer functioning.

\$42,450 Executime Time Keeping Software (Sales Tax - Recurring)

This allocation will allow the Finance Department to process complex payroll calculations and allows other departments to schedule time more efficiently. Annual software maintenance costs are estimated at approximately \$2,500.

\$42,000 Police SWAT Active Shooter Response Equipment (Sales Tax – Recurring)

This allocation will allow the Police Department to enhance its SWAT operations.

\$32,106 Hotbox (Sales Tax - Recurring)

The Hotbox will allow staff to use asphalt in all weather conditions, thus reducing the wasted asphalt when it is no longer at the optimum temperature.

\$25,000 Audio Visual Equipment Replacement (Sales Tax – Recurring)

This allocation will allow the City staff to upgrade the equipment in the Fire Training Room.

\$6,765 Plate Compactor (Sales Tax – Recurring)

The Plate Compactor will allow city staff to continue to maintain city assets efficiently.

\$5,780 Screens for the City Commission Room (Sales Tax – Recurring)

New screens will allow for citizens and the City Commission to view presentations during commission meetings.

\$5,500 Knox KeySecure (Sales Tax - Recurring)

Knox Keys will allow the Fire Department to ensure that the keys to the KNOX box are properly secured.

\$2,100 Plate Wacker (Sales Tax – Recurring)

The Plate Wacker will allow staff to efficiently compact soil during construction projects.

\$10,336 Equipment Spreader (Sales Tax- Recurring)

This equipment will replace a spreader that is no longer functioning. The new spreader will allow street maintenance staff to operate more efficiently.

Parks Equipment

During the 2020-2024 CIP process, \$215,709 was allocated for Park Equipment. Sales Tax is the primary source of revenue for the following projects.

\$100,000 Dougherty Park Playground Replacement (Sales Tax – Recurring)

\$24,926 Painting and Wood Repair (Sales Tax - Recurring)

\$10,690 Cody Park Backstop and Dugout Repairs (Sales Tax - Recurring)

\$44,468 Batting Cages for Eagles Field (Sales Tax – Recurring)

\$35,625 Dugout for Eagles Field (Sales Tax - Recurring)

The Certified Playground Safety Inspectors inspect playground equipment on a regular basis. Most equipment has an estimated life of about 15 years, but that depends on the level of usage. After about 15 years, it is all but impossible to obtain replacement parts or if parts can be found, they are too expensive to be cost-effective. The main operating impact on the playground equipment is the reduction of injury, which in turn reduces City liability for injuries.

Painting and Wood Repairs aligns with the Commission goal of blight elimination and community appearance. Additionally, it will allow city staff to focus on larger more costly projects instead of routine maintenance.

The Dugout and Batting Cages for Eagles Field and Backstop and the Dugout Repairs at Cody Park will be used for community recreation activities. The equipment will extend the life of the ballparks and allow members of the community to practice batting.

Wastewater Treatment Plant Equipment

During the 2020-2024 CIP process, \$413,850 was allocated for other equipment. Charges for Services is the primary source of revenue for the following projects.

\$50,000 Sewer Lift Station Improvements (Wastewater Fund – Recurring)

This is an operating expense although not an annual one. The sewer lift station projects provide upgrades for the Supervisory Control and Data Acquisition (SCADA) monitoring system. The SCADA system gathers data, processes it, sends it back to the software where city staff monitors the data and provides real-time responses when necessary.

\$133,950 Capital lease payment for the Vactor truck purchase (Wastewater Fund - Recurring)

This is the second of three payments on a capital lease for the purchase of the Vactor truck. The investment in the vactor truck reduced annual maintenance costs and downtime for repairs to be performed.

\$229,900 Final Clarifier (Wastewater Fund- Recurring)

The Final Clarifier current maintenance expenses exceed \$10,000 annually. The current equipment was purchased in 1973, and is 46 years old. In addition, the 2019 floods placed extraneous use because the volume of treated water exceeded the capacity. With an annual savings of \$10,000 in maintenance expense, the new handlers will recoup the \$229,900 investment in 22 years.

Infrastructure

During the 2020-2024 CIP process, \$2,937,300 was allocated for infrastructure repairs and maintenance. Sales Taxes, Kansas Department of Transportation (KDOT) grants, Federal Funds Exchange (FFE) grants, charges for services, and debt issuances are the funding sources for the following projects:

\$192,500 Sidewalk program (Sales Tax- Recurring)

Charter Ordinance 54 defines that a portion of Countywide Sales Tax & Compensating Use Tax be dedicated for sidewalk construction.

\$244,800 2nd Street Bridge replacement (GO Bonds - Recurring)

This is the last of 3 years of annual allocation is set aside for debt repayment - the total bridge replacement cost was \$2,360,945, (prior years' accumulated cash balances and FFE funds, were also used)

\$2,000,000 Pavement management program (Sales Tax and Go Bonds – Recurring)

This is an annual allocation. It is for different street projects every year. An arterial street maintenance plan determines which streets will be part of the coming year project. It is reviewed annually to determine whether priorities have changed. City Ordinance 56 allows for a maximum of twenty-eight (28) percent of the previous year's property tax revenues. For debt management purposes, the City has reduced the amount to twenty-two (22) percent through 2023, when several other issuances will be

retired. In order to keep up with needs, the Commission approved a plan to redirect and additional \$650,000 of sales tax annually to supplement the \$1.3 million annual amount issued through bonds.

\$500,000 Sewer Line Replacement (Wasterwater Fund - Recurring)

This is an annual allocation; it is for different sewer line replacements every year. Similar to the arterial street plan, there is a sewer line repair and replacement plan. It is the result of a study completed several years ago that was designed to identify which areas would have the most impact on the reduction of Inflow and Infiltration (I & I) into the treatment plant. When those target areas have been completed, another study will be done to determine whether the desired results were accomplished. The I & I levels will impact the size and structure of a new treatment plant. The goal is to reduce the size of the plant from a \$65 million plant to a \$40 million dollar plant. As mentioned earlier, the City engaged a consultant to review sewer rates. One of the considerations was what level of rates would be needed to pay the debt service of a new treatment plant. These expenses are paid from the sewer operating resources.

The \$1,082,020 allocated for 2020 expenditures on building and Improvements repairs and maintenance projects includes:

\$168,200 Final phase of the RFCC Stone Replacement (Tax Credits, GO Bonds, and Sales Tax – Non-recurring)

This project will preserve the historic River Front Community Center. Maintaining the historic building will extend the useful life of the asset.

\$375,000 City Hall Exterior Maintenance (Sales Tax - Recurring)

City Hall was constructed in 1924 and is on the State Historical Preservation List. Several years ago, the City engaged in a study to address maintenance issues, especially façade and parapet repairs. Once those repairs were completed, the results of the study recommended an annual allocation of \$75,000 for ongoing maintenance. This allocation will used to complete preventative maintenance to increase the useful life of the building.

\$ 15,000 Municipal Service Center (MSC) (Sales Tax- Recurring)

This allocation is for multiple routine repairs to the service center.

\$23,820 Roof on the Salt Dome (Sales Tax – Recurring)

The current roof on the salt dome is leaking and spoiling the city's salt supply. This allocation will provide funding to repair the roof and protect the salt from the elements, thus reducing the amount of salt needed to replenish supplies.

\$200,000 Annual Allocation for Wastewater Treatment Plant Repairs (Wastewater Fund- Recurring)

The necessary repairs don't always equal the amount of this allocation but they are for ongoing maintenance.

\$300,000 City Wide Building Maintenance (Sales Tax - Recurring)

This allocation provides funding for preventative maintenance at various city-owned facilities.

Unfunded Projects

These projects will be re-evaluated during the 2021-2025 CIP process to determine whether the priority level has changed.

Unfunded Projects

Replace Fire Station #3	\$	3,300,000	\$	-
Cherokee Street Overlay	\$	735,000	\$	-
Service Truck	\$	110,000	\$	-
Weight Room Equipment Replacement	\$	68,000	\$	-
Backstop for Eagles Field	\$	35,625	\$	-
Dugout for Eagles Field	\$	33,979	\$	-
Automatic flagger	\$	27,400	\$	-
Vendor Self-Serve	\$	9,000	\$	-
Deck for Service Center	\$	5,000	\$	-
Curb Replacement	\$	-	\$	-
	\$	4,324,004	\$	-

Other items included in the CIP are debt payments related to specific projects such as the Animal Control facility for \$258,268. This will be retired in 2025. \$106,788 for three fire trucks, this will be retired in 2031. An annual allocation for debt reduction of approximately \$426,510. And an annual allocation of \$350,000 for the Riverfront Community Center operations subsidy.

The City adheres to the following CIP calendar for 2020-2024:

March 29, 2019:	Goal Setting Session with Commission
April 1, 2019	Department Directors begin budget requests
May 7, 2019:	Department requests are due to Finance
June 5-8 2019:	Department meetings with City Manager and Finance
July 5 2019:	Budget Books to Commission
July 11-12, 2019:	Department meetings with Commissioners
July 26, 2019:	Publish the Notice of Public Hearing
August 13, 2019:	Public Hearing and adoption of the 2020 Budget
August 25, 2019:	2020 Adopted budget to the County Clerk

DEBT SERVICE

Effective financial management includes analyzing several funding mechanisms to determine what option is the most beneficial to the City. In some cases, issuing debt is the best available option. The City of Leavenworth traditionally uses debt for equipment and capital improvements which cost too much to pay from the operating budget. The length of the debt issuances do not exceed the estimated useful life of the asset being funded by the debt. The financial plan for the City includes debt payments for current obligations and forecasted payments associated with issuing new debt in 2020. Those additional payments are anticipated to begin in 2021.

In 2019, Moody's Investor's Service reviewed and assigned a rating of Aa2 to the City of Leavenworth for the 2019-A bonds that were issued to redeem the temporary notes issued for the 2018 Pavement Management program.

The revenues for making the debt payments are derived from the following sources based upon the nature of the improvement and the type of debt that has been issued:

- Property Taxes
- Charges for Services
- Special Assessments
- Investment Income
- Transfers
- Other

Types of Debt

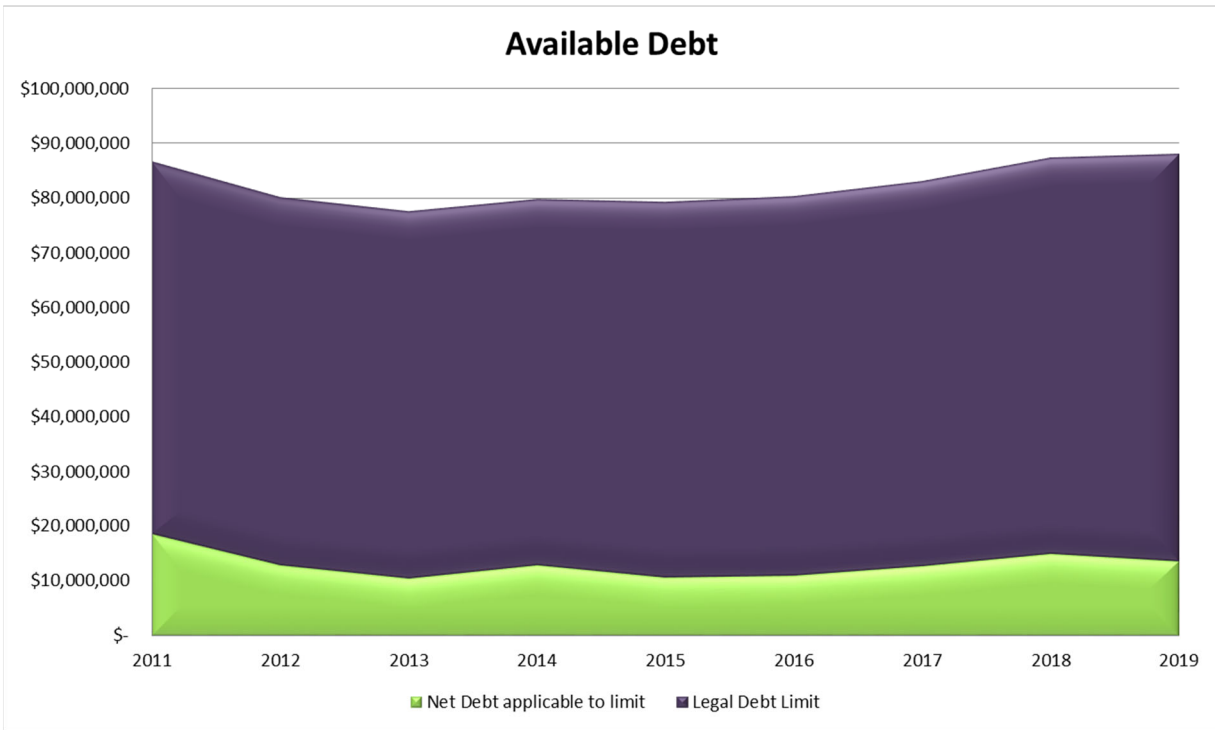
The City of Leavenworth mostly uses general obligation bonds, temporary notes, and capital leases to pay for equipment and improvements. General Obligations bonds are those that require pledging the full faith and credit of the City, including levying property taxes. The City issues this type of bonds, even for debt that will be paid from utility revenues, since the interest rates are usually lower. The interest rates are lower because the risk of default is lower.

Effective debt management requires monitoring debt levels to ensure the soundness of the City's financial position and continued credit worthiness. K.S.A. 10-308 places limitations on the amount of debt cities can issue at 30% of the assessed valuation of the city. For purposes of the statute, assessed valuation is defined as the value of all tangible property certified to the County Clerk on the previous August 25th, which includes the assessed valuations of motor vehicles. K.S.A. 10-309 identifies certain types of debt that are not subject to the legal debt limit.

The following chart shows the City's actual ratios for 2019 compared to the goals established in the Debt Policy:

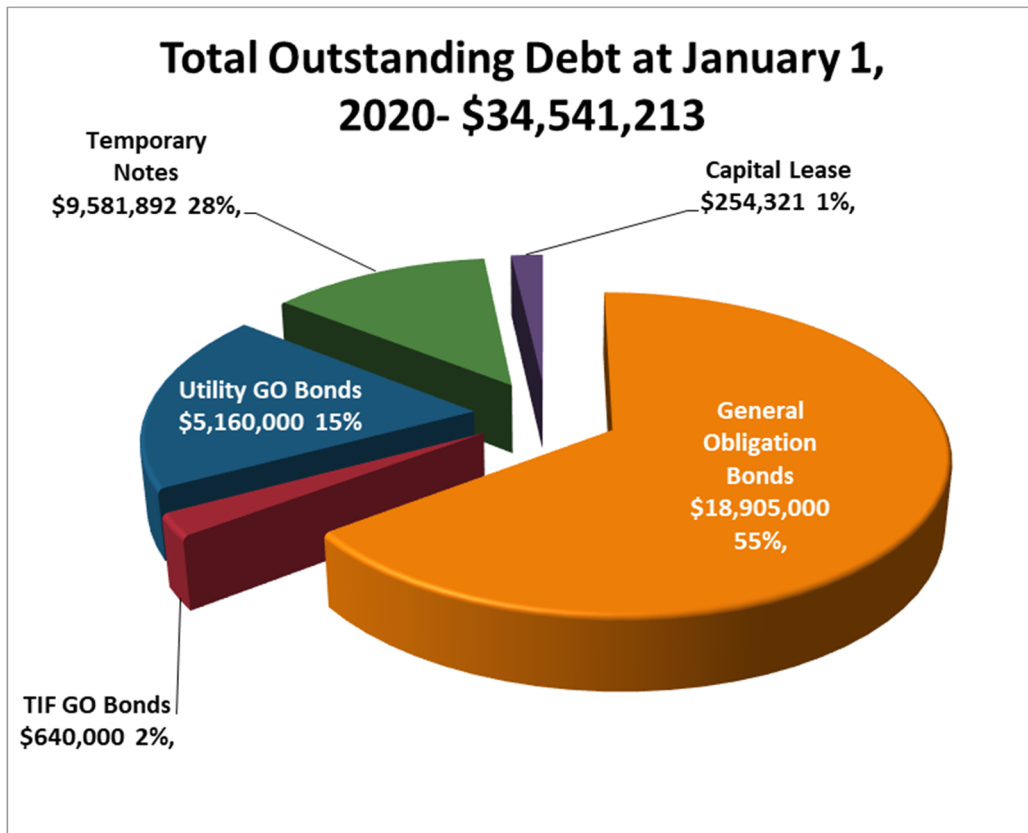
Policy Levels	Goal	Actual
Net direct bonded debt:		
Statutory requirements for General Obligation Debt (less than)	30%	30%
City's General Obligation Debt (as a percent of legal debt margin)	28%	26.6%
General Obligation Debt per Capita	\$ 1,000	\$ 605
Mills (not to exceed)	10 mills	7.637 mills

The following graph shows the difference between the City’s current total outstanding G.O. Debt compared to what is allowed according to state statutes. The green indicates the City’s current level of G.O. Debt that is applicable to the debt limits and the purple indicates the level of debt capacity to stay within legal limits (30% of assessed valuation including motor vehicle):



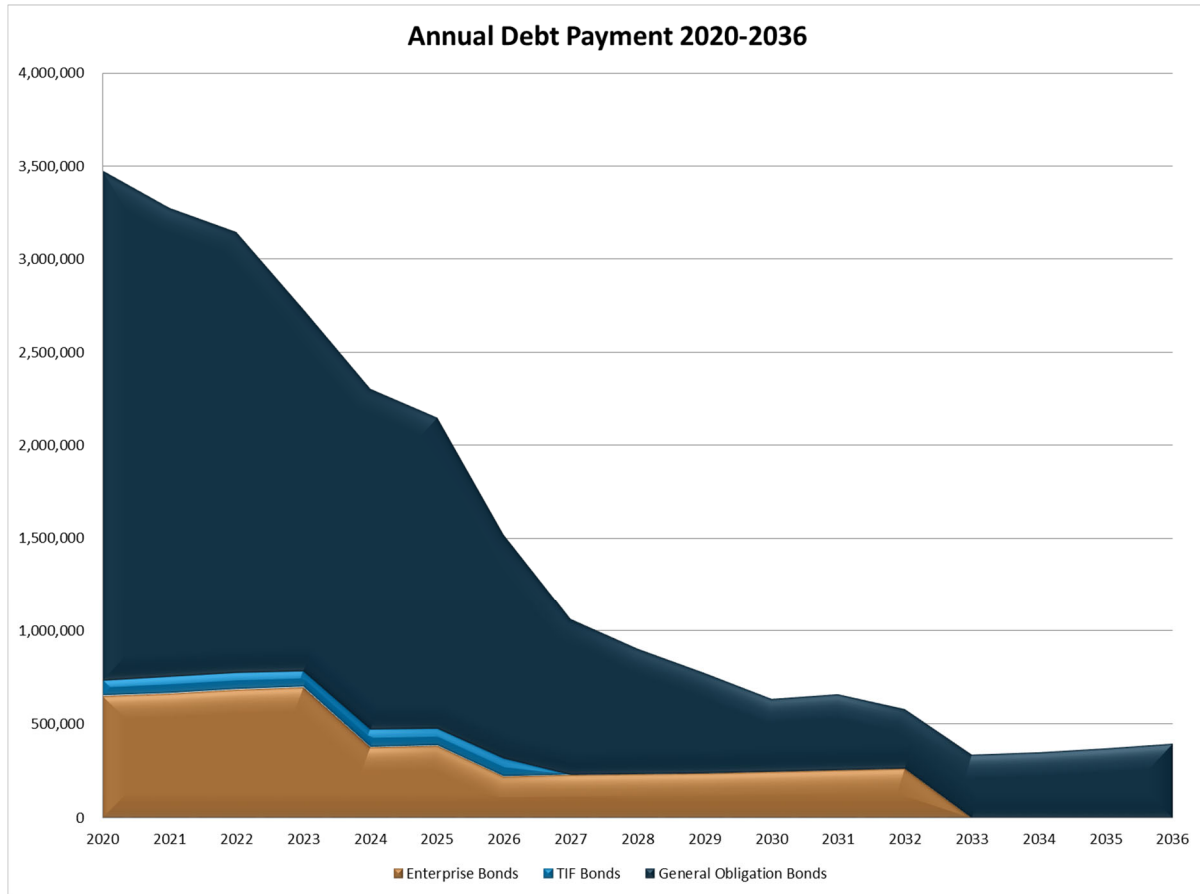
However, having the capacity to issue debt doesn’t mean there are enough resources to pay for higher levels of debt.

The following chart shows the City's debt total and the percentage each type is of the total:



Cumulative Debt:

The following graph depicts the City’s total annual debt payments and the year the bonds are scheduled to be retired at the current debt level. This changes annually due to new issuances.



The following section identifies each of the City’s debt issuances, the purpose and amount of the issuances, the funding source and whether they are taxable bonds. The City of Leavenworth is considered part of the small bond market and typically must stay within a \$10,000,000 annual issuance amount for tax-exempt bonds.

Bonds:

Bonds make up 72% of the City’s total debt, have various maturity times (mostly 10 years) and various funding sources such as sales tax, property taxes, grants, and operating revenues.

2010-A was issued in the amount of \$2,485,000 to refund a portion of the 2008-A bonds; to fund the 2009 pavement management program; Limit Street improvements; and Community Center improvements. These are exempt from debt limit calculations, were issued for 10 years, and are paid from property taxes.

2011-B was issued in the amount of \$6,250,000 to refund 2002-A which was for Fire Station #1; 2002-B which was for the Aquatic Center; 2002-C which was for Fire Station #2; the Gatewood Street Benefit district; 2003-A for pavement management; and 2007-A which was for pavement management. These are exempt from debt limit calculations, were issued for 10 years, and are paid from property taxes.

2012-A was issued in the amount of \$4,165,000 for the construction of a new disinfection system at the wastewater treatment plant. These are exempt from debt limit calculations, were issued for 20 years and are paid from sewer operations.

2012-B was issued in the amount of \$5,300,000. Of this amount, \$1,740,000 was for sewer plant improvements and are paid from sewer operations; \$1,680,000 was to redeem the temporary notes for the annual pavement management program and are paid from ad valorem taxes; the balance was used to refund series 2002-C; 2005-A, which was for City Hall Improvements and Muncie Road; and 2008-A and are paid from property taxes These are 10 year, tax exempt bonds and are exempt from the debt limit calculations.

2013-A was issued in the amount of \$3,860,000. Of this amount, \$2,305,000 was for the construction of a new Animal Control Center, which are 10 year tax exempt bonds; are exempt from the debt limit calculations; and are paid from CIP Sales Tax; \$1,555,000 are 10 year tax exempt bonds; redeemed temporary notes for the annual pavement management program, are paid from property taxes, and are exempt from the debt limit calculations.

2014-A was issued in the amount of \$5,040,000. Of this amount, \$2,630,000 was to refund 2009-A which was for sewer improvements, they are 10 year tax exempt bonds, are exempt from debt limit calculations, and are paid from the sewer operations; \$1,030,000 was used to refund the governmental funds portion of 2009-A; and the balance was to redeem temporary notes issued for the annual pavement management program; these are 10 year, tax exempt, are exempt from debt limit calculations and are paid from property taxes.

2014-B was issued in the amount of \$490,000 for the purchase of a financial software system, hardware, and conversion. These are 10 year, tax exempt bonds paid from CIP sales tax. These are not exempt from debt limit calculations.

2015-A was issued in the amount of \$1,700,000 for the redemption of the temporary notes issued for the annual pavement management program and are paid from ad valorem taxes. They are 10 year, tax exempt, and are exempt from debt limit calculations.

2015-B was issued in the amount of \$600,000 for the purchase of blighted property and the property was used as an economic development incentive. A TIF district was established, a new hotel was constructed and the property taxes generated by the TIF pays the debt payment. They are not exempt from the debt limit calculations.

2016-A was issued in the amount of \$5,700,000. Of this amount, \$1,725,000 redeemed the temporary notes issued for the annual pavement management program (paid from ad valorem property taxes); \$1,340,000 was for the replacement of three (3) fire trucks (this portion is a 15 year bond and paid from CIP sales tax); and the balance refunded the 2011-A bonds, which were 15 year bonds and are paid from ad valorem property taxes. The portion related to pavement management and refinancing are exempt from the debt limit calculations. The portion related to the fire trucks is not exempt from the debt limit calculations.

2016-TIF was issued in the amount of \$875,000 and was for site preparation for an extended stay hotel. The property taxes generated by this TIF are paid into an escrow fund until there are enough available to retire the debt, then they will be available for another project. These are taxable bonds.

2017-A was issued in the amount of \$4,910,000 and is a 20 year taxable bond. It was used for the City's share of the development of the Business and Technology Park. This project was a joint project with Leavenworth County. These bonds are paid from County Wide sales tax. These are not exempt from debt limit calculations.

2017-B was issued in the amount of \$1,640,000 and to redeem the notes for the annual pavement management program and is paid from ad valorem taxes. These are exempt from the debt limit calculations.

2018-A was issued in the amount of \$1,410,000 and was used to redeem the temporary notes for the 2017 pavement management program and is paid from ad valorem taxes. These are exempt from the debt limit calculations.

2019-A was issued in the amount of \$1,340,000 and was used to redeem the temporary notes for the 2018 pavement management program. These are paid from ad valorem taxes. These are exempt from the debt limit calculations.

Temporary Notes:

Temporary notes are a short term financing mechanism sometimes issued with the anticipation of issuing longer term bonds. The City uses temporary notes for construction projects whose cost may be difficult to project. Some of the City's current notes are going to be bonded in the near term; some are going to be bonded a couple of years out; some are not going to be bonded at all. As of August 2019, the City has three (3) temporary notes with an outstanding balance totaling \$ 9,581,892. They make up 28% of the City's debt and the details are discussed below:

2017B was in the amount of \$700,000 and was for the 2nd Street Bridge project. There was no intention of issuing bonds to redeem them. There were three annual payments paid from County Wide sales tax. The last of the payments will be made in 2020. These are exempt from the debt limit calculations.

2018A was issued in the amount of \$3,360,000. Three projects were funded by these notes:

- ^ a) \$1,360,000 for pavement management 2019 program (this was bonded in the 2019 issuance)
This is exempt from the debt limit calculations.
- ^ b) \$1,500,000 for Phase IV of the River Front Community Center (RFCC) stone replacement These are not exempt from the debt limit calculations.
- ^ c) \$600,000 for New Lawrence Road infrastructure. This is exempt from the debt limit calculations.

The notes for the pavement management program were bonded in 2019 and will be paid from ad valorem taxes. The notes for Phase IV of the RFCC stone replacement will not be bonded. The bids for stone replacement came in significantly under the engineer's estimate, so approximately \$800,000 will be unused. Because the building is on the historical registry, the project qualified and was awarded a \$500,000 Mid-America Regional Council grant, the State of Kansas awarded State Historical Tax credits, which the City will sell; the balance (approximately \$295,000) will be paid from CIP sales tax; the \$600,000 for the new Lawrence Road infrastructure will be paid from ad valorem taxes but the original intent was to redeem them from the increased value from the new housing addition. Since the project was completed for less than the amount of notes issued, \$188,108 of notes have already been redeemed. New housing construction isn't being completed as quickly as originally anticipated, so the balance may be bonded when the 10th Ave portion of the 2019A notes are bonded.

2019A was issued in the amount of \$7,430,000. Of this amount, \$1,390,000 was issued for the annual pavement management program. It will be bonded in 2020 and paid from ad valorem taxes and sale tax. Exempt from the debt limit calculations.

The \$6,040,000 is for the reconstruction of Thornton Street and resurfacing of 10th Avenue, which intersects with Thornton Street. The resurfacing portion of the 10th Ave project is from Michigan to Vilas and will have an expected life of 6-7 years, while the reconstructed portion (Thornton) is from 5th St to 10th St and has a much longer estimated life. Therefore, in 2020, we will bond the resurfaced portion for five years and possibly include the New Lawrence Road notes. The Thornton Street portion will be bonded in 2021 for 10 years. The Thornton Street bonds will be paid from County Wide sales tax.

Capital Leases:

A capital lease is a financing method where the lessor finances the leased asset and the rights of ownership transfer to the lessee. The asset is recorded as an asset and the interest is the only portion recorded as an expense. The City has used this method of financing twice in the past three years. The capital leases the City had/has were entered into because the asset being purchased did not cost enough to warrant long term debt, but more than the amount the City wanted to expend from current cash reserves. The City doesn't enter into a capital lease for a period of longer than three years.

The current capital lease was entered into for the purchase of a sewer line vacuum truck. The outstanding balance is \$254,321 with \$124,950 due in 2020, and the balance due in 2021. This lease is paid from sewer operations.

Going forward:

In 2020, the City will issue approximately \$1.3 million for the annual pavement management program and approximately \$1.4 million for the purchase of a 100' aerial ladder truck. The pavement management program will be paid from ad valorem property taxes, the fire truck from CIP sales taxes. A copy of the five-year capital improvement plan is located on page 184.

Series	Purpose	Ad Valorem	CIP Sales Tax	TIF Sales Tax	County Wide Sales Tax	Sewer Operating
2010A	Traffic & Internal Improvements	*				
2011B	GO Refunding	*				
2012B	GO Refunding & Internal Improvements	*				
2013A	Internal Improvements	*	*			
2014A	GO Refunding & Internal Improvements	*				
2014B	Financial Software		*			
2015A	Internal Improvements	*				
2015B	Internal Improvements - Taxable			*		
2016A	Fire Trucks, Refunding, Improvements	*	*			
2016-A	TIF GO Bonds-Taxable			*		
2017A	Business & Technology Park				*	
2017B	2016 Pavement Management	*				
2018-A	2017 Pavement Management	*				
2019-A	2018 Pavement Mgt	*				
2012A	Sewer Improvements					*
2012B	Sewer Improvements					*
2014A	Sewer Refunding					*

The schedule on the following pages show the annual debt service requirement by year and by series (split between governmental activities and business-type activities).

Governmental
activities
2020

	Series	Principal	Interest	Total
Traffic & Internal Improvements	2010A	280,000	2,800	282,800
GO Refunding	2011B	300,000	21,350	321,350
GO Refunding & Internal Improvements	2012B	180,000	9,542	189,542
Internal Improvements	2013A	385,000	41,775	426,775
GO Refunding & Internal Improvements	2014A	140,000	16,463	156,463
Financial Software	2014B	50,000	7,125	57,125
Internal Improvements	2015A	165,000	26,212	191,212
Internal Improvements - Taxable	2015B	60,000	10,390	70,390
Fire Trucks, Refunding, Improvements	2016A	595,000	83,363	678,363
TIF GO Bonds-Taxable	2016-A	85,000	10,678	95,678
Business & Technology Park	2017A	190,000	160,665	350,665
2016 Pavement Management	2017B	155,000	33,173	188,173
2017 Pavement Management	2018-A	130,000	39,050	169,050
2018 Pavement Management	2019-A	110,000	47,347	157,347
2020 Total		2,825,000	509,933	3,334,933

2021

GO Refunding	2011B	295,000	14,750	309,750
GO Refunding & Internal Improvements	2012B	185,000	6,753	191,753
Internal Improvements	2013A	390,000	34,845	424,845
GO Refunding & Internal Improvements	2014A	145,000	13,663	158,663
Financial Software	2014B	50,000	6,000	56,000
Internal Improvements	2015A	170,000	22,913	192,913
Internal Improvements - Taxable	2015B	60,000	9,040	69,040
Fire Trucks, Refunding, Improvements	2016A	620,000	71,463	691,463
TIF GO Bonds-Taxable	2016-A	90,000	8,978	98,978
Business & Technology Park	2017A	195,000	153,065	348,065
2016 Pavement Management	2017B	160,000	30,073	190,073
2017 Pavement Management	2018-A	130,000	35,150	165,150
2018 Pavement Management	2019-A	120,000	36,900	156,900
2021 Total		2,610,000	443,593	3,053,593

2022

GO Refunding	2011B	295,000	7,670	302,670
GO Refunding & Internal Improvements	2012B	185,000	3,515	188,515
Internal Improvements	2013A	400,000	28,020	428,020
GO Refunding & Internal Improvements	2014A	145,000	10,763	155,763
Financial Software	2014B	50,000	4,650	54,650
Internal Improvements	2015A	175,000	19,003	194,003
Internal Improvements - Taxable	2015B	60,000	7,690	67,690
Internal Improvements, Fire Equip, Refunding	2016A	435,000	59,063	494,063
TIF Bonds-Taxable	2016A	90,000	7,178	97,178
Business & Technology Park	2017A	205,000	145,265	350,265
2016 Pavement Management	2017B	160,000	26,473	186,473
2017 Pavement Management	2018-A	135,000	31,250	166,250
2018 Pavement Management	2019-A	125,000	33,300	158,300
2022 Total		2,460,000	383,840	2,843,840

2023

Internal Improvements	2013A	405,000	20,220	425,220
GO Refunding & Internal Improvements	2014A	150,000	7,500	157,500
Financial Software	2014B	55,000	3,300	58,300
Internal Improvements	2015A	180,000	14,628	194,628
Internal Improvements - Taxable	2015B	65,000	6,040	71,040
Fire Trucks, Refunding, Improvements	2016A	440,000	50,363	490,363
TIF GO Bonds-Taxable	2016-A	90,000	6,008	96,008
Business & Technology Park	2017A	215,000	137,065	352,065
2016 Pavement Management	2017B	165,000	22,873	187,873
2017 Pavement Management	2018-A	140,000	27,200	167,200
2018 Pavement Management	2019-A	130,000	29,550	159,550
2023 Total		2,035,000	324,747	2,359,747

2024-2028

Internal Improvements	2013A	495,000	17,513	512,513
GO Refunding & Internal Improvements	2014A	150,000	3,750	153,750
Financial Software	2014B	55,000	1,650	56,650

Internal Improvements	2015A	375,000	15,353	390,353
Internal Improvements - Taxable	2015B	135,000	6,458	141,458
Internal Improvements, Fire Equip, Refunding	2016A	1,600,000	114,495	1,714,495
TIF Bonds-Taxable	2016A	285,000	9,594	294,594
Business & Technology Park	2017A	1,225,000	575,328	1,800,328
2016 Pavement Management	2017B	710,000	48,280	758,280
2017 Pavement Management	2018-A	760,000	70,450	830,450
2018 Pavement Management	2019-A	700,000	87,750	787,750

2024-2028 Total 6,490,000 950,621 7,440,621

2029-2033

Internal Improvements, Fire Equip, Refunding	2016A	305,000	13,745	318,745
Business & Technology Park	2017A	1,535,000	363,488	1,898,488
2018 Pavement Management	2019-A	155,000	4,650	159,650

2029-2033 Total 1,995,000 381,883 2,376,883

2034-2038

Business & Technology Park	2017A	<u>1,130,000</u>	<u>81,828</u>	<u>1,211,828</u>
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Total Government-type activities 19,545,000 3,043,235 22,588,235

Business-type activities

2020

Sewer Improvements	2012A	195,000	66,720	261,720
Sewer Improvements	2012B	155,000	19,085	174,085
Sewer Refunding	2014A	<u>300,000</u>	<u>27,525</u>	<u>327,525</u>
		650,000	113,330	763,330

2021

Sewer Improvements	2012A	200,000	62,820	262,820
Sewer Improvements	2012B	155,000	16,683	171,683
Sewer Refunding	2014A	<u>310,000</u>	<u>21,525</u>	<u>331,525</u>

		665,000	101,028	766,028
2022				
Sewer Improvements	2012A	205,000	58,820	263,820
Sewer Improvements	2012B	160,000	13,970	173,970
Sewer Refunding	2014A	320,000	15,325	335,325
		685,000	88,115	773,115
2023				
Sewer Improvements	2012A	210,000	54,720	264,720
Sewer Improvements	2012B	160,000	10,930	170,930
Sewer Refunding	2014A	325,000	8,125	333,125
		695,000	73,775	768,775
2024-2028				
Sewer Improvements	2012A	1,115,000	181,534	1,296,534
Sewer Improvements	2012B	340,000	11,560	351,560
		1,455,000	193,094	1,648,094
2029-2033				
Sewer Improvements	2012A	1,010,000	67,491	1,077,491
Total Business-type activities		5,160,000	636,833	5,796,833

Departmental Budget Information



City of Leavenworth, Kansas				
Schedule of Positions by Function, Department, and Division				
	2017	2018	2019	2020
Administration				
City Manager				
City Manager	1.0	1.0	1.0	1.0
Assistant City Manager	1.0	1.0	1.0	1.0
Executive Administrative Assistant	1.0	1.0	1.0	1.0
Public Information Officer	1.0	1.0	1.0	1.0
	4.0	4.0	4.0	4.0
Court				
Judge	1.0	1.0	1.0	1.0
City Prosecutor	1.0	1.0	1.0	1.0
City Attorney	0.0	1.0	1.0	1.0
Public Defender	2.0	2.0	2.0	2.0
Senior Court Clerk	1.0	1.0	1.0	1.0
Court Clerk	1.0	1.0	1.0	1.0
PT Court Clerk (2)	1.0	1.0	1.0	1.0
	7.0	8.0	8.0	8.0
Convention and Visitor's Bureau				
CVB Director	1.0	1.0	1.0	1.0
CVB Administrative Clerk	1.0	1.0	1.0	1.0
PT CVB Administrative Assistant			0.5	0.5
	2.0	2.0	2.0	2.5
City Clerk				
City Clerk	1.0	1.0	1.0	1.0
Assistant City Clerk	1.0	1.0	1.0	1.0
Clerk	2.0	2.0	2.0	2.0
	4.0	4.0	4.0	4.0

Human Resources				
HR				
Director	1.0	1.0	1.0	1.0
HR Specialist	1.0	1.0	1.0	1.0
Part Time Admin Assistant	0.5	0.5	0.5	0.5
	2.5	2.5	2.5	2.5
Finance				
Finance Director	1.0	1.0	1.0	1.0
Deputy Finance Director	0.0	1.0	1.0	1.0
Staff Accountant	3.0	2.0	2.0	2.0
	4.0	4.0	4.0	4.0
Information Technology				
IT Director	1.0	1.0	1.0	1.0
IT Specialist	1.0	2.0	2.0	2.0
Help Desk Technician	1.0	1.0	1.0	1.0
	3.0	4.0	4.0	4.0
Probation Services				
Probation Officer II	1.0	1.0	1.0	1.0
Probation Officer I	1.0	1.0	1.0	1.0
Part Admin. Assistant	0.5	0.5	1.0	1.0
	2.5	2.5	3.0	3.0
Public Safety				
Police Department				
Police Chief	1.0	1.0	1.0	1.0
Deputy Police Chief	1.0	1.0	1.0	1.0
Lieutenant	3.0	3.0	3.0	3.0
Administrative Specialist	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Records Supervisor	1.0	1.0	1.0	1.0
Records Clerk	4.0	4.0	4.0	5.0
Evidence Custodian (Officer)	1.0	1.0	1.0	1.0
Court Bailiff (Officer)	1.0	1.0	1.0	1.0
Dispatcher Supervisor	0.0	1.0	1.0	1.0
Dispatcher	10.0	10.0	10.0	10.0
Administrative Clerk	1.0	1.0	1.0	1.0
Sergeant	10.0	10.0	11.0	11.0

Detective	5.0	10.0	8.0	8.0
Officer	39.0	39.0	36.0	36.0
Animal Control Supervisor	1.0	1.0	1.0	1.0
Animal Control Officer	2.0	2.0	2.0	2.0
Kennel Attendant	1.0	1.0	1.0	1.0
	83.0	89.0	85.0	85.0
Fire Department				
Fire Chief	1.0	1.0	1.0	1.0
Deputy Fire Chief	1.0	1.0	1.0	1.0
Battalion Chief	4.0	4.0	4.0	4.0
Fire Captain	12.0	12.0	12.0	12.0
Fire Driver/Operator	12.0	12.0	12.0	12.0
Firefighter	22.0	22.0	22.0	22.0
Safety Officer/Health Inspector	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
	54.0	54.0	54.0	55.0
Public Works				
Administration/Engineering				
Public Works Director	1.0	1.0	1.0	1.0
Deputy Public Works Director	1.0	1.0	1.0	1.0
Engineer	0.0	0.0	0.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Engineering Technician	2.0	2.0	2.0	2.0
GIS Coordinator	1.0	1.0	1.0	1.0
GIS Technician	0.0	0.0	1.0	1.0
Project Manager	1.0	1.0	1.0	1.0
Chief Building Inspector	1.0	1.0	1.0	1.0
Building Inspector II	1.0	1.0	1.0	1.0
Administrative Clerk	1.0	1.0	1.0	1.0
	10.0	10.0	11.0	12.0
Garage/Service Center				
Master Mechanic	1.0	1.0	1.0	1.0
Mechanic	2.0	2.0	2.0	2.0

Administrative Assistant	1.0	1.0	1.0	1.0
Parts Clerk	1.0	1.0	1.0	1.0
	5.0	5.0	5.0	5.0
Streets				
Operations Superintendent	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Street Foreman	1.0	1.0	1.0	1.0
Equipment Operator I	8.0	8.0	8.0	8.0
Equipment Operator II	1.0	1.0	1.0	1.0
	12.0	12.0	12.0	12.0
Traffic				
Traffic Control Technician	1.0	1.0	1.0	1.0
Wastewater Plant Superintendent	1.0	1.0	1.0	1.0
WPC Assistant Superintendent	1.0	1.0	1.0	1.0
Administrative Clerk	1.0	1.0	1.0	1.0
WPC Lab Technician	1.0	1.0	1.0	1.0
WPC Operator I	6.0	6.0	6.0	6.0
WPC Operator II	5.0	5.0	5.0	5.0
WPC Operator III	1.0	1.0	1.0	1.0
Engineering Technician II	1.0	1.0	1.0	1.0
	17.0	17.0	17.0	17.0
Storm Water				
Equipment Operator	1.0	1.0	1.0	1.0
Storm Water Laborer	1.0	1.0	1.0	1.0
	2.0	2.0	2.0	2.0
Refuse				
Solid Waste Foreman	1.0	1.0	1.0	1.0
Solid Waste Collector	5.0	5.0	5.0	5.0
Solid Waste Equip Operator I	1.0	1.0	1.0	1.0
Solid Waste Equip Operator II	3.0	3.0	3.0	3.0
SW Temp	0.5	1.0	1.0	1.0
Brush Site Operator	1.0	1.0	1.0	1.0
Part Time Recycling Monitor	0.5	0.5	0.5	0.5
	12.0	12.5	12.5	12.5

Housing and Community Development				
Community Development Director	0.0	0.0	1.0	1.0
Planning				
City Planner	1.0	1.0	1.0	1.0
Rental Coordinator	0.0	0.0	0.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
	2.0	2.0	2.0	3.0
Codes Enforcement				
Codes Officers	3.0	3.0	3.0	3.0
Part Time Administrative Clerk	0.5	0.5	0.5	0.5
	3.5	3.5	3.5	3.5
Housing				
Housing Manager	1.0	1.0	1.0	1.0
Section 8 Coordinator	1.0	1.0	1.0	1.0
Housing Assistant	1.0	1.0	1.0	1.0
Housing Intake Specialist	1.0	1.0	1.0	1.0
Maintenance/Mechanic	1.0	1.0	1.0	1.0
	5.0	5.0	5.0	5.0
Community Development				
Community Development Coordinator	1.0	1.0	1.0	1.0
Parks and Recreation				
Parks				
Parks Superintendent	1.0	1.0	1.0	1.0
Parks Foreman	1.0	1.0	1.0	1.0
Parks Technician	6.5	6.5	6.5	6.5
Parks Mechanic	1.0	1.0	1.0	1.0
	9.5	9.5	9.5	9.5
Recreation				
Parks & Recreation Director	1.0	1.0	1.0	1.0
Recreation Supervisor	1.0	1.0	1.0	1.0

Temporary Recreation Technicians (3)	1.5	1.5	1.5	1.5
Recreation Administrative Assistant	1.0	1.0	1.0	1.0
Aquatics Supervisor	1.0	1.0	1.0	1.0
Aquatics Manager	1.0	1.0	1.0	1.0
Community Center Manager	1.0	1.0	1.0	1.0
Part time Custodian (6)	2.0	2.0	2.0	2.0
Temporary Receptionists (9)	3.0	3.0	3.0	3.0
Maintenance Supervisor	1.0	1.0	1.0	1.0
	13.5	13.5	13.5	13.5
Total FTE's	259.5	268.0	267.0	270.0

Fund Summaries

General Fund

	Prior Year 2018 Actuals	Estimated 2019	Budgeted 2020 Adopted
Revenue			
Ad Valorem Tax	3,335,207	3,478,645	3,675,224
Delinquent Tax	61,376	80,000	82,194
Motor Vehicle Tax	450,026	429,452	451,557
Recreational Vehicle Tax	-	-	4,083
16/20M Vehicle Tax	-	-	744
Commercial Vehicle Tax	-	-	-
Watercraft Tax	-	-	-
Gross Earning (Intangible) Tax	-	-	-
LAVTR	-	-	-
City and County Revenue Sharing	-	-	-
Mineral Production Tax	-	-	-
Local Alcoholic Liquor	67,350	72,250	69,228
Local Sales Tax	8,210,248	8,440,135	8,739,300
Franchise Tax	2,880,135	2,890,000	3,055,062
Licenses	441,537	441,500	441,500
K-LINK	42,408	42,408	-
Police Ops- Fed Grants	1,813	2,500	2,500
Charges for Services	1,631,120	1,677,450	1,745,000
Court Fines and Fees	616,627	626,000	625,000
Special Assessments	28,538	30,000	54,863
In Lieu of Taxes (IRB)	-	-	-
Interest on Idle Funds	204,228	200,000	215,000
Neighborhood Revitalization Rebate	-	-	-
Miscellaneous	264,174	241,250	289,000
Does miscellaneous exceed 10% Total Rec			
Total Revenue	\$ 18,234,787	\$ 18,651,590	\$ 19,450,255

Expenditures

City Commission	76,214	76,490	81,114
City Manager	408,352	409,000	395,531
Legal Services	120,869	100,975	114,253
Municipal Court	349,241	360,995	380,051
Airport	85,977	86,000	83,710
Civil Defense	8,500	8,500	8,500
City Clerk	509,068	550,000	585,616
Human Resources	265,967	296,700	300,567
Finance	402,806	476,844	505,448
Information Services	473,040	475,000	513,589
City Wide	65,227	75,025	90,444
Administration	159,699	125,000	3,100,194
Police Admin	1,649,947	1,740,086	1,833,394

Police Operations	5,341,471	5,380,000	5,563,149
Animal Control	289,503	352,391	357,675
Fire Admin	392,483	429,191	425,109
Fire Suppression	3,865,578	4,148,150	4,219,819
Fire Prevention	215,303	236,200	207,418
Engineering	542,762	652,094	771,691
Building & Grounds	135,119	130,920	97,675
Library Maintenance	14,495	15,380	15,342
Inspections	304,709	337,913	347,083
Street Lighting	459,320	477,080	475,887
Garage	922,438	853,690	859,815
Service Center	176,686	189,450	171,393
Planning & Zoning	161,466	235,602	290,908
Codes Enforcement	284,184	323,622	324,150
Parks	845,541	847,000	862,814
Riverfront Park	33,004	10,000	23,409
Transfers to Streets	102,186	80,000	-
Probation	94,822	-	-
Transfer to Recreation Fund	51,945	100,000	-
TOTAL Expenditures	18,807,922	19,140,563	23,005,748
Revenues over (under) expenditures	(573,134.97)	(488,973.00)	(3,555,493.03)
Unencumbered cash balance, 1/1/2019	4,617,601.00	4,044,466.03	3,555,493.03
Unencumbered cash balance, 1/1/2020	4,044,466.03	3,555,493.03	-

City Commission

**The Honorable
Jermaine Wilson**
100 N 5th St
Leavenworth, KS 66048
913-680-2604
jwilson@firstcity.org

The Mission of the City Commission is to work, through its policies and decisions, to improve the quality of life for residents of the City and to better position the City for economic development.

The City Commission is the governing body for the City of Leavenworth. The Commission consists of five (5) commissioners elected at large on a non-partisan basis by the general population. Elections are held every two years and three commissioners are elected at each election. The two highest vote totals receive a four year term and the third highest vote total receives a two year term. Each year the Commission elects a Mayor amongst themselves.

The Commission provides leadership, vision, and direction for the staff by setting policy, passing resolutions and ordinances, approving the operating and capital improvement program budgets; and appointing citizens to advisory boards. The Commissioners hire the City Manager to implement the policies and goals they establish.

There are no significant adjustments to the City Commission 2020 Operational Budget. \$5,780 for new screens in the Commission Room was included in the 2020 –2024 CIP.



2020 Goals

- Establish, maintain, and nurture partnerships to ensure effective and efficient delivery of service; train, encourage, and recognize employees for hard work, creativity, and innovation in delivering quality public services
- Allocate and use resources for basic and essential services that are responsive to the changing needs of our community

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
City Commission			
Personnel Expenses	\$33,816	\$36,550	\$36,594
Contractual Services	\$40,076	\$46,740	\$42,570
Commodities	\$1,528	\$1,950	\$1,950
Capital Outlay	\$ -	\$ -	\$ -
Miscellaneous	\$-	\$ -	\$ -
TOTAL City Commission	\$76,214	\$76,490	\$ 81,114
FTE's (5 Elected Positions)			

City Manager's Office

Paul Kramer
City Manager
 100 N 5th St
 Leavenworth, KS 66048
 913-680-2604
 pkramer@firstcity.org



Mission: The City Manager's Office provides support to the City Commission in formulating and implementing policies that provide responsive, effective and fiscally responsible services for residents of Leavenworth. In addition, the City Manager's Office provides administrative and support services for the City in an appropriate, effective and economical manner.

The City Manager's Office serves as the Chief Executive Officer of the City; is appointed by and serves at the pleasure of the City Commission. In addition to the day to day administration of the City, the City Manager implements policies established by the Commission, coordinates activities of all City departments; acts as liaison between the City and other governmental units and private agencies; coordinates economic development efforts including financial incentives, development proposals, interaction with regional, state and federal programs and more; is responsible for the creation and submission of the annual budget.

Performance Measures:

City Manager's Office			
	2018 Actual	2019 Est.	2020 Proj.
Customer friendly City services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Easy access to services and information through technology	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Streamlined City processes and operation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Responsive City services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

2020 Goals

- Explore new ways for the Commission to reach the public
- Continue performance measurement tools for measuring how we are doing in providing City services

There are no significant adjustments to the City Manager 2020 Operational Budget.

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
City Manager			
Personnel Expenses	\$366,680	\$358,980	\$367,624
Contractual Services	\$38,386	\$45,295	\$24,657
Commodities	\$3,286	\$3,250	\$3,250
Capital Outlay	\$-	\$-	\$-
Total Expenditures	<u>\$408,352</u>	<u>\$409,000</u>	<u>\$395,531</u>
FTE's	4.0	3.4	3.4

General Fund	Prior Year 2018 Actuals	Estimates Year 2019	Adopted 2020
Legal Services			
Personnel Expenses	\$473	\$4,050	\$4,041
Contractual Services	\$120,233	\$100,200	\$109,925
Commodities	\$163	\$125	\$287
TOTAL Expenditures	<u>\$120,869</u>	<u>\$100,975</u>	<u>\$114,253</u>
FTE's	0.0	0.0	0.0

City Clerk

Carla Williamson
City Clerk
 100 N 5th St
 Leavenworth, KS 66048
 cwilliamson@firstcity.org
 913-684-0650



Mission: The Office of the City Clerk is dedicated to providing timely, accurate information and excellent service to the public, City staff, and the City Commission while maintaining full compliance with local and state laws. The City Clerk's operating philosophy is to facilitate a positive and productive visit to Leavenworth City Hall for all customers and staff members.

The City Clerk's staff is responsible for record keeping in an efficient manner in accordance with local and State laws and fosters public trust and accountability.

Performance Measures:

City Clerk			
	2018 Actual	2019 Est.	2020 Proj.
Percent of Commission Minutes submitted within 14 days	100%	100%	100%
Total Number of Annual Financial Transaction	8,076	8,800	9,000
Open Records Requests and Completed on time	100%	100%	100%

2020 Goals

- Monitor licenses and permits to maintain revenue sources.
- Prepare and distribute all City Commission agendas, minutes, study session and work session meetings
- Provide quality service for all customers and City staff. Manage the City's accounts receivable billing and revenues

There are no significant adjustments to the City Clerk 2020 Operational Budget.

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
City Clerk			
Personnel Expenses	\$284,352	\$300,855	\$314,421
Contractual Services	\$218,659	\$266,845	\$262,826
Commodities	\$6,057	\$8,660	\$8,369
Capital Outlay	\$ -	\$ -	\$ -
TOTAL Expenditures	<u>\$509,068</u>	<u>\$550,000</u>	<u>\$585,616</u>
FTE's	4.0	4.0	4.0

Municipal Court

Taylor Tedder
Assistant City Manager
 100 N 5th St
 Leavenworth, KS 66048
 913-684-0650
 TTedder@firstcity.org



Mission: To provide for the just, fair, and expeditious resolution of cases for the City of Leavenworth City Ordinance and City Charter.

The Municipal Court is the judicial branch of the city. Traffic violations and violations of Leavenworth City Ordinances are handled in this court.

In the Municipal Court there are no jury trials. A judge under the Code of Criminal Procedure, the Code of Municipal Courts, the Kansas Rules of Evidence and the Leavenworth Municipal Code conducts all trials.

Municipal Court should not be confused with Leavenworth District Courts. District Court has jurisdiction over cases such as serious criminal offenses, divorce and domestic relations, damage suits, probate and administration of estates, guardianships, conservatorships, care of the mentally ill, juvenile matters and small claims.

Performance Measures:

MUNICIPAL COURT			
	2018 Actual	2019 Est.	2020 Proj.
PERCENTAGE OF CASES REFERRED TO COURT APPOINTED ATTORNEYS	12%	15%	15%
PERCENTAGE OF CASES PLACED ON TIME-TO-PAY AGREEMENTS	38%	40%	40%
AMENDMENTS OF TRAFFIC INFRACTIONS TO NON-MOVING VIOLATIONS OFFERED BY THE COURT CLERK'S OFFICE	141	125	200
CERTIFIED RECORDS/DISCOVERY REQUESTS PROCESSED	312	425	500

Significant adjustments to the Municipal Court Budget include a re-duction of \$50,000 in Court Bond revenue to bring in line with actuals.

General Fund	Prior Year 2018 Actuals	Estimated Year 2019	Budgeted 2020 Adopted
Municipal Court			
Personnel Expenses	\$ 328,397	\$ 344,555	\$ 355,174
Contractual Services	\$ 15,717	\$ 21,419	\$ 18,872
Commodities	\$ 5,128	\$ 6,020	\$ 6,005
Capital Outlay	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
TOTAL Expenditures	<u>\$ 349,242</u>	<u>\$ 360,995</u>	<u>\$ 380,051</u>
FTE's	7.00	8.00	8.00

Human Resources

Lona Lanter
Assistant City Manager
 100 N 5th St
 Leavenworth, KS 66048
 llanter@firstcity.org
 (913) 364-5755



Mission: To provide personnel-related services and solutions to optimize the City’s most valuable resource-employees and strive to create and maintain a supportive work environment.

The HR Office is responsible for the implementation, revision and oversight of the classification, compensation, benefits administration, recruitment, selection, labor relations, risk management, training and records retention. The HR Office is also re-sponsible for the development and updating of the personnel manual, performance evaluation system, employee recognition programs, and serves as advisor to Committees and Boards.

Performance Measures:

Human Resources			
	2018 Actual	2019 Est.	2020 Proj.
Number of Regular FT and/or PT employees completing open enrollment sessions	245	260	268
Number of Tuition Reimbursement Forms processed	11	8	12
Number of employees participating in voluntary benefits offerings	186	192	200

2020 Goals

- To attract and retain high quality employees while maintaining a low turnover rate
- To provide regular communications to employees on health, retirement and City wide information
- To maintain harmony and productivity among the workforce and resolve grievances in a timely manner

There are no significant adjustments to the Human Resources 2020 Operational Budget.

General Fund	Prior Year 2018 Actuals	Estimated 2019	Budgeted 2020 Adopted
Human Resources			
Personnel Expenses	\$ 225,417	\$ 237,567	\$ 239,070
Contractual Services	\$ 39,004	\$ 56,830	\$ 59,531
Commodities	\$ 1,546	\$ 1,780	\$ 1,975
Capital Outlay	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ 265,967</u>	<u>\$ 296,177</u>	<u>\$ 300,576</u>
FTE's	2.5	2.5	2.5

Finance Department

Ruby Maline
Director of Finance
 100 N 5th St
 Leavenworth, KS 66048
 913-680-0350
 rmaline@firstcity.org



Mission: To provide a financially sound government and support good business decisions by providing timely and accurate financial information.

The City of Leavenworth is committed to the prudent use of public money. Fulfilling this commitment is the responsibility primarily of the Finance Department. The employees of the Finance Department are accountable for all aspects of the organization's financial management with the exception of property tax administration, which is conducted through the collaborative efforts of the county appraiser, county clerk, and county treasurer.

Performance Measures:

Finance Department			
	2018 Actual	2019 Est.	2020 Proj.
Number of Budgetary Funds Amended	4	2	1
Number of Cooperative Purchasing Agreements Executed	7	8	10
Maintain a Minimum Bond Rating of Aa2 (Moody's)	Aa2	Aa2	Aa2
Percent of Vendors Signed Up for Automated Clearing House Payments	7	10	12
Maintain Reserves Equal to Two Months of Budgeted Expenditures (In Months)	4	3	3

2020 Goals

- Review and recommend changes to the Purchasing Policy
- Receive Certificate of Achievement for Excellence in Financial Reporting Program from GFOA
- Receive Distinguished Budget Presentation Award from GFOA

There are no significant adjustments to the Finance Department 2020 Operational Budget. \$42,450 for Executime Time Keeping software is included in the 2020 –2024 CIP.

General Fund	Prior Year 2018 Actuals	Estimated 2019	Budgeted 2020 Adopted
Finance			
Personnel Expenses	\$340,377	\$408,319	\$426,480
Contractual Services	\$55,268	\$61,365	\$73,814
Commodities	\$7,162	\$7,160	\$5,155
Capital Outlay	\$ -	\$ -	\$ -
TOTAL Expenditures	<u>\$402,807</u>	<u>\$476,844</u>	<u>\$505,449</u>
FTE's	4.0	4.0	4.0

Information Tech.

Taylor Tedder
Assistant City Manager
100 N 5th St
Leavenworth, KS 66048
913-684-2602
ttedder@firstcity.org



Mission: To provide reliable, innovative, cost-effective information technology solutions to City departments, agencies and local government units so they may be successful in achieving their own missions, while striving always to exceed expectations.

The IT department monitors, maintains, and enhances the City's technology network, tests new equipment, applications, and systems prior to implementation; and manages and upgrades all communications systems.

Performance Measures:

Information Technology			
	2018 Actual	2019 Est.	2020 Proj.
Number of Computers Replaced	-	38	42
Network Availability	-	99%	99%
Network Security Breach	0%	0%	0%

There are no significant adjustments to the Information Technology 2020 Operational Budget.

General Fund	Prior Year 2018 Actuals	Estimated 2019	Budgeted 2020 Adopted
Information Technology			
Personnel Expenses	\$170,408	\$175,940	\$181,601
Contractual Services	\$297,408	\$253,300	\$326,003
Commodities	\$5,303	\$6,000	\$5,985
Capital Outlay	\$(79.00)	\$ -	\$-
Miscellaneous	\$ -	\$ -	\$ -
TOTAL Expenditures	\$473,040	\$475,000	\$513,589
FTE's	3.0	4.0	4.0

Police Department

Pat Kitchens
Police Chief
 100 N 5th St
 Leavenworth, KS 66048
 913-651-2260
 pkitchens@firstcity.org



Mission: The Leavenworth Police Department is committed to working in partnership with our community to improve the quality of life in our City. Our mission is to provide police services in a fair, courteous and efficient manner

We are charged with upholding the laws of the City of Leavenworth, State of Kansas, and tenets of the Constitution and will do so with integrity and honesty. Everyone we come in contact with will be treated with compassion and respect without bias. We will be accountable for our actions and acknowledge our mistakes.

Our effectiveness will be measured by the absence of fear in our neighborhoods and our ability to work in partnership with our community.

2020 Goals

- Address recent trends in domestic violence incidents
- Engage in targeted initiatives to reduce drug crimes in high risk areas
Reduction in crime
- Continue to grow and expand crime analysis and mapping initiative with technological enhancements

Performance Measures:

Police Department Budget Performance Measures			
	2018 Actual	2019 Est.	2020 Proj.
Traffic Citations	3,874	5,000	6,000
Part 1 Crimes	2,252	2,245	2,240
Calls for Service	23,242	23,250	23,250
Arrests	2,175	2,200	2,200

There are no significant adjustments to the Police Department Budget. \$42,000 for SWAT Equipment is included in the 2020 – 2024 CIP.

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Police Administration			
Personnel Expenses	\$1,178,290	\$1,224,761	\$1,287,456
Contractual Services	\$368,897	\$480,325	\$511,025
Commodities	\$50,579	\$35,000	\$34,913
Capital Outlay	\$51,721	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
TOTAL Expenditures	<u>\$1,649,487</u>	<u>\$1,740,086</u>	<u>\$1,833,394</u>
FTE's	12.0	12.0	12.0

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Police Operations			
Personnel Expenses	\$4,696,688	\$4,857,167	\$4,940,636
Commodities	\$222,552	\$222,271	\$227,266
Capital Outlay	\$18,005	\$18,000	\$17,955
Miscellaneous	\$ -	\$ -	\$ -
TOTAL Expenditures	<u>5,341,471</u>	<u>\$5,380,000</u>	<u>\$5,563,149</u>
FTE's	73.0	73.0	73.0

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Animal Control			
Personnel Expenses	\$ 220,734	\$ 284,201	\$ 293,633
Contractual Services	\$ 56,155	\$ 48,500	\$ 43,404
Commodities	\$ 12,614	\$ 19,690	\$ 20,638
Capital Outlay	\$ -	\$ -	\$ -
TOTAL Expenditures	<u>\$ 289,503</u>	<u>\$ 352,391</u>	<u>\$ 357,675</u>
FTE's	4.0	4.0	4.0

Fire Department

Gary Birch
Fire Chief
 100 N 5th St
 Leavenworth, KS 66048
 gbirch@firstcity.org
 913-758-6738



The mission of the Leavenworth Fire Department is to protect life, property, and the environment by responding to emergency and non-emergency calls for service in an efficient and effective manner.

The Leavenworth Fire Department offers fire prevention training, fire suppression, protection, search and rescue operations, medical services, inspections, environmental emergencies, and other threats to health, safety, life, and property. The Operations Division is staffed by three shifts working 24 hours on and 24 hours off rotation. All shifts are staffed with a minimum of one shift commander (Battalion Chief) and 13 personnel (4 Captains, 4 Driver Operators, and 5 Firefighters) of which most are Emergency Medical Technicians.

2020 Goals

- Explore the replacement of Fire Station No. 3
- Adopt the 2018 International Fire Code

Performance Measures:

Fire Department			
	2018 Actual	2019 Est.	2020 Proj.
First Arriving Total Response Time	6:44	6:24	6:24
Effective Response Force Total Response Time	7:21	9:34	9:34
City of Leavenworth Insurance Service Office (ISO) ratings	2	2	2

There are no significant adjustments to the Fire Departments 2020 Operational Budget. \$149,188 for audio visual equipment, boiler replacements, metal lockers, knox keysecure, and overhead door openers are included in the 2020—2024 CIP.

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Fire Administration			
Personnel Expenses	\$ 295,209	\$ 317,502	\$ 331,834
Contractual Services	\$ 84,293	\$ 100,179	\$ 87,238
Commodities	\$ 12,982	\$ 11,510	\$ 6,037
Capital Outlay	\$ -	\$ -	\$ -
TOTAL Expenditures	<u>\$ 392,483</u>	<u>\$ 429,191</u>	<u>\$ 425,109</u>
FTE's	3.0	3.0	3.0

General Fund	Prior Year 2018 Actuals	Estimated 2019	2020 Adopted
Fire Suppression			
Personnel Expenses	\$ 3,675,399.45	\$ 3,942,095.00	\$ 4,015,775.00
Contractual Services	\$ 91,463.09	\$ 81,300.00	\$ 81,096.75
Commodities	\$ 82,833.05	\$ 105,450.00	\$ 103,690.15
Capital Outlay	\$ 15,882.72	\$ 19,305.00	\$ 19,256.74
Total Expenditures	<u>\$ 3,865,578</u>	<u>\$ 4,148,150</u>	<u>\$ 4,219,818</u>
FTE's	49.0	49.0	49.0

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Fire Prevention			
Personnel Expenses	\$ 213,058	\$ 231,250	\$ 202,460
Contractual Services	\$ 1,336	\$ 3,770	\$ 3,761
Commodities	\$ 908	\$ 1,200	\$ 1,197
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ 215,303</u>	<u>\$ 236,220</u>	<u>\$ 207,418</u>
FTE's	2.0	2.0	2.0

Public Works

Michael McDonald
Director of Public Works
 100 N 5th St
 Leavenworth, KS 66048
 913-684-0375
 mmcdonald@firstcity.org



Mission: To ensure effective delivery of government services to the public, preservation of existing infrastructure, cost effective improvements to infrastructure to positively impact economic development and citizens' quality of life.

Promote health, safety, and general welfare by setting construction standards, designing, developing, and administering City infrastructure projects including streets, sanitary sewer lines, storm water drainage systems, curbs, sidewalks, and miscellaneous building projects. Maintains a digital mapping and GIS system. Monitors and maintains compliance with federal EPA standards. Oversees city fleet and facility maintenance, street lighting, and fuel consumption.

Performance Measures:

Public Works			
	2018 Actual	2019 Est.	2020 Proj.
Street Sweeping Hours	631	690	661
Vehicle/Equip. Work Orders	1296	1185	1241
New Single-Family Inspections	29	28	25
Commercial Renovations	46	37	35

2020 Goals

- Meet State and Federal requirements where applicable
- Train employees to ensure workforce versatility
- Meet all budget expectations in an efficient manner
- Continue development of GIS/GPS work order system

Significant adjustments to the Public Works Department Budget include \$91,000 and 1.0 FTE for the new Civil Engineer position. \$276,146 for 3 mile creek bridge and trail repairs are included in the 2020—2024 CIP.

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Engineering			
Personnel Expenses	\$513,085	\$ 626,414	\$ 746,076
Contractual Services	\$15,828	\$ 17,265	\$ 17,222
Commodities	\$ 13,613	\$ 8,415	\$ 8,394
Capital Outlay	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Total Expenditures	\$ 542,526	\$652,094	\$771,691
FTE's	8.00	8.25	8.25

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Inspection			
Personnel Expenses	\$ 290,537	\$ 322,273	\$ 331,482
Contractual Services	\$ 9,380	\$ 9,350	\$ 9,327
Commodities	\$ 4,791	\$ 6,290	\$ 6,274
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	\$ 304,709	\$ 337,913	\$ 347,083
FTE's	2.0	2.0	2.0

Library Maintenance	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Contractual Services	\$14,494	\$15,380	\$15,342
Commodities	\$-	\$-	\$-
Total Expenditures	\$14,494	\$15,380	\$15,342
FTE's	0.00	0.00	0.00

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Service Center			
Personnel Expenses	\$ 69,478	\$ 78,870	\$ 82,438
Contractual Services	\$ 81,139	\$ 99,282	\$ 77,692
Commodities	\$ 25,650	\$ 11,290	\$ 11,262
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ 176,267</u>	<u>\$ 189,450</u>	<u>\$ 171,393</u>
FTE's	2.0	2.0	2.0

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Street Lighting			
Contractual Services	\$ 459,473	\$ 475,080	\$ 473,892
Commodities	\$ (153)	\$ 2,000	\$ 1,995
Total Expenditures	<u>\$ 459,320</u>	<u>\$ 477,080</u>	<u>\$ 475,887</u>
FTE's	0.0	0.0	0.0

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Building & Grounds			
Contractual Services	\$ 133,805.71	\$ 124,070.00	\$ 90,842.33
Commodities	\$ 1,313.31	\$ 6,850.00	\$ 6,832.88
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ 135,119</u>	<u>\$ 130,920</u>	<u>\$ 97,675</u>
FTE's	0.0	0.0	0.0

Community Dev.

Julie Hurley
Dir. of Community Dev.
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 913-680-262

Mission: The mission of the City of Leavenworth Community Development Department is to advise and recommend to City officials, boards, appointed commissions and resident's best practices for managing orderly and efficient change in the community. Ensuring a high standard of living where all citizens have access to basic human services including housing and transportation.

The activities of the Community Development Department include creating a safe, healthy, accessible environment by planning for new development, enforcing city codes, coordinating housing, blight removal, home repairs, and other community appearance programs.



2020 Goals

- Implement rental property program and collect relevant data
- Adopt the 2018 International Property Maintenance Code.
- Continue actions by Code Enforcement to reduce and eliminate blighted properties

Performance Measures:

Community Development			
	2018 Actual	2019 Est.	2020 Proj.
Number of new code enforcement cases created	3,732	3,525	3,700
Number of properties mowed for grass & weed violations	373	425	400
Number of new Planning Commission cases	18	14	15
Number of permits issued for temporary signage	30	20	25

Significant adjustments to the Community Development 2020 Operational Budget include the addition 1.0 FTE and \$53,200 for the new Rental Coordinator Position.

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Planning and Zoning			
Personnel Expenses	\$ 154,635	\$ 213,089	\$ 277,415
Contractual Services	\$ 4,100	\$ 7,748	\$ 9,296
Commodities	\$ 2,731	\$ 3,520	\$ 4,214
Capital Outlay	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Total Expenditures	\$ 176,686	\$ 200,000	\$ 290,908
FTE's	2.0	3.0	3.0

General Fund

Code Enforcement	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Personnel Expenses	\$ 200,666	\$ 218,632	\$ 219,422
Contractual Services	\$ 78,163	\$ 99,490	\$ 99,241
Commodities	\$ 5,355	\$ 5,500	\$ 5,486
Capital Outlay	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Total Expenditures	\$ 284,184	\$ 323,622	\$ 324,150
FTE's	3.5	3.5	3.5

Recreation Fund

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Revenues			
Taxes	\$449,526	\$ 534,436	\$ 519,747
Intergovernmental	\$67,349	\$ 72,250	\$ 69,401
Charges For Service	\$643,647	\$ 665,175	\$ 673,375
Miscellaneous	\$6,000	\$ -	\$ 38,546
Transfers	\$351,945	\$400,000	\$ 350,000
TOTAL Revenues	\$ 1,516,689	\$ 1,677,861.0	\$ 1,651,069
	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Personnel Expenses	\$ 921,877	\$ 903,808	\$ 960,907
Contractual Services	\$ 617,023	\$ 635,317	\$ 601,422
Commodities	\$ 91,973	\$ 88,740	\$ 88,740
Capital Outlay	\$ 30,529	\$ 45,000	\$ -
Miscellaneous	\$ -	\$ 4,996	\$ -
TOTAL Expenditures	\$ 1,661,403	\$ 1,677,861	\$ 1,651,069
Revenues over (under) expenditures	\$(144,713)	\$ -	\$(32,546)
Unencumbered cash balance, 1/1/2019	\$122,639	\$7,444	\$32,546
Unencumbered cash balance, 1/1/2020	\$7,444.0	\$32,546	\$-

Parks & Recreation

Steve Grant
Director
Parks and Recreation
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 sgrant@firstcity.org
 913-651-2203



Mission: The City of Leavenworth Parks & Recreation Department's mission is to enhance the vitality of our community by promoting healthy lifestyles and enriching Leavenworth's unique character with our park and recreation services.

The City of Leavenworth Parks & Recreation Department is committed to providing quality, leisure opportunities for its citizens and visitors. Our recreational programs are designed to incorporate all ages and to provide accessible and affordable programs that promote healthy lifestyles, family interaction, and a sense of community. Our mission is not just for those who can pay but to create viable, desirable and livable community to benefit all people conservation, health and wellness, social equity.

The Recreation Department delivers year round recreational opportunities and special events for the community for all ages, including team sports; aquatics; exercise programs; theater productions; music events, special venues for parties, conferences, conventions, meetings, receptions, etc.

Performance Measures:

Parks & Recreation			
	2018 Actual	2019 Est.	2020 Proj.
Riverfront Park Campground Reservation Days	1,080	0	1,000
Park Shelter Reservations	289	300	325
Recreation Scholarships	467	480	500
Riverfront Community Center Events	1,192	1,100	1,200
Special Events	2,158	2,200	2,300

Significant adjustments to the Parks and Recreations Department Budget include a \$50,000 increase in transfers from the Capital Improvement Plan to offset maintenance expenditures. \$522,350 for equipment and building repairs is included in the 2020—2024 CIP.

2020 Goals

- Update and improve amenities at less-used City parks to spur growth
- Streamline registration, reservation and payment process for Parks and Recreation projects
- Increase youth participation in City activities

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Parks			
Personnel Expenses	\$ 549,867	\$ 604,090	\$ 622,113
Contractual Services	\$ 165,657	\$ 160,622	\$ 137,907
Commodities	\$ 111,317	\$ 103,059	\$ 102,801
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	\$ 826,841	\$ 867,771	\$ 862,822
FTE's	9.0	10.0	11.0

General Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Riverfront Park			
Personnel Expenses	\$7,543	\$7,650	\$ 7,858
Contractual Services	\$ 23,540	\$ 16,090	\$ 14,354
Commodities	\$ 1,758	\$ 1,200	\$ 1,197
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	\$ 33,004	\$10,000	\$23,409
FTE's	0.5	0.5	0.5

Recreation Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Aquatics			
Personnel Expenses	\$304,014	\$291,128	\$303,322
Contractual Services	\$54,054	\$52,700	\$47,840
Commodities	\$17,482	\$20,389	\$20,389
Capital Outlay	\$-	\$ -	\$ -
Miscellaneous	\$-	\$ -	\$ -
TOTAL Expenditures	\$ 375,551.30	\$ 364,217.00	\$ 371,551.94
FTE's	2.0	2.0	2.0

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Recreation Fund			
Recreation			
Personnel Expenses	\$ 308,846	\$302,240	\$330,064
Contractual Services	\$ 85,558	\$91,310	\$81,310
Commodities	\$ 49,584	\$47,397	\$47,397
Capital Outlay	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$4,996	\$ -
TOTAL Recreation	<u>\$443,989</u>	<u>\$ 445,943</u>	<u>\$458,771</u>
FTE's	3.5	3.5	3.5

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Recreation Fund			

River Front Community Center

Personnel Expenses	\$309,016	\$310,440	\$327,520
Contractual Services	\$434,920	\$ 452,682	\$435,647
Commodities	\$21,347	\$16,979	\$16,999
Capital Outlay	\$ 30,529	\$45,000	\$ -
Miscellaneous	\$ -	\$ -	\$ -
TOTAL Expenditures	<u>\$795,813</u>	<u>\$825,101</u>	<u>\$780,146</u>
FTE's	7.0	7.0	7.0

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Recreation Fund			

Performing Arts Center

Personnel Expenses	\$ -	\$ -	\$ -
Contractual Services	\$41,922	\$38,625	\$33,550
Commodities	\$3,559	\$ 3,975	\$ 1,970
Miscellaneous	\$ -	\$ -	\$ -
TOTAL Expenditures	<u>\$ 45,482</u>	<u>\$ 42,600</u>	<u>\$ 35,520</u>
FTE's	0.0	0.0	0.0

Economic Development

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Revenues			
Sales Taxes	\$ 515,066	\$ 424,752	\$ 426,510
Miscellaneous	\$ 6,421	\$-	\$-
Total Revenue	\$ 521,486	\$ 424,752	\$ 426,510
Personnel Expenses	\$ 21,802	\$ 43,495	\$ 46,990
Contractual Services	\$ 342,996	\$ 460,499	\$ 401,755
Commodities	\$ 21		
Capital Outlay	\$ 51,453	\$ 40,000	\$ -
Miscellaneous	\$ -	\$ -	\$ 493,485
TOTAL Expenditures	\$ 416,272	\$ 543,994	\$ 942,230
FTE	0.2	0.2	0.3
Revenues over (under) expenditures	\$ 105,214	\$ (119,242)	\$(515,720)
Unencumbered cash balance, 1/1/2019	\$ 530,026	\$ 634,962	\$ 515,720
Unencumbered cash balance, 1/1/2020	\$ 634,962	\$ 515,720	\$ -

Economic Development

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Economic Development
Assistant City Manager
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 913-680-2602



- 2020 Goals**
- Explore options to market new business park
 - Lobby and advocate for federal funding for a new medium-security prison and increased maintenance funding for existing prison
 - Promote Leavenworth as a destination for Vetrepreneurs

Significant adjustments to the 2020 Economic Development Budget include, a reduction of \$100,000 in contractual services for demolitions and land purchases.

Mission: To promote, enhance, and encourage economic growth and prosperity in the City of Leavenworth.

The City and its partners, continuously work to diversify the area's economy in an organized, concerted effort to promote commercial, industrial and retail development.

Leavenworth is considered an outer-ring suburb of Kansas City, Missouri and is a full-service community. Leavenworth is home to Fort Leavenworth, U.S. Federal Penitentiary at Leavenworth and the Dwight D. Eisenhower Veterans Affairs Medical Center, part of the U.S. Department of Veterans Affairs Eastern Kansas Health Care System. Major employers include Cereal Ingredients, Hallmark Cards, Corrections Corporation of America, as well as the Armed Forces Insurance Center.

Performance Measures:

Economic Development			
	2018 Actual	2019 Est.	2020 Proj.
Small Business Grants Approved	20	22	24
NetWork KS Loans Approved	8	10	12
Business Park Site Selection Requests	9	10	12

Street and Highway Fund

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Revenue			
State of Kansas Gas Tax	\$ 984,512	\$ 986,280	\$ 987,550
County Transfers Gas	\$ 105,336	\$ 98,120	\$ 99,950
Charges for Service	\$ 446,618	\$ 369,223	\$ 361,144
Intergovernmental (KLINK)	\$ -	\$ -	\$ 72,050
Fuel Taxes	\$ 744	\$ 750	\$ 750
Transfer from General Fund	\$ 102,186	\$ 80,000	\$ -
Interest on Idle Funds	\$ -	\$ -	\$ -
Miscellaneous	\$ 17,574	\$ 22,427	\$ 15,000
	<u>\$ 1,656,970</u>	<u>\$ 1,556,800</u>	<u>\$ 1,536,444</u>
	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Expenditures			
Personnel	\$ 732,639	\$ 753,555	\$ 792,788
Contractual Services	\$ 244,987	\$ 152,290	\$ 152,290
Commodities	\$ 245,220	\$ 250,000	\$ 277,725
Transfer to Capital Projects	\$ 686,249	\$ -	\$ -
Service Center Expenses	\$ -	\$ 47,345	\$ 47,345
Capital Outlay	\$ 12,500	\$ 10,912	\$ -
Capital Reserves	\$ -	\$ 71,973	\$ 1,190,154
	<u>\$ 1,921,595</u>	<u>\$ 1,286,075</u>	<u>\$ 2,460,302</u>
Revenues over (under) Expenditures	<u>\$ (264,625)</u>	<u>\$270,725</u>	<u>\$(923,858)</u>
Unencumbered Cash balance 1/1/2019	<u>\$ 917,758</u>	<u>\$653,133</u>	<u>\$923,858</u>
Unencumbered Cash balance 12/31/2020	<u>\$ 653,133</u>	<u>\$923,858</u>	<u>\$ -</u>

Street and Highway

Michael McDonald
Director,
Public Works
 100 N 5th St
 Leavenworth, KS 66048
 913-684-0375

Mission: To provide safe, responsive, and effective road and street system.

The Department is responsible for the management and maintenance of City streets, curbs, gutters, sidewalks and storm drains in our community. It also maintains a street sweeping service, street signs and traffic signals. Seasonally provided services such as snow and ice control and debris removal help to maintain safe transportation throughout the community



2020 Goals

- Create a long-term collector/arterial street plan.
- Pursue improvements to roadways, landscaping and amenities on the west side of the Centennial Bridge to improve the aesthetics of the entryway to the City

Performance Measures:

Streets and Highway			
	2018 Actual	2019 Est.	2020 Proj.
Sweeper hours	631	690	661

There are no significant adjustments to the Street and Highway Fund 2020 Operational Budget. \$301,654 for equipment is included in the 2020 –2024 CIP.

Special Highway Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Streets & Maintenance			
Personnel Expenses	\$ 682,529.49	\$ 678,427.00	\$ 732,368.00
Contractual Services	\$ 218,515.98	\$ 126,880.00	\$ 126,880.00
Commodities	\$ 181,336.14	\$ 233,075.00	\$ 235,075.00
Capital Outlay	\$ -	\$ -	\$ -
TOTAL Expenditures	\$ 1,082,381.61	\$ 1,038,382.00	\$ 1,094,323.00
FTE's	12.0	12.0	13.0

Special Highway Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Traffic Control			
Personnel Expenses	\$ 50,109.86	\$ 66,128.00	\$ 60,420.00
Contractual Services	\$ 26,470.56	\$ 25,410.00	\$ 25,410.00
Commodities	\$ 33,102.30	\$ 46,650.00	\$ 42,650.00
Capital Outlay	\$ -	\$ -	\$ -
TOTAL Expenditures	\$ 109,683	\$ 138,188	\$ 128,480
FTE's	1.0	1.0	1.0

CONVENTION AND VISITORS BUREAU

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Revenues			
	\$ 414,264	\$ 440,000	\$ 450,800
Sales Taxes	\$ -	\$ -	\$ -
Miscellaneous	\$ 11	\$ -	\$ -
Total Revenue	\$ 414,275	\$ 440,000	\$ 450,800
Personnel Expenses	\$ 140,937	\$ 144,684	\$ 166,305
Contractual Services	\$ 140,005	\$ 140,160	\$ 207,455
Commodities	\$ 4,106	\$ 12,980	\$ 11,030
Capital Outlay	\$ 19,873	\$ 5,000	\$ 5,000
Miscellaneous		\$ 153,694	\$ 527,491
TOTAL Expenditures	\$ 304,921	\$ 456,518	\$ 917,281
FTE	2.0	2.5	2.5
Revenues over (under) expenditures	\$ 109,354	\$ (16,518)	\$(466,481)
Unencumbered cash balance, 1/1/2019	\$ 373,145	\$ 482,999	\$466,481
Unencumbered cash balance, 1/1/2020	\$ 482,999	\$ 466,481	\$-

Kristi Lee
Director, Convention and
Visitors Bureau

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The Mission of the Convention and Visitors Bureau is to promote, enhance, and encourage travel demand.

The Leavenworth Convention and Visitors Bureau is the official Destination Marketing Organization (DMO) for Leavenworth, Kansas. The staff is prepared to help visitors, tour operators and meeting and convention planners prepare for their visit to Leavenworth and the community.



Performance Measures:

Convention and Visitors Bureau			
	2018 Actual	2019 Est.	2020 Proj.
Estimated Visitors to Leavenworth	240,900	242,500	245,000
Hotel Occupancy rates	56%	58%	60%

2020 Goals

- Boost travel demand through statewide industry events and extend invitations to meet in Leavenworth for future meetings
- Concentrate on the SMERF markets (Social, Military, Education, Religious and Fraternal), as well as emerging markets: sports tourism, the arts (film festivals, art festivals, etc.)

Significant adjustments to the Convention & Visitor Bureau Budget includes the addition of 0.5 FTE and \$15,000 for a new Administrative Assistant position.

Probation

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Intergovernmental	\$ 67,350	\$ 72,250	\$ 69,401
Charges For Service	\$ 89,167	\$ 107,768	\$ 124,506
Miscellaneous	\$ 85	\$ -	\$ -
Total Revenue	\$ 156,602	\$ 180,018	\$ 193,907
Personnel Expenses	\$ 143,312	\$ 166,214	\$ 179,537
Contractual Services	\$ 23,515	\$ 34,366	\$ 29,350
Commodities	\$ 8,168	\$ 11,130	\$ 13,328
Capital Outlay	\$ 15,845	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ 583
TOTAL Revenue	\$ 190,840	\$ 211,710	\$ 222,798
FTE	3.0	3.0	3.0
Revenues over (under) expenditures	\$(34,237)	\$(31,692)	\$(28,891)
Unencumbered cash balance, 1/1/201x	\$ 94,821	\$ 60,583	\$ 28,891
Unencumbered cash balance, 1/1/202x	\$ 60,583	\$ 28,891	\$ -

Probation Services

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Probation services supports the mission of the Court by serving the court and reducing offender recidivism in such a manner as enhances the fairness and integrity of the Court's decisions, promotes accountability and responsive in its enforcement of the Court's orders, and advances public trust. Provides evidence-based interventions, treatment programs, and supervision techniques designed to alter probationers' behavior in order to reduce recidivism.

There are no significant adjustments to the Probation Services Budget.

Waste Water Fund

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Revenue			
Charges For Service	\$ 4,513,874	\$ 4,812,826	\$ 5,197,853
Miscellaneous	\$ 15,078	\$ 7,700	\$ 7,907
Transfers	0	0	0
Total Revenue	\$ 4,528,952	\$ 4,820,526	\$ 5,205,760
Expenditures			
Personnel Expenses	\$ 1,011,881	\$ 1,210,528	\$ 1,309,234
Contractual Services	\$ 1,552,701	\$ 1,715,157	\$ 1,735,704
Commodities	\$ 247,276	\$ 490,590	\$ 490,590
Capital Outlay	\$ 323,888	\$ 732,805	\$ 752,805
Debt Service	\$ 893,568	\$ 765,123	\$ 763,333
Capital Lease	\$ -	\$ 133,950	\$ 133,950
Capital Reserves	\$ -	\$ -	\$ 341,760
Miscellaneous	\$ -	\$ -	\$ 598,888
TOTAL Expenditures	\$ 4,029,314	\$ 5,048,153	\$ 6,126,264
Revenues over (under) expenditures	\$ 499,638	\$ (227,627)	\$ (920,504)
Unencumbered cash balance, 1/1/2019	\$ 648,493	\$ 1,148,131	\$ 920,504
Unencumbered cash balance, 1/1/2020	\$ 1,148,131	\$ 920,504	\$ -

Waste water Fund

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Mission: The Wastewater Treatment Plant’s mission is to at all times properly operate and maintain the facilities and collection system to achieve compliance with Federal and State Regulations and to protect the public health and environment.

The Water Pollution Control staff protects the health, safety, welfare, and environment of the citizens by conveying and treating sanitary waste. Staff uses current technology to prevent disease and nuisances, avoid public water contamination and silting of navigable waterways, maintain clean water aquatic species, bathing, recreations and conservation.

Performance Measures:

Waste Water Fund			
	2018 Actual	2019 Est.	2020 Proj.
After hours Sanitary Sewer Overflow arrive at location within 60 minutes	90%	90%	95%
Sanitary Sewer Overflow Response Mon-Fri. 7:30 - 4:00 pm arrive within 30 minutes.	92%	92%	95%
Emergency Locates: Mark all Emergency Locates within two hours.	95%	95%	98%
Sanitary sewer line cleaning. KDHE mandates 40 miles per year are cleaned.	100%	100%	100%

- ### 2020 Goals
- Provide a safe workplace
 - Reduce Odors onsite and offsite
 - Replace aging equipment and improve system reliability
 - Operate our system to avoid overflows and meet State and Federal Standards

Significant adjustments to the 2020 Operational Budget include \$229,900 for a new Final Clarifier.

Wastewater Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Treatment Plant			
Personnel Expenses	\$ 515,319	\$ 643,375	\$ 689,509
Contractual Services	\$ 1,255,755	\$ 1,374,016	\$ 1,388,927
Commodities	\$ 160,783	\$ 421,790	\$ 421,790
Capital Outlay	\$ 1,273,458	\$ 556,755	\$ 386,755
TOTAL Expenditures	\$ 3,205,315	\$ 2,995,936	\$ 2,886,981
FTE's	9.0	9.0	9.0

Wastewater Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Sewer Collections			
Personnel Expenses	\$ 423,647	\$ 467,328	\$ 513,136
Contractual Services	\$ 232,897	\$ 242,666	\$ 248,302
Commodities	\$ 71,314	\$ 46,100	\$ 46,100
Capital Outlay	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
TOTAL Expenditures	\$ 727,858	\$ 756,094	\$ 807,538
FTE's	8.0	8.0	8.0

Wastewater Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Storm Sewer			
Personnel Expenses	\$ 72,915	\$ 99,825	\$ 106,589
Contractual Services	\$ 2,173	\$ 98,475	\$ 98,475
Commodities	\$ 15,179	\$ 22,700	\$ 22,700
Capital Outlay	\$ 78,895	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
TOTAL Expenditures	\$ 169,162	\$ 221,000	\$ 227,764
FTE's	1.0	1.0	1.0

Refuse

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Charges For Service	\$ 2,014,217	\$ 2,150,391	\$ 2,351,757
Miscellaneous	\$ 71	\$ 7,000	\$ 300
Total Revenue	\$ 2,014,288	\$ 2,157,391	\$ 2,352,057
Personnel	\$ 752,694	\$ 830,475	\$ 885,109
Contractual Services	\$ 899,382	\$ 769,146	\$ 791,299
Commodities	\$ 213,611	\$ 253,435	\$ 254,785
Transfer to Refuse Restricted	\$ -	\$ 10,000	\$ 5,000
Service Center Expenses	\$ 47,345	\$ 47,345	\$ 47,345
Capital Outlay	\$ -	\$ 144,743	\$ 144,743
Capital Reserves	\$ -	\$ -	\$ 509,341
Total Expenditures	\$ 1,913,032	\$ 2,055,144	\$ 2,637,622
Revenues over (under) expenditures	\$ 101,256	\$ 102,247	\$ (285,565)
Unencumbered cash balance, 1/1/2019	\$ 82,062	\$ 183,318	\$ 285,565
Unencumbered cash balance, 1/1/2020	\$ 183,318	\$ 285,565	\$ -

Refuse Fund

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Mission: To provide a quality curbside refuse removal service as well as maintaining voluntary recycling and yard waste disposal sites for the residents of the City of Leavenworth, Kansas.

City Ordinance enforces curbside refuse service and City staff provides service for all single units, up to four plexes. Businesses and larger residential units are exempt unless authorized by City Management. All curbside refuse is transported by City refuse trucks to a local transfer station or direct-hauled to a licensed landfill. The Recycling Site and Brush Site are open to residential customers or contractors that are approved by the City of Leavenworth and performing work within City limits. The service offered is voluntary for City residents with the products being recycled and therefore avoiding the waste stream. This division operates under the Public Works Department. The Solid Waste Division serves as an informational office for residents and business owners regarding State/City recycling and disposal guidelines.

Performance Measures:

Refuse			
	2018 Actual	2019 Est.	2020 Proj.
Annual Tonnage	11220	13812	12516
Annual Recycle Customers	25444	26474	25959
Recycle Tons per year	370	406.06	388.88
Annual Brush Site Customers	2496	1968	2232

2020 Goals

- Provide a safe workplace
- Reduce Odors onsite and offsite
- Replace aging equipment and improve system reliability
- Operate the system to avoid overflows and meet State and Federal Standards

Significant adjustments to the Refuse Fund 2020 Operational Budget include \$200,000 for a new refuse truck.

Refuse Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Refuse Collection			
Personnel Expenses	\$ 676,409	\$ 725,769	\$ 775,456
Contractual Services	\$ 869,866	\$ 750,071	\$ 764,862
Commodities	\$ 208,677	\$ 248,250	\$ 249,600
Capital Outlay	\$ 64,003	\$ 120,000	\$ 144,743
Miscellaneous	\$ -	\$ 395,295	\$ 561,686
TOTAL Expenditures	\$ 1,818,955	\$ 2,239,385	\$ 2,496,347
FTE's	7.5	7.5	7.5

Refuse Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Refuse Disposal			
Personnel Expenses	\$ 82,388	\$ 104,706	\$ 109,653
Contractual Services	\$ 29,516	\$ 19,075	\$ 26,437
Commodities	\$ 4,935	\$ 5,185	\$ 5,185
Capital Outlay	\$ -	\$ -	\$ -
TOTAL Expenditures	\$ 116,839	\$ 128,966	\$ 141,275
FTE's	5.0	5.0	5.0

Refuse Restricted Fund	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Refuse Restricted			
	\$-	\$10,000	\$5,000
Contractual Services	\$ -	\$ 6,500	\$ 6,500
Capital Outlay	\$ -	\$ 29,260	\$ 8,500
TOTAL Expenditures	\$ -	\$ 45,760	\$ 20,000
FTE's	0.0	0.0	0.0

Community Development Fund

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Revenue			
Federal Grants	\$ 356,969	\$ 319,799	\$ 319,799
Charges for Services	\$ -		
Miscellaneous	\$ -	\$ 71,260	\$ 100,000
Total Revenue	\$ 356,969	\$ 391,059	\$ 419,799
Expenditures			
Personnel	\$ 81,132	\$ 84,003	\$ 63,595
Contractual Services	\$ 204,540	\$ 235,796	\$ 355,704
Commodities	\$ 37		\$ 500
Principal	\$ -		\$ -
Operating Reserve			
TOTAL Expenditures	\$ 285,709	\$ 319,799	\$ 419,799
Revenues over (under) expenditures	\$ 71,260	\$ 71,260	\$ -
Unencumbered cash balance, 1/1/2019	\$ 324,673	\$ 395,933	\$ 467,193
Unencumbered cash balance, 1/1/2020	\$ 395,933	\$ 467,193	\$ 467,193
FTE's	1.5	1.5	1.5

CDBG

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Mission: The Community Development Block Grant (CDBG) serves two national objectives by providing services to lower income households and removal or prevention of blight and blighting influences.

The Community Development Office plans and implements all aspects of the Community Development Block Grant program, including the preparation and submission of a 5-year Consolidated Plan and Annual Action Plans. Individual projects and activities, such as home repairs, demolitions, emergency shelter, first time home buyer's programs, medical services, food and nutrition programs, after schools and summer programs for children, among others, are developed, implemented, and monitored according to specific HUD procedures and requirements. The Community Development Office is responsible for application of the Emergency Solutions Grant through the Kansas Housing Resources Corporation (KHRC).

Performance Measures:

Community Development Block Grant Program			
	2018 Actual	2019 Est.	2020 Proj.
Home repair	4	2	1
Home ownership assistance	7	8	10
Demolition of Dangerous Structures	4	6	6
Public Services number served	7	10	12



2020 Goals

- To advertise and promote CDBG projects to qualified applicants
- To identify unmet community needs and create projects to meet those needs
- To provide assistance to local social service agencies

There are no significant adjustments to the Community Development Block Grant Budget.

Housing Section 8 Fund

	Prior Year 2018 Actuals	Estimated 2019	Adopted 2020
Revenue			
Federal Grants	\$ 1,673,567	\$ 1,845,600	\$ 1,845,600
Charges for Services	\$ 114,741	\$ 90,800	\$ 90,800
Miscellaneous	\$ 3,959	\$ 297,630	\$ 296,430
Total Revenue	\$ 1,792,267	\$ 2,234,030	\$ 2,232,830
Expenditures			
Personnel	\$ 107,471	\$ 112,085	\$ 117,927
Contractual Services	\$ 1,588,716	\$ 1,771,870	\$ 1,771,870
Commodities	\$ 1,824	\$ 700	\$ 700
Principal	\$ 2,400	\$ 2,400	\$ -
Operating Reserve		\$ 326,975	\$ 342,333
TOTAL Expenditures	\$ 1,700,411	\$ 2,214,030	\$ 2,232,830
Revenues over (under) expenditures	\$ 91,856	\$ 20,000	\$ -
Unencumbered cash balance, 1/1/2019	\$ 251,630	\$ 343,486	\$ 363,486
Unencumbered cash balance, 1/1/2020	\$ 343,486	\$ 363,486	\$ 363,486
FTE's	1.5	1.5	1.5

Section 8

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Mission: The Leavenworth Housing Choice Voucher (HCV) and Veterans Affairs Supportive Housing (VASH) programs strive to provide safe, decent and sanitary housing conditions for very low-income families and to manage resources efficiently. The programs promote personal, economic and social upward mobility to provide families the opportunity to make the transition from subsidized to non-subsidized housing.

The Leavenworth Housing Authority administers the HCV program under contract with HUD by reviewing applications, maintaining the waiting list, issuing vouchers for eligible families, conducting outreach to owners, provides housing assistance payments in a timely manner in accordance with grant requirements.

Performance Measures:

Section 8			
	2018 Actual	2019 Est.	2020 Proj.
Number of families on VASH program (monthly average)	118	119	120
Number of families on HCV program (monthly average)	177	173	175
Annual inspections for HCV and VASH program	418	454	430

2020 Goals

- To assist as many families and veterans as funding allows
- To rate as a high performing housing authority

There are no significant adjustments to the Section 8 Budget.

Housing- Planters II

	2018 ACTUAL	Estimated 2019	Adopted 2020
Revenue			
Intergovernmental	\$ 265,676	\$ 235,340	\$ 250,675
Charges For Service	\$ 411,892	\$ 414,110	\$ 414,100
Miscellaneous	\$ 11,487	\$ 800,748	\$ 881,715
	<u>\$ 689,056</u>	<u>\$ 1,450,198</u>	<u>\$ 1,546,490</u>
Personnel Expenses	\$ 192,851	\$ 212,740	\$ 251,189
Contractual Services	\$ 363,396	\$ 359,685	\$ 360,625
Commodities	\$ 43,135	\$ 40,075	\$ 40,075
Capital Outlay	\$ 8,705	\$-	\$-
Miscellaneous	\$-	\$ 807,688	\$ 894,601
TOTAL Expenditures	<u>\$ 608,087.59</u>	<u>\$ 1,420,188</u>	<u>\$ 1,546,490.00</u>
FTE	3.5	3.5	3.5
Revenues over (under) expenditures	<u>\$ 80,967.91</u>	<u>\$ 30,010.00</u>	<u>\$ -</u>
Unencumbered cash balance, 1/1/2019	\$ 786,888	\$ 867,856.00	\$ 897,866.00
Unencumbered cash balance, 12/31/2020	<u>\$ 867,856.00</u>	<u>\$ 897,866.00</u>	<u>\$ 897,866.00</u>

Housing-Planters II

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Mission: The mission of the Leavenworth Housing Authority Low Rent Program (Planters II) is to provide safe, decent, and sanitary housing conditions for low income families.

The Leavenworth Housing Authority (LHA) provides income based housing at Planters II, a 105-unit apartment complex, giving a preference to elderly and/or disabled persons. Ensures that all apartments are maintained by the tenant and by the LHA. Ensures that the building and grounds are up to code, well maintained, all repairs are performed; contracts are obtained to service all major equipment. Complies with all fair housing and equal opportunity requirements, HUD regulations and requirements, the PHA's, ACOP, and all other applicable federal, state, and local codes, laws, and/or regulations.

Performance Measures:

Housing - Planters II			
	2018 Actual	2019 Est.	2020 Proj.
Number of families in Public Housing units	115	123	120
Number of work orders in public housing	843	739	700

There are no significant adjustments to the Housing—Planters II Budget.



2020 Goals

- The Leavenworth Housing Authority will strive to continue the High Performer status each year
- The Leavenworth Housing Authority will work with various contractors/vendors to establish a 5 year plan for capital improvements at Planters II and will continue performing upgrades/repairs/rehab to the Planters II building and grounds
- The Leavenworth Housing Authority will continue to assist eligible families with affordable housing.

Storm Water Capital Projects

	Prior Year 2018	Estimated 2019	Adopted 2020
Revenue			
Charges For Service	\$0	\$1,300,000	\$1,100,000
Total Revenue	\$0	\$1,300,000	\$1,100,000
Expenditures			
Personnel Expenses	\$0	\$46,205	\$60,665
Contractual Services	\$0	\$50,000	\$85,000
Capital Outlay	\$0	\$1,203,795	\$954,335
TOTAL EXPENSE	\$0	\$1,300,000	\$1,100,000
FTE's	0.0	1.0	1.0
Revenues over (under) expenditures	\$0	\$0	\$0
Unencumbered cash balance, 1/1/2019	\$0	\$0	\$0
Unencumbered cash balance, 1/1/2020	\$0	\$0	\$0

Storm Water

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Mission: To develop and maintain a comprehensive watershed and storm Water infrastructure management program to protect property, health and safety; to enhance the quality of life; to preserve and improve the environment for the benefit of the public and to be responsive and sensitive to the needs of residents, property owners, and public partners.

To meet the goals of the City's Comprehensive Storm water Management Program (CSMP), employees have been assigned to perform the management, planning, engineering, and maintenance activities related to the CSMP. In order to achieve this mission, staff will focus its efforts on the following strategic goals:

- Address flood problems with drainage improvement projects to reduce the danger to the public.
- Review, enact and enforce ordinances, policies and design criteria as needed to manage the floodplain and improve the design of the storm water system.
- Perform routine maintenance of the City's drainage system to maintain its intended capacity and condition.
- Enhance water quality to preserve the natural environment while maintaining regulatory compliance with the City's Kansas Water Pollution Control Permit under EPA's NPDES Phase II requirements.
- Seek adequate funding for the Comprehensive Storm water Management Program.



2020 Goals

- Meet State and Federal requirements where applicable
- Address flood problems with drainage improvement projects to reduce the occurrence of property flood damage
- Review, enact and enforce ordinances, policies and design criteria as needed to manage the floodplain, and prevent future flooding in or downstream of development

There are no significant adjustments to the Storm water Department Budget.

Appendices



Appendix A City of Leavenworth CIP

2020 -2024



Adopted by the Leavenworth City Commission August 13, 2019

City of Leavenworth, Kansas
100 N. Fifth St.
Leavenworth, Kansas

Capital Improvements Program
2020-2024 Program

Project	Requested	Projected
Existing Projects		
Pavement Management	\$ 10,000,000	\$ 10,000,000
Sewer Line Rehabilitation/Replacement	\$ 2,500,000	\$ 2,500,000
Economic Development	\$ 2,264,400	\$ 2,264,400
Debt Reduction	\$ 2,264,400	\$ 2,264,400
Business & Technology Park Debt Service	\$ 1,752,725	\$ 1,752,725
Equipment Replacement	\$ 1,550,200	\$ 1,502,278
Community Center Operations	\$ 1,500,000	\$ 1,500,000
100' Aerial Ladder Fire Truck Replacement	\$ 1,400,000	\$ 1,400,000
Animal Control Debt Service	\$ 1,279,211	\$ 1,279,211
Sidewalks	\$ 962,500	\$ 962,500
RFCC Stone Replacement Phase IV	\$ 850,000	\$ 375,010
Fire Truck Debt Service	\$ 534,084	\$ 534,084
City Hall Building Exterior Maintenance	\$ 375,010	\$ 375,010
Finance Software Debt Service	\$ 283,725	\$ 283,725
Sewer Vactor Truck Replacement	\$ 267,901	\$ 267,901
2nd Street Bridge Debt Service	\$ 244,800	\$ 244,800
IT-Computer Equipment Replacement	\$ 215,000	\$ 215,000
Refuse Truck Replacement	\$ 200,000	\$ 200,000
Sewer Repairs	\$ 200,000	\$ 200,000
Haven's Park Restrooms	\$ 190,000	\$ 190,000
Utility Storage Building	\$ 125,000	\$ 125,000
Three Mile Creek Trail repairs	\$ 80,000	\$ 80,000
Service Center Parking Lot Overlay	\$ 76,146	\$ 76,146
Portable Lift System	\$ 70,000	\$ 70,000
Riverfront Park Water Line Replacement	\$ 50,000	\$ 50,000
Comprehensive Plan	\$ 50,000	\$ 50,000
Sewer Lift Station Improvements	\$ 50,000	\$ 50,000
Sports field Access Trail	\$ 45,000	\$ 45,000
18th Street Over Three Mile Creek	\$ 40,000	\$ 40,000
20th Street Over Three Mile Creek	\$ 40,000	\$ 40,000
Upgrade Fuel Tank Monitoring system	\$ 26,900	\$ 26,900
Roof on the Salt Dome	\$ 23,820	\$ 23,820
Spreader with Pre-Wet system	\$ 21,142	\$ 21,142
Broadway St Over Three Mile Creek Bridge	\$ 20,000	\$ 20,000
Cherokee Street over Three Mile Creek	\$ 20,000	\$ 20,000
Fire Metal Clothing Lockers	\$ 12,500	\$ 12,500
	\$ 29,584,463	\$ 29,061,551

New Projects

Thornton Street & 10th Ave. Construction	\$	5,444,000	\$	5,444,000
Building Maintenance	\$	1,500,000	\$	1,500,000
Treatment Plant Final Clarifier	\$	229,900	\$	229,900
Dougherty Park Playground Equipment	\$	100,000	\$	100,000
Boiler Replacement	\$	85,000	\$	85,000
Batting Cages for Eagles Field	\$	44,468	\$	44,468
Executime Time Keeping System	\$	42,450	\$	42,450
Police SWAT Active Shooter Response	\$	42,000	\$	42,000
Equipment Hotbox	\$	32,106	\$	32,106
Replacement of Pull Type Gang Mower	\$	30,266	\$	30,266
RFCC Locker Room Flooring Replacement	\$	27,000	\$	27,000
Audio Visual Equipment Replacement	\$	25,000	\$	25,000
Painting and Wood Repairs	\$	24,926	\$	24,926
Overhead Door Replacement	\$	21,888	\$	21,888
Equipment Spreader	\$	17,399	\$	17,399
Municipal Service Center Building and Repairs	\$	15,000	\$	15,000
Library Landscaping	\$	15,000	\$	15,000
Cody Park Backstop and Dugout Repairs	\$	10,690	\$	10,690
Equipment Spreader	\$	10,336	\$	10,336
Plate Compactors	\$	6,765	\$	6,765
New Screens in Commission Room	\$	5,780	\$	5,780
Knox Key Secure	\$	5,500	\$	5,500
Plate Wacker	\$	2,100	\$	2,100
	\$	2,293,574	\$	2,293,574

Unfunded Projects

Replace Fire Station #3	\$	3,300,000	\$	-
Cherokee Street Overlay	\$	735,000	\$	-
Service Truck	\$	110,000	\$	-
Weight Room Equipment Replacement	\$	68,000	\$	-
Backstop for Eagles Field	\$	35,625	\$	-
Dugout for Eagles Field	\$	33,979	\$	-
Automatic flagger	\$	27,400	\$	-
Vendor Self-Serve	\$	9,000	\$	-
Deck for Service Center	\$	5,000	\$	-
Curb Replacement	\$	-	\$	-

Sales Tax

	2020	2021	2022	2023	2024	Total
Revenue						
County Wide Sales Tax	\$ 2,843,398	\$ 2,928,700	\$ 3,016,561	\$ 3,107,058	\$ 3,200,269	\$ 15,095,986
CIP Sales Tax Revenue	\$ 2,464,301	\$ 2,525,909	\$ 2,589,056	\$ 2,653,783	\$ 2,720,127	\$ 12,953,176
TIF payouts	\$ (229,673)	\$ (235,415)	\$ (241,300)	\$ (247,333)	\$ (253,516)	\$ (1,207,236)
Total Revenue	\$ 5,078,026	\$ 5,219,194	\$ 5,364,317	\$ 5,513,508	\$ 5,666,881	\$ 26,841,926
Expenditures						
Debt Payments:						
Debt Reduction	\$ 426,510	\$ 439,305	\$ 452,484	\$ 466,059	\$ 480,040	\$ 2,264,398
Animal Control (2025)	\$ 254,330	\$ 255,280	\$ 256,255	\$ 256,673	\$ 256,673	\$ 1,279,211
Fire Truck bond Payment-15 yr.(2031)	\$ 109,388	\$ 107,688	\$ 107,328	\$ 104,840	\$ 104,840	\$ 534,084
Business & Technology Park (retired in 2037)	\$ 350,665	\$ 348,065	\$ 350,265	\$ 352,065	\$ 352,065	\$ 1,753,125
2nd Street Bridge Debt Service	\$ 244,800	\$ -	\$ -	\$ -	\$ -	\$ 244,800
Thornton Street Debt Service Payment	\$ 208,478	\$ 105,700	\$ 105,700	\$ 670,103	\$ 670,103	\$ 1,760,084
Debt Service on Financial System	\$ 58,125	\$ 56,000	\$ 54,650	\$ 58,300	\$ 56,650	\$ 283,725
Economic Development	\$ 426,510	\$ 439,305	\$ 452,484	\$ 466,059	\$ 480,040	\$ 2,264,398
100' Foot Aerial Platform	\$ -	\$ 165,150	\$ 166,250	\$ 167,200	\$ 168,000	\$ 666,600
Ongoing Projects:						
Community Center Operations	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,750,000
Equipment Replacement	\$ 257,000	\$ 295,800	\$ 295,800	\$ 295,800	\$ 295,800	\$ 1,440,200
Curb Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Equipment	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000	\$ 215,000
City Hall Building Exterior Maintenance	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
Sidewalk Program	\$ 192,500	\$ 192,500	\$ 192,500	\$ 192,500	\$ 192,500	\$ 962,500
City Wide Building Maintenance and Repair	\$ 300,000	\$ 250,000	\$ 225,000	\$ 200,000	\$ 200,000	\$ 1,175,000
Short-Term Projects						
Fire:						
Audio Visual	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Boiler Replacement	\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000
Metal clothes lockers	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ 12,500

Sales Tax

	2020	2021	2022	2023	2024	Total
Knox Keysecure	\$ 5,500	\$ -	\$ -	\$ -	\$ -	\$ 5,500
Overhead Door Openers	\$ -	\$ 21,188	\$ -	\$ -	\$ -	\$ 21,188
Police:						
SWAT Active Shooter Response Equipment	\$ 42,000		\$ -	\$ -	\$ -	\$ 42,000
Parks & Recreation:						
RFCC Locker Room Flooring Replacement	\$ -	\$ 27,000	\$ -	\$ -	\$ -	\$ 27,000
Replacement of Pull Type Gang Mower	\$ -	\$ 30,266	\$ -	\$ -	\$ -	\$ 30,266
Painting and Wood Repairs	\$ 24,926	\$ -	\$ -	\$ -	\$ -	\$ 24,926
Dougherty Park Playground Equipment	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
RF Park Water Line replacement	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Cody Park Backstop and dugout repairs	\$ 10,690	\$ -	\$ -	\$ -	\$ -	\$ 10,690
Sportsfield Access Trail	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000
Haven's Park	\$ -	\$ -	\$ 190,000	\$ -	\$ -	\$ 190,000
Community Development						
Comprehensive Plan Update	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Public Works:						
RFCC Stone Replacement-Phase II (1)	\$ 140,000	\$ 150,905	\$ -	\$ -	\$ -	\$ 290,905
Portable Lift Station	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000
Spreader with Pre-Wet System	\$ -	\$ 21,142	\$ -	\$ -	\$ -	\$ 21,142
Equipment Plate Wacker	\$ 2,100		\$ -	\$ -	\$ -	\$ 2,100
Equipment Spreader	\$ 17,339	\$ -	\$ -	\$ -	\$ -	\$ 17,339
Equipment Hotbox	\$ 32,106		\$ -	\$ -	\$ -	\$ 32,106
Equipment-Spreader	\$ 10,336	\$ -	\$ -	\$ -	\$ -	\$ 10,336
Plate Compactor	\$ 6,765		\$ -	\$ -	\$ -	\$ 6,765
Fuel Tank monitoring system	\$ 26,900	\$ -	\$ -	\$ -	\$ -	\$ 26,900
18th Street over 3-Mile Creek Bridge Repairs	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
20th Street over 3-Mile Creek Bridge Repairs	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
Broadway Street over 3-Mile Creek	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Cherokee Street over 3-Mile Creek	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
3-Mile Creek Trail repairs	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000

Sales Tax

	2020	2021	2022	2023	2024	Total
MSC Parking Lot Overlay	\$ -	\$ -	\$ 76,146	\$ -	\$ -	\$ 76,146
Eagle Field Batting Cages	\$ 44,468	\$ -	\$ -	\$ -	\$ -	\$ 44,468
Finance						
Executime time keeping system	\$ 21,225	\$ 21,225	\$ -	\$ -	\$ -	\$ 42,450
Library						
Library Landscaping	\$ 15,000					

Sales Tax

	2020	2021	2022	2023	2024	Total
Public Works Building Repairs						
Roof on Salt Dome	\$ 23,820	\$ -	\$ -	\$ -	\$ -	\$ 23,820
MSC Building Repairs	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Information Technology						
New Screens in Commission Room	\$ 5,780	\$ -	\$ -	\$ -	\$ -	\$ 5,780
Project Expenditures	\$ 3,987,760	\$ 3,784,519	\$ 3,392,862	\$ 3,697,598	\$ -	\$ 14,862,740
Reserve Expenditures	\$ 59,414	\$ 523,715	\$ 1,053,239	\$ 890,234	\$ 4,733,537	\$ 7,260,139
Total Expenditures	\$ 4,047,174	\$ 4,308,234	\$ 4,446,101	\$ 4,587,832	\$ 4,733,537	\$ 22,122,879
Unallocated Reserve	\$ 380,852	\$ 260,960	\$ 268,216	\$ 275,675	\$ 283,344	\$ 1,469,047
					\$	\$ -

General Obligation Notes and Bonds

	2020	2021	2022	2023	2024	Total
Revenue						
Pavement Management-bonds	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	6,750,000
Pavement Management-CIP allocation	650,000	650,000	650,000	650,000	650,000	3,250,000
 Total Expenditures	 2,000,000	 2,000,000	 2,000,000	 1,350,000	 1,350,000	 10,000,000
 Amount Levied	 6,495,016	 6,559,966	 6,625,566	 6,691,821	 6,772,123	 26,372,369
 Ordinance 56 maximum limit	 28%	 28%	 28%	 28%	 28%	 28%
	1,787,284	1,818,604	1,836,791	1,855,158	1,873,710	9,171,547
	1,404,295	1,428,904	1,443,193	1,457,624	1,472,201	5,734,015
	22%	22%	22%	22%	22%	
 Fire Station #3	 0	 0	 0	 3,300,000	 0	 3,300,000
Aerial Ladder Truck-bonds	0	0	1,400,000	0	0	1,400,000
Thornton Street/10th Ave notes	5,540,000	0	0	0	0	5,540,000

Capital Expenditures from Operating Budgets

Capital Expenditures from Operating Budgets

	2020	2021	2022	\$	2,023	Total
Revenue						
Sewer Line Rehabilitation	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,500,000
Vactor Truck	\$ 133,950	\$ 133,950	\$ -	\$ -	\$ -	\$ 267,900
Sewer Repairs	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000
Refuse Truck	\$ 200,000		\$ 200,000			\$ 400,000
Air handler	\$	\$ -	\$ -	\$ -	\$ -	\$ -
Lift Station Improvement Plan		\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Final Clarifier	\$	\$ 229,900				\$ 229,900
Utility Storage Building		\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000
Sewer Dumps Trucks	\$	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Replacement	\$	\$ -	\$ -	\$ -	\$ -	\$ -
Cody Park Crossing	\$	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,263,850	\$ 1,008,950	\$ 900,000	\$ 700,000	\$ 700,000	\$ 4,572,800

Capital Improvements Program
2020-2024 Program

Streets

Project	Requested	Projected
Existing Projects		
Pavement Management	\$ 10,000,000	\$ 10,000,000
Thornton street/10th Ave	\$ 5,804,900	\$ 5,804,900
Three Mile Creek Trail repairs	\$ 80,000	\$ 80,000
Service Center Parking Lot Overlay	\$ 76,146	\$ 76,146

New Projects

Unfunded

Cherokee Street	\$ 735,000	\$ -
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Capital Improvements Program
2020-2024 Program

Pavement Management

This project addresses the reconstruction of streets throughout the City. It is an annual allocation based on Ordinance 56 which allows for an amount up to 28% of the previous year's ad valorem receipts to be issued in general obligation bonds for this purpose. The following funding is based on 22% of the previous year's ad valorem receipts. Beginning in 2020, \$650,000 of sales tax revenue will be allocated to expedite road projects.

Source	Comments	Year	Requested	Projected
General Obligation Bonds Sales Tax		2020	\$ 1,350,000	\$ 1,350,000
			\$ 650,000	\$ 650,000
		2021	\$ 1,350,000	\$ 1,350,000
			\$ 650,000	\$ 650,000
		2022	\$ 1,350,000	\$ 1,350,000
			\$ 650,000	\$ 650,000
		2023	\$ 1,350,000	\$ 1,350,000
			\$ 650,000	\$ 650,000
		2024	\$ 1,350,000	\$ 1,350,000
			\$ 650,000	\$ 650,000
			<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>

Uses	Year	Requested	Projected
Construction	2020	\$ 1,350,000	\$ 1,350,000
		\$ 650,000	\$ 650,000
	2021	\$ 1,350,000	\$ 1,350,000
		\$ 650,000	\$ 650,000
	2022	\$ 1,350,000	\$ 1,350,000
		\$ 650,000	\$ 650,000
	2023	\$ 1,350,000	\$ 1,350,000
		\$ 650,000	\$ 650,000
	2024	\$ 1,350,000	\$ 1,350,000
		\$ 650,000	\$ 650,000
		<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>



Public works employees repairing streets.

Capital Improvements Program
2020-2024 Program

Thornton Street & 10th Ave. Construction

This project addresses the reconstruction of Thornton Street. It includes sidewalks, curbs, storm inlets, piping, asphalt roadway and a new traffic light, and a turn lane at 5th street. In addition, it will close the West 7th Street access to Thornton.

Source	Comments	Year	Requested	Projected
G.O. Bonds		2020	\$ 5,440,000	\$ 5,440,000
FFE Funds		2019	\$ 364,900	\$ 364,900
			<u>\$ 5,804,900</u>	<u>\$ 5,804,900</u>

Uses	Year	Requested	Projected
ROW acquisition	2019	\$ 120,000	\$ 120,000
Inspection	2020	\$ 474,910	\$ 474,910
Construction		\$ 5,209,990	\$ 5,209,990
		<u>\$ 5,804,900</u>	<u>\$ 5,804,900</u>



After listening to citizen feedback, the City Commission decided to invest in a street rebuild for Thornton Street and parts of 10th Avenue.

Capital Improvements Program
2020-2024 Program

Three Mile Creek Trail Repairs

This allocation provides for the installation of riprap, retaining wall, and stabilization of the Three Mile Creek Bank at 3rd St, 5th St, and 6th St.

Sources	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 80,000	\$ 80,000

Uses	Year	Requested	Projected
Equipment purchases	2021	\$ 80,000	\$ 80,000
		\$ 80,000	\$ 80,000



Three-Mile Creek trail is a multi-use walking, running and biking trail in Leavenworth.

Capital Improvements Program
2020-2024 Program

Service Center Parking Lot Overlay

This allocation provides funds for overlaying the front parking lot at the service center.

Comments	Year	Requested	Projected
Countywide Sales Tax	2022	\$ 76,146	\$ 76,146

Uses	Year	Requested	Projected
Front Parking lot	2022	\$ 76,146	\$ 76,146
		\$ 76,146	\$ 76,146



The current lot has reached the end of its useful life.

Capital Improvements Program
2020-2024 Program

Cherokee Street Overlay

This project will mill and overlay, replace curbing and sidewalks, and address ADA issues on Cherokee Street from 4th street to 7th street.

Source	Comments	Year	Requested	Projected
			\$ 735,000	\$ 735,000

Uses	Year	Requested	Projected
Design		\$ 85,000	\$ -
Construction		\$ 650,000	\$ -
		\$ 735,000	



Mill & overlay” is a street maintenance technique that requires the removal of the top layer (2”) of a street by the grinding action of a large milling machine. After the top layer is removed, a new layer of bituminous pavement is put in its place.

Capital Improvements Program
2020-2024 Program

Bridges

Project	Requested	Projected
Existing Projects		
18th Street Over Three Mile Creek	\$40,000	\$ 40,000
20th Stree Over Three Mile Creek	\$40,000	\$ 40,000
Broadway St Over Three Mile Creek Bridge	\$20,000	\$ 20,000
Cherokee Street over Three Mile Creek	\$20,000	\$ #20,000

New Projects

Capital Improvements Program
2020-2024 Program

18th St Over Three Mile Creek Bridge

This provides funds to install additional riprap under the bridge and outfall slab to prevent additional erosion of the bank and undermining the bridge.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 40,000	\$ 40,000

Uses	Year	Requested	Projected
Construction	2020	\$ 40,000	\$ 40,000
		\$ 40,000	\$ 40,000



The City places riprap under bridges to protect the structure from erosion

Capital Improvements Program
2020-2024 Program

20th St Over Three Mile Creek Bridge

This provides funds to install additional riprap under the bridge and outfall slab to prevent additional erosion of the bank and undermining the bridge.

Source	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 40,000	\$ 40,000

Uses	Year	Requested	Projected
Construction	2021	\$ 40,000	\$ 40,000
		\$ 40,000	\$ 40,000



The City places riprap under bridges to protect the structure from erosion

Capital Improvements Program
2020-2024 Program

Broadway St Over Three Mile Creek Bridge

This provides funds to install additional riprap under the bridge and outfall slab to prevent additional erosion of the bank and undermining the bridge.

Source	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 20,000	\$ 20,000

Uses	Year	Requested	Projected
Construction	2021	\$ 20,000	\$ 20,000
		\$ 20,000	\$ 20,000



The City places riprap under bridges to protect the structure from erosion

Capital Improvements Program
2020-2024 Program

Cherokee St Over Three Mile Creek Bridge

This provides funds to install additional riprap under the bridge and outfall slab to prevent additional erosion of the bank and undermining the bridge.

Source	Comments	Year	Requested	Projected
Countywide Sales Tax		2020	\$ 20,000	\$ 20,000

Uses	Year	Requested	Projected
Construction	2020	\$ 20,000	\$ 20,000
		\$ 20,000	\$ 20,000



The City places riprap under bridges to protect the structure from erosion

Capital Improvements Program
2020-2024 Program

Sidewalks, Curbs, & Gutters

Charter Ordinance 54 defines the specific uses for the Countywide Sales Tax & Compensating Use Tax. This ordinance dedicated the use of the receipts of this tax for sidewalk construction purposes. Sales Tax makes an annual allocation for curbs and gutters.

	Page	Requested	Projected
Existing Projects			
Unallocated-Sidewalks		\$962,500	\$ 962,500
Unallocated-Curbs		\$-	\$-

Capital Improvements Program
2020-2024 Program

Sidewalks

Charter Ordinance 54 defines the specific uses for the Countywide Sales Tax/Countywide Compensating Use Tax. Specific projects are identified each year. The reduction in annual sidewalk funding represents a reallocation to road projects.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 192,500	\$ 192,500
		2021	\$ 192,500	\$ 192,500
		2022	\$ 192,500	\$ 192,500
		2023	\$ 192,500	\$ 192,500
		2024	\$ 192,500	\$ 192,500
				\$ 962,500

Uses	Year	Requested	Projected
Sidewalk Improvements	2020	\$ 192,500	\$ 192,500
	2021	\$ 192,500	\$ 192,500
	2022	\$ 192,500	\$ 192,500
	2023	\$ 192,500	\$ 192,500
	2024	\$ 192,500	\$ 192,500
			\$ 962,500



The Sidewalk Advisory Board submits an annual workplan to the Commission.

Capital Improvements Program
2020-2024 Program

Curb Replacement

There is an annual allocation from sales Tax to address curb projects. Specific projects are identified annually. The program was suspended in 2020 to reallocate funding to road projects.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ -	\$ -
		2021	\$ -	\$ -
		2022	\$ -	\$ -
		2023	\$ -	\$ -
		2024	\$ -	\$ -

Uses	Year	Requested	Projected
Unallocated	2020	\$ -	\$ -
	2021	\$ -	\$ -
	2022	\$ -	\$ -
	2023	\$ -	\$ -
	2024	\$ -	\$ -
		\$ -	\$ -



The curb replacement program was a budget-based program to replace damaged curb in different areas on a yearly schedule.

Capital Improvements Program
2020-2024 Program

Parks

Project	Requested	Projected
Existing Projects		
Haven's Park Restrooms	\$ 190,000	\$ 190,000
Riverfront Park Water Line Replacement	\$ 50,000	\$ 50,000
Sportsfield Access Trail	\$ 45,000	\$ 45,000
New Projects		
Dougherty Park Playground Equipment	\$ 100,000	\$ 100,000
Replacement of Pull Type Gang Mower	\$ 30,266	\$ 30,266
RFCC Locker Room Flooring Replacement	\$ 27,000	\$ 27,000
Painting and Wood Repairs	\$ 24,926	\$ 24,926
Cody Park Backstop and Dugout Repairs	\$ 10,690	\$ 10,690
Unfunded		
Batting Cages for Eagles Field	\$ 44,468	\$ 44,468
Backstop for Eagles Field	\$ 35,625	\$ 35,625
Dugout for Eagles Field	\$ 33,979	\$ 33,979

Capital Improvements Program
2020-2024 Program

Haven's Park Restrooms

This allocation provides for construction at Haven's Park to include parking lot and facilities.

Sources	Comments	Year	Requested	Projected
Sales Tax		2022	\$ 190,000	\$ 190,000
			\$ 190,000	\$ 190,000

Uses	Year	Requested	Projected
Equipment	2022	\$ 125,000	\$ 125,000
		\$ 65,000	\$ 65,000
		\$ 190,000	\$ 190,000



The current bathroom is beyond repair.

Capital Improvements Program
2020-2024 Program

Riverfront Park Water Line Replacement

This allocation provides for replacing the water line at the River Front campground.

Sources	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 50,000	\$ 50,000

Uses	Year	Requested	Projected
Riverfront Park Water Line Replacement	2021	\$ 50,000	\$ 50,000
		\$ 50,000	\$ 50,000



Riverfront Park serves as a campground along the Missouri River. The water line being replaced will serve campers and park visitors.

Capital Improvements Program
2020-2024 Program

Sportsfield Access Trail

This allocation provides for resurfacing the trail at Sportsfield used to move materials, supplies, and equipment.

Sources	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 45,000	\$ 45,000

Uses	Year	Requested	Projected
Sportsfield Access Trail	2021	\$ 45,000	\$ 45,000
		\$ 45,000	\$ 45,000



Sportsfield Recreation Complex consists of 30 acres of land.

Capital Improvements Program
2020-2024 Program

Dougherty Park Playground Equipment

This allocation provides for the replacement of the playground equipment at Dougherty Park. This includes the removal of existing equipment, installation of surface drainage, installation of new equipment and mulch. The existing equipment is becoming unsafe and expensive to maintain.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 100,000	\$ 100,000

Uses	Year	Requested	Projected
Park Playground Equipment		\$ 100,000	\$ 100,000
		\$ 100,000	\$ 100,000



Bob Dougherty Park (formerly Northside Park) was named in the mid-1980s in honor of the former Mayor and City Commissioner.

Capital Improvements Program
2020-2024 Program

Replacement of Pull Type Gang Mower

This allocation provides for the purchase of a Replacement Pull Type Gang Mower.

Sources	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 30,266	\$ 30,266

Uses	Year	Requested	Projected
Equipment purchases		\$ 30,266	\$ 30,266
		\$ 30,266	\$ 30,266



The current mower is outdated and is at the end of its useful life.

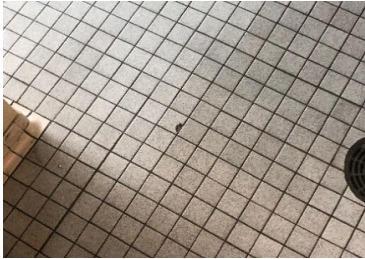
Capital Improvements Program
2020-2024 Program

RFCC Locker Room Flooring Replacement

This allocation provides for the replacement of Locker Room Flooring at the Riverfront Community Center.

Sources	Comments	Year	Requested	Projected
CIP		2021	\$ 27,000	\$ 27,000

Uses	Year	Requested	Projected
Equipment purchases	2021	\$ 27,000	\$ 27,000
		\$ 27,000	\$ 27,000



The current flooring is beginning to chip and could cause a safety hazard.

Capital Improvements Program
2020-2024 Program

Painting and Wood Repairs

This allocation provides funding to contract with a local provider to do preventative maintenance for park shelters, concession stands and other park structures.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 24,926	\$ 24,926

Uses	Year	Requested	Projected
Building Maintenance		\$ 24,926	\$ 24,926
		\$ 24,926	\$ 24,926



The City boasts over 20 parks and numerous shelters.

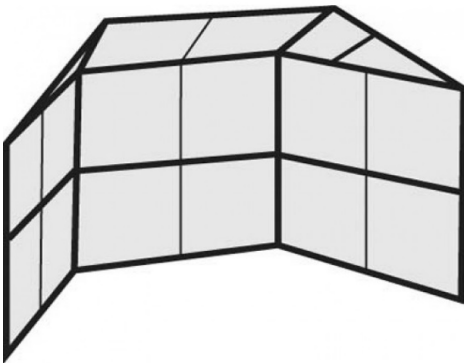
Capital Improvements Program
2020-2024 Program

Cody Park Backstop and Dugout Repairs

This allocation provides for the replacement of the softball backstop and dugouts in Cody Park. The existing structures are well over 20 years old.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 10,690	\$ 10,690

Uses	Year	Requested	Projected
Backstop and Dugout Replacement	2020	\$ 10,690	\$ 10,690
		\$ 10,690	\$ 10,690



The Cody Park softball field backstop and dugouts were built well over 20 years ago and has exceeded its useful life.

Capital Improvements Program
2020-2024 Program

Batting Cages for Eagles Field

This allocation provides for the construction of batting cages at the Eagles Field Sports Complex.

Sources	Comments	Year	Requested	Projected
			\$ 44,468	\$ -

Uses	Year	Requested	Projected
Batting Cages		\$ 44,468	\$ -



Providing public batting cages will allow citizens to practice hitting for both baseball and softball.

Capital Improvements Program
2020-2024 Program

Backstop for Eagles Field

This allocation provides fund for the construction of a backstop at the Eagles Field Sports Complex.

Sources	Comments	Year	Requested	Projected
			\$ 35,625	\$ -

Uses	Year	Requested	Projected
Back stop		\$ 35,625	\$ -



The current backstop is in need of replacement.

Capital Improvements Program
2020-2024 Program

Dugout for Eagles Field

This allocation provides for the construction of a dugout for the Eagles Field Sports Complex.

Sources	Comments	Year	Requested	Projected
			\$ 33,979	\$ -

Uses	Year	Requested	Projected
Dugout for Eagles Field		\$ 33,979	\$ -



This would replace/update the dilapidated dugout fencing and concrete on both the first and third base sides.

Capital Improvements Program
2020-2024 Program

Buildings

Project	Requested	Projected
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Existing Projects

RFCC Stone Replacement Phase IV	\$ 850,000	\$ 850,000
City Hall Exterior Maintenance	\$ 375,000	\$ 375,000
Roof on Salt Dome	\$ 23,820	\$ 23,820
	\$1,248,820	\$ 1,248,820

New Projects

City Wide Building Maintenance	\$1,500,000	\$ 1,500,000
Municipal Service Center Building and Repairs	\$ 15,000	\$ 15,000
	\$1,515,000	\$ 1,515,000

Unfunded

Replace Fire Station #3	\$3,300,000	\$ 3,300,000
Deck for Service Center	\$ 5,000	\$ 5,000
	\$3,305,000	\$ 3,305,000

Capital Improvements Program
2020-2024 Program

RFCC Stone Replacement Phase IV

This allocation provides funding for Phase IV of the Riverfront Community Center stone replacement project. This phase will complete the stone restoration project. The anticipated cost of the project is \$850,000, of which there is a grant of \$500,000 from Mid-America Regional Council (MARC) and an anticipated Tax Credit from the State Historical Preservation Office of \$250,000. Recently the City has received about a 90% return on the sales of the tax credits.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 168,200	\$ 168,200
MARC			\$ 500,000	\$ 500,000
SHPO Tax Credits (@ 90%)			\$ 181,800	\$ 181,800
			\$ 850,000	\$ 850,000

Uses	Comments	Year	Requested	Projected
Design/Inspection		2019	\$ 69,740	\$ 69,740
Tax Credit Paperwork		2019	\$ 7,000	\$ 7,000
Grant Administration		2020	\$ 2,500	\$ 2,500
Construction		2019	\$ 770,760	\$ 770,760
			\$ 850,000	\$ 850,000



The Riverfront Community Center was originally the main train station in Leavenworth.

Capital Improvements Program
2020-2024 Program

City Hall Maintenance

This allocation provides funds for the repairs and maintenance of City Hall.

Source	Comments	Year	Requested	Projected
Countywide Sales Tax		2020	\$ 75,000	\$ 75,000
		2021	\$ 75,000	\$ 75,000
		2022	\$ 75,000	\$ 75,000
		2023	\$ 75,000	\$ 75,000
		2024	\$ 75,000	\$ 75,000
				\$ 375,000

Uses	Year	Requested	Projected
City Hall Maintenance	2020	\$ 75,000	\$ 75,000
	2021	\$ 75,000	\$ 75,000
	2022	\$ 75,000	\$ 75,000
	2023	\$ 75,000	\$ 75,000
	2024	\$ 75,000	\$ 75,000
			\$ 375,000



The city hall is still in use after being built in 1924.

Capital Improvements Program
2020-2024 Program

Roof on Salt Dome

This allocation provides funds for the repairs to the roof over the salt dome that are necessary to keep the salt being used for de-icing dry.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 23,820	\$ 23,820

Uses	Year	Requested	Projected
Roof on Salt Dome Construction	2020	\$ 23,820	\$ 23,820
		<u>\$ 23,820</u>	<u>\$ 23,820</u>



The roof is approximately 22 years old and is in need of replacement. Currently there are several holes in the roof allowing the rain to come in and get in the salt.

Capital Improvements Program
2020-2024 Program

Building Maintenance

This allocation provides funding for maintenance at various city owned facilities.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 300,000	\$ 300,000
		2021	\$ 300,000	\$ 300,000
		2022	\$ 300,000	\$ 300,000
		2023	\$ 300,000	\$ 300,000
		2024	\$ 300,000	\$ 300,000

Uses	Comments	Year	Requested	Projected
Building Maintenance		2020	\$ 300,000	\$ 300,000
		2021	\$ 300,000	\$ 300,000
		2022	\$ 300,000	\$ 300,000
		2023	\$ 300,000	\$ 300,000
		2024	\$ 300,000	\$ 300,000



This allocation provides funding for maintenance at various city owned buildings .

Capital Improvements Program
2020-2024 Program

Library Landscaping

This allocation provides one-time funding for landscaping outside of the Leavenworth Public Library.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 15,000	\$ 15,000

Uses	Year	Requested	Projected
Construction	2020	\$ 15,000	\$ 15,000
		\$ 15,000	\$ 15,000



The City of Leavenworth owns the Library building and is responsible for the grounds and maintenance

Capital Improvements Program
2020-2024 Program

Municipal Service Center Building and Repairs

This allocation provides funding for numerous repairs to the Municipal Service Center building.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 15,000	\$ 15,000

Uses	Year	Requested	Projected
MSC Repairs	2020	\$ 15,000	\$ 15,000
		\$ 15,000	\$ 15,000



The 2020 allocation will be used to replace the skylight at the Municipal Service Center.

Capital Improvements Program
2020-2024 Program

Replace Fire Station #3

This allocation provides funds to replace fire station #3 because of age and lack of energy efficiency. In addition, the fire trucks are larger than when station 3 was built in 1965, so additional space is necessary. ADA and gender based requirements also need to be addressed. The current location has enough space to construct the new station.

Source	Comments	Year	Requested	Projected
			\$3,300,000	

Uses	Year	Requested	Projected
Design		\$ 300,000	
Construction		\$3,000,000	
		\$3,300,000	\$ -



Fire Station #3 was built in 1965. At the time ADA and separate gender facilities were not considered. Additionally, facility continues to experience drainage and sewer problems.

Capital Improvements Program
2020-2024 Program

Deck for Service Center

This allocation provides funding for staff to replace the deck outside the Municipal Service Center.

Sources	Comments	Year	Requested	Projected
			\$ 5,000	\$ 5,000

Uses	Year	Requested	Projected
Equipment replacement		\$ 5,000	
		\$ 5,000	-



The boards are old and beginning to show signs of rot.

Capital Improvements Program
2020-2024 Program

Equipment

Project	Requested	Projected
Existing Projects		
Equipment Replacement	\$1,440,200	\$ 1,391,298
100' Aerial Ladder Fire Truck Replacement	\$1,400,000	\$1,400,000
Sewer Vactor Truck Replacement	\$267,900	\$ 267,900
IT-Computer Equipment Replacement	\$215,000	\$ 215,000
Refuse Truck Replacement	\$200,000	\$ 200,000
Portable Lift System	\$70,000	\$ 70,000
Sewer Lift Station Improvements	\$50,000	\$ 50,000
Spreader with Pre-Wet system	\$21,142	\$ 21,142
Upgrade Fuel Tank Monitoring system	\$26,900	\$ 26,900
Fire Metal Clothing Lockers	\$12,500	\$ 12,500
	\$ 3,703,642	\$ 3,654,740
New Projects		
Boiler Replacement	\$85,000	\$ 85,000
Executime Time Keeping System	\$42,450	\$ 42,450
Police SWAT Active Shooter Response	\$42,000	\$ 42,000
Equipment Hotbox	\$32,106	\$ 32,106
Audio Visual Equipment Replacement	\$25,000	\$ 25,000
Overhead Door Replacement	\$21,888	\$ 21,888
Equipment Spreader	\$21,142	\$ 21,142
Plate Compactors	\$6,765	\$ 6,765
Equipment Spreader	\$10,336	\$ 10,336
New Screens in Commission Room	\$5,780	\$ 5,780
Knox Key Secure	\$5,500	\$ 5,500
Plate Wacker	\$2,100	\$ 2,100
	\$ 300,067	\$ 300,067
Unfunded		
Service Truck	\$110,000	\$ -
Weight Room Equipment Replacement	\$68,000	\$ -
Automatic flagger	\$27,400	\$ -
Vendor Self-Serve	\$9,000	\$ -
2020 Unfunded Equipment Request	\$ 214,400	\$ -

Capital Improvements Program
2020-2024 Program

Equipment Replacement

This annual allocation is to fund the acquisition of replacement vehicles and equipment required by the City on an ongoing basis. The 2020 allocation will fund 4 patrol cars and a truck for the Parks Departments.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 367,000	\$ 367,000
		2021	\$ 295,800	\$ 295,800
		2022	\$ 295,800	\$ 295,800
		2023	\$ 295,800	\$ 295,800
		2024	\$ 295,800	\$ 295,800
				\$ 1,550,200

Uses	Comments	Year	Requested	Projected
Equipment Purchases	4 Police Patrol Cars	2020	\$ 189,000	\$ 189,000
	Parks Dept	2020	\$ 116,902	\$ 68,000
	Parks Dept	2021	\$ 48,902	\$ 48,902
	Garage Truck	2021	\$ 110,000	\$ 110,000
		2021	\$ 87,996	\$ 87,996
		2022	\$ 295,800	\$ 295,800
		2023	\$ 295,800	\$ 295,800
		2024	\$ 295,800	\$ 295,800
			\$ 1,440,200	\$ 1,391,298



Each year Leavenworth replaces four police patrol cars.

Capital Improvements Program
2020-2024 Program

100' Aerial Ladder Fire Truck Replacement

This allocation is to fund the replacement of a 100" Aerial platform.

<u>Sources</u>	<u>Comments</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
G.O.Bonds		2021	\$1,400,000	\$ 1,400,000

<u>Uses</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
Equipment purchases	2020	\$1,400,000	\$ 1,400,000
		\$1,400,000	\$ 1,400,000



The current apparatus is well beyond its life cycle and becoming more difficult to keep the vehicle operational.

Capital Improvements Program
2020-2024 Program

Sewer Vactor Truck Replacement

This allocation provides for the purchase of a second Vactor truck for WPC to ensure that there is always a truck available. There have been several occasions when the current truck has not been available due to maintenance issues. The truck was purchased in 2003. The mileage is low at 45,226 but there are a lot of hours on the motor. When the truck goes down, it sometimes takes up to 2 hours for the repair contractor to show up. This delays response time to residents with sewage backing into their homes.

Source	Comments	Year	Requested	Projected
Sewer Operating budget		2020	\$ 133,950	\$ 133,950

Uses	Year	Requested	Projected
Equipment Purchase	2020	\$ 133,950	\$ 133,950
	2021	\$ 133,950	\$ 133,950
		<u>\$ 267,900</u>	<u>\$ 267,900</u>



The vactor truck collects and transports sewage to the waste water treatment plant.

Capital Improvements Program
2020-2024 Program

IT-Computer Equipment Replacement

This annual allocation has been established to fund the replacement of computer equipment on an on-going basis.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 43,000	\$ 43,000
		2021	\$ 43,000	\$ 43,000
		2022	\$ 43,000	\$ 43,000
		2023	\$ 43,000	\$ 43,000
		2024	\$ 43,000	\$ 43,000
				\$ 215,000

Uses	Year	Requested	Projected
Equipment purchases	2020	\$ 43,000	\$ 43,000
	2021	\$ 43,000	\$ 43,000
	2022	\$ 43,000	\$ 43,000
	2023	\$ 43,000	\$ 43,000
	2024	\$ 43,000	\$ 43,000
			\$ 215,000



This allocation will focus on replacing computers with windows 7. Microsoft will stop support of the operating system in 2020.

Capital Improvements Program
2020-2024 Program

Refuse Truck Replacement

This allocation is to replace a refuse truck whose maintenance costs exceed the cost of replacement. The plan is to trade in a vehicle to offset the costs of the truck. Trade-in value is estimated to be \$49,500. However, the amount listed below is full cost, because events may transpire to negate or alter the trade-in value.

<u>Sources</u>	<u>Comments</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
Refuse Operating Budget		2020	\$ 200,000	\$ 200,000

<u>Uses</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
Refuse Truck replacement	2020	\$ 200,000	\$ 200,000
		\$ 200,000	\$ 200,000



The City plans to purchase a Cobra Magnum in 2020.

Capital Improvements Program
2020-2024 Program

Portable Lift System

This allocation provides for the purchase of a system that will lift heavy equipment to enable repairs to be made in a timely manner.

Sources	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 70,000	\$ 70,000

Uses	Year	Requested	Projected
Equipment purchases	2021	\$ 70,000	\$ 70,000
		\$ 70,000	\$ 70,000



The current lift system is reaching the end of its useful life.

Capital Improvements Program
2020-2024 Program

Sewer Lift Station Improvements

This allocation provides for upgrades to the Sewer Lift stations for SCADA monitoring system.

Sources	Comments	Year	Requested	Projected
Sewer Operating Budget		2020	\$ 50,000	\$ 50,000

Uses	Year	Requested	Requested
Equipment purchases	2020	\$ 50,000	\$ 50,000
		\$ 50,000	\$ 50,000



The goal of the Water Pollution Control Division is to protect the public health and the environment by providing wastewater treatment.

Capital Improvements Program
2020-2024 Program

Spreader with Pre-Wet system

This allocation provides for the replacement of a piece of equipment that can no longer be repaired because parts are no longer available.

Sources	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 21,142	\$ 21,142

Uses	Year	Requested	Projected
Equipment purchases	2021	\$ 21,142	\$ 21,142
		\$ 21,142	\$ 21,142



A picture of a spreader with a pre-wet system.

Capital Improvements Program
2020-2024 Program

Upgrade Fuel Tank Monitoring System

This allocation provides for the purchase of a system that can eliminate security issues and provide information on mechanical problems.

Sources	Comments	Year	Requested	Projected
CIP		2020	\$ 26,900	\$ 26,900

Uses	Year	Requested	Projected
Equipment purchases	2020	\$ 26,900	\$ 26,900
		\$ 26,900	\$ 26,900



Upgrades allow the City the ability to address common issues that surface in fuel system management.

Capital Improvements Program
2020-2024 Program

Fire Metal Clothing Lockers

This allocation is to fund the replacement of clothing lockers at stations 1 & 2 which are no longer functioning properly.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 12,500	\$ 12,500

Uses	Year	Requested	Projected
Equipment purchases	2020	\$ 12,500	\$ 12,500
		\$ 12,500	\$ 12,500



The lockers are used to store bunker gear and other fire protection equipment.

Capital Improvements Program
2020-2024 Program

Boiler Replacement

This allocation provides funding to replace the boilers at Fire Station 1.

Sources	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 85,000	\$ 85,000

Uses	Year	Requested	Projected
Equipment purchases	2021	\$ 85,000	\$ 85,000
		\$ 85,000	\$ 85,000



The current units are both at the end of their lifespan and due for replacement.

Capital Improvements Program
2020-2024 Program

Executime Time Keeping System

This allocation provides funding for advanced Time Tracking software for the Finance Department.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 21,225	\$ 21,225

Uses	Year	Requested	Projected
Equipment purchases	2020	\$ 21,225	\$ 21,225
	2021	\$ 21,225	\$ 21,225
		<u>\$ 42,450</u>	<u>\$ 42,450</u>



Executime Time software will create efficiencies in the payroll system.

Capital Improvements Program
2020-2024 Program

Police SWAT Active Shooter Response Equipment

This allocation provides funding to enhance SWAT team operations at the Police Department.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 42,000	\$ 42,000

Uses	Year	Requested	Projected
Equipment purchases	2020	\$ 42,000	\$ 42,000
		\$ 42,000	\$ 42,000



The equipment will allow the department to enhance its training program.

Capital Improvements Program
2020-2024 Program

Equipment Hotbox

This allocation provides funding for an asphalt hotbox trailer.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 32,106	\$ 32,106

Uses	Year	Requested	Requested
Equipment purchases		\$ 32,106	\$ 32,106
		\$ 32,106	\$ 32,106



Having a hotbox would allow Public Works to do asphalt or cold patch year round.

Capital Improvements Program
2020-2024 Program

Audio Visual Equipment Replacement

This allocation provides funding to replace the audio visual equipment in the Fire Department Training Room.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 25,000	\$ 25,000

Uses	Year	Requested	Projected
Equipment Replacement	2020	\$ 25,000	\$ 25,000
		\$ 25,000	\$ 25,000



The training room is utilized by many outside organizations such as KU Fire Rescue, MARC, and the Regional Homeland Security Coordinating Committee.

Capital Improvements Program
2020-2024 Program

Overhead Door Replacement

This allocation provides funding to replace the garage doors at Stations 1&2

Sources	Comments	Year	Requested	Projected
Sales Tax		2021	\$ 21,188	\$ 21,188

Uses	Year	Requested	Projected
Equipment purchases	2021	\$ 21,888	\$ 21,888
		\$ 21,888	\$ 21,888



The current doors lack standard safety measures. The new doors will include timers, audible warnings, lights, and countdown timers.

Capital Improvements Program
2020-2024 Program

Equipment Spreader

This allocation provides funding for a stainless steel spreader with a pre-wet system.

<u>Sources</u>	<u>Comments</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
		2020	\$ 17,339	\$ 17,339

<u>Uses</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
Equipment purchases	2022	\$ 17,339	\$ 17,339



A picture of a spreader with a pre-wet system.

Capital Improvements Program
2020-2024 Program

Equipment Spreader

This allocation provides for the replacement of a spreader with a pre-wet system.

<u>Sources</u>	<u>Comments</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
		2020	\$ 10,336	\$ 10,336

<u>Uses</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
Equipment purchases	2020	\$ 10,336	\$ 10,336



A picture of a spreader with a pre-wet system.

Capital Improvements Program
2020-2024 Program

Vendor Self-Serve

This allocation provides funding to purchase vendor maintenance software for the Finance Department.

Sources	Comments	Year	Requested	Projected
Sales Tax			\$ 9,000	\$ 9,000

Uses	Year	Requested	Projected
Software purchases		\$ 9,000	\$ -
		\$ 9,000	\$ -



The Vendor Self Service portal will provide vendors with the option to register with the City, view invoices, and update contacts information.

Capital Improvements Program
2020-2024 Program

Plate Compactors

This allocation provides for the replacement of a piece of equipment that can no longer be repaired.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 6,765	\$ 6,765

Uses	Year	Requested	Projected
Equipment purchases	2020	\$ 6,765	\$ 6,765
		\$ 6,765	\$ 6,765



A plate compactor on the mini excavator would help the Stormwater crew compact dirt around storm boxes, driveway tubes and any other projects.

Capital Improvements Program
2020-2024 Program

New Screens in Commission Room

The allocation will provide funding to remove two outdated projectors and install (4) 70" LED TV screens.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 5,780	\$ 5,780

Uses	Year	Requested	Projected
Equipment Replacement	2020	\$ 5,780	\$ 5,780
		\$ 5,780	\$ 5,780



The City Commission and audience have had difficulty viewing presentations in the past. This enhancement will remedy the situation with clearer and higher-quality screens with more vibrant light and colors.

Capital Improvements Program
2020-2024 Program

Knox KeySecure

This allocation provides funding to purchase and install KNOX KeySecure systems to 6 fire apparatus.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 5,500	\$ 5,500

Uses	Year	Requested	Projected
Equipment purchases		\$ 5,500	\$ 5,500
		\$ 5,500	\$ 5,500



Protecting and securing Knox keys is a high priority. Local business owners and institutions trust that only official fire department personnel have access to these keys. These devices will reduce the liability of lost keys.

Capital Improvements Program
2020-2024 Program

Equipment Plate Wacker

This allocation provides funding to purchase a Plate Wacker for Public Works.

Sources	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 2,100	\$ 2,100

Uses	Year	Requested	Projected
Equipment purchases	2020	\$ 2,100	\$ 2,100
		\$ 2,100	\$ 2,100



The current vibratory plate wacker is leaking oil and the gaskets need replaced. The new equipment will allow staff to work more efficiently.

Capital Improvements Program
2020-2024 Program

Service Truck

This allocation provides funding to purchase a service truck for the garage.
The truck would allow staff to conduct on-site diagnostics.

Sources	Comments	Year	Requested	Projected
		2020	\$ 110,000	\$ 110,000

Uses	Year	Requested	Projected
Equipment purchases		\$ 110,000	\$ -
		\$ 110,000	\$ -



The service truck will allow garage personnel to do on-site diagnostics to decide if the unit needs to be towed to the garage or towed directly to the dealer. This would eliminate the cost of a second tow of a unit being towed to the garage, then finding that it needs to go to the dealer for repairs.

Capital Improvements Program
2020-2024 Program

Weight Room Equipment Replacement

This allocation provides funding to purchase new equipment for the weight room in the Riverfront Community Center.

Sources	Comments	Year	Requested	Projected
			\$ 68,000	\$ -
			\$ 68,000	\$ -

Uses	Year	Requested	Projected
Equipment purchases		\$ 68,000	\$ -
		\$ 68,000	\$ -



The majority of the weight room equipment is over 30 years old and outdated.

Capital Improvements Program
2020-2024 Program

Automatic Flagger

This allocation provides funding to purchase an automatic flagger for Public Works.

Sources	Comments	Year	Requested	Projected
			\$ 27,400	\$ -
				<u>\$ -</u>

Uses	Year	Requested	Projected
Equipment purchases		\$ 27,400	\$ -
		<u>\$ 27,400</u>	<u>\$ -</u>



The automatic flaggers would eliminate the need to have 2 operators doing the flagging.

Capital Improvements Program
2020-2024 Program

Economic Development

Charter Ordinance 54 defines the specific uses for the Countywide Sales Tax and Countywide Compensating Use Tax. This ordinance dedicated the use of the receipts of this tax for economic development purposes. In 2011, the City entered into a 10-year agreement with the Port Authority to help bring the VA Consolidated Patient Account Center (CPAC) to Leavenworth. The City agreed to fund \$50,000 per year from Economic developemnt Committee to support their activities that benefit the City. Other uses of this allocation includes supporting improvements to local businesses. The \$50,000 allocated to CPAC ends in 2022, so that amount becomes available for other projects at that time.

Source	Comments	Year	Requested	Projected
Countywide Sales/ Use tax		2020	\$ 426,510	\$ 426,510
		2021	\$ 439,305	\$ 439,305
		2022	\$ 452,484	\$ 452,484
		2023	\$ 466,059	\$ 466,059
		2024	\$ 480,041	\$ 480,041
				\$ 2,264,400

Uses	Year	Requested	Projected
Economic Development Operations	2020	\$ 426,510	\$ 426,510
	2021	\$ 439,305	\$ 439,305
	2022	\$ 452,484	\$ 452,484
	2023	\$ 466,059	\$ 466,059
	2024	\$ 480,041	\$ 480,041
			\$ 2,264,400



The City Commission approved an Economic Development Incentives Policy. This policy is a document intended to assist developers, business owners, and other parties in determining what incentives they may qualify for.

Capital Improvements Program
2020-2024 Program

Sewer Improvements

Project	Requested	Projected
Existing Projects		
Sewer Line Rehabilitation/Replacement	\$ 2,500,000	\$ 2,500,000
Sewer Repairs	\$ 200,000	\$ 200,000
Utility Storage Building	\$ 125,000	\$ 125,000
New Projects		
Treatment Plant Final Clarifier	\$ 229,900	\$ 229,900

Capital Improvements Program
2020-2024 Program

Sewer Line Rehabilitation

The annual allocation has been established to facilitate the reconstruction of sewer lines throughout the city. Specific projects will be identified each year based on the sanitary sewer master plan. This entire allocation comes from the Sewer Fund operating budget.

Source	Comments	Year	Requested	Projected
Operating budget		2020	\$ 500,000	\$ 500,000
		2021	\$ 500,000	\$ 500,000
		2022	\$ 500,000	\$ 500,000
		2023	\$ 500,000	\$ 500,000
		2024	\$ 500,000	\$ 500,000
				\$2,500,000

Uses	Year	Requested	Projected
Construction	2020	\$ 500,000	\$ 500,000
	2021	\$ 500,000	\$ 500,000
	2022	\$ 500,000	\$ 500,000
	2023	\$ 500,000	\$ 500,000
	2024	\$ 500,000	\$ 500,000
			\$2,500,000



Each year, the city identifies sewer lines to be replaced.

Capital Improvements Program
2020-2024 Program

Treatment Plant Final Clarifier

This allocation is to fund a final clarifier for the Waste Water Plant.

Source	Comments	Year	Requested	Projected
Operating budget		2020	\$ 229,900	\$ 229,900

Uses	Year	Requested	Projected
Construction	2020	\$ 229,900	\$ 229,900
		<u>\$ 229,900</u>	<u>\$ 229,900</u>



This equipment is designed to allow sludge to settle while the clean water is discharged to the receiving stream.

Capital Improvements Program
2020-2024 Program

Sewer Repairs

The annual allocation has been established for maintenance of the WWTP facility and other infrastructure needs. This entire allocation comes from the sewer Fund operating budget.

Source	Comments	Year	Requested	Projected
Operating budget		2020	\$ 200,000	\$ 200,000
		2021	\$ 200,000	\$ 200,000
		2022	\$ 200,000	\$ 200,000
		2023	\$ 200,000	\$ 200,000
		2024	\$ 200,000	\$ 200,000
				\$1,000,000

Uses	Year	Requested	Projected
Construction	2020	\$ 200,000	\$ 200,000
	2021	\$ 200,000	\$ 200,000
	2022	\$ 200,000	\$ 200,000
	2023	\$ 200,000	\$ 200,000
	2024	\$ 200,000	\$ 200,000
			\$1,000,000



The Waste Water Pant was built in 1974 and has had three upgrades in the last decade.

Capital Improvements Program
2020-2024 Program

Utility Storage Building

This allocation provides funds for a storage facility for equipment that doesn't need to be in a climate-controlled environment.

Source	Comments	Year	Requested	Projected
Operating budget		2021	\$ 125,000	\$ 125,000

Uses	Year	Requested	Projected
Construction	2020	\$ 125,000	\$ 125,000
		<u>\$ 125,000</u>	<u>\$ 125,000</u>



The shed will allow for heavy equipment to be covered from the elements.

Capital Improvements Program
2020-2024 Program

Other

Source	Comments	Year	Requested	Projected
Existing Projects				
Debt Reduction	15% of Countywide Sales/Use tax	2020	\$2,264,400	\$ 2,264,400
Business & Tech. Debt Service	Sales Tax	2020	\$ 1,752,725	\$ 1,752,725
Community Center Operations	Ongoing Allocation from Sales Tax	2020	\$ 1,500,000	\$ 1,500,000
Animal Control Debt Service	Ongoing Allocation from Sales Tax	2020	\$ 1,279,211	
Fire Truck Debt Service	Ongoing Allocation from Sales Tax	2020	\$ 534,084	\$ 534,084
Finance Software Debt Service	Operations	2020	\$ 283,725	\$ 283,725
2nd Street Bridge Debt Service	SalesTax	2020	\$ -	\$ -
New Projects				
Thornton Street Debt	Sales Tax	2020	\$ 1,760,084	\$ 1,760,084
Comprehensive Plan	Sales Tax	2020	\$ 50,000	\$ 50,000
			<u>\$ 1,810,084</u>	<u>\$ 1,810,084</u>

Capital Improvements Program
2020-2024 Program

Debt Service

Charter Ordinance 54 defines the specific uses for the Countywide Sales Tax/Countywide Compensating Use Tax. This ordinance dedicated 15% of the receipts of this tax for general obligation debt retirement purposes.

Source	Comments	Year	Requested	Projected
Countywide Sales/ Use tax	15% of Estimated Receipts	2020	\$ 426,510	\$ 426,510
		2021	\$ 439,305	\$ 439,305
		2022	\$ 452,484	\$ 452,484
		2023	\$ 466,059	\$ 466,059
		2024	\$ 480,041	\$ 480,041
			<u>\$2,264,400</u>	<u>\$ 2,264,400</u>

Uses	Year	Requested	Projected
Transfer to Debt Service Fund	2020	\$ 426,510	\$ 426,510
	2021	\$ 439,305	\$ 439,305
	2022	\$ 452,484	\$ 452,484
	2023	\$ 466,059	\$ 466,059
	2024	\$ 480,041	\$ 480,041
		<u>\$2,264,400</u>	<u>\$ 2,264,400</u>



The pavement management program is funded in part by general obligation bonds.

Capital Improvements Program
2020-2024 Program

Business & Technology Park

This allocation provides funds to accommodate the estimated principal and interest payments required for the retirement of debt that will be issued for the Business & Technology Park project. The City entered into an Interlocal agreement with Leavenworth County for the purpose of constructing a new Business & Technology Park at 20th & Eisenhower Rd. The City's portion will be \$4,910,000 and the terms of the bond have the first payment due in 2018.

Source	Comments	Year	Requested	Projected
Countywide Sales/ Use tax		2020	\$ 350,265	\$ 350,265
		2021	\$ 348,065	\$ 348,065
		2022	\$ 350,265	\$ 350,265
		2023	\$ 352,065	\$ 352,065
		2024	\$ 352,065	\$ 352,065
			<u>\$1,752,725</u>	<u>\$ 1,752,725</u>

Uses	Comments	Year	Requested	Projected
Transfer to Debt Service Fund for Business & Technology Park		2020	\$ 350,265	\$ 350,265
		2021	\$ 348,065	\$ 348,065
		2022	\$ 350,265	\$ 350,265
		2023	\$ 352,065	\$ 352,065
		2024	\$ 352,065	\$ 352,065
			<u>\$1,752,725</u>	<u>\$ 1,752,725</u>



The Business and Technology Park is a state-of-the-art 81 acre shovel ready industrial park located 20 miles from the Kansas City International Airport.

Capital Improvements Program
2020-2024 Program

Community Center Operations

This annual allocation has been established to facilitate the ongoing operation of the Community Center.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 300,000	\$ 350,000
		2021	\$ 300,000	\$ 350,000
		2022	\$ 300,000	\$ 350,000
		2023	\$ 300,000	\$ 350,000
		2024	\$ 300,000	\$ 350,000
				\$1,500,000

Uses	Comments	Year	Requested	Projected
Transfer to Community Center		2020	\$ 300,000	\$ 350,000
		2021	\$ 300,000	\$ 350,000
		2022	\$ 300,000	\$ 350,000
		2023	\$ 300,000	\$ 350,000
		2024	\$ 300,000	\$ 350,000
				\$1,500,000



The Riverfront Community Center is a 53,000 square foot facility. The building is a fully-restored 1880's train depot nestled in a lovely park on the banks of the Missouri River.

Capital Improvements Program
2020-2024 Program

Animal Control Debt Service

In 2013, \$2,305,000 of GO Bonds were issued to permanently finance the Animal Control facility project. Principal payment on the bonds began in 2016 and will continue until 2025. The payments will be made from the CIP Sales Tax fund.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 254,330	\$ 254,330
		2021	\$ 255,280	\$ 255,280
		2022	\$ 256,255	\$ 256,255
		2023	\$ 256,673	\$ 256,673
		2024	\$ 256,673	\$ 256,673
				\$1,279,211

Uses	Year	Requested	Projected
Transfer to Debt Service	2020	\$ 254,330	\$ 254,330
	2021	\$ 255,280	\$ 255,280
	2022	\$ 256,255	\$ 256,255
	2023	\$ 256,673	\$ 256,673
	2024	\$ 256,673	\$ 256,673
			\$1,279,211



Animal Control is responsible for enforcing city ordinances regarding animals including the leash law, vaccination and licensing requirements, and checking on neglected or abused animals.

Capital Improvements Program
2020-2024 Program

Fire Truck Debt Service

In 2016, \$1,606,585 will be required to replace 3 fire trucks. In 2015 and 2016, \$146,465 each year was set aside towards paying for the trucks, therefore, GO Bonds in the amount of \$1,340,000 were issued to finance the purchase of the trucks. The bonds were a 15 year issuance, with a payoff date of 2031.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 109,388	\$ 109,388
		2021	\$ 107,688	\$ 107,688
		2022	\$ 107,328	\$ 107,328
		2023	\$ 104,840	\$ 104,840
		2024	\$ 104,840	\$ 104,840
				\$ 534,084

Uses	Year	Requested	Projected
Transfer to Debt Service	2020	\$ 109,388	\$ 109,388
	2021	\$ 107,688	\$ 107,688
	2022	\$ 107,328	\$ 107,328
	2023	\$ 104,840	\$ 104,840
	2024	\$ 104,840	\$ 104,840
			\$ 534,084



One of the three trucks purchased in 2016.

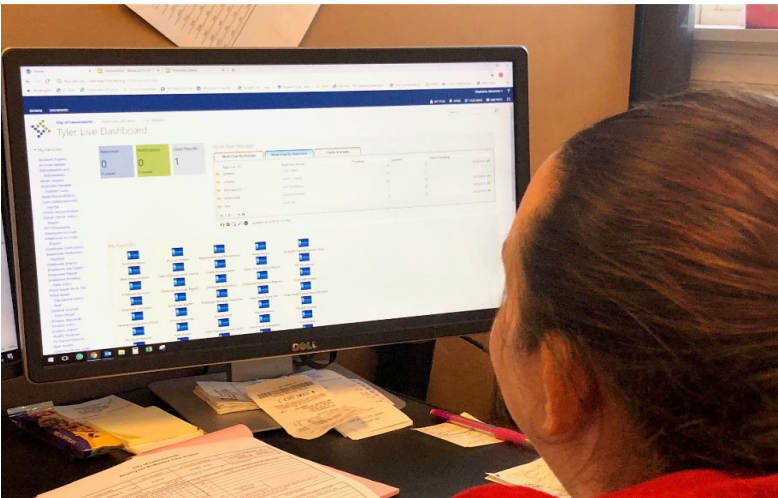
Capital Improvements Program
2020-2024 Program

Finance Software Debt Service

In 2014, \$490,000 of bonds were issued to fund the purchase of finance software and equipment. This will be paid from the savings between the old finance software maintenance and the new system maintenance costs. The principal payments began in 2015 and will continue through 2024.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 58,125	\$ 58,125
		2021	\$ 56,000	\$ 56,000
		2022	\$ 54,650	\$ 54,650
		2023	\$ 58,300	\$ 58,300
		2024	\$ 56,650	\$ 56,650
				<u>\$ 283,725</u>

Uses	Year	Requested	Projected
Transfer to Debt Service	2020	\$ 58,125	\$ 58,125
	2021	\$ 56,000	\$ 56,000
	2022	\$ 54,650	\$ 54,650
	2023	\$ 58,300	\$ 58,300
	2024	\$ 56,650	\$ 56,650
			<u>\$ 283,725</u>



The financial system allows for increased efficiencies.

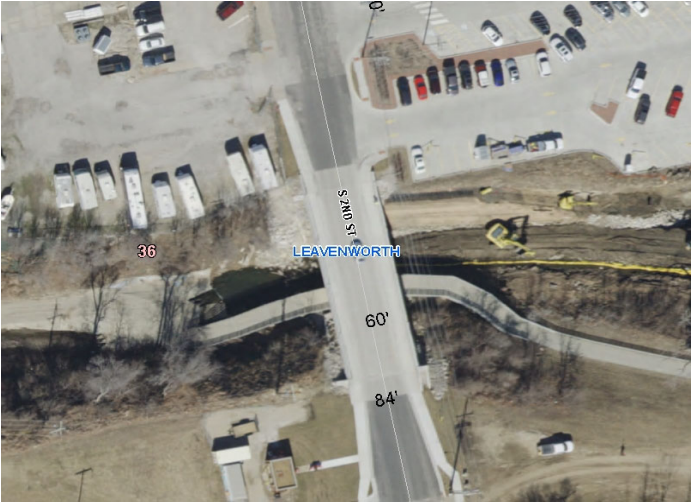
Capital Improvements Program
2020-2024 Program

2nd Street Bridge Debt Service

This allocation provides funds to accommodate the principal and interest payments required for the retirement of debt that will be issued for the 2nd Street Bridge project. \$250,000 was allocated toward this project in 2016.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 244,800	\$ 244,800

Uses	Year	Requested	Projected
Transfer to Debt Service Fund for 2nd Street Bridge	2020	\$ 244,800	\$ 244,800
		<u>\$ 244,800</u>	<u>\$ 244,800</u>



This bridge is located on the northeast side of Leavenworth.

Capital Improvements Program
2020-2024 Program

Thornton Street Debt

This allocation provides funds to accommodate the estimated principal and interest payments required for the retirement of debt that will be issued for the Thornton Street project. The city issues debt in the summer of 2019. the project.

Source	Comments	Year	Requested	Projected
Sales Tax		2020	\$ 208,478	\$ 208,478
		2021	\$ 105,700	\$ 105,700
		2022	\$ 105,700	\$ 105,700
		2023	\$ 670,103	\$ 670,103
		2024	\$ 670,103	\$ 670,103
			\$ 1,760,084	\$ 1,760,084

Uses	Year	Requested	Projected
Transfer to Debt Service Fund for Thornton Street	2020	\$ 208,478	\$ 208,478
	2021	\$ 105,700	\$ 105,700
	2022	\$ 105,700	\$ 105,700
	2023	\$ 670,103	\$ 670,103
	2024	\$ 670,103	\$ 670,103
		\$ 1,760,084	\$ 1,760,084



After listening to citizen feedback, the City Commission decided to invest in a street rebuild for Thornton Street.

Capital Improvements Program
2020-2024 Program

Comprehensive Plan

This allocation provides funds hire an outside consultant to conduct a public participation and visioning process along with the development of a final plan.

<u>Source</u>	<u>Comments</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
Countywide Sales/ Use tax		2020	\$ 50,000	\$ 50,000

<u>Uses</u>	<u>Year</u>	<u>Requested</u>	<u>Projected</u>
Comprehensive Plan		\$ 50,000	\$ 50,000
		\$ 50,000	\$ 50,000



City staff discussing the comprehensive plan.

APPENDIX B -Summary of Financial Policies

Finance Staff are committed to adopting and implementing financial best practices as laid out by the Government Finance Officers Association. Currently, the staff is developing, revising, and proposing new policies to the City Manager and City Commission.

Unlike private entities, there are no “bottom line” profit figures that assess the financial performance of the City, nor are there any authoritative standards by which City officials can judge themselves. Instead, City Council and management work together to set goals and objectives that measure the performance and effectiveness of municipal programs and services.

Financial policies can be used to establish similar goals and targets for the City’s financial operations so that the City Commission and City Officials can monitor how well the City is performing. Formal financial policies provide for a consistent approach to financial strategies and set forth guidelines to measure financial performance and future budgetary programs.

The following is a summary of policies adopted by the City Commission. The full text of each policy can be found on the city’s [website](#).

• Budgetary Policy	• Debt Management Policy
• Budgetary Reserve Policy	• Procurement Policy
• Capital Asset Policy	• Revenue Control Policy
• Economic Development Policy	

Budget Policy

The City of Leavenworth adheres to a State law, which requires all local governments to operate with a balanced budget for funds that levy a tax. A balanced budget is defined as a budget in which projected revenues and available unencumbered cash are equal to expenditures.

Budgetary Reserve Policy

The City adheres to the Budgetary Reserve Policy to establish a framework to ensure sound financial management, reduce the need for issuing debt through effective use of reserves, and maintaining two months of expenditures level as budgetary reserves.

Capital Asset Policy

The City of Leavenworth defines capital assets as tangible and intangible assets with a value exceeding \$5,000 and a useful life exceeding one business cycle. Capital assets are those items with an acquisition cost of less than \$5,000, but which are particularly at risk or vulnerable to theft or loss. The City’s capital assets are resources used to provide public services to the community.

Debt Management Policy

The City uses debt financing for capital improvement projects and equipment purchases. The City traditionally uses Temporary Notes and General Obligation Bonds to finance the development of infrastructure and levies special assessments against beneficiary properties to be paid over the lifespan of the project.

Procurement Policy

The City's procurement policy is based upon Kansas State Statutes and City Ordinances. The purpose of this policy is to provide guidelines to all City personnel, establishing authority and limits for the purchase of materials, supplies, equipment, and services by the City.

Revenue Control Policy

The City uses the revenue control policy to maintain effective revenue controls and cash management practices, including compliance with federal, state and local requirements and industry standards.

Economic Development Policy

The purpose of this policy is to establish the official policy of the City of Leavenworth for the granting of economic development incentives, including uses in accordance with the provisions of the Constitution of the State of Kansas. The appropriate purpose and use of incentives is to broaden and diversify the tax base, create new job opportunities for the citizens of the City of Leavenworth, and promote the economic growth and welfare of the City of Leavenworth

Appendix C - State Budget Forms

Leavenworth Times Affidavit of Publication

I, Tammy Lawson of lawful age, being first duly sworn on oath, states, that she (he) is a Legal Representative of the Times a daily newspaper, printed and published in Leavenworth, Leavenworth County, Kansas, that said newspaper has been published for a least Fifty (50) times a year and has been so published for at least five (5) years prior to the first publication of the attached Notice that said newspaper has a general paid circulation on a monthly and yearly basis in Leavenworth County, Kansas and is not a trade, religious or fraternal publication and has been printed and published in Leavenworth County, Kansas and has a general paid circulation in said County. The attached Notice was published on the following dates in a regular issue of said newspaper.

First Publication was made on the 26 day of July, 2019.

Second Publication was made on the _____ day of _____, 20_____.

Third Publication was made on the _____ day of _____, 20_____.

Fourth Publication was made on the _____ day of _____, 20_____.

Fifth Publication was made on the _____ day of _____, 20_____.

Sixth Publication was made on the _____ day of _____, 20_____.

Seventh Publication was made on the _____ day of _____, 20_____.

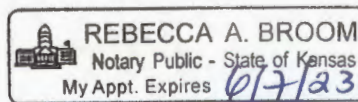
WITNESS my hand this 29 day of July, 2019.

Tammy Lawson
Legal Representative

Subscribe and sworn before me, this the 29 day of July, 2019.

Rebecca A. Broom
Notary Public

My Commission Expires: 6/7/23



Published in the Leavenworth Times July 28, 2019

NOTICE OF BUDGET HEARING

State of Kansas
City

The governing body of
City of Leavenworth

will meet on August 13, 2019 at 7:00 PM at City Hall for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax. Detailed budget information is available at City Hall and Leavenworth Public Library and will be available at this hearing.

2020

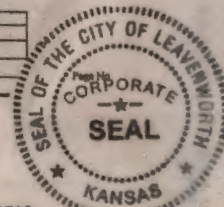
BUDGET SUMMARY

Proposed Budget 2020 Expenditures and Amount of 2019 Ad Valorem Tax establish the maximum limits of the 2020 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2018		Current Year Estimate for 2019		Proposed Budget Year for 2020		
	Expenditures	Actual Tax Rate *	Expenditures	Actual Tax Rate *	Budget Authority for Expenditures	Amount of 2019 Ad Valorem Tax	Estimated Tax Rate *
General	18,807,922	16.593	19,140,563	16.382	23,005,748	3,675,224	16.743
Debt Service	3,286,767	7.635	3,710,227	7.637	4,174,762	1,676,329	7.637
Library	873,583	3.750	900,600	3.750	938,000	823,143	3.750
Library Emp Benefit	196,957	0.844	284,000	1.230	274,000	237,167	1.480
Library Operating	1,631,885	1.822	1,657,548	2.277	1,651,069	449,291	2.047
Police Pension	14,954	0.644	15,595	0.064	169,950	13,317	0.061
Fire Pension	123,914	0.060	130,000	0.414	613,000	90,028	0.410
Special Highway	1,921,595		1,286,075		2,460,302		
Economic Develop	416,551		543,994		942,230		
CDL	304,421		456,518		917,281		
CDL Sales Tax	1,163,279		2,650,082		4,045,366		
Cosmetics/ Wigs Sales	2,213,758		2,940,992		3,162,019		
Professors	190,840		211,710		222,798		
Book Tax	616,106		804,711		980,544		
Hotel Tax	293,095		404,174		537,451		
Horse Show Tax	281,704		391,759		307,084		
Lawyer	4,029,314		5,048,153		6,126,264		
Refuse Restricted	14,095		15,000		18,714		
Refuse	1,913,032		2,055,144		2,637,622		
Storm Water			1,300,000		1,100,000		
Non-Budgeted Funds-A	11,129,648						
Non-Budgeted Funds-B	254,265						
Totals	49,677,685	31.348	43,946,825	31.754	54,284,204	6,964,499	31.728
Less: Transfers	4,206,064		4,970,159		6,342,908		
Net Expenditure	45,471,621		38,976,666		47,941,296		
Total Tax Levied	6,742,928		6,742,928		6,742,928		
Assessed Valuation	212,344,997		212,344,997		219,502,504		
Outstanding Indebtedness,							
January 1,	2017	2018	2019				
G.O. Bonds	25,840,000	28,960,000	26,870,000				
Revenue Bonds	0	0	0				
Other	1,660,000	2,070,000	3,935,000				
Lease Purchase Principal	0	314,132	539,840				
Total	27,500,000	31,344,132	31,344,840				

*Tax rates are expressed in mills

Carly Williams
City Official Title: City Clerk



101710

Appendix - D

Long-Term Financial Plan

City of Leavenworth, Kansas

During 2019, Finance staff development and refined a Long-Term Financial Plan. As of the printing date, the plan is still in draft form and will be presented to policy makers in 2020. The following is a draft of the plan.

Introduction:

Local governments will always face serious challenges from external forces that include natural disasters, policy changes from other levels of government, and economic downturns, just to name a few. It is the role of governing bodies, management, and finance officers to find ways to not just overcome, but thrive in this type of environment. A long-term financial plan is an important tool that can assist in accomplishing this goal.

There are several reasons to prepare a long-term financial plan.

- Long term financial planning is a key factor in creating an organization that can not only survive but thrive during economic challenges.
- Rating agencies tend to increase bond ratings for those entities with a long-term financial plan in place.
- A long-term financial plan assesses the implications today's decisions have on future financial viability.
- A long-term financial plan assesses programs and services that may be offered or discontinued.
- Long -term financial plans can help develop strategies to achieve goals and objectives.

A financial forecast is a tool used in developing a long-term financial plan by estimating future revenues and expenditures and identifying the factors which impact them. This forecast is intended to help formulate decisions that encourage financial stability while delivering essential community services.

The information in this forecast includes an analysis of major revenue sources and uses for the primary government. The estimates include both quantitative and qualitative information. Quantitative estimates are based on historical data and trends, as well as economic conditions that may impact the City's ability to collect or generate revenue. The qualitative estimates are based on the experience and knowledge of finance staff that will indicate the most likely outcome.

Financial forecasts include a lot of economic variables that can and do change frequently. Other things that will affect the accuracy of the forecast include operational changes, the timing of large capital projects, and policy changes.

Executive Summary:

The City constantly looks for ways to maximize limited resources in order to address the priorities set by the City Commission. The current commission priorities were the result of the 2020 budget and goal setting processes involving discussions between the City Commission, City Manager, and Department Directors. The result was a list of priorities which would allow the City to attain the overall vision of where Leavenworth should be in the future. Five core areas were identified as critical and are the focus of the implementation plan going forward. These goals were a priority in the 2020 budget and will be in subsequent years through 2024. They are:

- Economic Development
 - Business Attraction, Retention, and Expansion
 - Transportation Plan
 - Downtown Development & Revitalization
 - Tourism
- Community Improvement
 - Neighborhoods
 - Rental Coordinator Program
 - Parks and Recreation
- Roadways and Infrastructure
 - Street Plan
 - Infrastructure Improvements and additions
- Public Safety
 - Police
 - Fire
- Outreach and Transparency
 - Public Information
 - Transparency

As with all levels of local government, the City of Leavenworth had been adversely affected by the reduction of property values, reduced sales tax, reduced funding from higher levels of government, and other reductions of revenue due to the Great Recession. However, the City of Leavenworth was able to withstand the effects of the recession due to the following:

- Organizational restructuring
- Freezing vacant positions
- Significant federal institution presence
- Reliance on reserves

Beginning in 2016, the City has shown small but steady annual improvements in the economy.

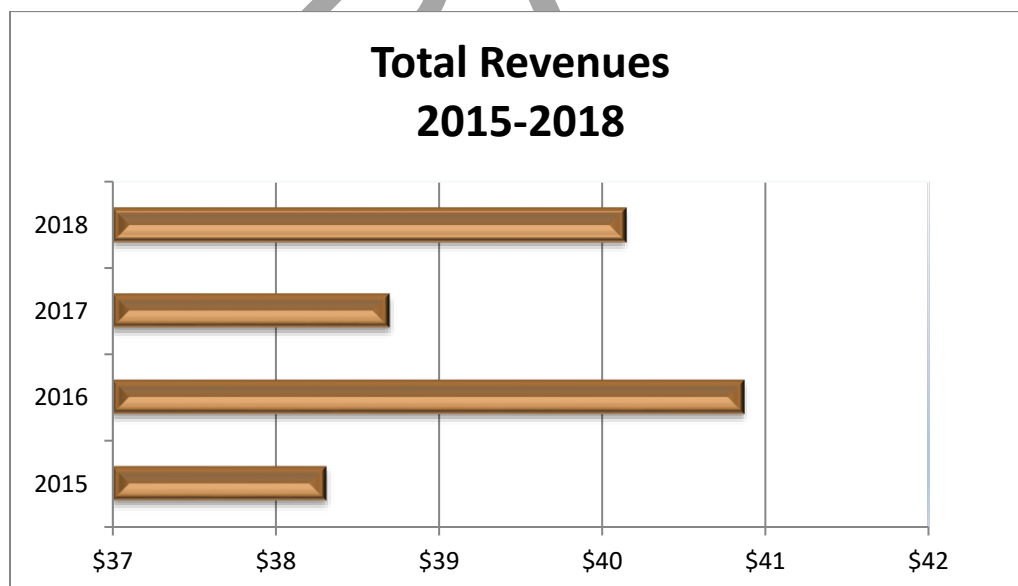
The following discussion provides an overview of the City's sources and uses of resources and an in depth analysis of the General Fund, Capital Outlay, Debt Management, Public Utilities, Recreation Fund, Street Fund, and Fund Balance (Reserves). With the adoption of the 2020 budget, staff recommendations are made with the 2021 budget as the focal point.

REVENUES

Overview

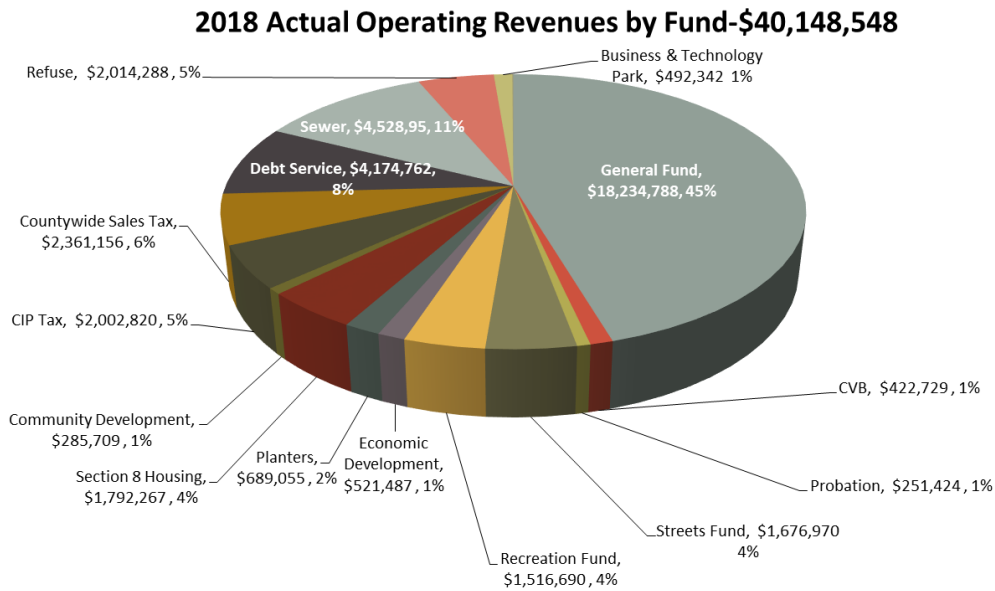
When comparing revenue levels in the operating funds from 2015 through 2018, revenues remained relatively stable with the following fluctuations:

- In 2016, the City refinanced bonds which impacted revenues by \$3,080,190.
- In 2017, the City began offering probation services, so the mill was increased by 0.321 to cover those services.
- In 2018, the utility rates increased 5% and 8% for Sewer and Refuse, respectively, to cover specifically identified capital improvements and offset anticipated shortfalls.
- 2016 through 2018 assessed values increased by 2.5%; City operating mills remained flat except for the increase for probation services mentioned above.
- While Convention and Visitor's Bureau (CVB) revenues make up only 1% of the City's revenue; it is one of the fastest growing resources. There has been a 58% increase between 2015 and 2018.
- Sales tax, which is the largest revenue source of the City grew 1% between 2015 and 2016; 1% between 2016 and 2017; and 4% between 2017 and 2018. Some of the sales tax is earmarked for capital outlay and some is tied to TIF districts; therefore, not available for operations.
- Interest rates on investments improved significantly so interest income, which also represents 1% of City revenues, grew by 89% between 2015 and 2018, some due to the improved economy, some due to changes in the City's investment strategy in 2016.

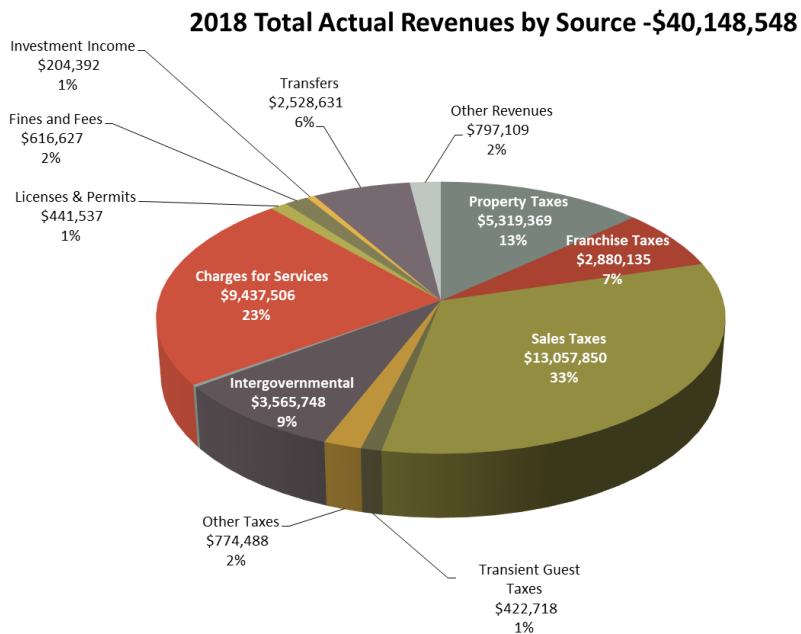


The graph below shows the actual operating revenues for 2018 by fund. The General Fund is the main operating fund for the City, and as can be seen below is 45 percent of total revenues. While the City of Leavenworth receives

revenue from a variety of sources, 71% of revenue is collected into one of four main funds: the General Fund, the Sewer Fund, County Wide Sales Tax, and the Debt Service Fund.



The following graph shows the 2018 actual operating revenues by source:



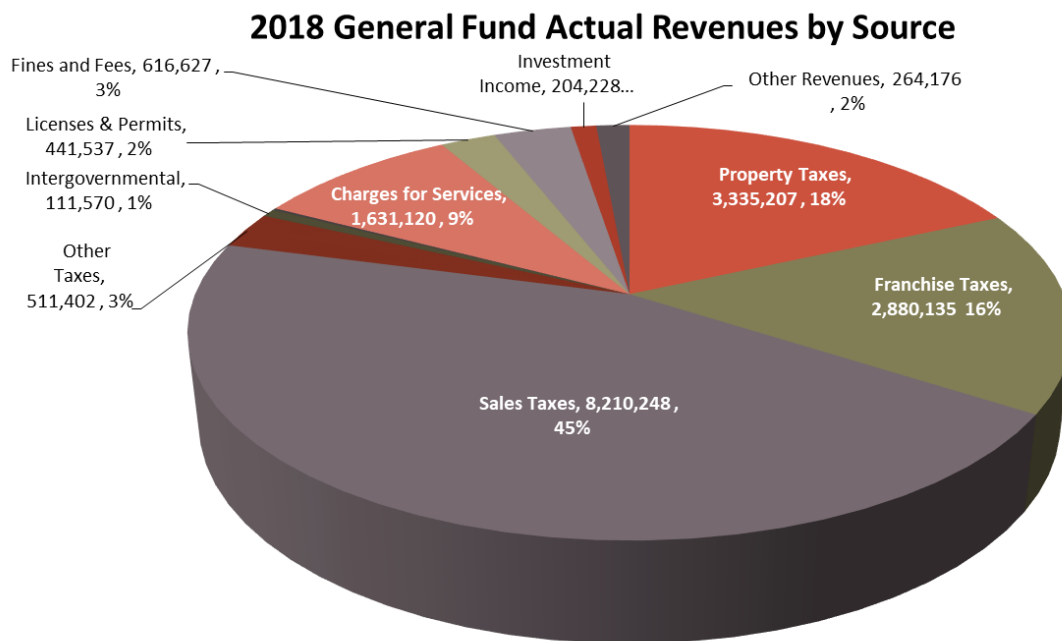
As shown in the graph above, the City's largest revenue source is Sales Tax at 33%. Charges for Services is the next largest at 23%. The majority of the charges for services category is generated by the Sewer and Refuse Utility Funds. Property taxes are the City's third largest revenue source at 13%.

An in depth analysis of revenue sources follows for the General Fund and Public Utility Funds. The analysis for County Wide Sales Tax and Debt Service will be addressed in sections on Capital Outlay and Debt Management.

General Fund

The General Fund is the City's main operating fund and most of the City's main operations are funded by the General Fund, such as Public Safety-police & fire; Public Works-permitting, engineering, inspections; Culture & Recreation-parks maintenance; and Administrative functions-Commission, City Manager, HR, Codes Enforcement, Planning, IT, etc.

The following pie chart shows the City's General Fund revenues by source and the percentage of total revenues each source represents.



Of the many sources of revenue in the General Fund, the four major sources are: Sales Tax, Property Tax, Franchise Tax and Charges for Services. Together, these make up 88% of the General Fund operating revenues.

Sales and Use Tax:

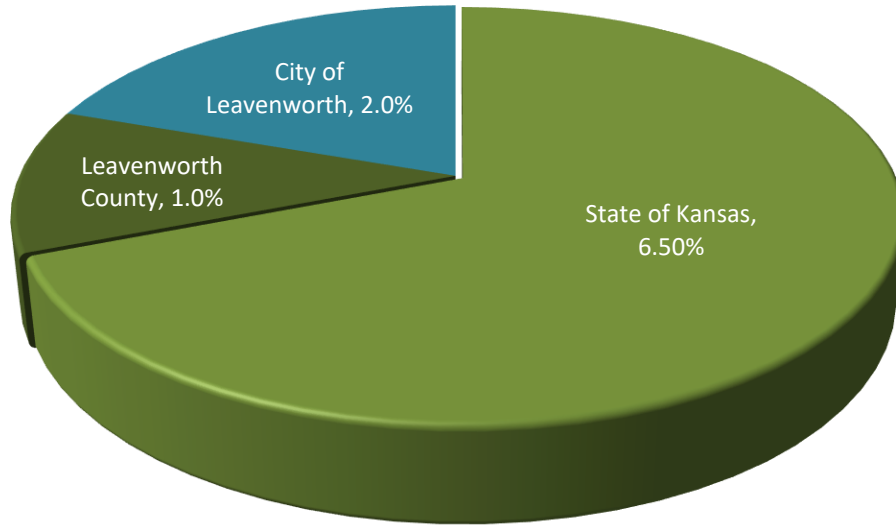
Sales Taxes are taxes paid on the sales of certain goods and services. Use taxes are sales tax on purchases made outside of the state of residence for taxable items that will be used, stored, or consumed in the state of residence of the purchaser and which no tax was collected in the state of purchase. In June 2018, the Supreme Court overturned a 1992 ruling that exempted internet sales from collecting sales tax and gave states the authority to collect sales taxes on e-commerce companies just as they do any other retailer, whether they have a physical presence in the state or not. It is estimated that cities and counties in Kansas could benefit from an additional \$32 million per year. Proponents note that it is not an additional tax; it is just collecting what is already due. Those opposed state that it would negatively impact small businesses who rely heavily on e-commerce.

The Kansas legislature adopted legislation designed to comply with requirements of the Streamlined Sales Tax Project. The Streamlined Sales Tax Project is a combined effort among states and businesses to establish uniformity in states' sales tax laws and addresses concerns related to merchants collecting and remitting sales tax on remote sales. Retailers are required to use destination-based sourcing to identify sales taxes to collect and remit on their sales. Currently, sales taxes are the leading source of revenue (45%) for the City of Leavenworth and more specifically, the General Fund. It is also the most susceptible to fluctuations due to economic conditions, which makes it difficult to project. While the large federal presence from the Fort, Dwight D. Eisenhower Veteran's Medical Center, the military disciplinary barracks, and the U. S. Federal Penitentiary stabilized the revenues from this source, sales taxes were negatively impacted during the Great Recession. The impact of the Great Recession on taxable retail sales can be seen on page 263.

The State of Kansas caps all cities' sales tax rate at 2%. The City of Leavenworth's sales tax rate is two percent. In 1977, the Commission passed Ordinance 6393 that created the original permanent ½ percent sales tax. In 1984, Ordinance #26 passed increasing the sales tax by another permanent ½ percent. Then in 2014, the citizens voted to increase the City sales tax by another one percent in order to stabilize the property tax levies (Ordinance #7943). There are Community Improvement Districts (CIDs) located within the City which are allowed to, and do, charge an additional amount above the City's two percent sales tax, however, those revenues are not available for operations and, therefore, are only included in this discussion because the City receives and disburses those taxes to the recipient.

There are several TIF districts also located within the City, which receive rebates of a portion of the sales tax their business generates. These are also not available for operations and therefore, are only part of this discussion because the City receives and disburses those taxes to the recipient. The following pie chart shows the total sales tax rate within the Leavenworth city limits (excluding TIF and CID District(s)).

Overall Sales Tax Rate - 9.50%



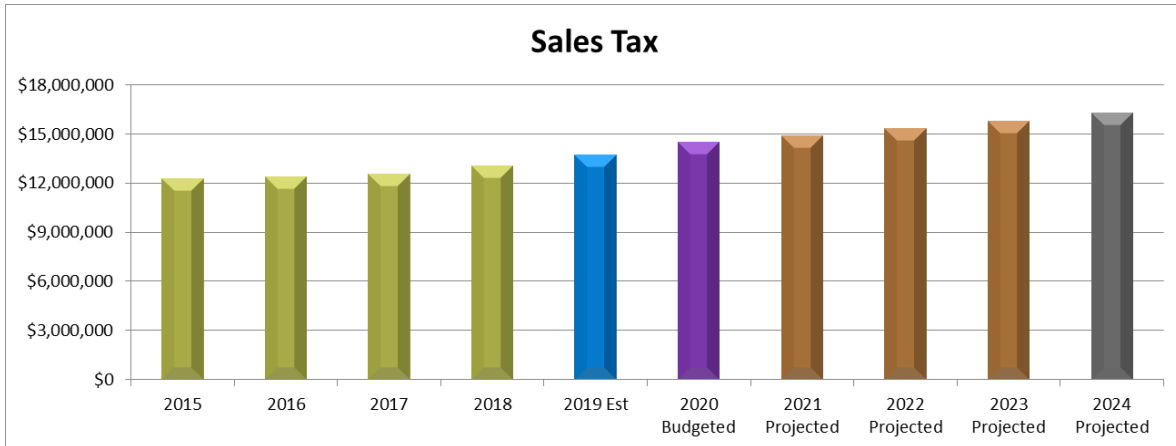
The City's portion of the sales tax rate is 2.0 percent and is earmarked as follows:

General Sales Taxes In Leavenworth		
<u>Purpose</u>	<u>Rate</u>	<u>End Date</u>
General Operations	1.50	Ongoing
Capital Outlay	.50	Ongoing
TOTAL	2.00	

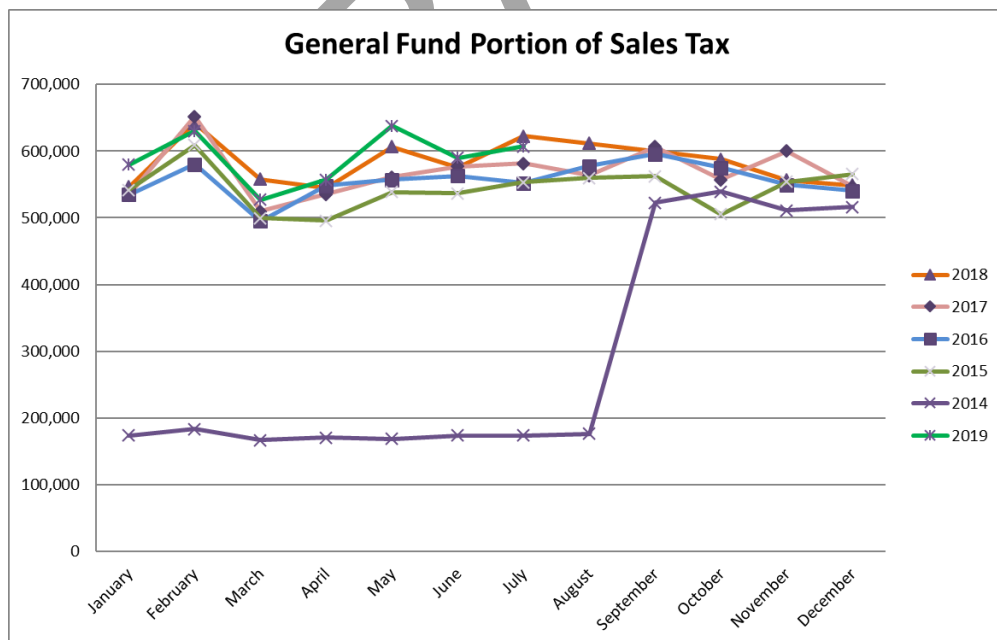
Since 2015 sales tax revenues have steadily increased. The sales tax revenue collections for 2016 were 1% higher than 2015, the 2017 sales tax revenues were 1% higher than the 2016 actuals; and 2018 revenues were 4% higher

than 2017. 2019 is estimated to be 4% higher than 2018. 2020 through 2024 is projected at a 2.83% increase per year.

The following graph shows actual and projected sales tax revenue collections for the City through 2024.

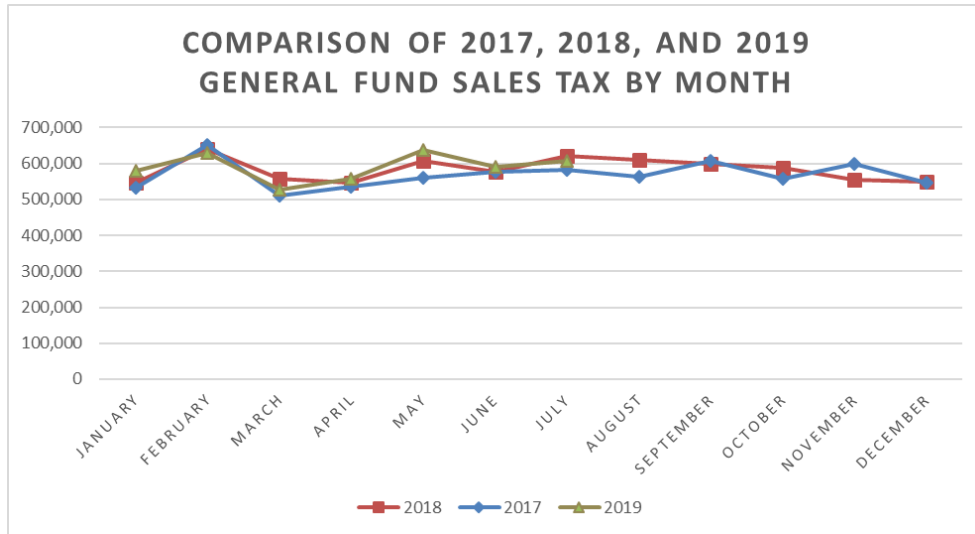


The graph below shows the pattern of sales tax receipts since 2014. Prior to August of 2014, the sales tax rate was one (1) percent. However, the monthly fluctuations are still discernable. 2015 through 2017 show the same monthly trends as 2014 until October. Subsequent years show the same activity throughout the year.



The following chart, while showing the same trends, also shows the relationship between 2017 actuals and the higher levels of 2018 actuals and 2019 year to date actuals. The sales taxes for January and February were

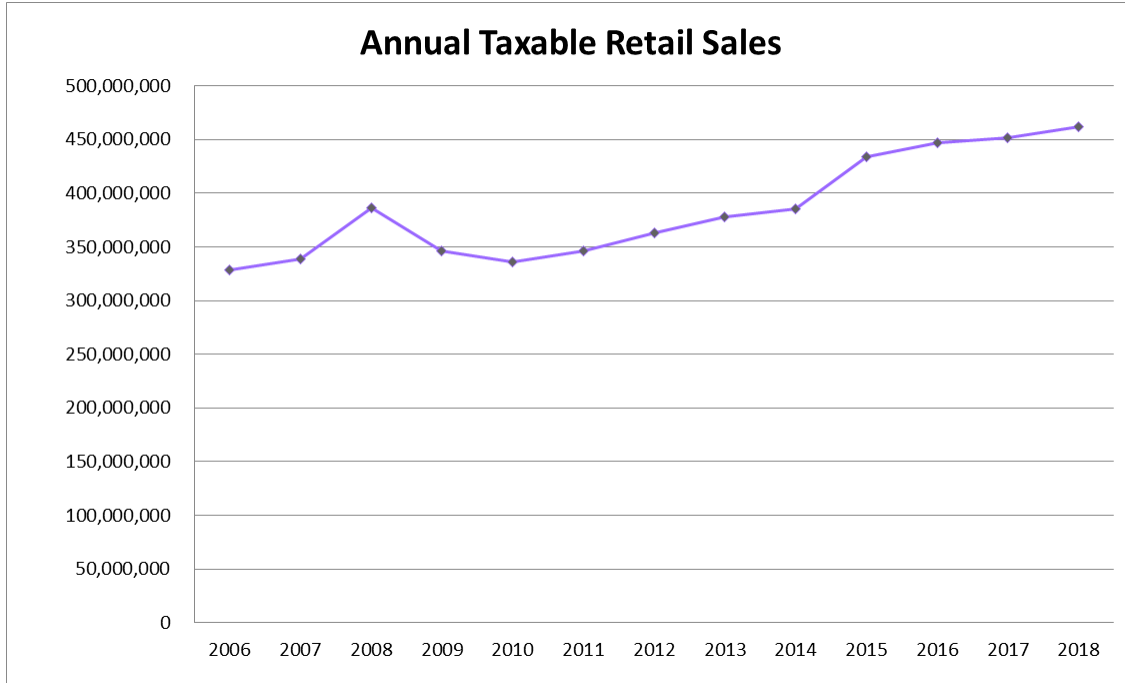
similar for all three years. While, the drop off in March was still apparent, receipts didn't drop off as significantly in 2019 as they did in 2017, but did drop more than in 2018. That trend has remained the same for all of 2019 through July.



DRAFT

Annual Retail Sales:

The following graph shows the annual taxable retail sales from 2006 through 2018:



Taxable retail sales peaked in 2008, sharply declined in 2009 and continued to decline in 2010, although at a slower rate. 2011 experienced a slight increase which continued through 2014; then taxable sales increased significantly in 2015, which surpassed the volume of taxable sales in 2008. The spike in taxable sales between 2014 and 2015 is coincidental to the increased sales tax rate. Since then taxable retail sales have steadily increased. Considering that the totals also include costs of inflation, not all of the taxable sales growth is due to increased volume. However, it does show that the economy in Leavenworth is slowly but steadily growing.

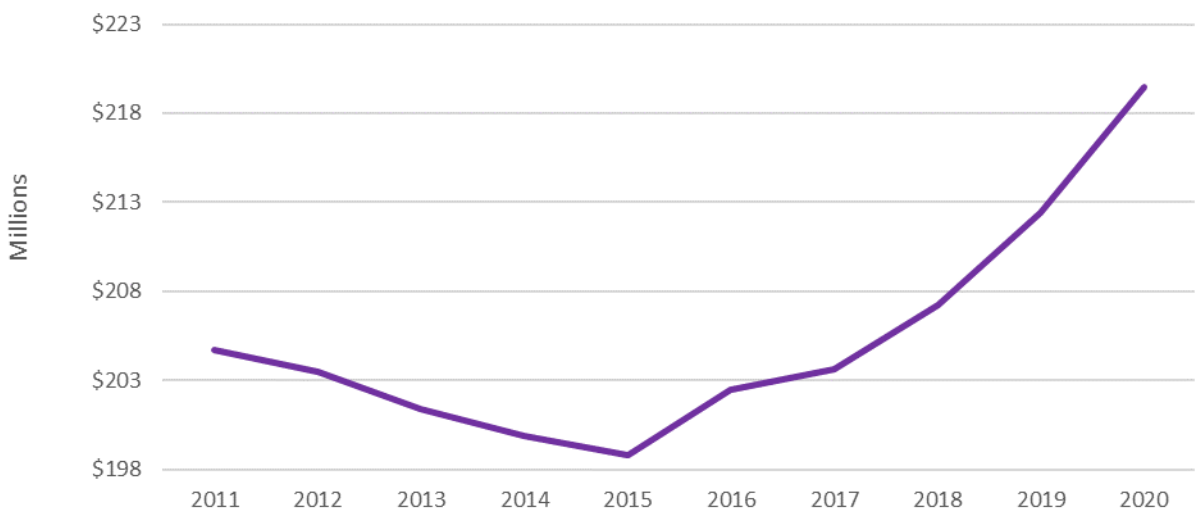
Property Tax:

Property tax is an ad valorem tax, meaning it is based on the value of real estate or personal property owned by an individual or organization. There are two components for calculating property taxes: property valuations and the mill levy. The City determines the level of service for the upcoming year and sets the property taxes at an amount which will pay for those services. Property taxes are the general fund's second largest source of revenue.

As mentioned earlier, the City has a strong federal presence that stabilizes the City's financial position. The properties where these facilities are located are exempt from property taxes and therefore, not included in the assessed valuations. While federal properties are not part of the assessed valuation, this does not add an undue burden on the City because the City does not maintain the facilities or infrastructure on the federally owned properties. In addition to the federally-owned properties, there are other types of tax-exempt properties, such as state, county, and city-owned properties; neighborhood revitalization areas (NRA's); tax increment financing (TIFs) areas; churches; and schools. Therefore, large sections of the City's incorporated area are not included in the assessed valuation.

The assessed valuations peaked in 2009 with a higher estimate for 2010 than was realized. Beginning in 2009, valuations driving property tax collections experienced a significant decrease and continued to drop (at a slower rate) even with predictions of economic recovery, until 2016. While the valuation did not increase back to the 2009 levels, it was the first time in five years that it did not decrease. Since the housing crisis, lending practices have tightened, housing prices have stabilized, the economy continues to recover, and although unemployment continues to fluctuate, it has remained lower than the 2009 levels. After conversations with the Leavenworth County Appraiser and County Clerk, the valuations for 2020 through 2024 were projected to increase by 2.5% annually.

Assessed Valuation by Year



However, several factors impact the actual amount of revenues available for use:

- Current valuation increases are mostly in Neighborhood Revitalization Areas (NRAs) and Tax Increment Financing (TIF) Districts, which do not increase the amount of revenues available for the City to use for general operations; the NRA taxes are estimated to be about \$100,000 for 2020 and are refunded to the property owners. In 2020, one mill in the City of Leavenworth will generate approximately \$219,503. The \$100,000 refunded to the NRA property owners is equivalent to almost a half mill of revenues.
- Current economic development activities are anticipated to significantly increase the City's tax base, such as the proposed Business and Technology Park and the potential for a new housing addition adjacent to it. Construction in the housing addition began in 2019, and is anticipated to continue through 2022, but the total impact, is at present, unable to be quantified.
- Current legislation has imposed a property tax lid which limits the amount of revenues that can be generated through increased valuations without reducing the mill rate, unless placed on a ballot and voted on by the general public.
- Current property valuation methods for retail outlets are being challenged. With e-commerce putting pressure on traditional brick-and-mortar stores, retailers are looking for ways to stay competitive. The Dark Store Theory position is that the basis for retail property values should be on its unoccupied, or 'dark' value, rather than its highest and best use. These arguments are being made nationwide and while the recent push in the neighboring county is mostly related to high property values in that county and not only to the Dark Store Theory, the impact on cities and counties could be significant. For purposes of this document, the assumption of a reduction in assessed values were not made, but the arguments are considerations for the purpose of risk assessment in determining appropriate reserve levels.

During the period of 2008 through 2010 when the valuations declined, the mill levy for the City remained constant and was not increased to compensate for the reduction in property values. As mentioned earlier, in 2014, the Commission elected to place a 1% sales tax increase on the ballot for approval by the public. This allowed the City to reduce the total levy by 21 mills.

As previously stated, in 2020, one mill in the City of Leavenworth will generate approximately \$219,503. Historically, the City collects approximately 97-98% of the taxes levied.

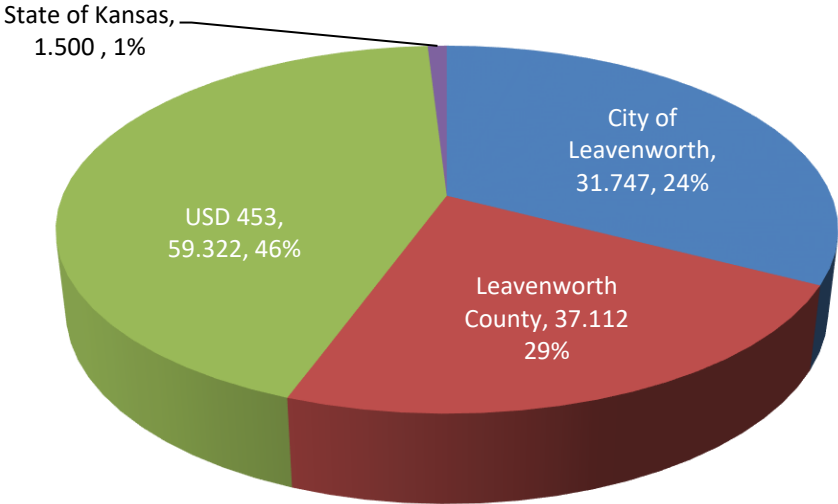
Valued for	Valuation	Mill Rate	Tax Dollars Collected
2015	\$ 198,767,953	31.023	6,038,709
2016	202,499,606	31.027	6,128,032
2017	203,654,933	31.348	6,183,776
2018	207,227,412	31.348	6,084,899
2019	212,395,600	31.747	6,540,640 (est.)
2020 (budgeted)	219,502,504	31.728	6,755,564 (budgeted)

The 2017 mill levy increased by 0.321 in order to provide probation services to the residents, which the City had not provided before. This is anticipated to continue indefinitely and is included in the projections through 2024.

The City levies ad valorem taxes on behalf of the Library which is a component unit of the City. In 2018 the mill increased by 0.4 mills due to changes in the Library Employee Benefits Fund. The City receives the taxes on behalf of the Library and then submits the amount collected to the Library as a pass through.

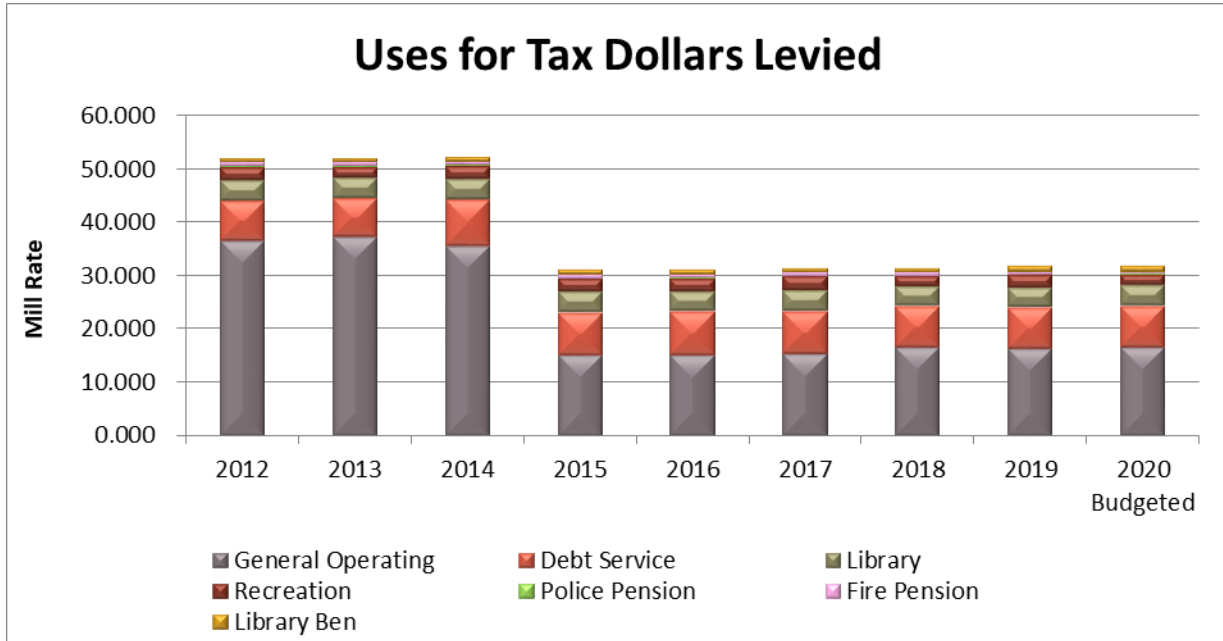
The City receives only a portion of the property taxes paid by residents. The State of Kansas, Leavenworth County, and Unified School District #453 also assess taxes on property. The graph below represents the ratio of total millage assessed on Leavenworth residents as of 2019; 2020 values are not yet available.

2019 Mill Levy Comparison



DRAFT

The following graph shows the allocation of the City levied property taxes.



DRAFT

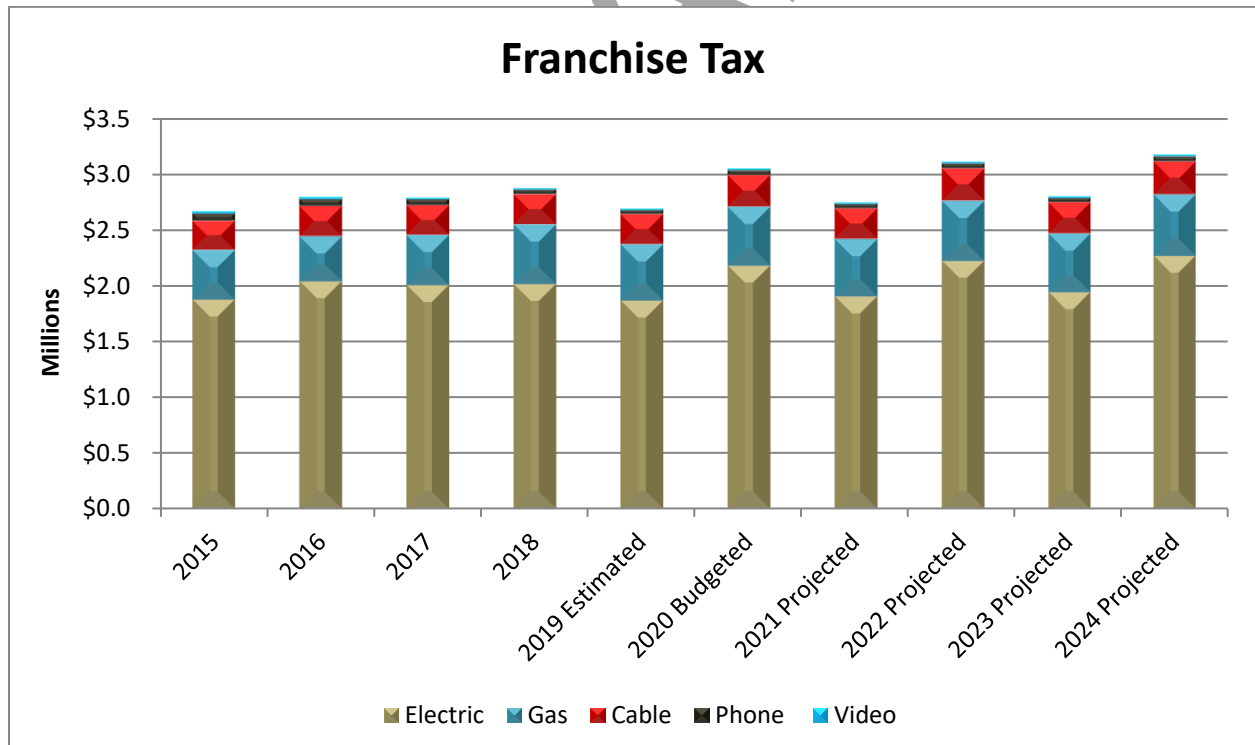
Franchise Taxes:

Franchise fees are negotiated between utility companies and municipalities for the right to use public right of ways. Usually the fees are based on a percentage of gross receipts. The maximum is five (5) percent; the City agreement is at five (5) percent. Franchise fees are the general funds' third largest revenue source; franchise fees for the City include:

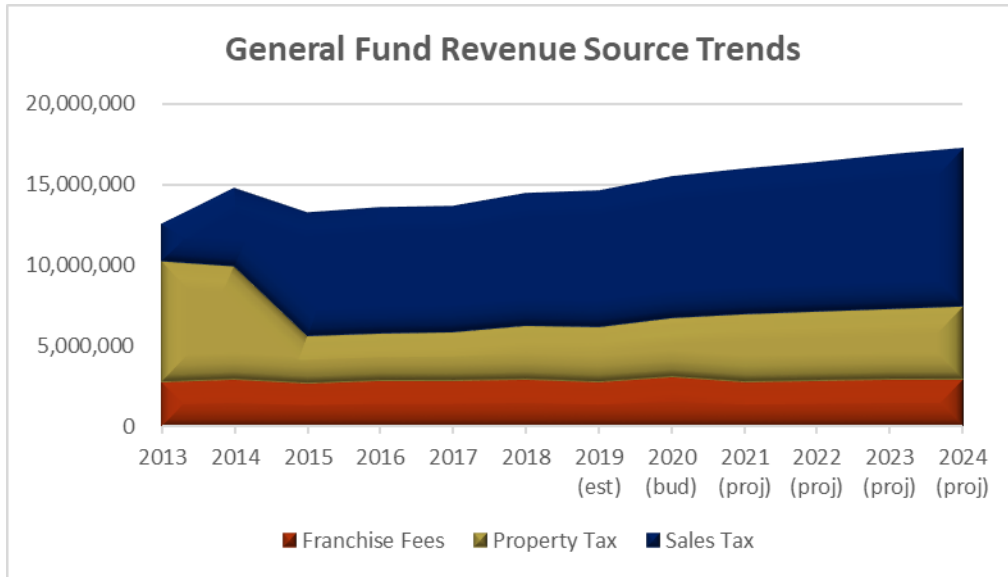
- Electric
- Gas
- Cable
- Telephone
- Video

Franchise fees are volatile, but, their unpredictability is based more on climatic conditions and on the commodities market instead of housing and the economy. The electric and gas franchise taxes are specifically driven by climate and commodities. The 2021 through 2024 projections are estimated to experience approximately 2% growth based on 2019 annualized actuals for all utilities. Part of this is due to the increased housing options in the City. A 5% growth was budgeted, however the City is experiencing milder weather in the spring and summer than prior years. Technology has reduced the dependence on land-line telephones, so that portion of franchise taxes is declining.

The graph below shows actual and projected franchise tax collections.



The following graph depicts how the City's major source of general fund revenue has shifted from property taxes to sales taxes. The increase in sales taxes are based on an estimated 2.83% annual increase; property taxes estimated below are a combination of 2.5% annual increase in assessed valuation from 2020 through 2024 and a 2.0 increase in mills beginning in 2021.



- ✚ **Charges for Services** are the General Fund's fourth largest revenue source. These are consumption based and include such things as park user fees, administrative fees, court fees, inspection fees, etc. These are anticipated to remain relatively flat, although the rental program included in the 2020 budget may generate registration fees, at this time the impact is unquantifiable.

- ✚ **Other types of Revenues:** The City receives other types of revenues, as well as the ones mentioned above; however, the total is insignificant compared to property taxes, sales taxes, franchise fees, and charges for services.

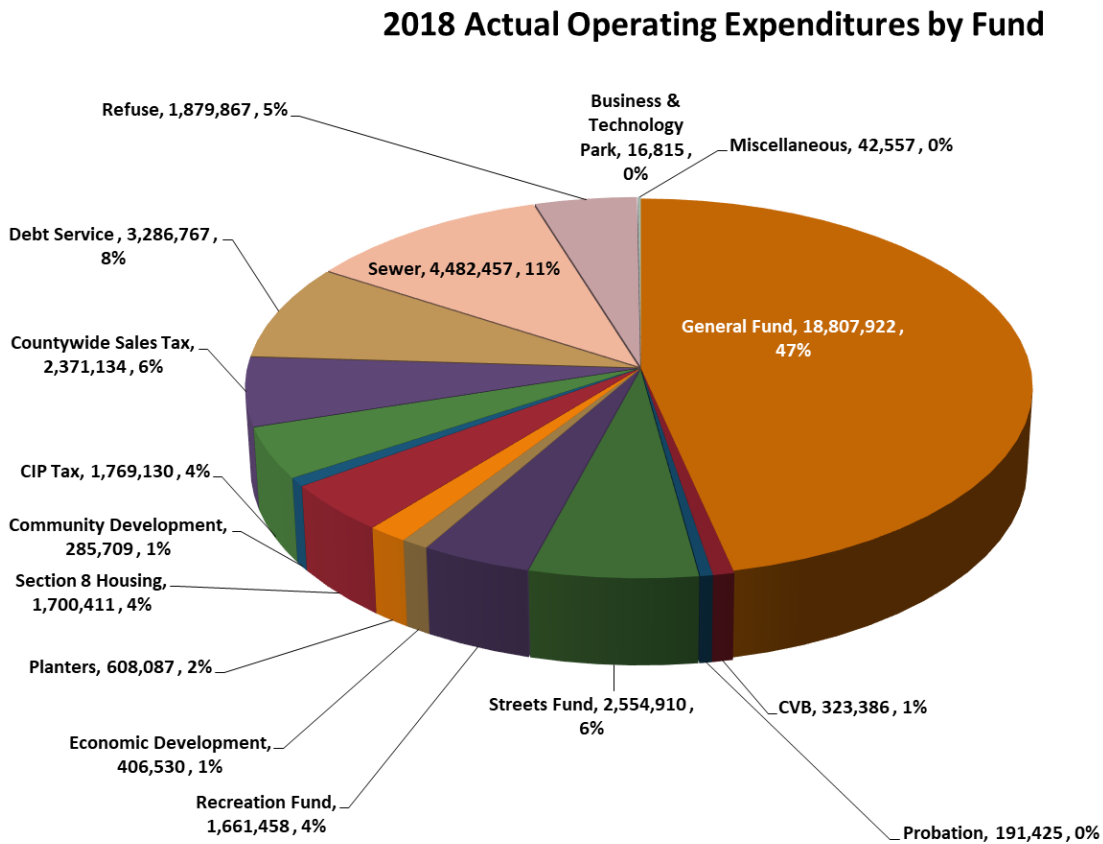
- Intergovernmental Revenues
- Investment Income
- Fines and Fees
- Licenses and permits
- Miscellaneous revenues

EXPENDITURES

Overview

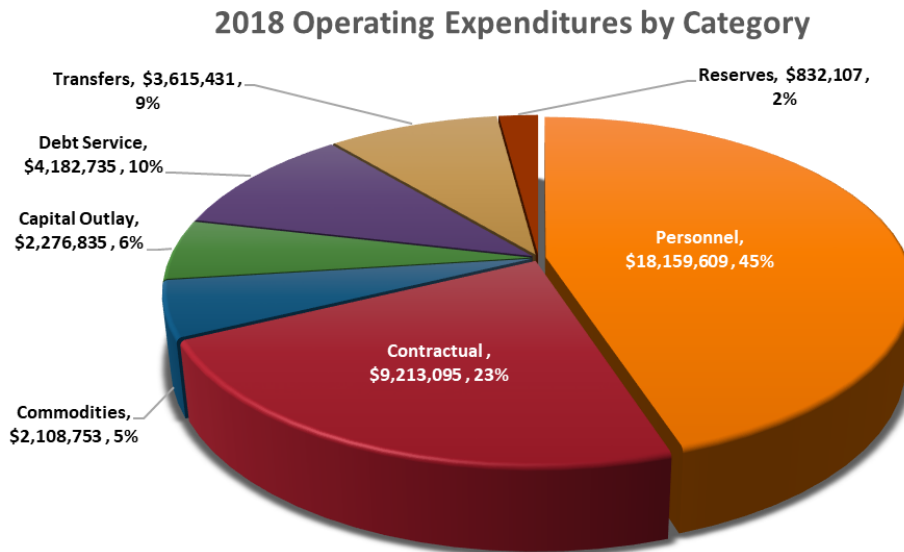
The City has redirected its financial focus to priority-based initiatives and in 2017 began budgeting expenditures accordingly, in order to accomplish goals established by the Commission. As mentioned earlier, the current commission priorities were the result of the 2020 budget and goal setting processes involving discussions between the City Commission, City Manager, and Department Directors. The result was a list of priorities which would allow the City to attain the overall vision of where Leavenworth should be in the future. These priorities were discussed in detail on page 29.

The following chart shows the 2018 actual operating expenditures by fund:



The General Fund is the main operating fund for the City, and as shown above, is 47 percent of total expenditures. While the City of Leavenworth pays for programs from many funds, 72% of expenditures are made from four main funds: the General Fund, the Sewer Fund, Streets Fund, and the Debt Service Fund.

The following chart shows the operating expenditures by category:



In 2018, the City engaged in a comprehensive compensation study. Based on the results of the study, it was determined that implementation would be phased in over five years with a partial year included in the 2019 budget. The first full year of implementation is in the 2020 budget.

Personnel expenditures, as is the case with most entities, represent the majority of the City's expenditures. Personnel costs include salaries and benefits. The 2020 budget included two new positions, a rental property coordinator and a civil engineer.

In addition to the two new positions, the 2020 budget included a 2.25% increase for cost of living and the market adjustments from the compensation study, as well as anticipated increases for the Kansas Public Employees Retirements System (KPERs), Kansas Police and Fire (KP&F) retirement, health insurance and vision and dental premiums. In recent years, KPERs announced significant unfunded actuarial liabilities which existed for several years. The Kansas Legislature approved a plan to increase employer contributions to compensate for the shortfall. It was anticipated that retirement cost increases will continue to be passed on to the local level. However, for 2020 the KPERs rate is projected to be 8.61% compared to 8.89% in 2019. KP&F rates are projected to decrease from 22.13% in 2019 to 21.93% in 2020. The retirement amounts paid by both City and employees are salary driven. So while the rates decreased, the amount paid will increase by about \$26,000 due to the increases in salaries.

Another significant personnel expense is health insurance. One of the benefits the City provides is health care coverage to both active employees and their dependents and age/service-eligible retired employees who have not reached the Medicare eligibility age of 65, and their dependents.

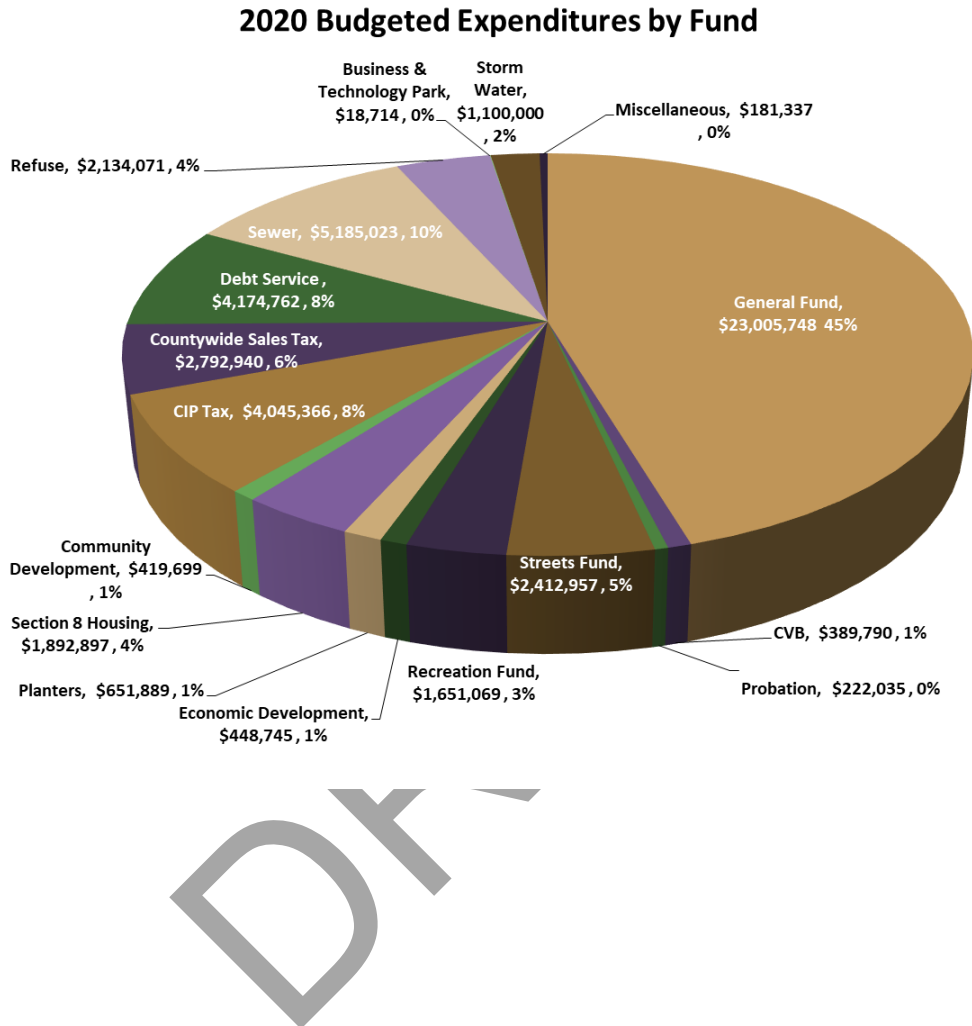
Health insurance expenses continue to increase and very little is within the City's control except for continuous monitoring of the plan options and the amount of employee contributions. The 2020 budget included an 8% increase in health care, vision, and dental premiums, which equates to about \$310,000. Subsequent to passing the budget, there were some plan design changes that resulted in a 7.77% rate increase instead of 8%. The difference was too insignificant to make budget changes after it had already been submitted to the County Clerk for certification.

For 2020, the State recommended projected increase for contractual services and commodities was 1.5%, based on the five-year average Consumer Price Index (CPI) for urban areas. Using this index is not totally indicative of the way the City spends money because it is based on such things as housing, food, etc., while the City purchases such things as petroleum based products, office equipment, etc.

Contractual services includes a variety of expenses including but not limited to property and liability insurance, software license agreements, utility costs, professional services and lease payments for certain equipment. These contractual items are tied to consistent growth and increased costs are inevitable. Based on data provided by the Municipal Services Dept at the State, the consumer price index, (CPI) for 2020 is anticipated to be a 1.5% increase over 2019. However, rather than base the estimates on a flat rate increase, the City's 2020 budget was based on historical data and trends, as well as Commission priorities and goals. This included an increase in contractual services but it was a 0.7% increase.

Commodities include such items as office supplies, janitorial supplies, books, chemicals, etc. These, too are tied to increased costs which could impact the level of services provided to the citizens. Again, rather than base the 2020 estimates on a flat rate increase, the City's 2020 budget was based on historical data and trends, as well as Commission priorities and goals. This included an increase in commodities, but it was a 2.2% increase.

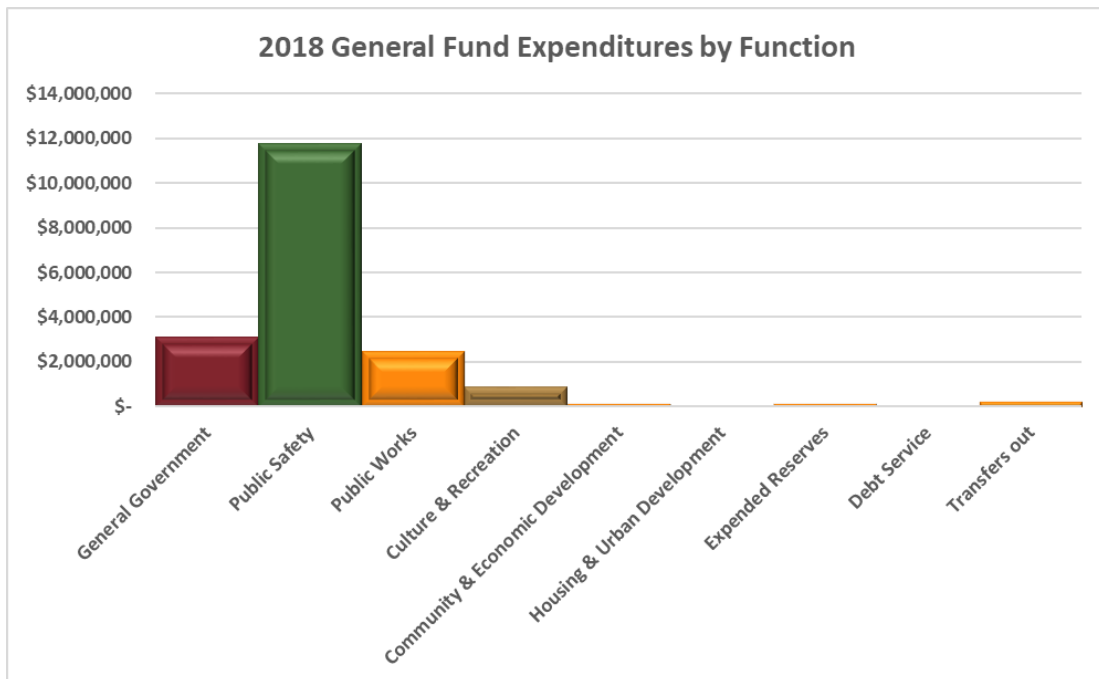
Overall, the total 2020 operating budget increased by 9.7% over the 2019 estimated totals. The 2020 budgeted expenditures by fund are shown below:



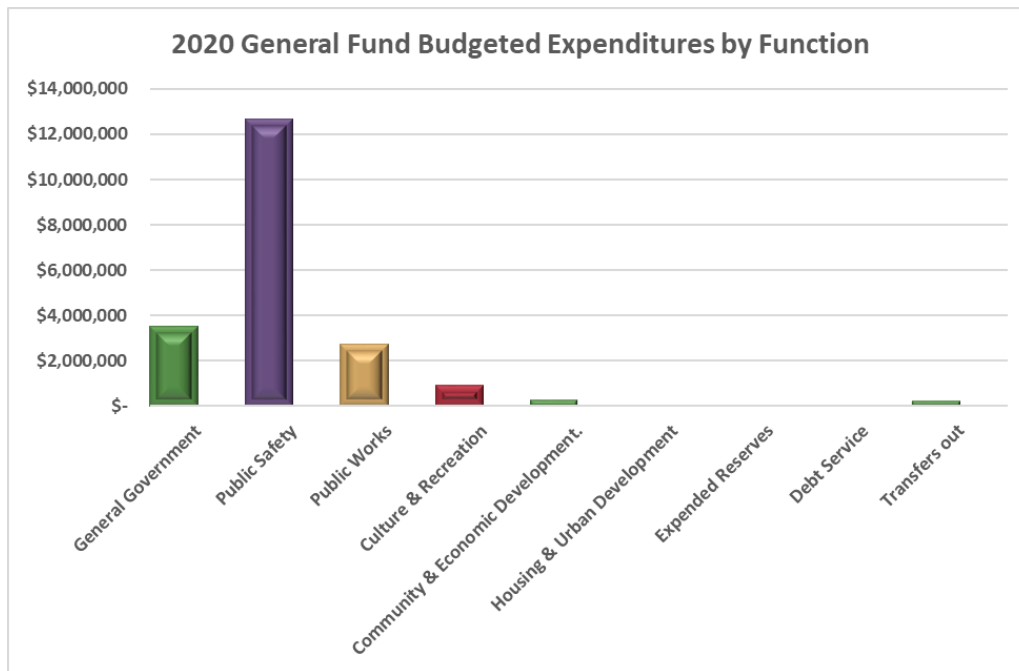
General Fund

Another useful way to view the City's expenditures is by program. As mentioned earlier, the General Fund is the main operating fund for the City and represents 47% of the City's expenditures in 2018.

The 2018 General Fund expenditures by function (program) are shown below. The Public Safety Program has the largest percentage of expenditures (63%). The next largest expenditures are for Administration (General Government) and Public Works (17% and 13%) respectively. Administrative expenses include departments such as City Commission, City Manager, Finance, Information Technology, Court, Legal Services, Codes Enforcement, Human Resources, and the City Clerk.



The 2020 General Fund budget by function is shown below:



In 2020, the General Fund percentage of total expenditures shifts from 47% to 45%. This is related to the Storm Water program implementation, which makes up 2% of total budgeted expenditures.

As mentioned earlier, the City has shifted its budgeting method to priority-based. In order to meet the Commission priorities for 2020, the general fund has been restructured to include a new function classification called Community and Economic Development. General Fund expenditures included in this function is Planning and the Rental Property Coordinator program which is a new program for 2020. While at only 1% of the total budget, the budget increased by \$129,108. Of this amount \$62,000 is to implement the rental coordinator program and the balance is to reflect the full year of the Community Development Director, which was funded for a partial year in 2019.

A civil engineer position was added in the general fund to improve efficiencies in inspections of various city infrastructure related projects. This position is funded by the savings from out-sourcing inspections to third parties.

In the interests of transparency, the full amount of sales taxes and property taxes are budgeted. However, not all are available for operations, therefore, the amount of sales taxes and property taxes that are due to TIF funds are budgeted as transfers out.

The chart above shows no budgeted expended reserves. Budget authority to spend reserves was approved by the Commission, but none has been spent. The goal is to not spend reserves; but in the past few years, transfers to the Recreation Fund and Street fund have been made from reserves. As noted in the budget message, the Riverfront Community Center (RFCC) requires an operating subsidy of \$400,000 in the 2020 budget. Most community centers are not self-sufficient, but are considered a quality of life function. It is not expected that the RFCC would ever become totally self-sufficient, but the gap between revenues and expenditures is growing. The majority of the

subsidy comes from CIP sales tax for building maintenance. However, the subsidy reduces funding for capital projects such as equipment and deferred maintenance on buildings and infrastructure. The balance comes from General Fund reserves.

There are several options for consideration:

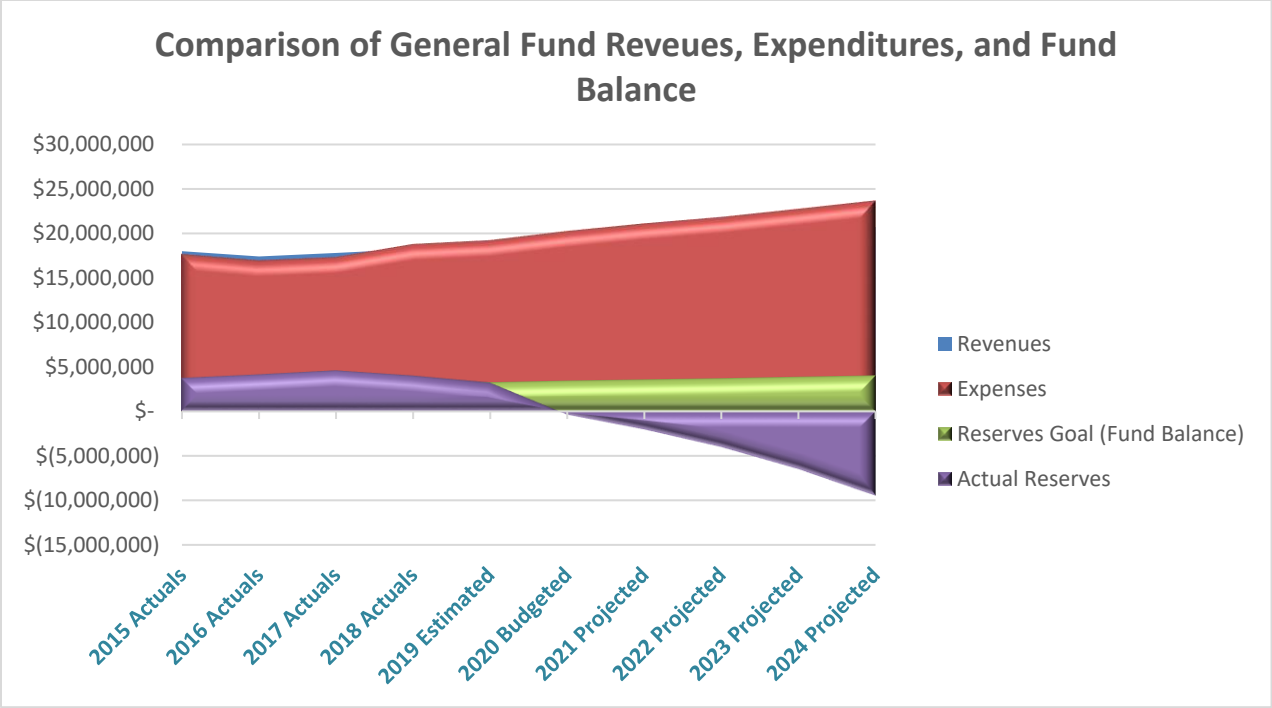
- Continue to subsidize the RFCC operations from reserves, which will eventually deplete them.
- Continue to/or increase, the subsidy from CIP sales taxes which reduces the amount available for capital projects.
- Increase rates, mill levy, or other revenues.
- Implement facility efficiency study.
- Implement a program efficiency study.

The 2020 budget was realigned to reduce the need for a transfer from the General Fund to the Street Fund. Historically, State Connecting Link (KLINK) monies were deposited in the General Fund and the Street Fund transferred monies to the General Fund for the use of space at the Service Center. That arrangement was made in the 1990's when the Service Center was still an internal service fund. Once the service center was incorporated into the general fund, it was no longer necessary to continue the transfer. Then, the General Fund would subsidize the Street Fund by more than the amount the Street fund paid into the General Fund. The 2020 budget eliminated the transfer from the Street Fund to the General Fund and also the transfer from the General Fund to the Street Fund.

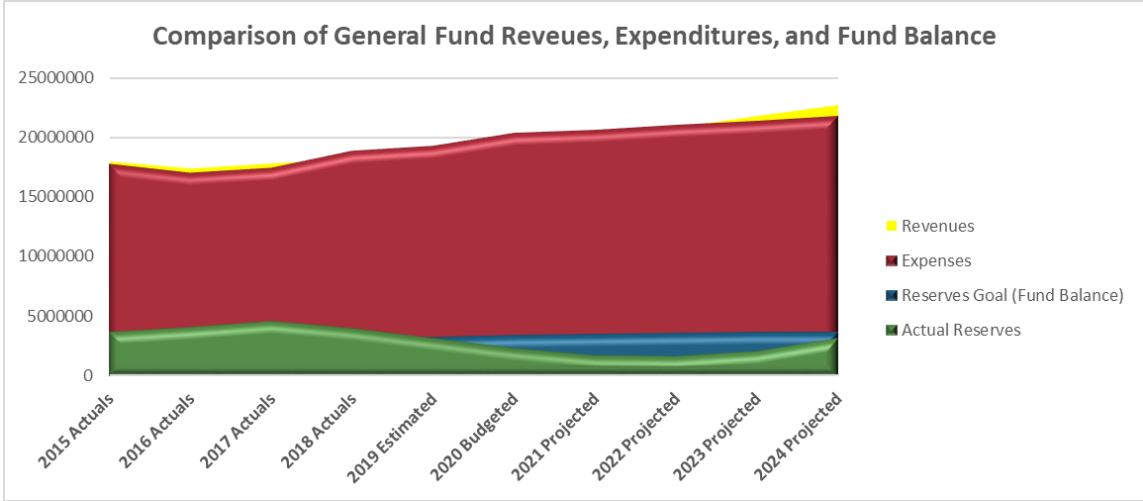
Other anticipated changes to the Street fund that was considered in the decision to eliminate the transfers from General Fund included notification from the State that funding from Kansas Dept of Transportation (KDOT) will increase from \$3,000 to \$5,000 per lane mile for the maintenance of state roads that are within city limits. Leavenworth has 14.41 lane miles of state highway in the city limits.

Beginning in 2017, the reimbursement of Federal Fund Exchange (FFE) dollars were deposited in the Street Fund. However, this is restricted for capital project funds and not available for operations.

As mentioned earlier, the General Fund has had to subsidize the Street Fund as well as the Recreation Fund, and while no transfer was specifically budgeted for these funds, the City does have the budget authority to do so, which will further decline reserves levels. If the revenue levels for the general fund stay the same, and the expenditures continue at the current rate, the General Fund reserve levels will drop below the Commission approved reserves level by the end of 2020, as seen below.



An annual 2 mill increase in the general fund from 2021 through 2024; a reduction of transfers to subsidize the RFCC and Street Funds, and a stabilizing of personnel costs will change the fund balance projections to:



Public Utilities

Overview

Utility funds are enterprise funds and are operated in much the same way as private business enterprises. Enterprise funds cannot be subsidized by the General Fund, as other funds can be, so they must be totally self-sufficient. Their major source of revenue is user fees. In order to continue providing services, rates must keep up with the costs of providing those services, including purchasing equipment, repairing and replacing facilities, and infrastructure. The city has three enterprise funds:

- Sewer Fund, which accounts for the transactions necessary to provide sanitary sewer services to the residents.
- Refuse Fund, which accounts for the transactions necessary to provide for solid waste services to the residents.
- Storm Water Fund, which accounts for the transactions necessary to maintain, repair, and replace the storm water removal infrastructure.

As mentioned earlier, in 2018 charges for services made up 23% of the City's total revenues. Of this amount (\$9,437,504), sewer fund revenues represent 48% (\$4,513,874) and refuse revenues are 21% (\$2,014,217).

Sewer Fund

Revenues

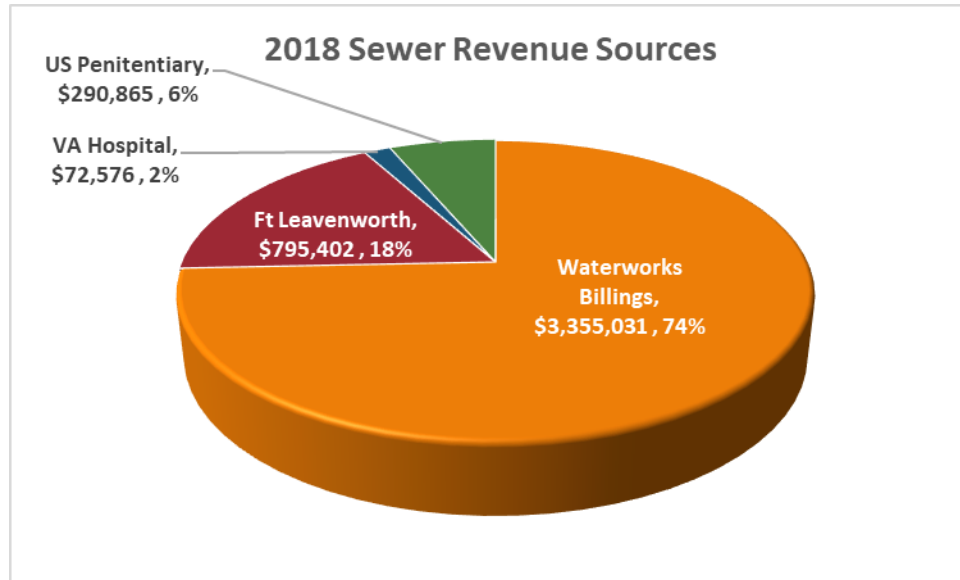
The City has an agreement with Leavenworth Water Department, which is an entity separate from the City, to provide monthly billing for both sewer and refuse services. The City's sewer revenue structure is based on the levels of water consumption. The Water Dept. uses a method referred to as the declining-block method which is a tiered structure that lowers the rate per unit of usage at each succeeding tier. Average monthly consumption for January through March are used as the billing basis for residential customers; the previous twelve months are used as the basis for non-residential customers. The City also provides wastewater treatment services for Fort Leavenworth, the Veteran's Affairs (VA) hospital, and the United States (US) Penitentiary. Their billings are based on contractual agreements and the City Finance Department calculates the bills based on the terms of the contractual agreements.

Two factors impact revenues:

- Climatic conditions: Climate conditions impact water usage. For example usage will be different if the climate is wet and mild compared to high heat and drought; metered flows will be impacted by excessive amounts of water being treated from large rainfalls.
- Changes in the consumer base
 - Changes in number and type of consumers: The City's consumer base is made up of residential, commercial, industrial, and wholesale customers. The residential group is largest in volume followed by wholesale, commercial, and industrial. The City's population hasn't grown significantly, in fact, the 2019 State certified population number was down by 150 people.
 - Changes in habits, such as conservation efforts: Water conservation efforts are noticeable in such everyday items as high efficiency washers or commodes with smaller water tanks, etc. These efforts have made a nationwide impact on water usage, but its impact on local usage is currently unquantifiable. Currently, the Fort is seeking proposals for improving efficiency in their wastewater system. The impact of this effort is also unquantifiable at present.

For purposes of this discussion, revenue estimates are based on number and types of consumers remaining consistent with current levels, as well as, consistent consumption levels.

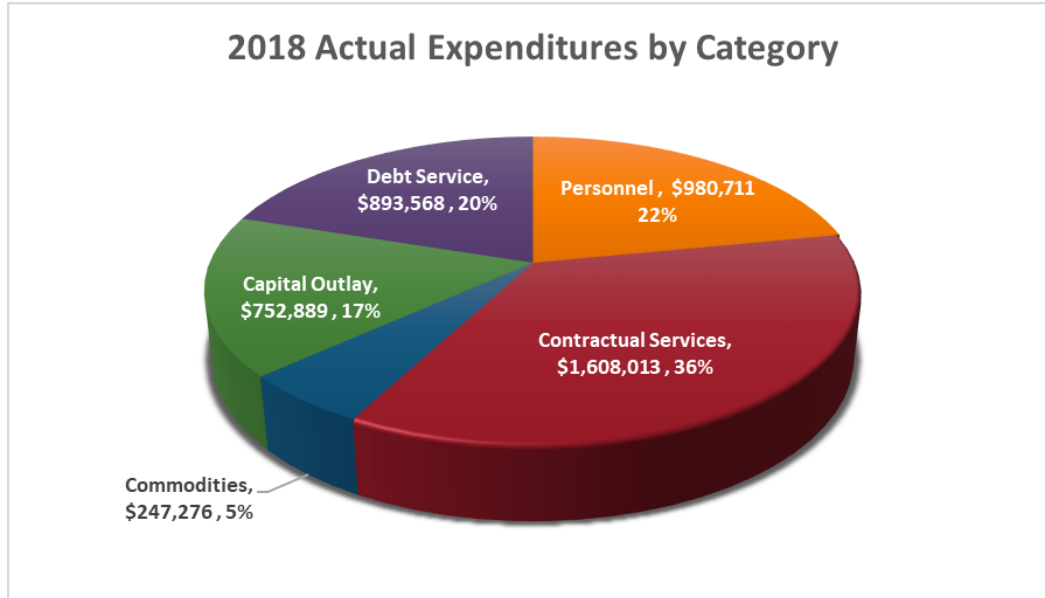
The ratio of each component of the 2018 total billings is shown below:



The one factor the City has influence over is the rate per unit of usage. Historically, the City implemented a 3% rate increase annually through 2014. The City did not increase rates in 2015, but did increase rates by 3% for 2016 through 2018. The result was spending down reserves in 2016 and 2017, and possibly 2019. In order to meet the need of replacing equipment and making necessary repairs to the plant, rates were increased by 5% in 2019 and a proposed rate of 8% in 2020. In order to prevent reserves reaching levels below the Commission approved reserves level of 16.67%, and allocate 4% for capital reserves, the rates must increase by 6.5% in 2021, and then a 3% annual increase through 2024.

Expenditures

The following chart shows the allocation of 2018 actual expenditures for the sewer fund:



Personnel costs include salaries and benefits and are 22% of the total expenditures for the wastewater treatment function. In 2018, the City engaged a compensation study. Based on the results of the study, it was determined that implementation would be phased in over 5 years with a partial implementation included in the 2019 budget. The first full year of phased implementation was included in the 2020 budget. Also included in the 2020 budget was a 2.25% COLA; a decrease in KPERS rates from 8.89% to 8.61%; changes due to employee retirement and other turnover; and an 8% increase in health insurance. The net effect of these changes is a 7% increase in the 2020 personnel budget compared to 2019. The 7% change was used to project 2021 through 2024 personnel costs.

Typically, personnel costs represent the largest use of resources; however, as seen above, the highest expense category for the sewer fund is contractual services. Contractual services include such things as utilities, landfill fees, property and liability insurance, administrative fees, laboratory testing services, facility repair and maintenance, vehicle repair and maintenance, and professional services, as well as numerous other minor expenses. Projections for 2021 through 2024 include an annual 1.5% increase for CPI purposes.

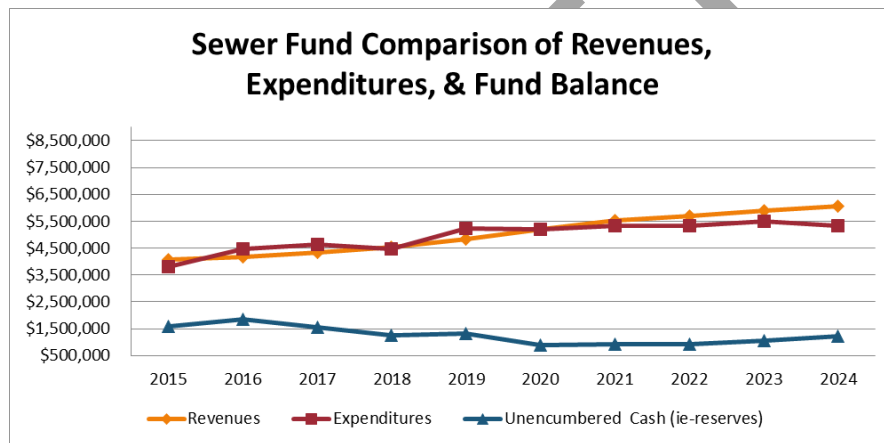
Commodities make up 5% of total expenditures and include such items as chemicals, fuel, concrete, gravel, sand, tools, supplies, and equipment parts. Projections for 2021 through 2024 include an annual 1.5% increase for CPI purposes.

At 20%, debt service is the second largest expenditure. The City has three outstanding bond issues that are paid from the sewer fund. The bonds were issued to pay for sewer system improvements and a disinfection system. One is scheduled to be retired in 2023, one in 2025, and the last in 2032. In addition to these three bonds, the City entered into a three-year capital lease for the purchase of a sewer line vacuum truck in 2018. The last payment for that capital lease is in 2021.

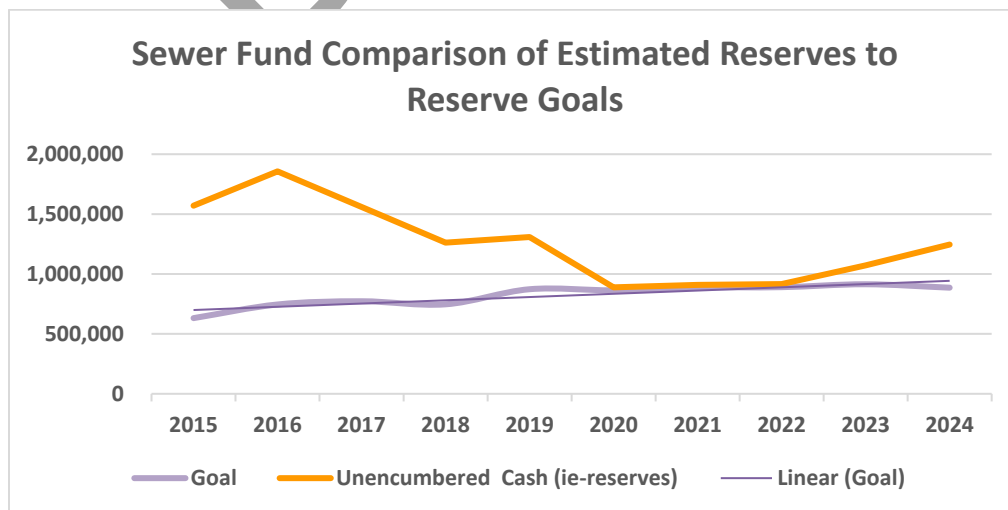
Capital Outlay makes up 17% of the total expenditures. For 2018, the expenditures were for sewer line repair and replacement; HVAC repairs; equipment; and vehicle replacement.

For 2019 and on, the replacement of the wastewater treatment plant needs to be considered. The last estimate was in the late 1990's-early 2000's and at that time the estimated replacement cost was between \$30m-\$60m. Current EPA requirements indicate that this construction could be delayed. However, the current plant is approximately 47 years old, and has a normal life expectancy of 50 years. The building itself has been well-maintained and is still structurally sound, although some components need to be replaced. The 2020 budget includes \$229,000 for the replacement of the final basin clarifier. The WWTP long-term capital improvement plan has identified the most pressing maintenance items. In order to address those items and begin building capital reserves to help offset the cost of both planned and unexpected repairs, the projections include an annual 4% of expenditures as capital reserves.

The following graph shows the relationship between revenues, expenditures, and fund balance for 2015 through 2024; and the aforementioned spend down of reserves for 2016 through 2020:



The following graph shows the comparison of estimated fund balance to the fund balance goals:



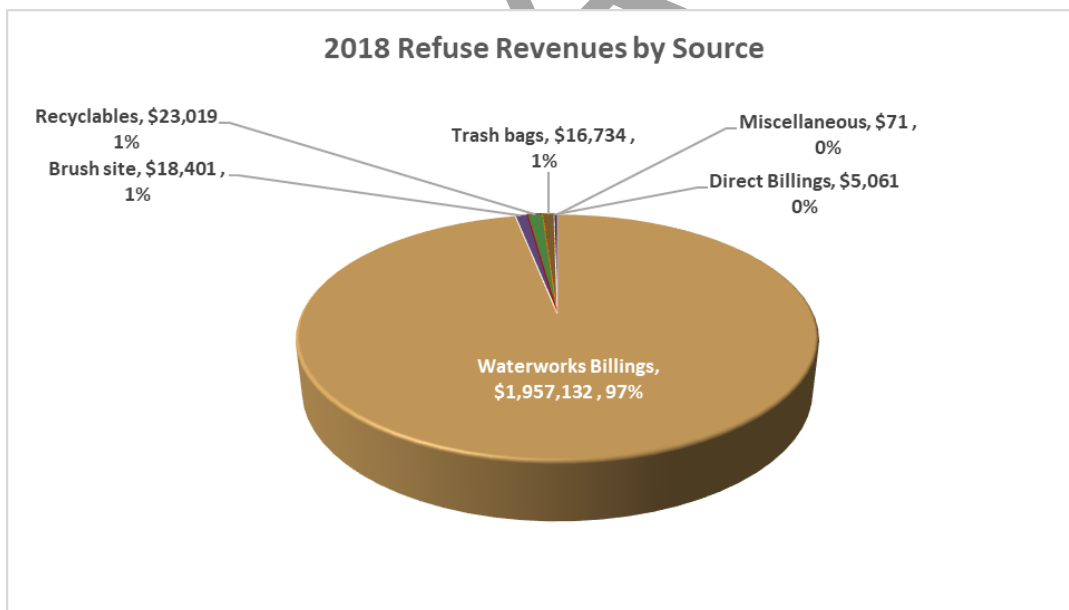
Staff recommendations include:

- Bring utility billing in-house. The first year of savings would be less than future years due to purchasing and implementing software and training staff. Depending on the method of collecting data for calculating bills, there may still be a small fee to the water department. It would probably take about a year and a half to become proficient.
- Or renegotiate the billing terms.
- Or use a different third party to do the billing.
- Budget 4% of expenditures for capital reserves for 2021 through 2024.
- Increase rates by 6.5% in 2021; 3% annually for 2022 through 2024.

Refuse Fund

Revenues

As mentioned earlier, the City has an agreement with Leavenworth Water Department, which is an entity separate from the City, to provide monthly billing for both sewer and refuse services. The City's refuse revenue structure is based on a flat rate per month. There is no extra fee or savings based on volume or large items to be picked up. In addition to the residential refuse services, the City provides brush site and recycle disposal services, and trash bag sales. Semi-annually, the City delivers large rolls of high grade trash bags free to the residents. If residents need more than one roll per six months, they may purchase additional rolls at a low price. There is no requirement that residents use City provided trash bags.



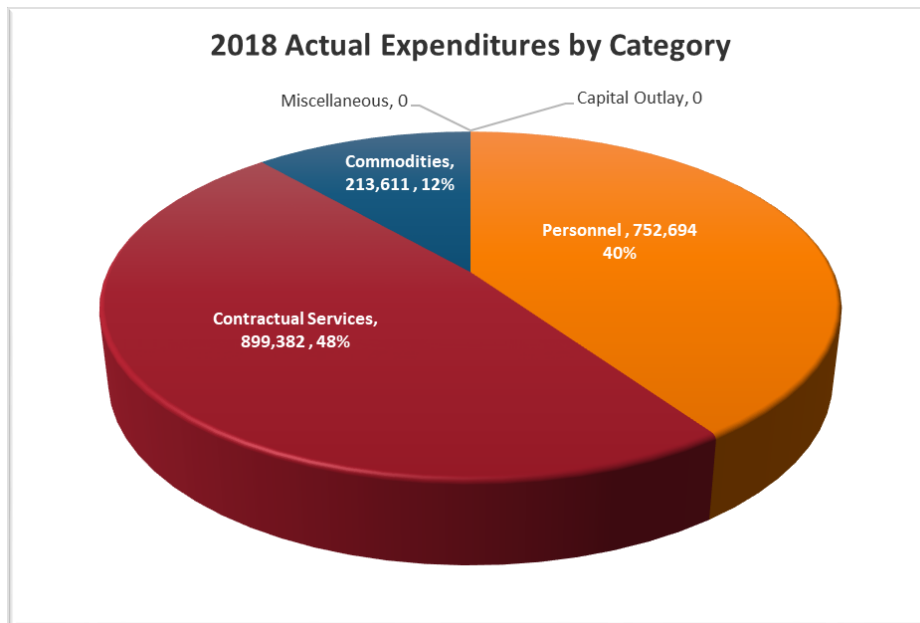
The level of revenues is impacted by number of customers and rates. For purposes of this discussion, revenue estimates are based on number of consumers remaining consistent with current levels. In order to accommodate the implementation of the compensation study, increasing costs of landfill services, and the need to purchase replacement vehicles, refuse rates were increased by 8% in 2019 and a proposed 6% increase in 2020. Rates are estimated to remain at a 3.5% annual increase for 2021 and 2024 to keep up with personnel costs, costs of inflation, capital equipment replacement and to keep reserves at the amount established as minimum by the commission

approved reserve level through 2024. Additionally, there may be an approximate \$1.5m debt issuance for the construction of a City-owned transfer station, with repayments beginning in 2021. Factors that will affect these estimates are changes in the landfill contract, capital needs, and changes in consumer base.

The City had a landfill that was closed approximately 30 years ago and there are post-closure monitoring and maintenance expenses associated with that closure. Annually, the Refuse Fund transfers money to the Refuse Restricted Fund to pay for maintenance expenses.

Expenditures

The following chart shows the allocation of 2018 actual expenditures for the refuse fund:



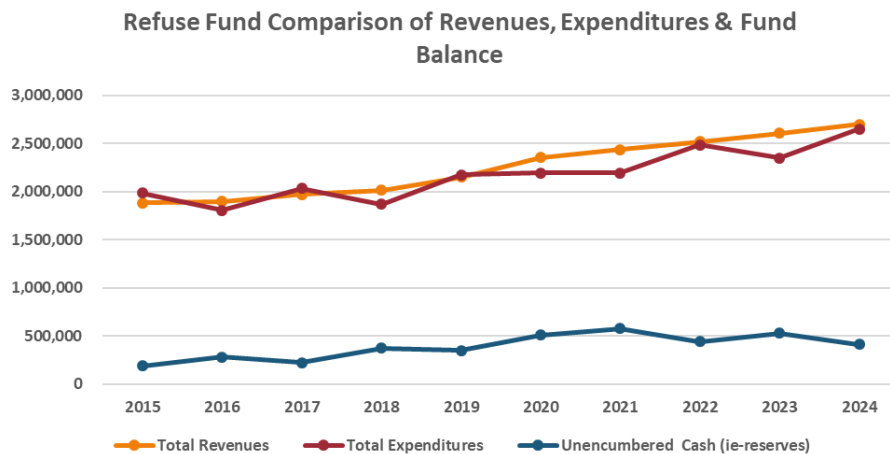
Personnel costs include salaries and benefits and are 40% of the total expenditures for the refuse function. In 2018, the City engaged in a compensation study. Based on the results of the study, it was determined that implementation would be phased in over 5 years with a partial implementation included in the 2019 budget. The first full year of phased implementation was included in the 2020 budget. Also included in the 2020 budget was a 2.25% COLA; a decrease in KPERS rates from 8.89% to 8.61%; changes due to employee turnover; and an 8% increase in health insurance. In 2019, efficiencies in procedures were implemented which reduced the amount of overtime. The net effect of these changes is a 6% increase in the 2020 personnel budget compared to 2019. The 6% change was used to project 2021 through 2024 personnel costs.

Typically, personnel costs represent the largest use of resources; however, as seen above, the highest expense category for the refuse fund is contractual services at 48%. The largest contractual services expense for the refuse department are landfill fees (47%), property and liability insurance (4.7%), administrative fees (18.5%), vehicle repair and maintenance (12.8%), and billing services (12.5%), as well as numerous other minor expenses. From 2016 to 2017, landfill fees increased by \$60,249 and in 2018 rates increased again by \$2.00 per ton. During 2018, the County transfer station notified the City that rates would go up an additional \$12 per ton in 2019. The City sent out bids for landfill fees and entered into an agreement that was \$9.00 per ton less than the 2018 rates. The 2019 budget impact was approximately \$125,000 lower. The 2020 landfill rates increased by \$0.72 per ton, still significantly lower than the 2018 rates.

The Refuse Fund is also impacted by the method the Water Department uses to calculate billing fees. Because of the types of contractual services the Refuse Fund has, projections for 2021 through 2024 include an annual 1.5% increase for CPI purposes.

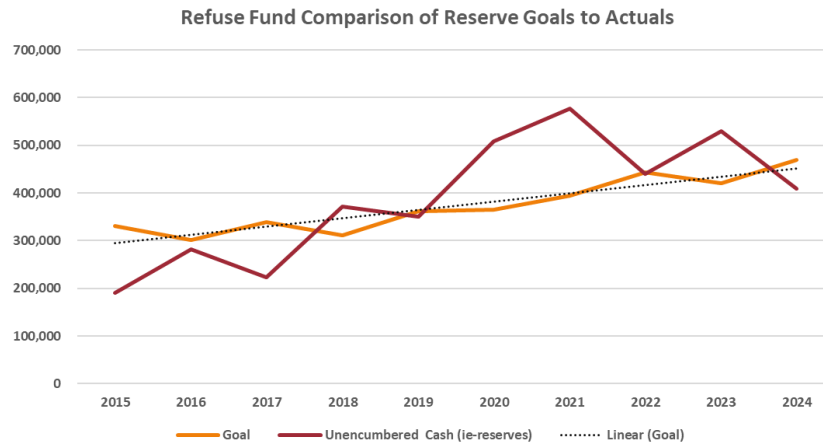
Commodities make up 12% of total expenditures and include such items as fuel, safety apparel, concrete, gravel, sand, tools, supplies, trash bags, and equipment parts. The largest commodity type expenses include trash bags at 61.2% (\$127,880) and fuel at 30.4% (\$62,799). Fuel costs and equipment maintenance costs increased some due to the increased distance from the previous transfer station to the newly contracted landfill. However, there is still an estimated \$80,000 savings over the 2018 expenses. Because the largest expense items in this category are petroleum based products, which are volatile and difficult to predict, projections for 2021 through 2024 include an annual 1.5% increase for CPI purposes.

From 2015 through 2017 reserves were below the 16.67% Commission approved reserve policy, however, beginning in 2018, reserve levels are met and maintained at or above 16.67% through 2024. The following graph shows the relationship between revenues, expenses, and fund balance:



The revenues for 2021 through 2024 reflects an annual 3% rate increase for 2021 and 2022 and a 3.5% annual increase for 2023 and 2024 once revenues and expenditures have become realigned and reserve levels have been met. The fluctuation in expenditures in 2022 and 2024 reflect the replacement of sanitation trucks according to the replacement schedule. 4% of expenditures for capital reserves are budgeted beginning in 2021 and continuing through 2024.

The following graph shows the comparison of reserve goals to actuals and projections:



Storm Water Fund

Revenues

Prior to 2018, the City of Leavenworth didn't have a specific fee dedicated for storm water activities. These activities were paid from Sewer Fund revenues. Sewer Fund requirements changed; and the amount available for Storm Water infrastructure maintenance requirements made it necessary to generate a revenue source dedicated to address deferred maintenance. In 2018, the Commission approved generating a storm water impact fee, which is billed annually on the property tax bills. The fees started being collected for the 2019 budget year.

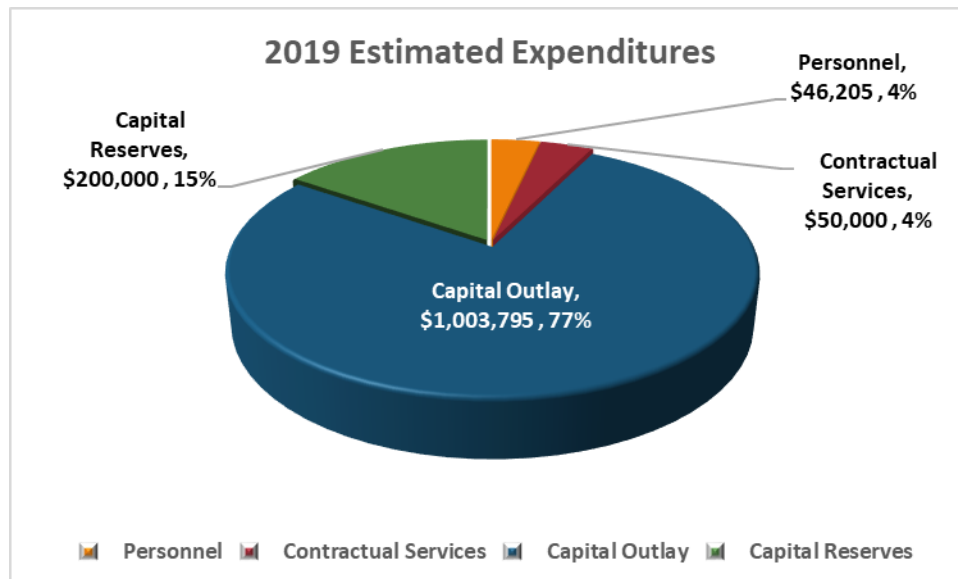
The fee is based on a monthly rate per household, and tiered rate structure for commercial and industrial. The 2019 budgeted revenues were \$1,100,000. However, the amount billed was \$1,400,000, based on current level of actuals, the revenue collections are trending to be \$1,300,000.

Revenues for 2020 through 2024 are estimated to be \$1,100,000, until there is more than one year of data to establish a trend.

Expenditures

For purposes of this program, the City hired an additional GIS technician. Other than personnel costs associated with the GIS technician, expenditures were allocated for contractual services (project planning and design), and capital outlay.

The chart below shows the allocation of resources by category:



Personnel costs include salaries and benefits and are 4% of the total expenditures for the storm water program. In 2018, the City engaged in a compensation study. Based on the results of the study, it was determined that implementation would be phased in over 5 years with a partial implementation included in the 2019 budget. The first full year of phased implementation was included in the 2020 budget. Also included in the 2020 budget was a 2.25% COLA; a decrease in KPERS rates from 8.89% to 8.61%; and an 8% increase in health insurance.

As mentioned earlier, typically, personnel costs represent the largest use of resources; however, as seen above, the highest expense category for the storm water fund is capital outlay at 77%. Several projects have been identified for 2019:

✚ 14 th & Pawnee	\$552,393
✚ 16 th Terrace and Thornton-Phase I	\$135,501
✚ 16 th Terrace and Thornton-Phase II (design)	\$ 49,691
✚ 500 Limit Street emergency Repairs	\$120,945
✚ Year #1 Orange Fence Projects (these are backyard projects)	\$153,335
✚ Independence Court Bank Stabilization	\$ 14,450

Contractual Services are estimated planning and design costs for these projects mentioned above.

Due to the estimated revenues coming in higher than anticipated during the 2019 budget process, the difference between budgeted revenues and budgeted expenditures, is the amount identified as budgetary capital reserves. See Appendix A on page 164 for the Storm Water five-year project plan.

Capital Improvements

Capital expenditures are resources used to acquire, maintain, repair, replace, or upgrade capital assets. Capital assets are typically those assets with a life span exceeding a normal business cycle and whose cost exceeds a minimum dollar threshold established by management.

These assets are used to provide services to the public and during the course of their lifetime will require maintenance to keep them operating safely and efficiently. The performance and continued use of assets is essential to the health, safety, economic development, and quality of life for the public.

Budgetary pressures often cause maintenance to be delayed due to lack of resources. This is referred to as deferred maintenance. Prolonged deferred maintenance results in higher costs, asset failure, and health and safety issues. Therefore, in order to adequately address these issues, a capital improvement plan is essential. The City prepares, and the Commission approves, a five-year capital improvement plan, which is updated annually.

Currently, the City's capital assets have a net value in excess of \$63 million dollars. It is estimated that the city should spend about 5% of the value of assets, annually, on maintenance. This equates to approximately \$3.2 million dollars each year.

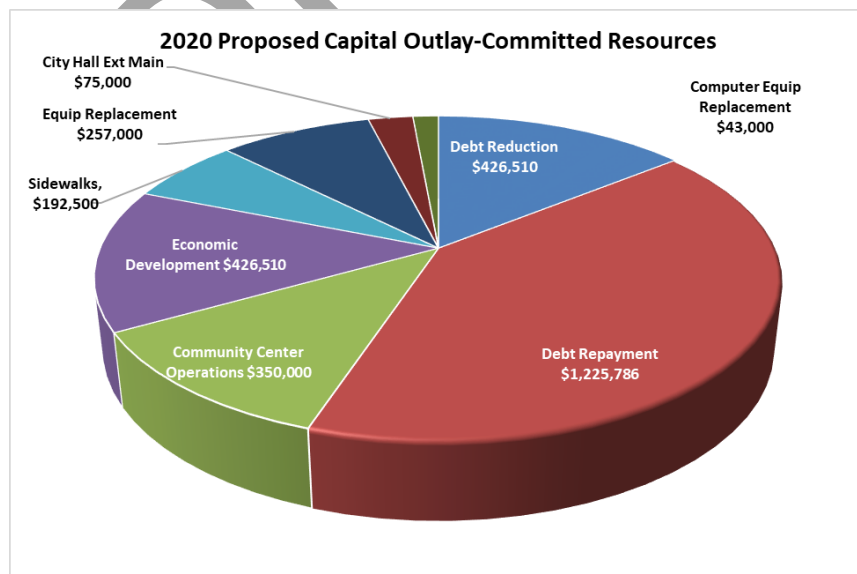
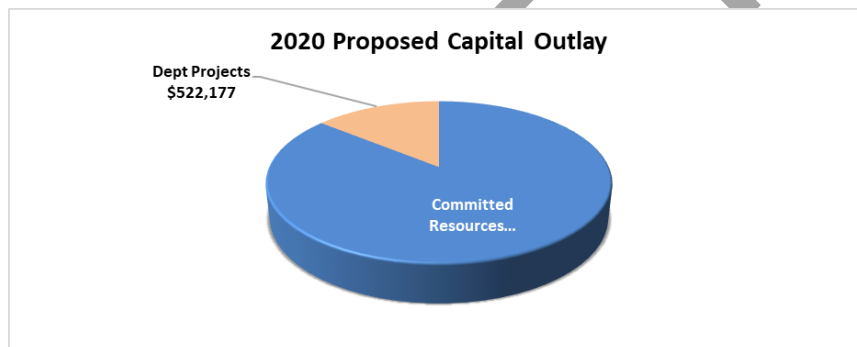
The City has identified in excess of \$36 million dollars of upgrades, maintenance or replacements necessary through 2024 in the 2020 Capital Improvements Plan. Of this amount, \$4.0 million is funded in 2020 while the balance is funded in out years through 2024. However, this can and does change regularly based on changing needs and priorities.

In 2015, the citizens passed the ballot for one percent County Wide sales tax. The City receives a portion of the County Wide sales tax, as does each city within Leavenworth County. The allocation of County Wide sales taxes is based on a formula of population and levied taxes. As mentioned earlier, in 2014 residents of the City of Leavenworth passed a permanent one percent sales tax in order to stabilize property tax levies. In 2015, the City reduced property tax mill rates by 21 mills. This reduction in mill rates resulted in a significant reduction (\$4 million) of the amount of property taxes levied, which reduced the amount of County Wide sales tax the City receives.

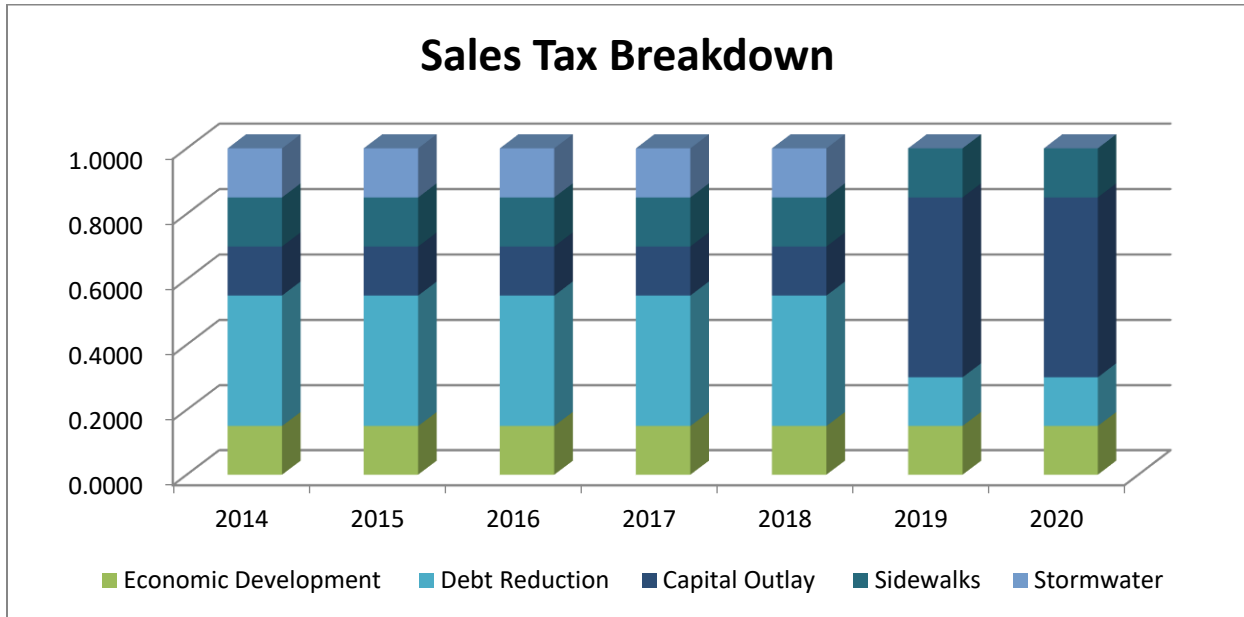
The Commission approved Charter Ordinance 54, which specifies how the City's portion of the County Wide sales tax will be used. The Ordinance specifies that 15 % must be allocated for debt service. It also specifies what else it can be used for but does not state what the percentage of allocation must be. The table on the following page shows what the percentage allocations have been, historically.

County Wide Sales Taxes In Leavenworth		
<u>Purpose</u>	<u>Rate</u>	<u>End Date</u>
Debt Reduction	.15	Ongoing
Sidewalk Program	.15	Ongoing
Economic Development	.15	Ongoing
Storm Water Program	.15	Ongoing
Capital Outlay	.40	Ongoing
TOTAL	1.00	

The graphs below show the breakdown of departmental projects and previously committed resources:



The 15% allocation of County Wide sales tax was inadequate to address the ever increasing storm water infrastructure needs. Therefore, in 2018, the Commission approved the implementation of a storm water impact fee that the City had never had before. The implementation of this fee began in 2019, so the 15% allocation of County Wide sales tax that was for storm water was re-programmed for other capital outlay needs, as shown below.



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DEBT SERVICE

Effective financial management includes analyzing several funding mechanisms to determine what option is the most beneficial to the City. In some cases, issuing debt is the best available option. The City of Leavenworth traditionally uses debt for equipment and capital improvements which cost too much to pay from the operating budget. The length of the debt issuances do not exceed the estimated useful life of the asset being funded by the debt. The financial plan for the City includes debt payments for current obligations and forecasted payments associated with issuing new debt in 2020. Those additional payments are anticipated to begin in 2021.

In 2019, Moody's Investor's Service reviewed and assigned a rating of Aa2 to the City of Leavenworth for the 2019-A bonds that were issued to redeem the temporary notes issued for the 2018 Pavement Management program.

The revenues for making the debt payments are derived from the following sources based upon the nature of the improvement and the type of debt that has been issued:

- Property Taxes
- Charges for Services
- Special Assessments
- Investment Income
- Transfers
- Other

Types of Debt

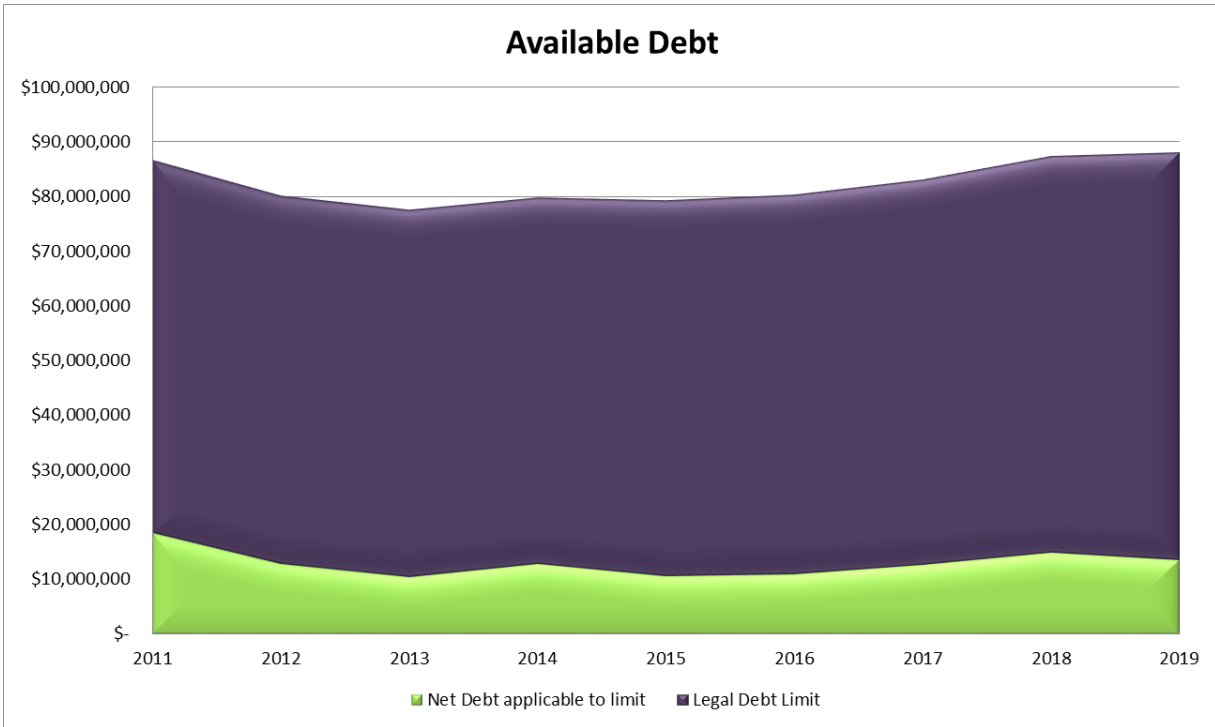
The City of Leavenworth mostly uses general obligation bonds, temporary notes, and capital leases to pay for equipment and improvements. General Obligations bonds are those that require pledging the full faith and credit of the City, including levying property taxes. The City issues this type of bonds, even for debt that will be paid from utility revenues, since the interest rates are usually lower. The interest rates are lower because the risk of default is lower.

Effective debt management requires monitoring debt levels to ensure the soundness of the City's financial position and continued credit worthiness. K.S.A. 10-308 places limitations on the amount of debt cities can issue at 30% of the assessed valuation of the city. For purposes of the statute, assessed valuation is defined as the value of all tangible property certified to the County Clerk on the previous August 25th, which includes the assessed valuations of motor vehicles. K.S.A. 10-309 identifies certain types of debt that are not subject to the legal debt limit

The following chart shows the City's actual ratios for 2019 compared to the goals established in the Debt Policy:

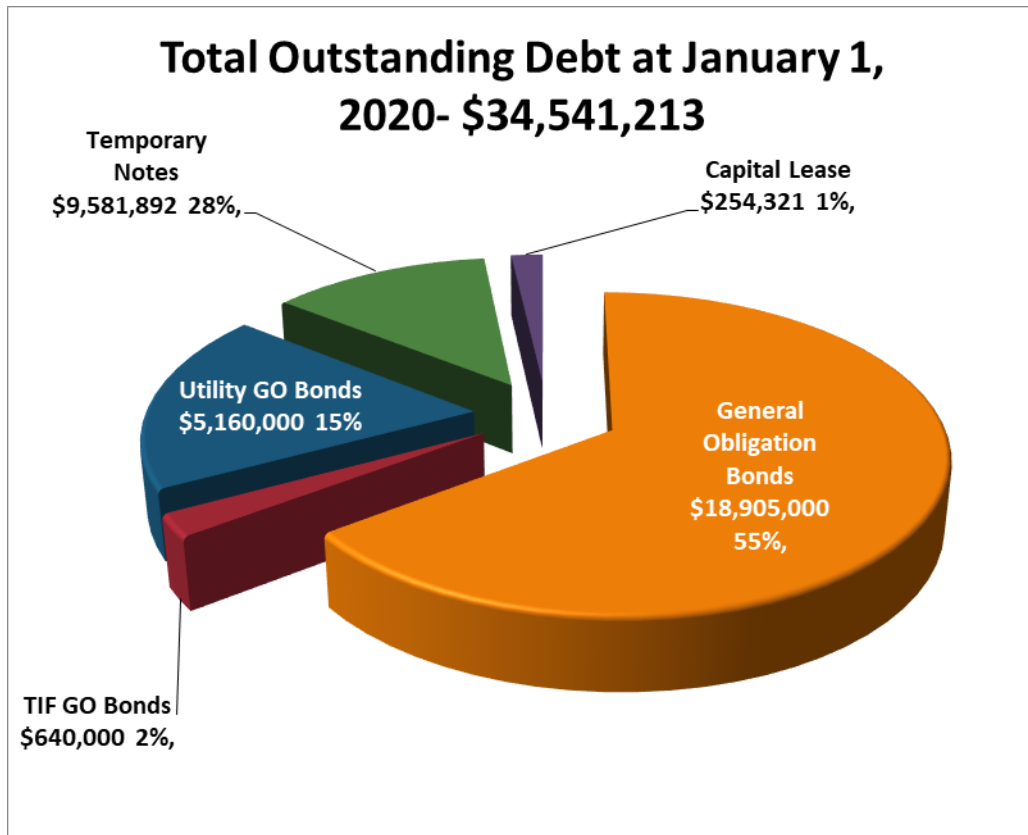
Policy Levels	Goal	Actual
Net direct bonded debt:		
Statutory requirements for General Obligation Debt (less than)	30%	30%
City's General Obligation Debt (as a percent of legal debt margin)	28%	26.6%
General Obligation Debt per Capita	\$ 1,000	\$ 605
Mills (not to exceed)	10 mills	7.637 mills

The following graph shows the difference between the City's current total outstanding G.O. Debt compared to what is allowed according to state statutes. The green indicates the City's current level of G.O. Debt that is applicable to the debt limits and the purple indicates the level of debt capacity to stay within legal limits (30% of assessed valuation including motor vehicle):



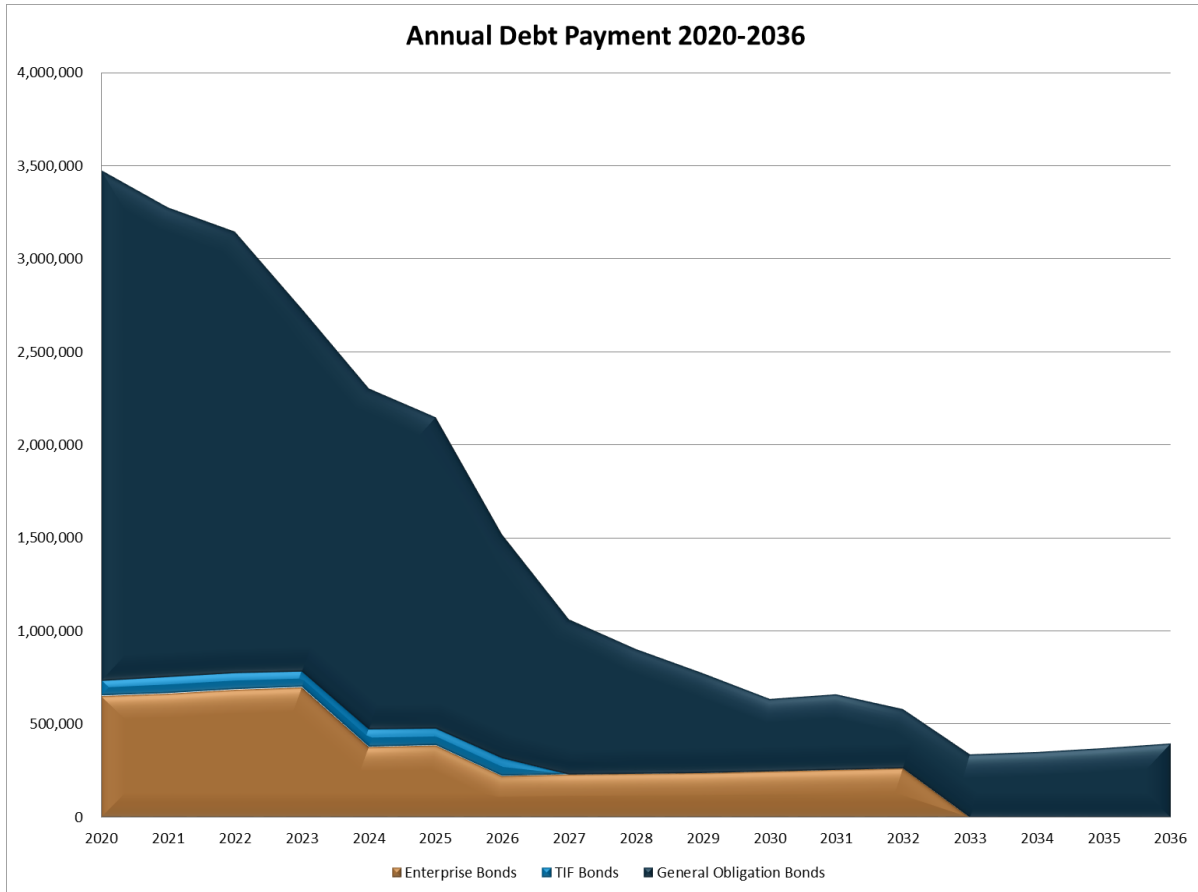
However, having the capacity to issue debt doesn't mean there are enough revenues to pay for higher levels of debt unless the mill levy is increased.

The following chart shows the City's debt total and the percentage each type is of the total:



Cumulative Debt:

The following graph depicts the City's total annual debt payments and the year the bonds are scheduled to be retired at the current debt level. This changes annually due to new issuances.



Bonds:

Bonds make up 72% of the City's total debt, has various maturity times (mostly 10 years) and various funding sources such as sales tax, property taxes, grants, and operating revenues. The following describes the outstanding debt issuances and what they were for:

2010-A was issued in the amount of \$2,485,000 to refund a portion of the 2008-A bonds; to fund the 2009 pavement management program; Limit Street improvements; and Community Center improvements

2011-B was used in the amount of \$6,250,000 to refund 2002-A which was for Fire Station #1; 2002-B which was for the Aquatic Center; 2002-C which was for Fire Station #2; the Gatewood Street Benefit district; 2003-A for pavement management; and 2007-A which was for pavement management.

2012-A was issued in the amount of \$4,165,000 for the construction of a new disinfection system at the wastewater treatment plant. These are 20 year bonds and are paid from sewer operations.

2012-B was issued in the amount of \$5,300,000. Of this amount, \$1,740,000 was for sewer plant improvements and are paid from sewer operations; \$1,680,000 was to redeem the temporary notes for the annual pavement management program and are paid from ad valorem taxes; the balance was used to refund series 2002-C; 2005-A, which was for City Hall Improvements and Muncie Road; and 2008-A and are paid from ad valorem property taxes.

2013-A was issued in the amount of \$3,860,000. Of this amount, \$2,305,000 was for the construction of a new Animal Control Center and is paid from CIP Sales Tax; \$1,555,000 was to redeem temporary notes for the annual pavement management program and are paid from ad valorem property taxes.

2014-A was issued in the amount of \$5,040,000. Of this amount, \$2,630,000 was to refund 2009-A which was for sewer improvements and is paid from the sewer operations; \$1,030,000 was used to refund the governmental funds portion of 2009-A; and the balance was to redeem temporary notes issued for the annual pavement management program.

2014-B was issued in the amount of \$490,000 for the purchase of a financial software system, hardware, and conversion. These are paid from CIP sales tax.

2015-A was issued in the amount of \$1,700,000 for the redemption of the temporary notes issued for the annual pavement management program and are paid from ad valorem taxes.

2015-B was issued in the amount of \$600,000 for the purchase of blighted property and the property was used as an economic development incentive. A TIF district was established, a new hotel was constructed and the property taxes generated by the TIF pays the debt payment. These are taxable bonds.

2016-A was issued in the amount of \$5,700,000. Of this amount, \$1,725,000 redeemed the temporary notes issued for the annual pavement management program (paid from ad valorem property taxes); \$1,340,000 was for the replacement of three (3) fire trucks (this is a 15 year bond and paid from CIP sales tax); and the balance refunded the 2011-A bonds, which were 15 year bonds and are paid from ad valorem property taxes.

2016-TIF was issued in the amount of \$875,000 and was for site preparation for an extended stay hotel. The property taxes generated by this TIF are paid into an escrow fund until there are enough available to retire the debt, then they will be available for another project. These are taxable bonds.

2017-A was issued in the amount of \$4,910,000 and is a 20 year taxable bond. It was used for the City's share of the development of the Business and Technology Park. This project was a joint project with Leavenworth County. These bonds are paid from County Wide sales tax.

2017-B was issued in the amount of \$1,640,000 and to redeem the notes for the annual pavement management program and is paid from ad valorem taxes.

2018-A was issued in the amount of \$1,410,000 and was used to redeem the temporary notes for the 2017 pavement management program and is paid from ad valorem taxes.

2019-A was issued in the amount of \$1,340,000 and was used to redeem the temporary notes for the 2018 pavement management program. These are paid from ad valorem taxes.

Temporary Notes:

Temporary notes are a short term financing mechanism sometimes issued with the anticipation of issuing longer term bonds. The City uses temporary notes for construction projects whose cost may be difficult to project. Some of the City's current notes are going to be bonded in the near term; some are going to be bonded a couple of years out; some are not going to be bonded at all. As of August 2019, the City has three (3) temporary notes with an outstanding balance totaling \$ 9,581,892. They make up 28% of the City's debt and the details are discussed below:

2017B was in the amount of \$700,000 and was for the 2nd Street Bridge project. There was no intention of issuing bonds to redeem them. There were three annual payments paid from County Wide sales tax. The last of the payments will be made in 2020.

2018A was issued in the amount of \$3,360,000. Three projects were funded by these notes:

- a) \$1,360,000 for pavement management 2019 program (this was bonded in the 2019 issuance)
- b) \$1,500,000 for Phase IV of the River Front Community Center (RFCC) stone replacement
- c) \$600,000 for New Lawrence Road infrastructure

The notes for the pavement management program were bonded in 2019 and will be paid from ad valorem taxes. The notes for Phase IV of the RFCC stone replacement will not be bonded. The bids for stone replacement came in significantly under the engineer's estimate, so approximately \$900,000 will be unused, because the building is on the historical registry, the project qualified and was awarded a \$500,000 Mid-America Regional Council grant, the State of Kansas awarded State Historical Tax credits, which the City will sell; the balance (approximately \$295,000) will be paid from CIP sales tax; the \$600,000 for the new Lawrence Road infrastructure will be paid from ad valorem taxes but the original intent was to redeem them from the increased value from the new housing addition. Since the project was completed for less than the amount of notes issued, \$188,108 of notes have already been redeemed. New housing construction isn't being completed as quickly as originally anticipated, so the balance may be bonded when the 10th Ave portion of the 2019A notes are bonded.

2019A was issued in the amount of \$7,430,000. Of this amount, \$1,390,000 was issued for the annual pavement management program. It will be bonded in 2020 and paid from ad valorem taxes.

The \$6,040,000 is for the reconstruction of Thornton Street and resurfacing of 10th Avenue, which intersects with Thornton Street. The resurfacing portion of the project is from Michigan to Vilas and will have an expected life of 6-7 years, while the reconstructed portion (Thornton) is from 5th St to 10th St and has a much longer estimated life. Therefore, in 2020, we will bond the resurfaced portion for five years and possibly include the New Lawrence Road

notes. The Thornton Street portion will be bonded in 2021 for 10 years. The Thornton Street bonds will be paid from County Wide sales tax.

Capital Leases:

A capital lease is a financing method where the lessor finances the leased asset and the rights of ownership transfer to the lessee. The asset is recorded as an asset and the interest is the only portion recorded as an expense. The City has used this method of financing twice in the past three years. The capital leases the City had/has were entered into because the asset being purchased did not cost enough to warrant long term debt, but more than the amount the City wanted to expend from current cash reserves. The City doesn't enter into a capital lease for a period of longer than three years.

The current capital lease was entered into for the purchase of a sewer line vacuum truck. The outstanding balance is \$254,321 with \$124,950 due in 2020, and the balance due in 2021. This lease is paid from sewer operations.

Going forward:

In 2020, the City will issue approximately \$1.3 million for the annual pavement management program and approximately \$1.4 million for the purchase of a 100' aerial ladder truck. The pavement management program will be paid from ad valorem property taxes, the fire truck from CIP sales taxes. A copy of the five year capital Improvement plan is located on page 164.

The following matrix shows the funding sources for each bonded debt issuance:

Series	Purpose	Ad Valorem	CIP Sales Tax	TIF Sales Tax	County Wide Sales Tax	Sewer Operating
2010A	Traffic & Internal Improvements	*				
2011B	GO Refunding	*				
2012B	GO Refunding & Internal Improvements	*				
2013A	Internal Improvements	*	*			
2014A	GO Refunding & Internal Improvements	*				
2014B	Financial Software		*			
2015A	Internal Improvements	*				
2015B	Internal Improvements - Taxable			*		
2016A	Fire Trucks, Refunding, Improvements	*	*			
2016-A	TIF GO Bonds-Taxable			*		
2017A	Business & Technology Park				*	
2017B	2016 Pavement Management	*				
2018-A	2017 Pavement Management	*				
2019-A	2018 Pavement Mgt	*				
2012A	Sewer Improvements					*
2012B	Sewer Improvements					*
2014A	Sewer Refunding					*

The schedule on the following pages show the annual debt service requirement by year and by series (split between governmental activities and business-type activities).

2020

	Series	Principal	Interest	Total
Traffic & Internal Improvements	2010A	280,000	2,800	282,800
GO Refunding	2011B	300,000	21,350	321,350
GO Refunding & Internal Improvements	2012B	180,000	9,542	189,542
Internal Improvements	2013A	385,000	41,775	426,775
GO Refunding & Internal Improvements	2014A	140,000	16,463	156,463
Financial Software	2014B	50,000	7,125	57,125
Internal Improvements	2015A	165,000	26,212	191,212
Internal Improvements - Taxable	2015B	60,000	10,390	70,390
Fire Trucks, Refunding, Improvements	2016A	595,000	83,363	678,363
TIF GO Bonds-Taxable	2016-A	85,000	10,678	95,678
Business & Technology Park	2017A	190,000	160,665	350,665
2016 Pavement Management	2017B	155,000	33,173	188,173
2017 Pavement Management	2018-A	130,000	39,050	169,050
2018 Pavement Management	2019-A	110,000	47,347	157,347
2020 Total		2,825,000	509,933	3,334,933

2021

GO Refunding	2011B	295,000	14,750	309,750
GO Refunding & Internal Improvements	2012B	185,000	6,753	191,753
Internal Improvements	2013A	390,000	34,845	424,845
GO Refunding & Internal Improvements	2014A	145,000	13,663	158,663
Financial Software	2014B	50,000	6,000	56,000
Internal Improvements	2015A	170,000	22,913	192,913
Internal Improvements - Taxable	2015B	60,000	9,040	69,040
Fire Trucks, Refunding, Improvements	2016A	620,000	71,463	691,463
TIF GO Bonds-Taxable	2016-A	90,000	8,978	98,978
Business & Technology Park	2017A	195,000	153,065	348,065
2016 Pavement Management	2017B	160,000	30,073	190,073
2017 Pavement Management	2018-A	130,000	35,150	165,150
2018 Pavement Management	2019-A	120,000	3,690	123,690
2021 Total		2,610,000	410,383	3,020,383

2022

GO Refunding	2011B	295,000	7,670	302,670
GO Refunding & Internal Improvements	2012B	185,000	3,515	188,515
Internal Improvements	2013A	400,000	28,020	428,020
GO Refunding & Internal Improvements	2014A	145,000	10,763	155,763
Financial Software	2014B	50,000	4,650	54,650
Internal Improvements	2015A	175,000	19,003	194,003
Internal Improvements - Taxable	2015B	60,000	7,690	67,690
Internal Improvements, Fire Equip, Refunding	2016A	435,000	59,063	494,063
TIF Bonds-Taxable	2016A	90,000	7,178	97,178
Business & Technology Park	2017A	205,000	145,265	350,265
2016 Pavement Management	2017B	160,000	26,473	186,473
2017 Pavement Management	2018-A	135,000	31,250	166,250
2018 Pavement Management	2019-A	125,000	33,300	158,300
2022 Total		2,460,000	383,840	2,843,840

2023

Internal Improvements	2013A	405,000	20,220	425,220
GO Refunding & Internal Improvements	2014A	150,000	7,500	157,500
Financial Software	2014B	55,000	3,300	58,300
Internal Improvements	2015A	180,000	14,628	194,628
Internal Improvements - Taxable	2015B	65,000	6,040	71,040
Fire Trucks, Refunding, Improvements	2016A	440,000	50,363	490,363
TIF GO Bonds-Taxable	2016-A	90,000	6,008	96,008
Business & Technology Park	2017A	215,000	137,065	352,065
2016 Pavement Management	2017B	165,000	22,873	187,873
2017 Pavement Management	2018-A	140,000	27,200	167,200
2018 Pavement Management	2019-A	130,000	29,550	159,550
2023 Total		2,035,000	324,747	2,359,747

2024-2028

Internal Improvements	2013A	495,000	17,513	512,513
GO Refunding & Internal Improvements	2014A	150,000	3,750	153,750
Financial Software	2014B	55,000	1,650	56,650
Internal Improvements	2015A	375,000	15,353	390,353
Internal Improvements - Taxable	2015B	135,000	6,458	141,458
Internal Improvements, Fire Equip, Refunding	2016A	1,600,000	114,495	1,714,495
TIF Bonds-Taxable	2016A	285,000	9,594	294,594
Business & Technology Park	2017A	1,225,000	575,328	1,800,328
2016 Pavement Management	2017B	710,000	48,280	758,280
2017 Pavement Management	2018-A	760,000	70,450	830,450
2018 Pavement Management	2019-A	700,000	87,750	787,750

2024-2028 Total 6,490,000 950,621 7,440,621

2029-2033

Internal Improvements, Fire Equip, Refunding	2016A	305,000	13,745	318,745
Business & Technology Park	2017A	1,535,000	363,488	1,898,488
2018 Pavement Management	2019-A	155,000	4,650	159,650

2029-2033 Total 1,995,000 381,883 2,376,883

2034-2038

Business & Technology Park	2017A	1,130,000	81,828	1,211,828
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Total Government-type activities 19,545,000 3,043,235 22,588,235

Business-type activities

2020

Sewer Improvements	2012A	195,000	66,720	261,720
Sewer Improvements	2012B	155,000	19,085	174,085
Sewer Refunding	2014A	300,000	27,525	327,525
		650,000	113,330	763,330

2021

Sewer Improvements	2012A	200,000	62,820	262,820
Sewer Improvements	2012B	155,000	16,683	171,683
Sewer Refunding	2014A	310,000	21,525	331,525
		<u>665,000</u>	<u>101,028</u>	<u>766,028</u>

2022

Sewer Improvements	2012A	205,000	58,820	263,820
Sewer Improvements	2012B	160,000	13,970	173,970
Sewer Refunding	2014A	320,000	15,325	335,325
		<u>685,000</u>	<u>88,115</u>	<u>773,115</u>

2023

Sewer Improvements	2012A	210,000	54,720	264,720
Sewer Improvements	2012B	160,000	10,930	170,930
Sewer Refunding	2014A	325,000	8,125	333,125
		<u>695,000</u>	<u>73,775</u>	<u>768,775</u>

2024-2028

Sewer Improvements	2012A	1,115,000	181,534	1,296,534
Sewer Improvements	2012B	340,000	11,560	351,560
		<u>1,455,000</u>	<u>193,094</u>	<u>1,648,094</u>

2029-2033

Sewer Improvements	2012A	<u>1,010,000</u>	<u>67,491</u>	<u>1,077,491</u>
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Total Business-type activities		5,160,000	636,833	5,796,833
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RESERVES

Reserves are the cornerstone of financial stability and flexibility, providing an organization options with which to respond to unforeseen risks. The most challenging issue regarding reserves is the balance between enough and too much. While there is no specific right or wrong answer, there are analytical tools that can determine what an appropriate level is for each organization.

In March 2017, the City Commission approved a revised Budgetary Reserve Policy which incorporates the GFOA recommended minimum of two months of expenditures as the City's minimum reserve levels in fund balance for the General Fund, CIP Sales Tax Fund, County Wide Sales Tax Fund, Sewer Fund, and Refuse Fund. The new policy specifies the acceptable uses of excess unassigned reserve balances, mandates periodic reviews and updates as necessary, limits the authorization to use reserves to the City Commission and City Manager, and provides for budgeting 4% of expenditures for restoration of reserves should they fall below the minimum established in this policy.

In 2009, the Governmental Accounting Standards Board (GASB), the governing body charged with establishing accounting and financial reporting standards for governments, issued Statement 54, which changed the way fund balances are reported on financial statements. The City prepares the budget per Kansas statute on a cash basis where cash balances are not typically presented according to GASB 54 designations. However, the City recognizes that the same constraints apply and is presenting the budgetary cash balances in the GASB 54 format for the purposes of this document.

Non-spendable: This includes amounts that are a) not spendable in any form, or b) legally or contractually required to remain intact. This includes items that are not expected to be converted to cash, such as inventories, pre-paid items, or long-term notes receivable.

Restricted: This includes amounts that can be spent only for the specific purposes stipulated by external sources either constitutionally or through legislation. Restrictions may only be lifted with the consent of the source provider. This includes grants or certain types of sales taxes.

Committed: This includes amounts that can only be used for specific purposes determined by a formal action (resolution/ordinance) of the City's highest level of decision-making authority-the City Commission. Commitments may only be lifted by taking the same formal action that originally imposed the restriction (resolution/ordinance).

Assigned: This includes amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by a) the City Commission or b) the City Manager to which the Commission has delegated the authority to assign amounts to be used for specific purposes.

Unassigned: This includes the classification of the residual amount for the General Fund and includes all amounts not contained in the above-mentioned classifications. Unassigned amounts are technically available for any purpose.

In situations where expenditures are made for a purpose that has amounts available in multiple fund balance classifications, fund balances are depleted in the order of restricted, committed, assigned, and unassigned.

RISK ASSESSMENT

In order to determine the appropriate level of reserves, risk factors must be analyzed. Several risk factors for this area to be considered are:

- Revenue volatility
- Infrastructure condition
- Extreme events such as weather
- External Factors

Risk is defined as the likelihood and the level of loss caused by an undesirable event.

Revenue Volatility comes from many facets of economic downturns such as a decrease in property values, a heavy reliance on sales tax, which are highly susceptible to economic downturns, and a reluctance to invest or expand businesses. Another economic factor relates to closure of a major industry. For example, Consolidated Mail Outpatient Pharmacy (CMOP) employs approximately 205 FTE's and is expected to move its business outside of the community in 2020. The City of Leavenworth benefits from the presence of several federal institutions such as Fort Leavenworth, the Veteran's Hospital, the US Marshall's prison, and the United State Penitentiary, as well as several state institutions. These help stabilize the City's economy but do not make it totally unsusceptible to the effects of recession. Since 45% of the City's revenues are from sales tax, this is a risk factor to be considered in determining acceptable reserve levels.

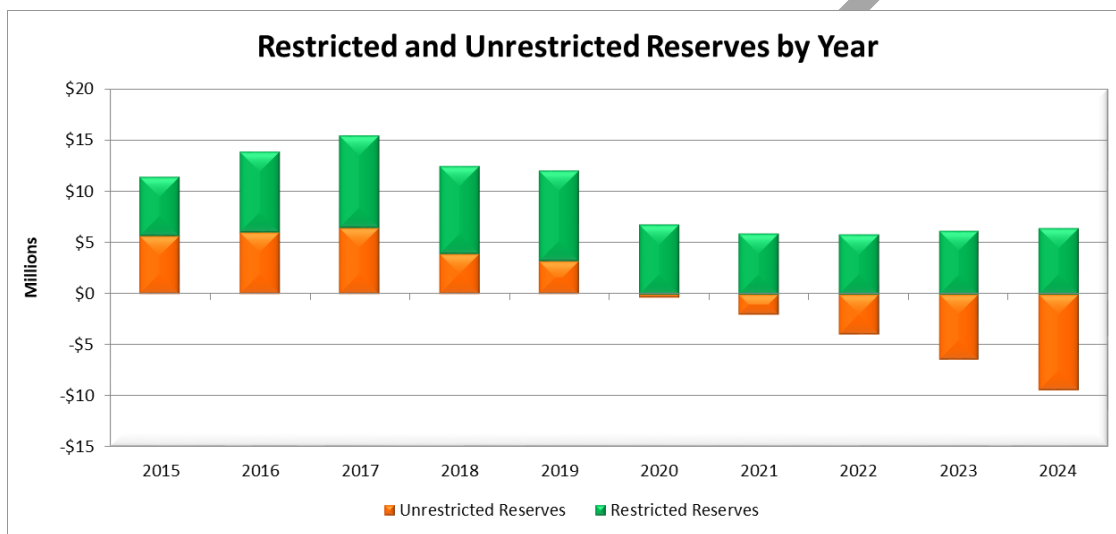
Infrastructure condition must be assessed periodically to ensure the health and safety of the citizens. As mentioned earlier, budgetary pressures can cause a delay in addressing maintenance which continues to deteriorate, costing more to correct in future years. Having reserves specifically designated for capital improvements is necessary to maintain the City's infrastructure. During the annual capital improvement planning (CIP) process, the City identified over \$36 million of needed capital improvements. In order to address these needs, the City committed \$2m annually for street and road resurfacing, \$5.5m for Thornton street reconstruction, \$1.1m in storm water maintenance, and approximately \$1.0m for sewer infrastructure maintenance. Debt was and will be issued for the streets maintenance and Thornton street reconstruction, using capital resources to repay the debt limits the amount available for other projects and equipment replacement.

Extreme weather events add an element of risk, also. The City's biggest risk from weather events are due to floods and tornadoes. For example, flooding. The Missouri River is the eastern border of the City. Historically, the river has high water levels that can lead to flooding every 3 years and sometimes more frequently than that. According to the Hydrologic Prediction Service, the "action stage" is 17 feet, the "flood stage" is 20 feet. The Missouri River water levels exceeded 20 feet in 2015, 2016, 2018, and 2019. The 2019 crest in March was the second highest in history at 31.30 feet, with the 1993 flood being the highest at 35.34 feet. In 2011, the river water levels reached 30.80 feet. While preventive measures taken in previous years addressed some issues, there are still expenses associated with preparing for these events that are outside normal operations-such as preparing 1500-3000 sandbags and blocking off streets. Additionally, there are repairs and maintenance that occur due to processing

huge amounts of water, such as the clarifier at the wastewater treatment plant and cleanup of the camp grounds. In addition to the campground cleanup, there is lost revenue from not having it available for use.

Other external factors include extreme ice or snowfalls-which the City experienced in late 2018 and early 2019; hazardous materials spills; and the next recession, which economists are estimating will happen in about 2 or 3 years.

The Government Finance Officers Association (GFOA) recommends minimum reserves at 16% of revenues for governmental funds and two months of expenditures for enterprise funds, but also recommends that each governmental entity, evaluates its risk and determine what its needs are. The City has determined that it should maintain the equivalent of two months of expenditures as a minimum reserve level. Current reserve levels slightly exceed the 16%. The following graph shows what the City's reserve levels will look like if we continue with the current trends:



SUMMATION AND RECOMMENDATION:

Fortunately, the City of Leavenworth has had reserves to rely on during the worst of the most recent economic downturn; however, those reserves have declined because they were used to balance the budget.

Current decisions and plans will have a direct impact on the financial stability and the ability of the City to thrive throughout future financial challenges. The purpose of this document is to outline the current financial position and provide insight to some of the issues that the City faces in the near future.

As mentioned earlier, external factors are those that the city has very little control over and yet those factors have a significant impact on our financial position. Some of those factors are property valuations, extreme or unusual weather, intergovernmental funding source reductions, health insurance costs, property and liability insurance costs, retirement rate changes, and other consumer pricing increases.

Deferring maintenance on city infrastructure and other fixed assets is both costly and inefficient. Providing service to the citizens efficiently and effectively requires that we devote resources to maintaining and/or replacing those assets.

Cities can only generate revenues allowed to them by State Statute. Current legislation has placed limits on cities' ability to generate the revenues needed to provide services by imposing the property tax lid.

While there are some exclusions from the tax lid calculations that will help compensate for the limits in place for the 2021 budget and future budgets, the City will benefit most by continuing to analyze revenue and expenditure trends. This will allow enough time to place a ballot before the people should it become necessary.

Changes in our economic condition will affect our projections. We will review our situation annually and adjust as needed.

Recommendation for the 2021 budget preparation:

Revenues

- 2.5% increase in assessed valuation
- 2.0 increase in mills levy in the general fund and every year through 2024
- 0.750 increase in mills for the recreation fund will reduce the subsidy from \$400,000 to \$350,000
- 2.8% increase in sales tax
- 2.0% increase in Franchise taxes
- 3.0% annual increase in sewer rates through 2024
- 3.5% annual increase in Refuse rates through 2024

Expenditures

- Approximately \$100,000 in property tax refunds to property owners in the NRAs
- 9% increase in employee health insurance
- .07% decrease in KPERs and 1.13% increase in KP&F
- Efficiency/rate study for Recreation Fund

- Street Fund analysis to reduce expenditures
- Bring utility billing in house
- In 2021 allocate resources for KDOT transportation grant matching funds

Appendix E -GLOSSARY of Terms

Accounting System- The total structure of records and procedures for recording, classifying, summarizing and reporting financial information.

Accrual Basis Accounting – A method of accounting in which revenues are recorded when measurable and earned, and expenses are recognized when a good or service is used.

Accrued Expense – An expense incurred during the current accounting period but which is not to be paid until a subsequent accounting period.

Accrued Revenue – Revenue earned during the current accounting period but which is not to be collected until a subsequent accounting period.

Ad Valorem – A basis for a levy of taxes upon property based on value.

Ad Valorem Taxes- (“According to value”) is a tax based on the value of real estate or personal property.

Addendum- An addition or supplement to a document.

Agency Fund – A fund consisting of resources received and held by the governmental unit as an agent for others.

Appraised Valuation- The value placed upon real estate or other property by the County Appraiser.

Appropriation – An authorization by the City Commission to incur obligations and to expend public funds for a stated purpose. An appropriation is usually limited in amount and as to the time when it may be expended.

Arbitrage- Refers to the rebate or penalty amount due to the Internal Revenue Service where funds received from the issuance of tax-exempt debt have been invested and excess interest earnings have occurred, or where tax-exempt bond proceeds are not spent for their intended purpose within the times permitted by federal regulation. As used in this policy, ‘excess interest earnings’ means interest earned at a rate in excess of the arbitrage permitted yield on any individual bond issue.

Assessed Valuation- A fixed percentage of the appraised valuation, as appraised by the County Appraiser.

Assets – Probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events

Assigned Fund balance- The cash balance intended for a specific use by the City that are neither restricted nor committed. Intent is expressed by the Commission or City Manager to which the Commission delegated authority to assign amounts for specific purposes.

Audit – A methodical examination of the utilization of and changes in resources. It concludes in a written report of the findings. A financial audit is a test of the management’s financial statements and internal accounting control procedures to determine the extent to which internal accounting controls are both available and being used. It determines whether the financial statements fairly present the City’s financial condition and results of operations.

Available (Undesignated) Fund Balance – This refers to the funds remaining from the prior year, which are available for appropriation and expenditure in the current year.

Balanced Budget – A budget in which total revenues are equal to or greater than total expenditures.

Balance Forward – A cash basis portion of the fund balance required by Kansas statute for budgeting purposes. It is comprised of cash and equivalent balances less current liabilities (such as accounts payable and wages payable) and encumbrances. The balance forward is added with budgeted revenues to calculate the total resources available for budgeted expenditures.

Best Value- A selection of a product or service that was based on both price and qualitative components of a bid and the award are not necessarily to the lowest bidder, but rather on the offer deemed most advantageous and of greatest value to the City. Qualitative considerations include items such as technical design, technical approach, quality of proposed personnel, and or management plan.

Bid- A written offer to perform a contract to provide goods or services to the City in response to a bid opportunity.

Bond- A written promise to pay a specific amount of money, called face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, payable periodically.

Bond Indebtedness- The portion of a government’s debt represented by outstanding bonds.

Budget- A plan of financial operation including an estimate of proposed expenditures for a given period of time, and proposed means of financing them.

Budget Amendment- A formal change to the budget during the year to increase expenditure limits.

Budget Control – The control or management of the approved Budget for the purpose of keeping expenditures within the limitations of available appropriations and available resources.

Budget Hearing- The formal hearing for the budget to be presented to the governing body for adoption and approval.

Budget Law- A series of the Kansas Statutes (K.S.A. 79-2925 to 79-2937) which includes specific requirements for preparing an annual budget document. The budget sets a limit on expenditures and tax levies.

Budgetary Fund Balance- Represents only the accumulated amount from prior years based on budgetary basis.

Budgeted Fund- A fund that is required by statute to be budgeted.

Buildings- All permanently walled and/or roofed structures, along with all permanent systems, such as HVAC, drainage, plumbing, etc.

Capital Asset- Tangible or intangible assets with an acquisition cost greater than \$5,000 and an estimated useful life expectancy greater than one business cycle.

Capital Expenditures- An expenditure which results in the acquisition of or addition to capital assets.

Capital Funds- Funds that account for capital improvements funded by issuing debt, special assessments, or certain grants.

Capital Improvements- Expenditures related to the acquisition, expansion, or rehabilitation of an element of the government's physical facilities or infrastructure.

Capital Outlay- Payments made in cash or cash equivalents to purchase a capital asset or extend a capital asset's useful life.

Capital Project- Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increases their useful life.

Capital Improvement Program- A plan that serves as a guide for the efficient and effective provision of public facilities, outlining timing and financing schedules of capital projects for a five-year time period.

Cash Basis Reserves- An amount of money budgeted in the Bond Fund to assure there is adequate cash flow to meet principal and interest payments. It is limited to one year's principal and interest.

Challenge- A written objection by a participating bidder regarding a bid, proposal, or quote.

Charges for Services- A revenue source that represents a reimbursement for services provided, such as utilities, facility rentals, inspection fees, parks user fees, etc.

Charter Ordinance- The document used by cities to exempt itself from a non-uniform state statute using constitutional home rule.

Collusion- When two or more parties act together secretly to achieve a fraudulent or unlawful acts such as unlawful activities impacting competitive bidding. This may inhibit free and open competition in violation of antitrust laws.

Commission- The legislative body of the City, made up of members of the community elected at large by popular vote.

Committed Fund Balance- The cash balance that can only be used for specific purposes determined by a formal action (resolution/ordinance) of the City's highest level of decision making authority-the City Commission. Commitments may only be lifted by taking the same formal action that originally imposed the restriction.

Commodities- Expendable items that are consumable and/or have a short life span that is within one business cycle and whose cost is below a specific threshold established by management, such as small tools, office supplies, etc.

Community Improvement District (CID)- May be either a political subdivision or a not-for-profit corporation and are defined geographic areas. CID's are organized for the purpose of financing a wide range of public-use facilities and establishing and managing policies and public services relative to the needs of the district.

Construction in Progress (CIP)- Includes all costs of labor, material, and ancillary costs accumulated on a project that is not, yet completed. Once placed in service, the asset is transferred from CIP to the appropriate asset classification.

Contingency- A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contract- Any written instrument or electronic document containing elements of offer, acceptance, and consideration to which the City is a part.

Contractor- An individual, company, corporation, firm, or combination thereof in which the City enters into a contract for the purpose of procuring goods or services.

Contractual services- Service rendered by private firms, individuals, or other governmental agencies, such as utilities, rent, maintenance agreements, and/or professional services.

Controlled Asset- Controlled assets are those items with an acquisition cost of less than \$5,000, but which are particularly at risk or vulnerable to theft or loss.

Cooperative Purchasing- A process by which two or more jurisdictions cooperate to purchase from the same vendor.

County Clerk's Budget Information- The valuation and other information needed to prepare a budget, available June 15th.

County Treasurer's Report- A report which shows the distribution of taxes made by the county treasurer for the previous year.

Debt- An obligation resulting from borrowing money or purchasing goods and services. It includes general obligation bonds, revenue bonds, temporary notes, state revolving loans, and lease purchase agreements.

Debt Capacity- An assessment of the amount of debt an entity can repay in a timely manner without jeopardizing its financial viability and/or without violating restrictions placed by governing bodies.

Delinquent Taxes – Taxes remaining unpaid after the due date. Unpaid taxes continue to be delinquent until paid, abated, or converted into a lien on property.

Department – A major unit of organization in the City of Leavenworth comprised of sub-units named divisions or cost centers and responsible for the provision of a specific package of services.

Depreciation- A non-cash expense that results from the use of long-lived assets. It is measured by allocating the acquisition cost of an asset over its estimated useful life.

Design-Build- A project delivery method in which the City contracts with a single entity for both the design and construction/implementation of a project.

Designee- A duly authorized representative of a Department Director

Economic Development- The effort to attract new business and industry and retain existing business and industry.

Emergency Purchases- A purchase made when a lack of which would threaten:

- 1) The functioning of the City government
- 2) The preservation or protection of property, machinery, or equipment
- 3) The health or safety of any person

Encumbrance – Commitment related to an unperformed contract for goods and services. Encumbered funds may not be used for any purpose.

Enterprise Funds- Funds that account for activities for which a fee is charged to external users for goods and services, such as wastewater, refuse, sewer, and storm water.

Equipment- Vehicles and equipment which meets the definition of capital assets, is movable in nature, retains its original shape and appearance with use, is non-expendable, and is not permanently attached to a building.

Expenditures- Includes cash payments plus any encumbrances for budgetary purposes. *Expenditures cannot exceed the published budget.*

Fiduciary Fund – Any fund held by a governmental unit as an agent or trustee.

Fiscal Year – A 12-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. The City of Leavenworth’s fiscal year is a calendar year of January 1 to December 31.

Fringe Benefits – Employer share of FICA taxes, health insurance, life insurance, workmen compensation, unemployment taxes, and retirement contributions made on behalf of the City’s employees.

Full-Time Equivalent (FTE) – The conversion of all full-time, part-time, and temporary employees to the amount of full-time employees that would be required for the hours worked. Two part-time employees working 20 hours each would equal 1 FTE.

Fund- An independent fiscal and accounting entity including all cash with related liabilities or obligations.

Fund Balance- The measure of financial resources available in a governmental fund. The context of fund balance for reporting purposes is different than the context for budgeting purposes. The GAAP context separates fund balance into categories depending on the level of constraints placed on the use of the funds.

General Fund- The City’s primary operating fund that accounts for services not otherwise specified in a separate fund.

General Obligation Bonds- Bonds backed by the full faith and credit of the City. Bondholders have the power to compel the City to levy property taxes to repay the bonds, if necessary.

Goal – A goal is a statement of desired conditions to be maintained or achieved through the efforts of an organization. Actual total achievement may be impossible, but the goal is a standard against which to measure progress towards ideal conditions. A goal is a definition of results toward which the work of the organization is directed.

Governmental Funds – This category of funds includes typical governmental activities and includes funds such as the General Fund, Special Revenue Funds, and the Debt Service Fund.

These funds are set up to measure current expendable financial resources (only current assets and current liabilities) and use the modified accrual basis of accounting.

Grant – A contribution of assets (usually cash) from one government unit or organization to another. Typically, these contributions are made to local governments from the state or federal governments to be used for specific purposes and require distinctive reporting.

Improvements Other than Buildings- Includes permanent improvements to assets which cannot be classified as a building with the exception of those improvements that are made with/to infrastructure.

Informal Solicitations- Purchases under a certain dollar threshold may be made by either verbal or written quotes.

Infrastructure- Roads, streets, bridges, curbs, gutters, sidewalks, traffic signals, drainage systems, storm culverts, and lighting systems.

Interfund Transfers-Flows of assets-for example cash or goods, between funds and blended component units of the primary government without the equivalent flow of assets in return and without a requirement for repayment (includes both revenues and expenditures). Usually classified as “Other sources and uses”.

Investment – Securities held for the production of income in the form of interest and dividends.

Invitation for bids (IFB)- All documents used to solicit competitive or multi-step bids.

Insurance Fire Rating (ISO) - Also referred to as a fire score or Public Protection Classification(PPC), is a score from 1 to 10 that indicates how well-protected your community is by the fire department. In the ISO rating scale, a lower number is better: 1 is the best possible rating, while a 10 means the fire department did not meet the ISO's minimum requirements.

Land- Includes all real estate owned by the City with the exception of real estate that contains infrastructure.

Lease/Purchase Agreements- The City enters into a lease/purchase agreement with another party (typically a third-party vendor) to lease an asset over a defined period of time at a pre-arranged annual payment. Lease/purchase payments are made primarily from operating revenues. The City Commission appropriates annual lease/purchase payments unless it chooses not to appropriate under the Kansas cash basis law. If lease/purchase payments are not appropriated, ownership of the property remains in the leasing party. At the conclusion of the lease term, the City either receives unencumbered ownership of the asset or receives an option to purchase the asset at a predetermined price.

Lease Agreements- The City enters into a lease agreement with another party (typically a third-party vendor) to take temporary possession of an asset over a defined period of time at a pre-arranged payment, made from operating revenues. The Commission appropriates lease payments unless it chooses not to under Kansas cash basis law. At the end of the leasing term, ownership of the asset remains in the leasing party.

Major Fund- Funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

Non-Major Funds- funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are less than 10 percent of corresponding totals for all governmental or enterprise funds and less than 5 percent of the aggregate amount for all governmental and enterprise funds.

Non-spendable- Includes amounts that are not spendable in any form or are legally or contractually required to remain intact.

Purchasing Agent- City employee assigned to the Finance office designated with the authority and responsibility for purchasing

Request for Proposal (RFP)- A document used to solicit proposals from potential providers for goods and services

Request for Qualifications- Refers to the pre-**qualification** stage of the procurement process. Only those proponents who successfully respond to the **RFQ** and meet the **qualification** criteria will be included in the subsequent **Request** for Proposals (RFP) solicitation process.

Request for Quotes- A request made to vendors for non-repetitive purchases below a certain dollar amount, may be either a verbal or written quote depending on the dollar threshold.

Resources Available- The total cash available to fund the budget.

Restricted Fund Balance- Amounts that can only be spent for specific purposes stipulated by external sources either constitutionally or through legislation.

Revenues- Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, forfeitures, grants, and interest income.

Special Assessment Bonds- Bonds issued to develop facilities and basic infrastructure for the benefit of properties within the assessment district. Assessments are levied on properties benefited

by the project. The issuer's recourse for nonpayment is foreclosure and the remaining debt becomes the City's direct obligation, repaid from property taxes.

Special Revenue Funds- Funds that account for revenue sources and uses that are designated for a specific purpose.

Specification- A precise description of the physical or functional characteristics of a product, goods, or services the purchaser is seeking to buy and what a bidder must do to be responsive in order to be awarded a contract. Specifications generally fall under the following categories: design, performance, qualified products list and samples. May also be known as a purchasing description.

Tax Increment Financing (TIF)- is a public financing method that is used as a subsidy for development of blighted areas, infrastructure, and other public improvements.

Tax levy- The total amount to be raised by general property taxes for the purposes specified in the approved City budget.

Tax rate- The amount of tax levied for each \$1,000 of assessed valuation.

Temporary Notes- A temporary debt incurred by states, local governments, and special jurisdictions. Municipal notes are usually issued with a maturity length of 12 months, although maturities can range from 3 months to 3 years.

Unassigned Fund Balance- This is the residual classification for the remaining balances. It includes all amounts not contained in other classifications and technically available for any purpose.

Unencumbered Cash Balance- The cash balance as shown in the accounting records for the fund, less any outstanding encumbrances.

Vendor- A supplier/seller of goods and services. A reference to a provider of product or service.

Appendix F - GLOSSARY OF ACRONYMS

AAP	Annual Action Plan
ADA	Americans with Disabilities Act
APWA	American Public Works Association
CAFR	Consolidated Annual Financial Report
CAPER	Consolidated Annual Performance and Evaluation Report
CDBG	Community Development Block Grant
CIAP	Comprehensive Improvements Assistance Program
CIP	Capital Improvements Program
CPI	Consumer Price Index (as published by the US Department of Labor)
CVB	Convention & Visitors Bureau
DOHE/KDOHE	Kansas Department of Health & Environment
DOL/KDOL	Kansas Department of Labor
DOR/KDOR	Kansas Department of Revenue
DOT/KDOT	Kansas Department of Transportation
EMT	Emergency Medical Transport
EPA	Environmental Protection Agency
ESG	Emergency Solutions Grant
FFE	Federal Funds Exchange
FICA	Federal Insurance Contributions Act
FTE	Full – Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principals

GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Services
GO Bonds	General Obligation Bonds
GPS	Global Positioning System
HCV	Housing Choice Voucher
HIDTA	High Intensity Drug Trafficking Areas program
HR	Human Resources
HUD	Department of Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
ICMA	International City/County Management Association
ISO	Insurance Services Office
LCDC	Leavenworth County Development Corporation
LEPC	Local Emergency Planning Committee
LHA	Leavenworth Housing Authority
KDOT	Kansas Department of Transportation
KERIT	Kansas Eastern Regional Insurance Trust
KHRC	Kansas Housing Resources Corporation
KLINK	Kansas Highway Connecting Links
KOMA	Kansas Open Meetings Act
KORA	Kansas Open Records Act
KPERS	Kansas Personnel retirement system
KP&F	Kansas Police & Fire retirement system
K.S.A.	Kansas Statues Annotated
M&R	Maintenance & Repairs

MARC	Mid-America Regional Council
PAC	Performing Arts Center
RFCC or CC	Riverfront Community Center
RHSCC	Regional Homeland Security Coordinating Committee
ROW	Right of Way
SRO	School Resource Officer
TIF	Tax Increment Financing
USP	United States Penitentiary
VA	Department of Veteran Affairs
VASH	Veterans Affairs Supportive Housing
WWTP	Waste Water Treatment Plant