



Welcome To Your City Commission Meeting - Please turn off or silence all cell phones during the commission meeting.
Meetings are televised everyday on Channel 2 at 7 p.m. and midnight

Call to Order – Pledge of Allegiance Followed by Silent Meditation

OLD BUSINESS:

Consideration of Previous Meeting Minutes:

- 1. Minutes from May 8, 2018 Regular Meeting **Action:** Motion (pg. 2)

Second Consideration Ordinance:

- 2. Second Consideration Ordinance No. 8075 Amending Chapter 110 **Action:** Roll Call Vote (pg. 7)

NEW BUSINESS:

Citizen Participation: (i.e. Items not listed on the agenda or receipt of petitions- **Please state your name and address**)

General Items:

- 3. Alliance Against Family Violence Request for Funding **Action:** Motion (pg. 12)
- 4. Review of Property on Demolition List – 1921 5th Avenue **Action:** Motion (pg. 13)
- 5. Mayor’s Appointment – Grow Leavenworth County Development Corp **Action:** Motion (pg. 19)
- 6. 2018-2019 City Commission Goals Changes **Action:** Motion (pg. 20)

Resolutions:

- 7. Resolution B-2200 Capital Lease Agreement - Vactor Truck WPC **Action:** Motion (pg. 26)

Bids, Contracts and Agreements:

- 8. Consider Bids for Water Pollution Control Settled Sewage Motor Project **Action:** Motion (pg. 46)
- 9. Change Order for Contract No 2017-77; Three Mile Creek Bank Stabilization **Action:** Motion (pg. 50)

First Consideration Ordinance:

- 10. First Consideration Ordinance to Rescind Special Use Permits **Action:** Consensus (pg. 57)
- 11. First Consideration Ordinance General Obligation Bonds Series 2018-A **Action:** Consensus (pg. 64)

Consent Agenda:

Claims for May 5, 2018 through May 18, 2018 in the amount of \$1,446,561.31; Net amount for Pay #10 effective May 11, 2018 in the amount of \$306,665.47 (No Police & Fire Pension).. **Action:** Motion

Other Items:

Adjourn: **Action:** Motion



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

Others present: City Manager Paul Kramer, Assistant City Manager Taylour Tedder, Public Works Director Mike McDonald, Deputy Public Works Director Mike Hooper, Finance Director Ruby Maline, Police Chief Pat Kitchens, City Planner Julie Hurley, Community Development Coordinator Mary Dwyer, WPC Superintendent Chuck Staples, Public Information Officer Melissa Bower, City Attorney David E. Waters, and City Clerk Carla K. Williamson.

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

PROCLAMATIONS:

Historic Preservation Month – Ed Otto, Rik Jackson, John Karrasch and Debi Denney from the Leavenworth Preservation Commission accepted the proclamation.

National Police Week – Police Chief Pat Kitchens accepted the proclamation.

National Public Works Week –Public Works Director Mike McDonald accepted the proclamation.

OLD BUSINESS:

Consideration of Previous Meeting Minutes:

Commissioner Bauder moved to approve the minutes from the April 24, 2018 regular meeting as presented. Commissioner Dedeke seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

NEW BUSINESS:

Citizen Participation:

Wendy Scheidt Director of Leavenworth Main Street:

- City Market Second Saturdays at Leavenworth Haymarket begins this week
- Build a Bouquet this Saturday

General Items:

Request for Cereal Malt Beverage (CMB) License at 1031 Metropolitan Avenue –City Clerk Carla Williamson presented for consideration a request for an off premise CMB license for Diamond Oil #2 located at 1031 Metropolitan Avenue.

Commissioner Griswold moved to approve the 2018 off premise Cereal Malt Beverage License for Diamond Oil #2 at 1031 Metropolitan Avenue. Commissioner Bauder seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

Review of Property on Demolition List – 800 Miami Street – City Planner Julie Hurley gave the following review of 800 Miami Street:

- Resolution B-2179 passed on October 10, 2017 listed 800 Miami Street on the demolition list as an unsafe or dangerous structure
- MidFirst Bank/Midland Mortgage the owners of the property contacted the city and signed a remediation agreement with a deadline of March 1, 2018 to have all repairs complete
- On December 12, 2017 the City Commission granted an extension until March 1, 2018 for all repairs to be completed per the remediation agreement.
- March 13, 2018 the City Commission reviewed the progress and approved an additional 45 day extension
- As of May 3, 2018 window trim and the soffits/eaves have not been repaired; a permit was obtained on April 23, 2018 to trim out windows and make interior repairs, but no additional exterior work has taken place.
- Pictures were taken today by code enforcement but soffits/eaves work has not been completed.

There was a discussion among the Commission regarding options. The property is salvageable but still in need of repairs. The property is owned by a bank in Oklahoma. Mayor Preisinger asked if staff has spoken to the bank which owns this property and asked that the City Manager contact them directly.

Staff suggested that the remaining repairs could be addressed through the code violation process in Municipal Court.

Commissioner Bauder moved to remove 800 Miami Street from the demolition list and allow staff to address any remaining code violations. Commissioner Griswold seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

Resolutions:

Resolution B-2195 Planters II Schedule of Charges – City Manager Paul Kramer presented for consideration and adoption Resolution B-2195 setting the charges for the cleaning of apartments and equipment and charges for damage and tenant neglect for apartments, common areas and equipment at Planters II as required by the Admissions and Continued Occupancy Policy (ACOP) revised on March 27, 2018.

Commissioner Griswold moved to adopt Resolution B-2195 amending the Admissions and Continued Occupancy Policy for Planters II. Commissioner Bauder seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

Resolution B-2196 Community Development Block Grant (CDBG) 2018-2019 Annual Action Plan – Community Development Coordinator Mary Dwyer presented for approval Resolution B-2196 approving the 2018-2019 Annual Action Plan.

Commissioner Bauder moved to adopt Resolution B-2196. Commissioner Dedeke seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

Resolution B-2197 Authorizing the Sale of 2018-A Bonds and A2018 Temporary Notes – City Manager Paul Kramer presented for consideration and approval the adoption of Resolution B-2197 relating to the City's General Obligation Bonds, Series 2018-A and Temporary Notes, Series A2018.

- **General Obligation Series 2018-A:** The City has found and hereby determines it necessary and advisable to issue and sell General Obligation Bonds for the purposes of permanently financing the costs of the City's 2017 General Improvements, including redeeming and paying the Series A2017 Notes in the principal amount of \$1,370,000 together with accrued interest payable thereon on July 1, 2018, and paying the cost of issuing the Bonds. The Bonds shall be in the approximate principal amount of One Million Four Hundred Forty Thousand Dollars (\$1,440,000) and shall be dated June 28, 2018.
- **Temporary Notes Series A2018:** The City has found and hereby determines it necessary and advisable to issue and sell Temporary Notes, Series A2018, (the "Notes") for the purpose of temporarily financing the costs of the City's 2018 General Improvements, the RFCC Stone Replacement Project, the New Lawrence Road Project and paying the cost of issuing the Notes. The Notes shall be in the approximate principal amount of Three Million Four Hundred Sixty Thousand Dollars (\$3,460,000) and shall be dated June 28, 2018.

Commissioner Dedeke moved to adopt Resolution B-2197 as presented. Commissioner Bauder seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

Resolution B-2198 Innova LLC Resolution of Intent for Industrial Revenue Bonds (IRB) – Assistant City Manager Taylour Tedder presented for consideration Resolution B-2198 a resolution of expressing the intent of the City of Leavenworth to issue federally taxable Industrial Revenue Bonds in the maximum principal amount of \$850,000 to both finance various improvements benefiting Innova, LLC and promote, stimulate and develop the economic welfare of both the City and the State of Kansas.

Sandeep Khandelwal addressed the Commission and thanked the Commission for the opportunity. Their Plan is start construction as soon as possible.

Commissioner Griswold moved to adopt Resolution B-2198 a resolution of intent to issue Industrial Revenue Bonds for Innova, LLC. Commissioner Bauder seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

Resolution B-2199 Set Public Hearing for Unsafe or Dangerous Structures – City Planner Julie Hurley presented for adoption Resolution B-2199 to set June 26, 2018 as the public hearing for unsafe or dangerous structures for the following properties:

- 1030 Ironmoulders Street
- 1118 Kenton Street
- 407 N 10th Street
- 202 Pottawatomie Street
- 325 Pottawatomie Street
- 625 Oak Street
- 784 Miami Street (detached shed)
- 209 Elm Street
- 617 Middle Street
- 1410 Central Avenue
- 1517 9th Avenue
- 1259 10th Avenue
- 1728 S 4th Street

Commissioner Griswold moved to adopt Resolution B-2199 setting the public hearing date of June 26, 2018 for review of 13 dangerous and unsafe structures. Commissioner Bauder seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

Bids, Contracts and Agreements:

Consider Bids for Water Pollution Control (WPC) Truck – Public Works Director Mike McDonald and WPC Superintendent Chuck Staples presented for consideration the bids for a combination Sewer-Cleaning truck for Water Pollution Control (WPC). Staff used bids obtained through a Joint Purchasing Agreement Alliance/ National Joint Powers Alliance nationwide government procurement services. Two providers were considered:

- VAC-CON \$375,000 (HGAC)
- VACTOR \$383,562 (NJPA)

Staff recommends approval of the purchase of the VAC-CON Combination Sewer-Cleaning truck at a cost of \$375,000 with a three-year lease purchase agreement for a total cost of the purchase at \$397,750.53. If the bid is approved by the Commission the lease purchase agreement will come back to the Commission for final approval of the lease purchase financing agreement at a later date.

Commissioner Bauder moved to approve the purchase of the combination sewer-cleaning truck from VAC-CON. Commissioner Griswold seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

First Consideration Ordinance:

First Consideration Ordinance Amending Chapter 110 Parking Restrictions – Police Chief Pat Kitchens presented for consideration an ordinance amending sections 110-78 and 110-96 of the Municipal Code of Ordinances. Section 110-78, No Parking Anytime will be amended to add no parking on the south side of Commercial Street from 4th Street to Commercial Place and Section 110-96, No Parking, Stopping or Standing will be amended to add no parking stopping or standing on the east side of Commercial Place from Muncie Road to Commercial Street.

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

CONSENT AGENDA:

Commissioner Griswold moved to approve Claims for April 21, 2018 through May 4, 2018 in the amount of \$1,051,136.92; Net amount for Pay #9 effective April 27, 2018 in the amount of \$324,011.96 (Includes

Police & Fire Pension of \$11,572.36). Commissioner Dedeke seconded the motion and was unanimously approved. The Mayor declared the motion carried 4-0.

Other:

Mayor Preisinger:

Discussed various meetings and ceremonies he attended this past week.

City Manager Paul Kramer:

Completed a tour of the Business & Technology Park

- Road is in
- Trail construction will start soon then landscaping
- All utilities are in
- Ribbon Cutting in the middle of June.

City Attorney David Waters has accepted the position as the City Attorney following his interim appointment.

Adjourn:

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

Time Meeting Adjourned 8:04 p.m.

Minutes taken by City Clerk Carla K. Williamson, CMC

**POLICY REPORT
SECOND CONSIDERATION
ORDINANCE No. 8075
AMENDING SECTIONS OF CHAPTER 110 TRAFFIC AND VEHICLES**

May 22, 2018

Prepared by:



Carla K. Williamson, CMC
City Clerk

Reviewed by:



Paul Kramer
City Manager

BACKGROUND:

At the March 27, 2018 City Commission meeting the City Commission reviewed and placed on first consideration;

AN ORDINANCE AMENDING SECTIONS OF CHAPTER 110, TRAFFIC AND VEHICLES; ARTICLE III, PARKING, STOPPING AND STANDING, OF THE CODE OF ORDINANCES OF THE CITY OF LEAVENWORTH, KANSAS BY AMENDING AND PROVIDING SUBSTITUTE PROVISIONS.

There have been no changes since this item was placed on first consideration.

RECOMMENDATION:

Staff would recommend approval of Ordinance No. 8075.

ACTION:

Ordinance No. 8075 is now presented for second consideration and requires a roll call vote.

ATTACHMENTS:

- Ordinance No. 8075

(Summary Publish in the Leavenworth Times on May 25, 2018)

ORDINANCE NO. 8075

AN ORDINANCE AMENDING SECTIONS OF CHAPTER 110, TRAFFIC AND VEHICLES; ARTICLE III, PARKING, STOPPING AND STANDING, OF THE CODE OF ORDINANCES OF THE CITY OF LEAVENWORTH, KANSAS BY AMENDING AND PROVIDING SUBSTITUTE PROVISIONS.

WHEREAS, an ordinance of the City of Leavenworth, Kansas, Amending certain sections of the Code of Ordinances; repealing any and all other ordinances and parts of ordinances in conflict therewith.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LEAVENWORTH, KANSAS:

Section 1. That the following amendments to section 110-78 and Section 110-96 of Chapter 110 Traffic and Vehicles, of the Code of Ordinances of the City of Leavenworth, Kansas be and are hereby repealed and amended to read as follows:

ARTICLE III. - PARKING, STOPPING AND STANDING

Sec. 110-78. - No parking any time.

The parking of automobiles, motor trucks, carriages, wagons and any and all other vehicles is hereby prohibited on the following streets at any time:

Second Avenue , west side, lying east of block E, Fackler's Addition to the city, from the north side of Linn Street to the south side of Elm Street.

Second Avenue (originally platted as Sixth Street), west side, from the intersection with Linn to the intersection with Elm.

Fourth Street , both sides, from the north side of Eisenhower Road to the south side of Metropolitan, with the exception that parking is allowed on the east side of Fourth Street from the north side of Walnut Street to the south side of Custer Street.

Fifth Avenue , east side, from a point 70 feet south of the south curblineline of Marshall Street to a point 70 feet north of the north curblineline of Marshall Street.

Fifth Avenue , east side, from the south side of Olive Street to the north side of Spruce Street.

Fifth Avenue , west side, from a point 70 feet north of the north curblineline of Marshall Street to a point 97 feet south of the south curblineline of Marshall Street.

Fifth Street , approximately eight feet adjacent to the entrance area at the dog and cat clinic located at 1101 North Fifth Street.

Sixth Avenue , west side, from James to Prospect.

Seventh Street , east side, from the south side of Walnut Street to the north side of Olive Street.

Seventh Street North , both sides, from the north side of Cheyenne Street to the south side of Metropolitan Avenue.

Seventh Street , west side, from the intersection of Spruce Street to the intersection of Olive.

Seventh Street West , west side, from the intersection of Seventh and Short to the intersection of West Seventh Street and Oak.

Seventh Street , from the north curb line to Marshall Street, to a point 30 feet north on West Seventh Street.

Tenth Avenue , east side, from Pennsylvania to Metropolitan Street.

Tenth Avenue , both sides, from Pennsylvania to Eisenhower Street.

Tenth Street , east side, from Pennsylvania to Metropolitan Street.

14th Street , on either side, between New Lawrence Road and a point 150 feet south of Independence Court.

14th Street , west side, from the south side of Metropolitan Street to the north side of Cheyenne Street.

15th Street , South, west side, from the south side of Vilas Street to the north side of Limit Street.

20th Street , both sides, from the north side of Spruce Street to the south side of Metropolitan.

Columbia , west side, from Charles Street for a distance of 77 feet.

Commercial Street, south side, from 4th Street to Commercial Place.

Dakota Street , north side, from the intersection of 18th Street to the city limits.

Dakota Street , both sides, from the intersection of Cheyenne curve east to the railroad tracks.

Evergreen Street , from the west side of Fourth Street right-of-way line to west line extended of lot 5, Thompson's Subdivision.

Frontage Street , from St. Mary's Street to Ash Street.

Limit Street , both sides, from Grand Avenue to Fourth Street.

Limit Street , both sides, from 14th to 15th Streets.

Limit Street , both sides, from 22nd Street to 16th Street.

Limit Street , south side, from 4th Street to Wilson Avenue.

Marion Street , both sides, from Fourth Street to Wilson Avenue.

New Lawrence Road , west side, from Wildwood to Gatewood.

Ohio Street , south side, from Grand Street to Klemp Street.

Oregon Street , from east of South Fourth Street.

Ottawa Street , south side, from 20th Street to 22nd Street.

Ottawa Street , north side, from 20th Street to the entrance of the parking lot at Sports Field.

Pennsylvania Street , north side, from the west side of Fifth Avenue to the east side of Broadway.

Seneca Street , south side, from Broadway and Third Street, except where authorized by posted signs.

Seneca Street , on the south side of Seneca Street between Second Street and Third Street.

Shawnee Street , south side, from Broadway west to 10th Street.

Shrine Park Road , both sides, from the north side of Eisenhower Road to the south side of Limit Street.

Spruce Street , both sides, from the west side of 15th Street to the city limits.

Spruce Street , both sides, from the west side of Third Street to the east side of Fourth Street.

Spruce Street , south side, from the west side of Fourth Street to the east side of 15th Street, with the exception that no parking shall be allowed from the east corner of lot 29, block 35, Central Subdivision, to the east side of Newman Street.

State Street and *Evergreen Street* , both sides, from the west side of Fourth Street right-of-way line to Evergreen Street and western Evergreen Street to the west line of lot 5, Thompson's Subdivision.

Terrace Road , east side, between High Street and Sherman Avenue.

Vilas Street , both sides, from 22nd Street to 16th Street.

Wilson Avenue , on both sides of the street from St. Mary's Street to a point 100 feet north.

20th Street Trafficway , both sides, north of Eisenhower to its terminus.

Sec. 110-96. - Parking, stopping, or standing.

The parking, stopping and standing of any automobiles, motor trucks, carriers, wagons, and any and all other vehicles is hereby prohibited:

- On the north side of Seneca Street beginning 100 feet east of the curblineline of Fifth Street and extending east a distance of 100 feet.
- On the east side of Commercial Place from Muncie Road to Commercial Street.

Section 2. That all other ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. This Ordinance shall take effect and be in force from and after its passage by the Governing Body, and its publication once in the official City newspaper.

PASSED AND APPROVED by the Leavenworth City Commission on this 22nd day of May, 2018.

Mark Preisinger, Mayor

{Seal}

ATTEST:

Carla K. Williamson, CMC, City Clerk

APPROVED AS TO LEGAL FORM:

David E. Waters, City Attorney

Policy Report

Alliance Against Family Violence Funding
May 22, 2018

Prepared by:



Paul Kramer
City Manager

Issue:

At the May 15 City Commission Study Session, Joyce Grover, Executive Director, Kansas Coalition Against Sexual and Domestic Violence, along with current board members of the Alliance Against Family Violence (AAFV), addressed the City Commission about the current status of the AAFV and the funding levels needed to reopen the operation.

The group made a formal request for matching funds of \$50,000 from the City, and indicated it had already started private fundraising for the match.

The City Commission provided a consensus to provide these funds under the matching conditions.

Action:

Provide the City Manager the authority to expend up to \$50,000 for the AAFV, provided the group has attained matching funds, and direct the City Manager to report to the City Commission when such funds are expended.

POLICY REPORT

**Review Unsafe and Dangerous Structure
1921 5th Avenue**

MAY 22, 2018



Prepared By:
Julie Hurley,
City Planner



Reviewed By:
Paul Kramer,
City Manager

DISCUSSION

On October 10, 2017, the City Commission adopted Resolution B-2179 regarding demolition of 8 structures, including the property located at 1921 5th Avenue. Douglas Neu, owner of 1921 5th Avenue, provided a letter dated October 1, 2017, stating that he believed he could have all repairs complete in 8-10 months. The Commission voted at that time to review the property for progress in 30 days.

At the November 14, 2017 City Commission meeting, Douglas Neu addressed the Commission and discussed the plan for repair. At that time, the Commission voted to grant a 90 day extension.

The Commission again reviewed the property on February 13, 2018. At that time, all overgrown vegetation had been removed and new siding had been installed on the main level of the house. Mr. Neu indicated at that time that he would need an additional 90 days in order to complete the siding and get bids on the roof. The Commission voted at that time to grant a 90 day extension to complete repairs.

Since that time, the roof has been replaced. Siding on the second story of the house needs to be replaced, and soffits and eaves need to be repaired/replaced/installed.

RECOMMENDED ACTION

- Motion to remove property located at 1921 5th Avenue from demolition list.
- Motion to grant extension to complete repairs to property located at 1921 5th Avenue.
- Motion to proceed with demolition of property located at 1921 5th Avenue.



05/16/2018

Mr. Jordan stated that he does not want to throw out names but was just generalizing. Was told by a former city employee because it was an inconvenience by the City Commissioner to see the condition of some houses on their way home or on their way to work, targeted houses through code enforcement.

Yolanda Adams addressed the Commission

- Here to discuss what he wanted to discuss; not some personal thing that Mayor Preisinger has with him

The topic will be put on a future Study Session.

Vernon Ferguson-2400 Spring Garden

- Issue with City Planning, Codes and Code Enforcement
- Aug 2016 permit issued for 13 feet out toward street 20 feet wide addition to a house
- Today the structure is 24 wide 20 feet out
- House is encroaching on the street
- Structure was not done properly
- Went to City Manager and Code Enforcement both said nothing wrong
- Feels this is personal
- Was part of the building of the structure
- Informed owner a variance is needed

Mayor Preisinger asked that City Manager to report back to the Commission on the issue.

General Items:

Consider Approval of Tattoo Establishment at 2710 4th Street– City Manager Paul Kramer informed the Commission that late this afternoon City Staff was informed that something fell through with the property management company on the agreement for the proposed location. No action will be needed by the City Commission and the item will not be heard.

The item was not heard or addressed by the City Commission and was removed from the agenda.

Review of Property on Demolition List -1921 5th Avenue – City Planner Julie Hurley provided an update on 1921 5th Avenue. The City Commission placed the property on the Demolition list via Resolution B-2179 on October 10, 2017. On November 14, 2017 the City Commission granted Douglas Neu a 90 day extension. Siding has been installed. No new permits and no visible indication of additional work being performed.

Mr. Neu addressed the City Commission

- Needs to complete siding and get bids on the roof
- The repairs have taken longer than planned
- Needs an additional 90 days
- Plans to live in the house once repairs are complete
- Has been 5 years since the property has been lived in
- Has owned the property for 15 years

Commissioner Dedeke moved to give another 90 day extension to 1921 5th Avenue. Commissioner Bauder seconded the motion and was unanimously approved. The Mayor declared the motion carried 5-0.

Mayors Appointments

Mayor Preisinger moved to appoint:

- To the Convention and Tourism Committee, reappoint Wendy Scheidt from Main Street and Mary B. Stephenson from the Leavenworth Historical Society to terms ending January 1, 2021;
- To the Solid Waste Management Committee for Leavenworth County, appoint Steve King Solid Waste Foreman City of Leavenworth and
- To the Parks and Community Activities Advisory Board, reappoint Jim Mathis to a term ending January 15, 2021 and appoint Ms. Reeshemah Richards to a term ending January 15, 2021.

Commissioner Bauder seconded the motion and was unanimously approved. The Mayor declared the motion carried 5-0.

Dates for City Commission Budget Work Session & Goal Setting– City Manager Paul Kramer discussed the need to set dates for the 2018 Goal Setting Session and Budget Work Sessions. For the Budget Work Sessions Mr. Kramer proposed 1:00 PM – 5:00 PM on July 11 and July 12. July 13 would be reserved if needed. For the Goal Setting Session Mr. Kramer proposed April 4 from 1:00 PM – 5:00 PM.

The City Commission was in agreement with the dates proposed by the City Manager for the Budget Work Sessions and tentative dates for the Goal Setting Session.

Resolution:

Resolution B-2187 to Set the Maximum Allowed for the 2018 General Improvements Bonds– City Manager Paul Kramer presented Resolution B-2187 for consideration and approval setting the maximum amount of \$1,818,504.00 for the City’s 2018 General Improvement Project, asphalt overlay.

Commissioner Bauder moved to adopt Resolution B-2187 setting the maximum amount for the 2018 asphalt overlay-general improvements project. Commissioner Dedeke seconded the motion and was unanimously approved. The Mayor declared the motion carried 5-0.

Resolution B-2188 Section Eight Management Assessment Program (SEMAP) – City Manager Paul Kramer presented Resolution B-2188 for consideration and approval. The City Commission will be acting as the Leavenworth Housing Authority Board for this approval.

Commissioner Bauder moved to adopt Resolution B-2188 submitting the SEMAP certification to HUD. Commissioner Dedeke seconded the motion and was unanimously approved. The Mayor declared the motion carried 5-0.

Bids, Contracts and Agreements:

Consider Bids for Parks and Recreation Mowing Contract – Parks Superintendent Brian Bailey presented for consideration the bids for the Parks and Recreation Mowing Contract. This is a three year contract with the option to renew for a two year price negotiated extension. Staff recommends the approval of the low

Heartland Plumbing & Heating LLC

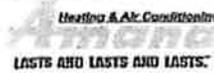
17271 Hollingsworth Rd.

Basehor, Kansas 66007 (913) 724-1646

Email: heartlandpightg@netzero.com



Certified APLUS Dealer



City of Leavenworth

October 1, 2017

To whom it Concern,

My name is Doug Neu and I own the house and property at 1921 5th Ave. Leavenworth. I want to do the repairs to the house to bring it up to livable conditions. I'm working out of town for the next 6 months but would work on the house as much as I can. My estiment time to compete this I believe will be 8-10 months. I will remove the overgrown vegetation in the next 2 weeks. I would appreciate you working with me on this.

Thank you.

Sincerly,
Doug Neu

A handwritten signature in cursive script that reads "Doug Neu".

Determination of Unsafe or Dangerous Structure

Address:	1921 5th Avenue		
Owner	Description	Taxes	Parcel Number
Douglas L. Neu	1 1/2 Story wood	Unpaid	0521010102023011000
Legal Description: REES' DONIPHANÞTON'S , BLOCK 19 , LTS 10&11 & W1/2 VAC ALLEY ADJ			
Date of Inspection	Zoning	Parcel Size	
5/25/17	R1-6	14,175 Sq. ft.	
# Code Violations	Last Court Appearance	Code Enforcement Officer	
1	N/A	Lee Burleson	

In accordance with KSA 17-4759, structures are deemed unfit for human use or habitation if conditions exist in such structure which are dangerous or injurious to the health, safety or morals of the occupants of such buildings or other residents within the City of Leavenworth, or which have a blighting influence on properties in the area. Such conditions may include, but are not limited to the following, which are found to be present at the subject property:

- Defects increasing the hazards of fire, accident or other calamities
- Lack of adequate ventilation
- Air pollution
- Light or sanitary facilities
- Dilapidation
- Disrepair
- Structural defects
- Uncleanliness
- Overcrowding
- Inadequate ingress and egress
- Dead and dying trees, limbs or other unsightly natural growth or unsightly appearances
- Walls, sidings or exterior of a quality and appearance not commensurate with the character of the properties in the neighborhood
- Unsightly stored or parked material, equipment, supplies, machinery, trucks or automobiles or parts thereof
- Vermin infestation
- Inadequate drainage
- Any other violation of health, fire, building or zoning regulations

Other:

Last water service: 3/16/2011

CITY OF LEAVENWORTH

TO: CITY COMMISSIONERS
FROM: MARK PREISINGER, MAYOR
SUBJECT: CITY APPOINTMENTS
DATE: MAY 22, 2018

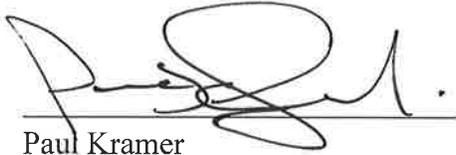
I move to recommend the following appointments:

Grow Leavenworth County Development Corporation:

- Appoint Lisa Weakley to a term ending May 31, 2020

Policy Report
2018-19 City Commission Goals Changes
May 22, 2018

Prepared by:



Paul Kramer
City Manager

Subject:

The City Commission adopted the 2018-19 City Commission goals on April 24. Subsequent to that meeting, Mayor Preisinger and Commissioner Griswold have presented staff with proposed changes, which are included below. The changes are presented to the City Commission for consideration.

1. Economic Development

Add

- Lobby and advocate for the VA CMOP to stay in Leavenworth
- Work to reduce the number of unoccupied and/or abandoned buildings using available tools, methods and incentives

2. Community Improvement

Modify

- <Subhead> Community Appearance and Image
- Increase youth participation in all City activities

Add

- Continue actions by Code Enforcement to reduce and eliminate blighted properties

3. Public Safety

Add

- <Subhead> General

Modify

- Support efforts of local organizations to reduce incidents of domestic violence and work with victims

ATTACHMENTS: Redline goals document reflecting above changes

|

City Commission Goals 2018-2019

Adopted April 24, 2018

Leavenworth City Commission Goals 2018-2019

1. Economic Development

a. Business Attraction, Retention, & Expansion

- i. Lobby and advocate for federal funding for new construction, renovation and repair for existing and proposed Bureau of Prisons facilities

- ii. Implement marketing plan for new business park and continue efforts to market the City in general

- iii. Support local and destination transportation efforts for the City

- iv. Engage and explore options to promote Leavenworth as a destination for “vetpreneurs,” transitioning service members and military retirees

- v. Actively pursue a grocery store for North Leavenworth

- v.vi. Lobby and advocate for the VA CMOP to stay in Leavenworth

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b. Downtown Development & Revitalization

- i. Plan/pursue future downtown and northeast improvement projects using all available recruitment and retention methods

- ii. Work to reduce the number of unoccupied and/or abandoned buildings using available tools, methods and incentives

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c. Tourism

- i. Boost travel demand through statewide industry events and extend invitations to meet in Leavenworth for future meetings

- ii. 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.)

- iii. Complete historic marker repair/replacement

- iv. Identify projects/programs to reinvest transient guest tax funds

2. Community Improvement

a. Community Appearance and Image

- i. Study all facets of a Rental Inspection Program

- ii. Adopt the 2015 International Property Maintenance Code

Leavenworth City Commission Goals 2018-2019

iii. Engage in partnerships to benefit look, perception and quality of life in the City

iii.iv. Continue actions by Code Enforcement to reduce and eliminate blighted properties

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b. Community Amenities

- i. Update and improve amenities at less-used City parks to spur growth
- ii. Streamline registration, reservation and payment process for Parks and Recreation projects
- iii. Increase youth participation in all City activities
- iv. Support partnerships to continue increased use of Havens Park

3. Public Safety

a. Police

- i. Address recent trends in domestic violence incidents
- ii. Engage in targeted initiatives to reduce drug crimes in high risk areas
- iii. Continue to focus on community engagement
- iv. Continue to grow and expand crime analysis and mapping initiative with technological enhancements
- v. Make state funding of mental health facilities a top legislative priority

b. Fire

- i. Explore the replacement of Fire Station No. 3

c. General

- i. Support efforts of local organizations to reduce incidents of domestic violence and work with victims

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4. Roadways and Infrastructure

a. Roadways

- i. Create a long-term collector/arterial street plan (Thornton, Limit, Vilas, 10th Avenue, County Road 5)

Leavenworth City Commission Goals 2018-2019

- ii. Explore options for streetscape improvements (4th Street, 7th Street, Cherokee)
- iii. 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

b. Infrastructure

- i. Support projects and improvements that lead to annexation
- ii. Implement storm water maintenance program with transparent reporting, outreach and updates

5. Outreach and Transparency

a. Public information

- i. Complete new City website with increased usability, transparency, and mobile capability
- ii. Explore new ways for the Commission to reach the public (i.e., podcasts, social media, etc.)
- iii. Continue performance measurement tools for measuring how we are doing in providing City services – including exploring citizen satisfaction surveys
- iv. Streamline registration, reservation, and payment processes for all services

b. Openness

- i. Make Development Regulations available online in real time to public, staff, and development community

c. Financial Management

- i. Create Investment Policy
- ii. Establish a uniform Cash Management Policy and Procedure
- iii. Create a Grant Management Policy
- iv. Prepare a long-term financial plan that incorporates the long-term capital improvements plan to help establish the structure and issuance of debt

6. Other Items Receiving General Support

Leavenworth City Commission Goals 2018-2019

- a. Schedule the City Attorney to conduct periodic training regarding advisory board scope of authority, duties, and responsibilities (Planning Commission, Zoning Board of Appeals and Preservation Commission)**
- b. Provide Annual Updates**
 - i. Main Street Program
- c. Provide semi-annual updates and reports**
 - i. Leavenworth Public Library
 - ii. Leavenworth County Development Corp
 - iii. Leavenworth CVB
- d. Provide quarterly updates and reports**
 - i. Leavenworth School Board

Policy Report No. FIN-18-01
Capital Lease for the Purchase of the Vactor Truck
May 22, 2018

Prepared By:

Approved By:



Ruby Maline
Finance Director



Paul Kramer
City Manager

Issue:

This is to consider the terms for a three year capital lease for the purchase of a VAC-CON tandem axle sewer cleaning truck in an amount not to exceed \$401,849.13 with Leasing 2, Inc, purchased from RED Municipal & Industrial Equipment.

Background:

On May 8, 2018, the Commission approved purchasing a 2018 VAC-CON tandem axle sewer cleaning truck in the amount of \$375,000 with the understanding that the lease purchase financing agreement would come back to the Commission for approval at a later date.

The agreement includes three annual payments of \$133,949.71 with the first payment due 1/1/2019.

Included is a copy of the lease agreement that has been reviewed and approved by City Attorney, David Waters.

RESOLUTION NO. B-2200

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF LEAVENWORTH, KANSAS (THE LESSEE) RELATED TO THE APPROVAL OF A LEASE-PURCHASE AGREEMENT WITH LEASING 2.

WHEREAS, the governing body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment described in the Lease-Purchase Agreement presented to this meeting; and has further determined that the Equipment will be used solely for essential governmental functions and not for private business use.

WHEREAS, the governing body of Lessee has taken the necessary steps, including any legal bidding requirements, under applicable law to arrange for the acquisition of such equipment; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LEAVENWORTH, LEAVENWORTH COUNTY, KANSAS, AS FOLLOWS:

Section 1. That the terms of said Lease-Purchase Agreement and Escrow Agreement are in the best interest of Lessee for the acquisition of such equipment, and the governing body of Lessee designates and confirms the following persons; the Mayor and City Clerk, to execute and deliver, and to witness (or attest), respectively, Leasing 2, Inc. Lease-Purchase Agreement and Escrow Agreement, if applicable, and any related documents necessary to the consummation of the transactions contemplated by the Lease-Purchase Agreement and Escrow Agreement.

Section 2. That this Resolution shall be of force and effect immediately upon its adoption and approval.

ADOPTED AND APPROVED THIS 22nd day of May, 2018.

CITY OF LEAVENWORTH, KANSAS

Mark Preisinger, Mayor

ATTEST:

Carla K. Williamson, City Clerk

[SEAL]

LEASE-PURCHASE AGREEMENT

LESSEE:
City of Leavenworth, Kansas
100 North 5th Street
Leavenworth, KS 66048

LESSOR:
Leasing 2, Inc.
1720 West Cass Street
Tampa, FL 33606-1230

Dated as of June 1, 2018

This Lease-Purchase Agreement (the "Agreement") dated as of June 1, 2018 by and between Leasing 2, Inc. ("Lessor"), and City of Leavenworth, Kansas ("Lessee"), a body corporate and politic duly organized and existing under the laws of the State of Kansas ("State").

WITNESSETH:

WHEREAS, Lessor desires to lease the Equipment, as hereinafter defined, to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, Lessee is authorized under the Constitution and laws of the State to enter into this Agreement for the purposes set forth herein;

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Lease-Purchase Agreement, including the Exhibits attached hereto, as the same may be supplemented or amended from time to time in accordance with the terms hereof.

"Commencement Date" is the date when the term of this Agreement begins and Lessee's obligation to pay rent accrues, which shall be the commencement date shown on the Exhibit E Payment Schedule.

"Equipment" means the property described in Exhibit D and which is the subject of this Agreement.

"Lease Term" means the Original Term and all Renewal Terms provided for in this Agreement under Section 4.01.

"Lessee" means the entity which is described in the first paragraph of this Agreement and which is leasing the Equipment from Lessor under the provisions of this Agreement.

"Lessor" means (i) Leasing 2, Inc., acting as Lessor hereunder; (ii) any surviving resulting or transferee corporation; and (iii) except where the context requires otherwise, any assignee(s) of Lessor.

"Original Term" means the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date.

"Purchase Price" means the amount indicated with respect to any date after payment of all Rental Payments (defined below) due through such date, all as set forth in Exhibit E hereto, or Supplemental Exhibit E hereto, as the case may be.

"Renewal Terms" means the renewal terms of this Agreement as provided for in Article IV of this Agreement, each having a duration of one year and a term co-extensive with the Lessee's fiscal year, except the last of such automatic renewal terms which shall end on the due date of the last Rental Payment set forth in Exhibit E to this Agreement.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to the provisions of this Agreement during the Lease Term, payable in consideration of the right of Lessee to use the Equipment during the then current portion of the Lease Term. Rental Payments shall be payable by Lessee to the Lessor or its assignee in the amounts and at the times during the Lease Term, as set forth in Exhibit E of this Agreement.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessee has purchased or is purchasing the Equipment.

ARTICLE II COVENANTS OF LESSEE

Section 2.01 Lessee represents, covenants and warrants, for the benefit of Lessor and its assignees, as follows:

(a) Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State.

(b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body, corporate and politic.

(c) Lessee is authorized under the Constitution and laws of the State to enter into this Agreement and the transaction contemplated hereby, and to perform all of its obligations hereunder.

(d) Lessee has been duly authorized to execute and deliver this Agreement under the terms and provisions of the resolution of its governing body, attached hereto as Exhibit A, or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met, and procedures have occurred in order to ensure the enforceability of this Agreement, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment hereunder. Lessee shall cause to be executed and delivered to Lessor an opinion of its counsel substantially in the form attached hereto as Exhibit B.

(e) During the term of this Agreement, the Equipment will be used by Lessee only for the purpose of performing one or more essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than the Lessee.

(f) During the period this Agreement is in force, Lessee will annually provide Lessor with such current financial statements, budgets, proof of appropriation for ensuing fiscal year or such other financial information relating to the decision of Lessee to continue this Agreement as may be reasonably requested by Lessor or its assignee.

(g) The Equipment will have a useful life in the hands of the Lessee that is substantially in excess of the Original Term and all Renewal Terms.

(h) The Equipment is, and during the period this Agreement is in force will remain, personal property and when subjected to use by the Lessee under this Agreement, will not be or become fixtures.

(i) Lessee shall not voluntarily or involuntarily create, incur, assume or suffer to exist any lien, security interest or other encumbrance or attachment of any kind whatsoever on, affecting or with respect to the Equipment.

(j) Lessee shall not give up possession or control of the Equipment.

(k) Lessee shall not change the location of the Equipment without giving prior written notice of the proposed new location to the Lessor and provided that Lessee shall obtain and deliver to Lessor any landlord waivers reasonably requested by Lessor so as to protect Lessor's right, title and interest in and to the Equipment and Lessor's ability to exercise its remedies with regard to the Equipment.

(l) Lessee shall not alter or modify the Equipment in any manner which would reduce the value or the marketability thereof.

(m) Lessee will take no action that will cause the interest portion of any Rental Payment to become includable in gross income of the recipient for purposes of federal income taxation under the Code, and Lessee will take, and will cause its officers, employees and agents to take, all affirmative action legally within its power to prevent such interest from being includable in gross income for purposes of federal income taxation under Section 103(a) of the United States Internal Revenue Code of 1986 as amended (the "Code"). Lessee represents and warrants that the Lease is to be treated as an obligation of a political subdivision of a state within the meaning of Section 103(c)(1) of the Code.

ARTICLE III LEASE OF EQUIPMENT

Section 3.01 Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment, in accordance with the provisions of this Agreement, to have and to hold for the Lease Term.

ARTICLE IV LEASE TERM

Section 4.01. Commencement of Lease Term. The Original Term of this Agreement shall commence on the Commencement Date and shall terminate on the last day of Lessee's fiscal year then in effect. Lessee may renew this Agreement beyond the expiration of the Original Term, or beyond the expiration of any Renewal Term then in effect, up to the number of additional fiscal years provided in Exhibit E of this Agreement by appropriating sufficient funds to make scheduled Rental Payments for the ensuing fiscal year (each a "Renewal Term"). Terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in Exhibit E of this Agreement.

Section 4.02. Termination of Lease Term. The Lease Term will terminate upon the earliest of any of the following events:

(a) The expiration of the Original Term or any Renewal Term of this Agreement and the non-renewal of this Agreement in the event of non-appropriation of funds pursuant to Section 6.07;

(b) The exercise by Lessee of the option to purchase the Equipment before expiration of this Agreement granted under the provisions of Articles IX or XI of this Agreement;

(c) A default by Lessee and Lessor's election to terminate this Agreement under Article XIII; or

(d) Payment by Lessee of all Rental Payments authorized or required to be paid by Lessee hereunder through the full lease term.

Section 4.03. Return of Equipment on Termination. Upon expiration or earlier termination of the Original Term or any Renewal Term under any provision of this Agreement at a time when Lessee does not exercise its option to purchase the Equipment granted under the provisions of Articles IX or XI of this Agreement, Lessee hereby agrees to deliver the Equipment

to Lessor packaged or otherwise prepared in a manner suitable for shipment by truck or rail common carrier to a location specified by Lessor. All expenses resulting from the return of Equipment on termination will be borne by Lessee.

ARTICLE V ENJOYMENT OF EQUIPMENT

Section 5.01. Provided that no default or event of default shall have occurred hereunder, Lessor hereby covenants that during the Lease Term Lessor will not interfere with Lessee's quiet use and enjoyment of the Equipment.

Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

ARTICLE VI RENTAL PAYMENTS

Section 6.01. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee.

Section 6.02. Payment of Rental Payments. During the Original Term and during each Renewal Term elected by Lessee, Lessee shall pay Rental Payments, exclusively from any and all legally available funds, in lawful money of the United States of America, exclusively to Lessor or, in the event of assignment by Lessor, to its assignee, in the amounts and on the dates set forth in Exhibit E hereto. Rental Payments shall be in consideration for Lessee's use of the Equipment during the applicable year in which such payments are due. The Rental Payment amounts set forth in Exhibit E are based on the Equipment Cost to be paid by Lessor being the amount set forth in Exhibit E. Lessor shall have no obligation to pay or disburse any amount greater than the amount set forth as the Equipment Cost. Lessee shall not amend any purchase contract, purchase order, or any other agreement that would have the effect of increasing the cost of the Equipment above set forth in Exhibit E as the Equipment Cost without the prior written consent of Lessor. In the event that the actual cost of the Equipment is greater than the amount set forth in Exhibit E, Lessee shall be solely responsible for and hereby agrees to promptly pay such excess to the vendor (s), provided that Lessee may request that Lessor finance such excess, which Lessor may, in its sole discretion elect to do or decline to do. Lessee shall indemnify and hold Lessor harmless from and against any loss, damages, costs and expenses resulting from or relating to any increase in the Equipment Cost. If Lessor, in its sole discretion, elects to finance such excess the amount of each installment of rent will be increased to provide the same yield to Lessor as would have been obtained if the actual cost had been the same as the stated Equipment Cost. In such event, Lessee shall at the request of Lessor execute and deliver an amendment reflecting the increase in the Equipment Cost and the Rental Payments.

Section 6.03. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of principal. Exhibit E hereto sets forth the interest component and the principal component of each Rental Payment during the Lease Term.

Section 6.04. Additional Interest in the Event the Interest is Taxable. Lessee acknowledges that Lessor's yield with respect to this Agreement is dependent upon the full amount of each Rental Payment being excluded from Lessor's income pursuant to the Code. Accordingly, if at any time, as a result of a determination that Lessee has breached a representation or covenant contained herein, or as a result of any change in the Code, any payment of either the interest component or the principal component of any Rental Payment is, in the opinion of counsel for the Lessor, subject to or affected by any income, preference, excess profits, minimum or other federal tax, Lessee shall pay, as additional interest, an amount which is necessary to provide to Lessor the same net income as Lessor would have received but for such event. Lessor's calculations of such additional interest shall be binding upon Lessee in the absence of manifest error.

Section 6.05. Rental Payments to be Unconditional. During the Original Term and during each Renewal Term elected by Lessee, the obligations of Lessee to make payment of the Rental Payments required under this Article VI and other sections hereof and to perform and observe the covenants and agreements contained herein shall be absolute and unconditional in all events, except as expressly provided under this Agreement. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other person, Lessee agrees to pay all Rental Payments when due and shall not withhold any Rental Payments pending final resolution of such dispute, nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments when required under this Agreement. Lessee's obligation to make Rental Payments during the Original Term or the then current Renewal Term elected by Lessee shall not be abated through accident or unforeseen circumstances.

Section 6.06. Continuation of Lease Term by Lessee. Lessee intends, subject to the provisions of Section 6.07, to continue the Lease Term through the Original Term and all the Renewal Terms hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Original Term and each of the Renewal Terms can be obtained. The officer of Lessee responsible for budget preparation shall do all things lawfully within his/her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such payments to the extent necessary in each annual budget submitted and adopted in accordance with applicable provisions of State law, to have such portion of the budget approved, and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds is within the discretion of Lessee's governing body.

Section 6.07. Termination by Nonappropriation. In the event Lessee does not appropriate sufficient funds for the payment of the Rental Payments scheduled to be paid in the next occurring Renewal Term, then Lessee may terminate this Agreement at the end of the then current Original Term or Renewal Term, and Lessee shall not be obligated to make payment of the Rental Payments provided for in this Agreement beyond the end of the then current Original or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original or Renewal Term.

Section 6.08. Late Charges. If any Rental Payment is not paid in full to Lessor within fifteen (15) days after the payment first became due and payable, Lessee shall immediately pay to Lessor an additional one time late charge equal to five (5%) percent or, if less the maximum rate permitted by law, of each such amount past due along with the Rental Payment. If any Rental Payment remains unpaid beyond 45 days after it first became due and payable, or if Lessor has elected to exercise any remedies following an event or default, interest shall accrue on past due amounts at the rate of 1% per month or the highest rate allowed by law, whichever is less. Partial payments by Lessee shall be applied first to the accrued interest component of past due Rental Payments and the balance to the remaining principal component of past due Rental Payments.

Section 6.09. Prepayment. Lessee shall have the right to prepay principal components of Rental Payments in whole on any date set forth in Exhibit E by paying the then applicable Purchase Price set forth in Exhibit E on such date.

ARTICLE VII TITLE TO EQUIPMENT

Section 7.01. Title to the Equipment. During the term of this Agreement, title to the Equipment and any and all additions, repairs, replacements or modifications shall vest in Lessee, subject to the rights of Lessor under this Agreement. In the event of default as set forth in Section 13.01 or nonappropriation as set forth in Section 6.07, title to Equipment, shall immediately vest in Lessor, and Lessee will immediately surrender possession of the Equipment to Lessor.

Section 7.02. Security Interest. To secure the payment of all Lessee's obligations under this agreement, Lessee grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments, accessions and substitutions thereto, and on any proceeds therefrom. Lessee hereby authorizes Lessor to prepare and file such financing statements, any amendments thereto and other such documents to establish and maintain Lessor's valid first lien and perfected security interest. Lessee hereby acknowledges the receipt of copies of the financing statements prepared by Lessor and hereby confirms the accuracy of the information contained therein. Lessee further agrees to execute such additional documents, including affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest, and upon assignment, the security interest of any assignee of Lessor, in the Equipment.

ARTICLE VIII MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

Section 8.01. Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term Lessee will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Lessor shall have no responsibility in any of these matters, or for the making of improvements or additions to the Equipment.

Section 8.02. Taxes, Other Governmental Charges and Utility Charges. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), Lessee will pay during the Lease Term, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and any equipment or other property acquired by Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as have accrued during the time this Agreement is in effect.

Section 8.03. Provisions Regarding Insurance. At its own expense, Lessee shall cause casualty, public liability and property damage insurance to be carried and maintained, or shall demonstrate to the satisfaction of Lessor that adequate self-insurance is provided with respect to the Equipment, sufficient to protect the Full Insurable Value (as that term is hereinafter defined) of the Equipment, and to protect Lessor from liability in all events. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies which cover not only the Equipment but other properties. If Lessee insures similar properties by self-insurance and upon approval by Lessor, Lessee may insure the Equipment by means of an adequate insurance fund.

The term "Full Insurable Value" as used herein shall mean the full replacement value of the Equipment.

Any insurance policy pursuant to this Section 8.03 shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. The Net Proceeds (as defined in Section 9.01) of the insurance required in this Section 8.03 shall be applied as provided in Article IX hereof. Each insurance policy provided for in this Section 8.03 shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation.

Section 8.04. Advances. In the event Lessee shall fail to perform any of its obligations hereunder Lessor may (but shall be under no obligation to) take such action as may be necessary to cure such failure, including, without limitation, the advancement of money; and all amounts so advanced by Lessor shall become additional rent for the then current Original Term or Renewal Term, which amounts, together with interest thereon at the rate of 12% per annum, or if less the maximum rate permitted by law, Lessee agrees to pay.

ARTICLE IX DAMAGE, DESTRUCTION AND CONDEMNATION: USE OF NET PROCEEDS

Section 9.01. Damage, Destruction and Condemnation. If prior to the termination of the Lease Term (a) the Equipment or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty or (b) title to, or the temporary use of the Equipment or any part thereof or the estate of Lessee or Lessor in the Equipment or any part thereof shall be taken under the exercise of the power eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

For purposes of Section 8.03 and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorney's fees) incurred in the collection of such claims or award.

Section 9.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01 hereof, Lessee shall either (a) complete the work and pay any cost in excess of the amount of Net Proceeds, and Lessee agrees that if by reason of any such insufficiency of the Net Proceeds, Lessee shall make any payments pursuant to the provisions of this Section 9.02, Lessee shall not be entitled to any reimbursement therefore from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article VI hereof or (b) if Lessee is not in default hereunder, Lessee shall pay to Lessor the amount of the then applicable Purchase Price, and, upon such payment, the Lease Term shall terminate and Lessor's interest in the Equipment shall terminate as provided in Article XI of this Agreement. The amount of the Net Proceeds in excess of the then applicable Purchase Price, if any, may be retained by Lessee.

ARTICLE X DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF EQUIPMENT

Section 10.01. Disclaimer of Warranties. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or Lessee's use of any item of Equipment.

Section 10.02. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Equipment, if any which Lessor may have against the Vendor of the Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment, and not against the Lessor, nor shall such matter have any effect whatsoever on the rights of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

Section 10.03. Use of the Equipment. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all laws of the jurisdictions in which its operations involving any item of Equipment may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Equipment; provided, however, that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of the Lessor, adversely affect the estate of Lessor in and to any of the items of the Equipment or its interest or rights under this Agreement.

ARTICLE XI OPTION TO PURCHASE

Section 11.01 At the request of Lessee, Lessor's interest in the Equipment and additional Rental Payments will be terminated and this Agreement shall terminate:

- At the end of the final Renewal Term, upon payment by Lessee of all Rental Payments scheduled as set forth in Exhibit E to this Agreement; or
- if the Lease Term is terminated pursuant to Article IX of this Agreement, in the event of total damage, destruction or condemnation of the Equipment; or
- any time when Lessee is not on such date in default under this Agreement, upon payment by Lessee of the then applicable Purchase Price to Lessor.

Upon the occurrence of any of such events, Lessor shall, if requested by Lessee, deliver a Bill of Sale of its remaining interest in the Equipment to Lessee "AS IS - WHERE IS" without additional cost or payment by Lessee.

ARTICLE XII ASSIGNMENT, SUBLEASING, INDEMNIFICATION MORTGAGING AND SELLING

Section 12.01. Assignment by Lessor. This Agreement, and the rights of Lessor hereunder, may be assigned and reassigned in whole or in part to one or more assignees and subassignees by Lessor at any time subsequent to its execution, without the necessity of obtaining the consent of Lessee; provided, however, that no such assignment or reassignment shall be effective unless and until (i) Lessee shall have received notice of the assignment or reassignment disclosing the name and address of the assignee or subassignee, and (ii) in the event that such assignment is made to a bank or trust company as trustee for holders of certificates representing interests in this Agreement, such bank or trust company agrees to maintain, or cause to be maintained, a book-entry system by which a record of names and addresses of such holders as of any particular time is kept and agrees, upon request of the Lessee, to furnish such information to Lessee. Upon receipt of notice of assignment, Lessee agrees to keep a written record thereof, and to make all payments to the assignee designated in the notice of assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that Lessee may from time to time have against Lessor, or the assignee. Lessee agrees to execute all documents which may be reasonably requested by Lessor or its assignee to protect their interests in this Agreement.

Section 12.02. No Sale, Assignment or Subleasing by Lessee. This Agreement and the interest of Lessee in the Equipment may not be sold, assigned or encumbered by Lessee without the prior written consent of Lessor.

Section 12.03. Lessee Negligence. To the extent permitted by the laws and Constitution of the State, Lessee shall protect and hold harmless Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into this Agreement, the ownership of any item of the Equipment, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death of any person, to the extent that such liability, obligation, loss, claim or damage arises out of or is proximately caused by the negligent conduct of Lessee, its officers, employees or agents. The obligation of Lessee arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all other obligations under this Agreement or the termination of the Lease Term for any reason.

ARTICLE XIII EVENTS OF DEFAULT AND REMEDIES

Section 13.01. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

- Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein; and
- Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 13.01 (a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied as given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to the expiration, provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.
- The filing by Lessee of a voluntary petition in bankruptcy, or failure by Lessee promptly to lift any execution, garnishment, or attachment of such consequence as would impair the ability of Lessee to carry on its governmental function or adjudication of Lessee as a bankrupt or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

The foregoing provisions of this Section 13.01 are subject to (i) the provisions of Section 6.07 hereof with respect to nonappropriation; and (ii) if by reason of force majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article VI hereof, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other employee relations disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the state wherein Lessee is located or any of their departments, agencies or officials, or any civil or military authority, insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

Section 13.02. Remedies on Default. Whenever any event of default referred to in Section 13.01 hereof shall have happened and be continuing, Lessor shall have the right at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- Declare all Rental Payments due or to become due during the Original Term or Renewal Term then in effect to be immediately due and payable, whereupon such Rental Payments shall be immediately due and payable;
- With or without terminating this Agreement, retake possession of the Equipment and sell, lease or sublease the Equipment for the account of Lessee, and apply the proceeds of such sale, lease or sublease to pay the following items in the following order: (i) all cost and expenses of Lessor relating to the implementation of remedies under this Agreement as further provided herein; (ii) the applicable Purchase Price of the Equipment and (iii) the Rental Payments due during the Original Term or Renewal Term then in effect; and
- Take whatever action under the Uniform Commercial Code or under other law or in equity as may appear necessary or desirable to enforce its rights as the owner or secured creditor of the Equipment.

Lessee further agrees that Lessee shall pay to Lessor such further amounts as may be sufficient to reimburse Lessor fully for its costs and expenses as incurred as a result of Lessee's default including, without limitation, Lessor's costs and expenses in enforcing, or endeavoring to enforce, its rights and remedies under the Agreement or incident thereto, including without limitation and to the extent not prohibited by applicable law, the Lessor's reasonable attorney's fees and expenses for enforcing Lessee's obligations hereunder.

Section 13.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy give under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver hereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XIV MISCELLANEOUS

Section 14.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business.

Section 14.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 14.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14.04. Amendments. The terms of the Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Lessor and the Lessee.

Section 14.05. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.06. Delayed Closing. In the event of a delayed closing, Lessor shall receive as additional compensation any amount that accrues between the Commencement Date and the Closing Date.

Section 14.07. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

Section 14.08. Captions. The captions or headings in this Agreement are for convenience only and do not define, limit or describe the scope or intent of any provisions of sections of this Agreement.

Section 14.09. Entire Agreement. This Agreement and the executed Exhibits attached hereto constitute the entire agreement between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations or warranties, express or implied, not specified herein, regarding this Agreement or the equipment leased hereunder.

Section 14.10. Execution of Facsimile. In the interest of time, each party agrees that execution of signature pages of this Agreement by such party followed by transmission of such pages by facsimile/Telecopier will be legally binding upon such party. After each party has executed and transmitted such signature pages, each party agrees to execute hard copies of this Agreement and to promptly forward originals to the other party hereto.

Section 14.11. Correction of Documents. Lessee agrees to execute and deliver, or provide, as required by Lessor, any documents and information, from time to time, that may be necessary for the purpose of correcting any errors or omissions in this Lease or to reflect the true intent of Lessor in this transaction. All such documents and information must be satisfactory to Lessor.

Section 14.12 WAIVER OF JURY TRIAL. Lessee and Lessor hereby irrevocably waive any right to a jury trial with respect to any matter arising under or in connection with this Lease and agree that any dispute shall be determined by a court sitting without a jury.

Section 14.13. Performance Bonds. If requested by Lessor to facilitate payments to vendors in advance of delivery and acceptance, Lessee agrees to require the Equipment manufacturer, and all other contractors and/or subcontractors (collectively, "Contractors") with whom Lessee has contracted for the acquisition of the Equipment, to provide performance bond satisfactory to Lessor conditioned upon the construction of the Equipment as expeditiously as reasonably possible from the date of execution of such Lease and also conditioned upon delivery of possession of the Equipment to the Lessee free and clear of all liens and encumbrances, except the security interest granted to Lessor under the Lease-Purchase Agreement. Each such bond shall be in a form and with a surety acceptable to Lessor and shall name Lessor as a dual obligee. The Lessee shall proceed promptly to pursue diligently any remedies available against a Contractor that is in default under any agreement relating to the acquisition and construction of the Equipment and/or against each surety on any bond securing the performance of such Contractor's obligations with respect to the acquisition and construction of the Equipment. The Lessee and Lessor shall cause the net proceeds recovered by way of the foregoing to be applied, at Lessor's option, to (i) the completion of the Equipment, or (ii) the payment of all rent payments then due plus the then applicable Termination Balance. Any balance of net proceeds remaining after completion of Equipment construction or payment of the outstanding balance owed under the applicable Lease shall be paid promptly to Lessee.

Section 14.14. Time is of the Essence. Lessor and Lessee agree that time is of the essence of all provisions of each Lease entered into under this Agreement.

Any terms and conditions of any purchase order or other document submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement. Lessee by the signature below of its authorized representative acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, Lessor has executed this Agreement in its corporate name and by its duly authorized officer, and Lessee has caused this Agreement to be executed in its corporate name and by its duly authorized officer. All of the above occurred as of the date first written below; this Agreement shall be binding on Lessee beginning on the date it is accepted and executed by Lessor.

LESSOR: Leasing 2, Inc.

Execute:

By: _____

Title: _____

Date: _____

LESSEE: City of Leavenworth, Kansas

Execute:

Attest:

By: _____

By: _____

Title: Mark Preisinger

Mayor

Title: Carla K. Williamson

City Clerk

Date: _____

EXHIBIT B

MAIN: 913.451.5100
FAX: 913.451.0875

LATHROPGAGE.COM

BUILDING 82, SUITE 1000
10851 MASTIN BOULEVARD
OVERLAND PARK, KANSAS 66210-1669

June 1, 2018

Leasing 2, Inc.
1720 West Cass Street
Tampa, Florida 33606-1230

Re: Lease-Purchase Agreement between Leasing 2, Inc. ("**Lessor**"), and City of Leavenworth, Kansas ("**Lessee**").

Dear Ladies and Gentlemen:

We have acted as counsel to Lessee in connection with the authorization, execution and delivery of the above referenced Lease-Purchase Agreement (the "**Agreement**"). In our capacity as counsel to Lessee, we have examined the following documents related to the authorization, execution and delivery of the Agreement and the transaction contemplated by the Agreement (collectively, the "**Documents**"):

- The Agreement, executed on behalf of Lessee;
- a certified copy of Lessee Resolution No. B-2200;
- Certificate as to Arbitrage executed on behalf of Lessee;
- Description of Equipment executed on behalf of Lessee;
- Payment Schedule executed on behalf of Lessee;
- Essential Use/Source of Funds Letter executed on behalf of Lessee;
- Designation of Bank Qualification executed on behalf of Lessee;
- Notice and Acknowledgment of Assignment executed on behalf of Lessee;
- Insurance Coverage Requirement executed on behalf of Lessee; and
- Customer Identification Program—Organized Entity executed on behalf of Lessee.

We have also reviewed such other proceedings, documents and instruments as we have deemed necessary or appropriate to the rendering of the opinions expressed herein.

Based upon the foregoing, it is our opinion, as of the date hereof, that:

1. Lessee is a public body corporate and politic, legally existing under the laws of the State of Kansas.

2. The Documents have been duly authorized and executed by Lessee, pursuant to Constitutional, statutory, and/or home rule provisions which authorize the transactions contemplated by the Documents.

3. The Documents are the legal, valid, and binding obligations of Lessee, enforceable in accordance with their terms.

4. Applicable public bidding requirements have been complied with, as to the Documents.

5. To the best of our knowledge, no litigation is pending or threatened in any court or other tribunal, state or federal, which questions or affects the validity of the Documents.

6. The Equipment (as defined in the Agreement) and leased pursuant to the Documents will constitute personal property and when subjected to use by Lessee will not be or become fixtures under Kansas law.

7. The leasing of the Equipment pursuant to the Documents is exempt from all sales and use taxes against either the Lessor or the Lessee during the term of the Agreement and the Equipment will be exempt from any state and local personal property or other ad valorem taxes during the term of the Agreement.

This opinion may not be relied upon by any person or entity, other than the addressees hereof, their respective successors and/or assigns and their respective counsels, without our prior consent.

Very truly yours,

LATHROP GAGE LLP

EXHIBIT C

CERTIFICATE AS TO ARBITRAGE

I, **Mark Preisinger**, hereby certify that I am duly qualified and acting **Mayor, of City of Leavenworth, Kansas** (the "Lessee"), and that in my official capacity as such officer, I am responsible for executing and delivering, on behalf of the Lessee, the Lease-Purchase Agreement dated **June 1, 2018** (the "Agreement"), by and between Leasing 2, Inc. ("Lessor") and the Lessee. This Certificate is being issued pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder (the "Regulations"). The following facts, estimates and circumstances are in existence on the date of this Certificate or are reasonably expected to occur hereafter.

1. The Lease provides for the acquisition and financing of certain equipment described therein (the "Equipment") Pursuant to the Agreement, the Lessor is required to lease the Equipment to the Lessee and the Lessee is required to make rental payments with respect thereto, comprising principal and interest, on the dates and in the amounts set forth therein (the "Rental Payments").

2. On the date hereof, Lessor will deposit into escrow to be held for the benefit of Lessee the amount of **\$375,000.00**, which, together with interest earned thereon until disbursed if necessary, will be used to pay the costs of the Equipment in the amount of **\$375,000.00**. In the event any interest income remains in escrow after payment of such Equipment cost, such amount shall be retained by Lessor as additional fee income.

3. The Lessee has entered into or will within six (6) months of the date hereof enter into contracts for the acquisition of the Equipment, which contracts will obligate the payment of all amounts held in escrow.

4. The Equipment will be acquired with due diligence and will be fully acquired on or before _____.

5. In any event, all of the spendable proceeds of the Agreement will be expended on the Equipment within three (3) years from the date of execution of the Agreement. No proceeds of the Agreement will be used to reimburse the Lessee for expenditures made prior to the date of the issuance of the Agreement, unless Lessee shall have complied with the requirements of Section 1.150-2 of the Regulations. If applicable, a copy of Lessee's official intent with respect to such reimbursement is attached hereto as attachment 1.

6. The original proceeds of the Agreement, and the interest to be earned thereon, do not exceed the amount necessary for the governmental purpose for which the Agreement is issued.

7. The interest of the Lessee in the Equipment has not been, and is not expected during the term of the Agreement, to be sold or otherwise disposed of by the Lessee.

8. No sinking fund will be maintained by the Lessee with respect to the Rental Payments.

9. The Agreement is not a "hedge bond" within the meaning of Section 149(g) of the Code. The Lessee expects to spend not less than 85% of the spendable proceeds of the Agreement within three years after the date hereof and less than 50% of the proceeds of the Agreement is invested in Nonpurpose investments having a substantially guaranteed yield for four years or more.

10. In the Agreement the Lessee has covenanted to take all actions necessary to ensure that the interest paid under the Agreement remains excludable from gross income under the Code. Such covenant includes, without limitation, the requirement to comply with the requirements of the Code relating to the rebate of arbitrage profit to the United States Government.

11. To the best of the knowledge and belief of the undersigned, the expectations of the Lessee as set forth above, are reasonable; and there are no present facts, estimates and circumstances which would damage the foregoing expectations.

LESSEE: **City of Leavenworth, Kansas**

By: _____
Mark Preisinger

Title: _____
Mayor

Date: _____

EXHIBIT D
DESCRIPTION OF EQUIPMENT

The Equipment which is the subject of the attached Lease-Purchase Agreement is as follows:

(1) Vac-Con V311/1300 Vacuum Truck, VIN: _____

together with all additions, accessions and replacements thereto.

Lessee hereby certifies that the description of the personal property set forth above constitutes an accurate description of the "Equipment", as defined in the attached Lease-Purchase Agreement.

LOCATION OF THE EQUIPMENT:

_____ 1800 South 2nd Street _____

_____ Leavenworth, KS 66048 _____

After Lessee signs this Agreement, Lessee authorizes Lessor to insert any missing information or change any inaccurate information (such as the model year of the Equipment or its serial number or VIN) into the Description of Equipment.

LESSEE: **City of Leavenworth, Kansas**

By: _____
Mark Preisinger

Title: _____
Mayor

Date: _____

EXHIBIT E
PAYMENT SCHEDULE

LESSEE: City of Leavenworth, Kansas
EQUIPMENT COST: \$375,000.00
COMMENCEMENT DATE: 6/1/2018
INTEREST RATE: 3.54%

PAYMENT					PURCHASE
<u>NO.</u>	<u>DATE</u>	<u>PAYMENT</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>PRICE*</u>
1	6/1/2019	\$133,949.71	\$13,270.76	\$120,678.95	\$255,752.65
2	6/1/2020	\$133,949.71	\$9,000.09	\$124,949.62	\$129,859.15
3	6/1/2021	\$133,949.71	\$4,578.28	\$129,371.43	\$0.00
Grand Totals		\$401,849.13	\$26,849.13	\$375,000.00	

LESSEE: **City of Leavenworth, Kansas**

By: _____
Mark Preisinger

Title: _____
Mayor

Date: _____

* After payment of Rental Payment due on such date.

EXHIBIT F
ACCEPTANCE CERTIFICATE

The undersigned, as Lessee under the Lease-Purchase Agreement (the "Agreement") dated **June 1, 2018**, with **Leasing 2, Inc.** ("Lessor"), hereby acknowledges:

1. _____ **Equipment delivered and accepted:** Lessee has received in good condition all of the Equipment described in the Agreement and in Exhibit D thereto and accepts the Equipment for all purposes this _____ day of _____, 20_____,
2. _____ **Equipment delivery has not yet taken place:** The Equipment described in the Agreement and in Exhibit D thereto, has not been delivered, but is scheduled to be delivered within 18 months. Lessor has agreed to deposit into an escrow account an amount sufficient to pay the total cost of the Equipment identified in Exhibit D of the Agreement. Exhibit E accurately reflects the Lease Amount. Lessee agrees to execute an Acceptance Certificate and Payment Request Form authorizing payment of the cost of the Equipment, or a portion thereof, for each withdrawal of funds from the Escrow Account. Lessee's obligation to commence Rental Payments as set forth in Exhibit E-Payment Schedule is absolute and unconditional as of the Commencement Date, subject to the terms and conditions of the Agreement. Lessee further acknowledges that the Agreement is not subject to the successful delivery of the Equipment, and that in the event of non-performance by the Vendor, Lessee will retain all responsibility for performance under the Agreement.
3. _____ **Vendor will be paid in full prior to delivery of equipment:** A 100% pre-funding will be made by Lessor to Vendor of the lease amount identified as "Equipment Cost" on the Exhibit E – Payment Schedule of the Agreement. Lessee agrees to indemnify and hold Lessor harmless from and against any and all claims, costs and expenses incurred (including Lessor's attorneys' fees). Lessee further acknowledges that the Agreement is not subject to the successful delivery of the Equipment, and that in the event of non-performance by the Vendor, Lessee will retain all responsibility for performance under the Agreement.

Lessee certifies that Lessor has fully and satisfactorily performed all of its covenants and obligations required under the Agreement, and confirms that the Agreement will commence as defined by "Commencement Date" in the attached Agreement, and it will commence payments in accordance with Article VI of the Agreement.

The undersigned officer of the Lessee hereby reaffirms on behalf of the Lessee in all respects the covenants of the Lessee set forth in Article II of the Agreement and represents that, to the best of his or her knowledge, information and belief, the expectations therein expressed were reasonable as of the Commencement Date, and that there were, and are as of the date on which they were made, and are reasonable as of the Commencement Date, no facts, estimates or circumstances other than those expressed therein that would materially affect the expectations expressed therein.

LESSEE: **City of Leavenworth, Kansas**

By: _____
Mark Preisinger

Title: _____
Mayor

EXHIBIT G

ESSENTIAL USE/SOURCE OF FUNDS LETTER

TO: **Leasing 2, Inc.**

RE: Lease-Purchase Agreement Dated **June 1, 2018.**

Gentlemen:

Reference is made to certain Lease-Purchase Agreement dated **June 1, 2018**, between **Leasing 2, Inc.** and **City of Leavenworth, Kansas**, leasing the personal property described in Exhibit D to such Lease. This confirms and affirms that such equipment is essential to the functions of the undersigned or to the service we provide to our citizens.

Further, we have an immediate need for, and expect to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future. The Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, the Equipment was selected by us to be used as follows:

Please describe USE of equipment:

Sincerely,

Mark Preisinger, Mayor

Date

EXHIBIT H

DESIGNATION OF BANK QUALIFICATION

In consideration of the mutual covenants of the Lessor and Lessee pursuant to the Lease-Purchase Agreement dated **June 1, 2018**, (the "Agreement") between **Leasing 2, Inc.** ("Lessor") and **City of Leavenworth, Kansas** ("Lessee"), such Agreement is modified as follows:

Lessee certifies that it reasonably anticipates that it and all of its subordinate entities will not issue more than \$10,000,000 of "qualified tax-exempt obligations" (as that term is defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986 ("the Code") during the current calendar year .

Further, lessee hereby designates the Agreement as a "qualified tax-exempt obligation" in accordance with Section 265 (b)(3)(B) of the Code so that it is eligible for the exception contained in Section 265 (b)(3) of the Code and further certifies for the purpose of the overall limitation of Section 265 (b)(3)(D) of the Code that it and its subordinate entities have not as of this calendar year issued more than \$10,000,000 of obligations which it has designated for these purposes.

All terms contained herein not otherwise defined shall have the same meaning as such terms are used and defined in the Lease.

LESSEE: **City of Leavenworth, Kansas**

By:

Mark Preisinger

Title:

Mayor

Date:

EXHIBIT I

NOTICE AND ACKNOWLEDGMENT OF ASSIGNMENT

Leasing 2, Inc. ("Lessor") hereby gives notice to the **City of Leavenworth, Kansas** ("Lessee") that Lessor has assigned all rights to payments under the Lease-Purchase Agreement, dated as of **June 1, 2018**, between **Leasing 2, Inc.** ("Lessor") and **City of Leavenworth, Kansas** ("Lessee"). **Leasing 2, Inc.** ("Lessor") hereby requests, gives notice and instructs **City of Leavenworth, Kansas** ("Lessee") that payments that hereafter come due pursuant to the Lease-Purchase Agreement be paid to **First State Bank** or its Assignee.

**First State Bank
112 W. Polk
Livingston, TX 77351**

LESSEE: **City of Leavenworth, Kansas**

By: _____
Mark Preisinger

Title: _____
Mayor

Date: _____

INSURANCE COVERAGE REQUIREMENT

TO: **Leasing 2, Inc. and/or its Assigns**
1720 West Cass Street
Tampa, FL 33606-1230

FROM: **City of Leavenworth, Kansas**
100 North 5th Street
Leavenworth, KS 66048

RE: INSURANCE COVERAGE REQUIREMENTS (Check one):

_____ 1. In accordance with Section 8.03 of the Agreement, we have instructed the insurance agent named below (please fill in name, address and telephone number)

NAME: _____

ADDRESS: _____

CITY/ ST/ ZIP: _____

TELEPHONE: _____

to issue:

a. All Risk Physical Damage Insurance on the leased equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming **Leasing 2, Inc. and/or its Assigns** as Loss Payee.

Coverage Required: Full Replacement Value

b. Public Liability Insurance evidenced by a Certificate of Insurance naming **Leasing 2, Inc. and/or its Assigns** as an Additional Insured.

Minimum Coverage Required:
\$500,000.00 per person
\$1,000,000.00 aggregate bodily injury liability
\$1,000,000.00 property damage liability

_____ 2. Pursuant to Section 8.03 of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letterform together with a copy of the statute authorizing this form of insurance.

By: _____
Mark Preisinger

Title: _____
Mayor

Date: _____

BILLING INFORMATION

Please indicate below how you would like us to bill you for the lease payments due under this Agreement, including a contact name, if applicable:

Contact Name: _____

Company: _____

Street Address or Box #: _____

City, State, Zip: _____

County: _____

Telephone: _____ () _____

Fax: _____ () _____

Email Address: _____

Invoice Reference: _____ (1) Vac-Con V311/1300 Vacuum Truck _____

**CUSTOMER IDENTIFICATION PROGRAM
ORGANIZED ENTITY**

Notice: To help the government fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify and record information that identifies each person (individuals or businesses) who opens an account. **What this means for you: When you open an account or add any additional service, we will ask you for your name, address, federal employer identification number and other information that will allow us to identify you. We may also ask to see other identifying documents.**

CUSTOMER NAME: City of Leavenworth, Kansas

CUSTOMER IDENTIFICATION

Taxpayer ID Number: **48-6034051**

Business Structure (check one): City Government: _____ County Government: _____ Tax District: _____

Corporation: _____ Other, description: _____

We may request certified copies of your organizational documents as part of the identification procedure.

PRIMARY ADDRESS AND REGISTRATION

Address: _____

Address: _____

City: _____

State: _____

Zip Code: _____

State of Registration/Organization: _____

MAILING ADDRESS (if different from above)

Address: _____

Address: _____

City: _____

State: _____

Zip Code: _____

Acknowledgment: The information contained herein is true and correct.

City of Leavenworth, Kansas

By: _____
Mark Preisinger

Its: Mayor

Internal Escrow Letter

June 1, 2018

First State Bank
112 W. Polk
Livingston, TX 77351

Re: Lease Purchase Agreement dated **June 1, 2018** (the "Lease") by and between: **City of Leavenworth, Kansas** ("Lessee") and Leasing 2, Inc. ("Lessor"), concurrently assigned to First State Bank ("Assignee").

Ladies and Gentlemen:

We have entered into the above referenced Lease for the purpose of financing a **(1) Vac-Con V311/1300 Vacuum Truck** (the "Equipment") in the amount of **\$375,000.00** (the "Financed Amount"). Lessee hereby requests that Assignee retain **\$375,000.00** (the "Retained Amount"). Lessee further requests that Assignee hold the Retained Amount in an internal escrow pending Assignee's receipt of confirmation from Lessee that the Equipment has been delivered, inspected and accepted for all purposes by the Lessee and that payment can be remitted to the vendor of such Equipment. There will be no separate escrow fee charged Lessee for internally escrowing the Retained Amount.

Lessee understands and agrees that interest shall accrue on the entire Financed Amount as of the date hereof, and further understands and agrees that any interest earned on the Retained Amount shall be paid to Assignee in consideration of managing the internal escrow account.

Lessee acknowledges that Assignee may commingle the Retained Amount held by Assignee for the benefit of Lessee with other funds held by Assignee for its own account, so long as Assignee maintains segregation of such amounts on the books and records of Assignee.

Sincerely,

LESSEE: City of Leavenworth, Kansas

By: _____
Mark Preisinger

Title: _____
Mayor

Date: _____

POLICY REPORT NO. 2018-880
Bid Approval – Water Pollution Control (WPC) Division
Settled Sewage Motor Project
May 22, 2018

Prepared by: 
Chuck Staples
WPC Superintendent

Reviewed by: 
Paul Kramer
City Manager


Michael G. McDonald P.E.
Public Works Director

ISSUE:

Consider approval of the Settled Sewage Motor Project for the Wastewater Treatment Facility. This project was approved as a 2018 Capital Improvements Project.

BACKGROUND:

The City of Leavenworth installed the Ultra-Violet (UV) Disinfection System in 2012. At that time the Settled Sewage Building, which is responsible for the flows to the UV system, consisted of four (4) 125 H.P. vertical turbine motors with pumps that moves 10.8 million gallons of wastewater per day, per pump. Under normal flows this wastewater travels to the three trickling filters and then 60% is recirculated back to the trickling filters for better treatment. The other 40% goes to the final clarifiers and then into the disinfection building.

When the UV system was started, the flow from the Settled Sewage Building was erratic causing more channels and lights to come on than were needed. The on and off cycling caused lamps and ballast turn burned out prematurely.

In April of 2016 the WPC added a variable speed drive (VSD) to one of the motors. This VSD allowed the motor to speed up and slow down depending on the wastewater level in the wet well. Immediately, improved flows were seen going to the UV building.

In January of 2017 the WPC added the second variable speed drive. The last two motors are not capable of accepting variable speed drives and need to be replaced with motors that are inverter ready. Having all four motors with variable speed drives will allow the WPC to have backup motors with variable speed drives which will help to keep runtimes divided between all the motors.

The City advertised this project and held the bid opening May 9th, 2018 at 3:00 pm in the City Clerk's Office.

BIDS RECEIVED	
Douglas Pump Services, Overland Park, KS	\$62,289.00
R/S Electric Motors, St. Joseph, MO	\$69,088.50
Capital Improvements Estimate	\$60,000.00

STAFF RECOMMENDATION:

Staff recommends the City Commission approve a contract for two motors and variable speed drives from Douglas Pumps Services at a cost of \$62,289.00. Although this bid is \$2,289.00 over the estimate, there is money available in the budget.

OPTIONS/ALTERNATIVES:

The City Commission can accept the low bid as recommended by City staff, or can ask the staff to re-bid.

ATTACHMENTS:

Pictures of the Settled Sewage Building and one of four motors inside





POLICY REPORT PWD NO. 18-24

CONSIDER CHANGE ORDER NO. 1 FOR THE
CONSTRUCTION SERVICES CONTRACT WITH SCS ENGINEERS
FOR THE 3-MILE CREEK BANK STABILIZATION PROJECT

Project No. 2015 - 816

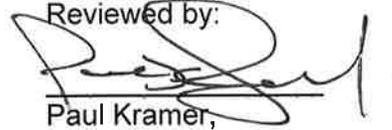
May 22, 2018

Prepared by:



Michael G. McDonald, P.E.,
Director of Public Works

Reviewed by:



Paul Kramer,
City Manager

ISSUE:

Consider Change Order No. 1 to the inspection contract with SCS Engineers, Doug Dreiling for the 3-Mile Creek Bank Stabilization Project in the amount of \$3,750.00.

BACKGROUND:

The City awarded the contract for bank stabilization on 3-Mile Creek on November 28, 2017 to Lexeco. Costs for the project are shared 35/65 between the City and OneGas. The work is essentially complete at this time.

The City hired SCS Engineers to provide field environmental oversight during the construction phase of the project. The work included:

- The observation of material excavated during construction.
- Provide recommendations for the handling of impacted soil not reused in the work area.
- Collect environmental samples as required by KDHE to characterize the waste and imported fill material.
- Maintain plastic cover for any waste (dirt) stockpiles moved to outside the work area.
- Up to 38 hours of environmental consulting services

During construction, it was determined there would be some excess soil to be moved to an area outside the work area. This required the material to be tested by an X-ray Fluorescent Detector (XRF) to determine the metal content and other contaminants in the soil. Results of the testing required additional reporting to KDHE and OneGas and determined how the off-site soil was to be handled during storage and disposed of off-site. The costs for managing this excess waste soil exceeded the funds available in the purchase order with SCS Engineers.

POLICY

The City Commission generally approves change orders if funds are available and the extra work is warranted.

RECOMMENDATION:

Staff recommends the City Commission approve Change Order No. 1 to the inspection contract with SCS Engineers for the 3-Mile Creek Bank Stabilization Project in an amount not to exceed \$3,750.00 for a total contract amount not to exceed \$28,182.50.

ATTACHMENTS:

SCS Additional Funding Request

SCS ENGINEERS

May 1, 2018

Mike McDonald, P.E.
Director of Public Works
City of Leavenworth
100 North 5th Street
Leavenworth, Kansas 66048

Re: Additional Funding Request - Environmental Field Oversight Services
Three Mile Creek Bank Stabilization Project – Construction Phase Activities
Leavenworth, Kansas

Mr. McDonald:

SCS Engineers (SCS) is presently under contract with the City of Leavenworth, Kansas (City) to provide field environmental oversight services to support during the construction phase for the Three Mile Creek Bank Stabilization Project. This work was executed on December 5, 2017 as *City Contract 2017-77; Project Number 2015-816*.

CONTRACTED SCOPE OF WORK

Our original scope of work was detailed in our *Cost Proposal for Environmental Field Oversight & Support Services* dated November 28, 2017. In summary, the primary work tasks included 1) providing environmental observation for material excavated during construction, 2) to provide recommendations for handling of impacted material not reused in the work area, 3) collect environmental samples as required to characterize generated waste/imported fill material and 4) maintain plastic cover for any waste stockpiles transported outside the work area. Our proposal also provided up to 38 hours of environmental consulting services. A final document summarizing our environmental observation effort during construction activities was also included.

Our November proposal was prepared assuming a pre-construction estimate of up to seven (7) days of full-time field labor. As of April 7, 2018, SCS has provided a total of 15 days of part- and full-time field services and associated consulting support under the existing contract amount of \$24,432. Since that time, SCS continues to provide labor on an as-needed basis primarily for the following items:

- Manage the stockpiled material in the interim storage area by maintaining the existing poly-sheeting cover until offsite disposal occurs by ONEGas;
- Ongoing communication with ONEGas supporting their current stockpile profiling and waste disposal determination, and



- Communication with the City on an ongoing basis.

SCS also provided an X-Ray Fluorescent (XRF) detector to screen metal concentrations on March 28, 2018. This item was not included in the original cost proposal and was authorized by the City on March 26, 2018.

In addition, the project close-out summary is yet to be completed. This original labor budget to complete this task has been used to cover a portion of the additional field oversight days described above.

ADDITIONAL FUNDING ESTIMATE & TERMS

SCS is requesting additional funding to cover future labor, associated equipment rental and direct costs as described above. All work, authorized by the City in advance, will be billed on a Time & Material and Unit Cost basis as it is performed. **The additional funding request is \$3,750.**

SCS assumes that future services will be performed in accordance with the terms and conditions included in *Contract 2017-77; Project Number 2015-816*.

We appreciate the opportunity to support you with this project. Please do not hesitate to contact our office at (913) 681-0030 if you have questions or require additional information.

Sincerely,



Doug Dreiling, LRC
Senior Environmental Consultant
SCS ENGINEERS



Nathan Hamm, P.E.
Vice President
SCS ENGINEERS

Attachment: Additional Funding Request



SCS ENGINEERS

TERMS AND CONDITIONS FOR PROFESSIONAL CONSULTING SERVICES

- 1. SCOPE OF SERVICES:** SCS Engineers will perform the services set forth in the Scope of Service Proposal for this project, of which these terms and conditions are a part. Initiation of services by SCS Engineers will automatically incorporate these terms and conditions into this project. All amendments to the Scope of Service Proposal shall be made in writing, and signed by SCS Engineers and Client.
- 2. PAYMENTS:** SCS Engineers will submit invoices to Client monthly and a final bill upon completion of services. Unless expressly provided and denominated as such in a Scope of Services Proposal, no retainage shall be withheld by Client. Time is of the essence in payment of invoices and timely payment is a material part of the consideration of this Agreement. Payment is due upon presentation of invoice, and is past due thirty 30 days from the date of invoice. Client agrees to pay a finance charge of one and one half percent per month on past due accounts. Client also agrees to pay all costs and expenses, including reasonable attorney fees incurred by SCS Engineers relating to collection proceedings on overdue accounts. Failure of client to abide by the provisions of this section will be considered grounds for termination by SCS Engineers.
- 3. OWNERSHIP OF DOCUMENTS:** All documents, including but not limited to, reports, plans, designs, boring logs, field data, field notes, laboratory test data, calculations, estimates, and all electronic media prepared by SCS Engineers are considered its work product and to be instruments of service. SCS Engineers shall retain all common law, statutory and other reserved rights, including the copyrights on said work product and instruments of service. However, all work product and instruments of service specific to an executed Scope of Services Proposal shall be supplied to Client for use, but not ownership. SCS Engineers shall not be responsible for any conclusions, interpretations, or recommendations generated or made by others, which are based, in whole or in part, on SCS Engineers generated work product or instruments of service. Any reuse of work product or instruments of service by Client without a specific agreement with SCS Engineers in each case shall be at Client's risk. At Client's request, SCS Engineers may provide a letter authorizing limited reliance on certain documents by a third party, but only if the third party agrees to pay a reliance fee and be bound by the terms and conditions in this Agreement between SCS Engineers and Client
- 4. INSURANCE:** SCS Engineers will maintain appropriate workers compensation/employers liability; automobile; general liability; and professional liability insurance coverages at all times. An insurance certificate will be provided upon request.
- 5. INDEMNITY:** To the fullest extent permitted by law, SCS Engineers hereby indemnifies and agrees to hold harmless Client, including Client's officers, directors, agents, and employees, to the extent a loss, damage, expense (including reasonable attorney's fees), or injury is caused by SCS Engineers, or its employees by the negligent performance of professional services, limited, however, as provided elsewhere in this Agreement.

To the fullest extent permitted by law, Client hereby indemnifies, releases, and agrees to hold harmless SCS Engineers including SCS Engineers' officers, directors, agents, and employees, to the extent a loss, damage, expense (including reasonable attorney's fees), or injury is: (a) caused by any cause other than the negligent errors or omissions of SCS Engineers, or (b) is based on a claim that SCS Engineers is a generator, disposer, or arranger of hazardous materials or substances at Clients site.

The terms of this Article shall survive the expiration or termination of this Agreement.

6. **STANDARD OF CARE:** SCS Engineers agrees to perform its services in a manner consistent with that level of care and skill ordinarily exercised by other members of its profession currently practicing under similar circumstances, in the same locale, at the time the services are performed and with the information available to SCS Engineers.
7. **LIMITATION OF LIABILITY:** Client agrees that, to the fullest extent permitted by law, SCS Engineers' total aggregate liability per Scope of Services Proposal to Client for injuries, claims, losses, expenses, damages, or claim expenses arising out of this Agreement from any cause(s), shall not exceed the fee in the Scope of Services Proposal which included the services under which the claim arose, or \$50,000, whichever is greater, and Client releases SCS Engineers from any liability above such amount. This release applies to any loss and all damages, injuries, claims, and expenses (including attorney's fees and expert witness fees and expenses), regardless of the cause, whether, but not limited to, strict liability, statutory liability, the negligence, errors or omissions of SCS Engineers, breach of contract, breach of warranty, negligent misrepresentation, or other contract or tort claims, and whether, but not limited to, special, indirect, or consequential or punitive damages. SCS Engineers shall not be responsible for damages or costs resulting from hidden conditions or latent defects in design, materials, or construction of existing facilities. Unless expressly provided and denominated as such on a Scope of Services Proposal, there shall be no liquidated damages.
8. **MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES:** SCS Engineers and Client agree that neither shall be liable to the other, or anyone claiming on their behalf, for any special, indirect or consequential damages of any type, whether arising in tort (including negligence), contract, warranty (express or implied), strict liability, statutory liability or any other cause of action, including but not limited to loss of profit, loss of use, loss of business, reputation or financing.
9. **SAFETY:** SCS Engineers is not responsible and shall not be liable for injuries or damages incurred by third parties who are not employees of SCS Engineers. It is agreed that SCS Engineers is not responsible for job or site safety on this project, unless specifically agreed to in writing. Job site safety in, on or about the site is the sole and exclusive responsibility of the contractor.
10. **THIRD PARTY RELIANCE:** All documents produced by SCS Engineers are for client's use only. At Client's request, SCS Engineers may provide a letter authorizing limited reliance on certain documents by a third party, but only if the third party agrees to pay a fee and be bound by the terms and conditions in this Agreement between SCS Engineers and Client.
11. **UTILITIES AND SUBTERRANEAN STRUCTURES:** SCS Engineers will take reasonable precautions to avoid causing damage to utilities and subterranean structures. SCS Engineers is not responsible for any loss, damage or injury arising from damage to, or contact with, any utilities or subterranean structures that were not properly called to SCS Engineers' attention, were not properly located on drawings, or was caused by the providing of inaccurate or incomplete information regarding their location.
12. **CHANGED CONDITIONS:** If, during the performance of this Agreement, unexpected conditions or circumstances are discovered, SCS Engineers will notify Client and the parties will renegotiate the previously agreed upon Scope of Services Proposal. SCS Engineers and Client will promptly and in good faith enter into a renegotiation process. If renegotiated terms cannot be agreed to within sixty (60) days, SCS Engineers will have the right to terminate this Scope of Service Proposal without penalty.

13. DISPUTE RESOLUTION: In the event of any dispute between the parties arising out of or in connection with this Agreement or the services or work contemplated herein, the parties agree to first make a good faith effort to resolve the dispute informally. Negotiations shall take place between the principals of each party. If the parties are unable to resolve the dispute through negotiation within forty-five (45) days, then either party may give written notice that it elects to proceed with non-binding mediation pursuant to the Commercial Mediation Rules of the American Arbitration Association then in effect. In the event that mediation is not invoked by the parties within fifty-five (55) days or that the mediation is unsuccessful in resolving the dispute, then either party may submit the controversy to a court of competent jurisdiction. The foregoing is a condition precedent to the filing of any action other than an action for injunctive relief or if a statute of limitations may expire.

Each party shall be responsible for its own costs and expenses, including attorneys' fees and court costs incurred in the course of any dispute, mediation, or legal proceeding. The fees of the mediator and any filing fees shall be shared equally by the parties.

14. TESTING AND OBSERVATION SERVICES: If SCS Engineers is hired by Client to provide a site representative for the purpose of testing or observing specific portions of the work, this work will not include supervision or direction of the actual work of any contractors, their employees or agents. SCS Engineers will observe only the portion of the work we have been hired for and perform tests, the results being delivered to Client or others if directed by Client. Client understands that even with very careful field testing and observation, field testing and observation is conducted to reduce, not eliminate, the risk of problems arising, and that providing these services does not create a warranty or guarantee of any type by SCS Engineers.

15. SOIL BORING AND TEST LOCATIONS: The accuracy of test locations and elevations will commensurate only with pacing and approximate measurements or estimates. SCS Engineers can provide a professional surveyor if greater accuracy is required or desired. SCS Engineers reserves the right to deviate a reasonable distance from the boring and test locations unless this right is specifically revoked in writing.

16. ON SITE SERVICES: Project site visits by SCS Engineers, or the furnishing of employees to work on the project, will not make SCS Engineers responsible for construction means, methods, techniques or procedures; or for any construction contractor's failure to perform its work in accordance with the drawings and specifications.

17. TERMINATION: Either party may terminate this Agreement or an executed Scope of Services Proposal, or both, with or without cause, by providing seven (7) days written notice. SCS Engineers shall be paid for all services performed and all expenses incurred prior to the effective date of the Notice of Termination, and for all additional services or expenses authorized by Client thereafter. Following termination, Client shall not utilize any consultant or subcontractor of SCS Engineers for any services related to Client's project without the prior written consent of SCS Engineers.

18. CONFIDENTIALITY: SCS Engineers will keep confidential all documents, reports and information generated for Client on this project and will not release or disclose said information without Client's consent, except to the extent required by court order, subpoena, governmental directive, or by law.

19. SEVERABILITY: If any provision contained in this Agreement is held illegal, invalid or unenforceable, the enforceability of the remaining provisions will not be impaired.

20. GENERAL RESPONSIBILITIES OF CLIENT: Client will, within a reasonable period of time, so as not to delay the services of SCS Engineers: place at SCS Engineers' disposal all available information pertinent to the project; SCS Engineers may rely on the information provided as being accurate without independent verification; client will provide prompt written notice to SCS Engineers whenever Client observes or otherwise becomes aware of any defect in SCS Engineers' services; and Client will arrange for access to public and private property as required for SCS Engineers to provide its services.

21. GOVERNING LAW: Unless otherwise provided, the substantive law of the state of Kansas will govern the validity of this Agreement, its interpretation and performance and remedies for contract breach or any other claims related to this Agreement.

COMPLIANCE WITH IMMIGRATION REFORM AND CONTROL ACT

During the performance of this Agreement, Client acknowledges the applicability of the Federal Immigration Reform Control Act of 1986 ("IRCA"). Client agrees to comply with the law in performing under this Agreement.

22. ENTIRE AGREEMENT—PRECEDENCE: These Terms and Conditions and SCS Engineers Scope of Service Proposal contain the entire agreement between SCS Engineers and Client. All previous or contemporaneous agreements, representations, promises and conditions relating to SCS Engineers services are superseded. Since terms contained in purchase orders do not generally apply to professional services, in the event client issues to SCS Engineers a purchase order, no preprinted terms thereon will become part of the agreement of the parties; any purchase order document, whether or not signed by SCS Engineers, shall be considered a document for Client's internal management of its operations.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly Authorized Representatives, as follows:

SCS Engineers

By _____
Signature

By _____
Signature

Typed Name

Typed Name

Title

Title

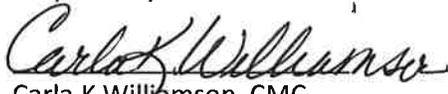
Date of Signature

Date of Signature

**POLICY REPORT
FIRST CONSIDERATION ORDINANCE TO
RESCIND SPECIAL USE PERMITS**

May 22, 2018

Prepared by:



Carla K Williamson, CMC
City Clerk

Reviewed by:



Paul Kramer
City Manager

ISSUE:

The issue before the City Commission is to consider rescinding Special Use Permits (SUP) under the 2016 Development Regulations Article 2 section 2.04.

BACKGROUND:

The Special Use Permit listed below has failed to pay the annual registration fee of \$25.00. Multiple notices were sent to the property owner. No *public* notice is required in order to administratively rescind Special Use Permits for failure to pay annual registration fees under the 2016 Development Regulations Article 2 Section 2.04(C).

Name	Location	Use	SUP Ord	Date Approved	2018 Permit Fee Paid
Herman And Sun Moore	1707 Limit	Child Care Center	7724	2/16/2007	No

The Special Use Permits listed below have requested to have their permits rescinded and have provided written notice of such request.

Name	Location	Use	SUP Ord	Date Approved
Annie N Schmalbeck	936 Osage St	Child Care Center	8017	11/8/2016
Debbie Schmidt	932 Ottawa	Child Care Center	7532	7/9/2002
Edna M. Brantley	2304 S 17th Street	Child Care Center	7354	4/14/1998
Sue & Tim Moore	1626 Limit	Child Care Center	7478	12/12/2000

ACTION REQUIRED:

Consensus to place an ordinance on first consideration to rescind the Special Use Permits as presented.

Attachments:

- Notices from SUP holders to rescind their permits
- Draft Ordinance

(Summary Published in the Leavenworth Times on June _____, 2018)

ORDINANCE NO. _____

AN ORDINANCE TO DISCONTINUE OR RESCIND CERTAIN SPECIAL USE PERMITS IN LEAVENWORTH KANSAS

WHEREAS, under the Appendix E of the City of Leavenworth Code of Ordinances, 2016 Development Regulations, Section 2.04 C, the Governing Body of the City of Leavenworth is given the power to administratively discontinue or rescind a special use permit; and

WHEREAS, property owners approved for a special use permit my request that such special use permit be rescinded.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LEAVENWORTH:

Section 1. That the following special use permits are hereby administratively rescinded due to non-payment of the annual special use fee:

Name	Location	Use	Original Special Use Ordinance to Rescind	Date Approved
Herman & Sun Moore	1707 Limit Street	Child Care Center	7724	2/16/2007

Section 2. That the following special use permits are hereby rescinded by request of the property owner:

Name	Location	Use	Original Special Use Ordinance to Rescind	Date Approved
Annie N Schmalbeck	936 Osage Street	Child Care Center	8017	11/8/2016
Debbie Schmidt	932 Ottawa Street	Child Care Center	7532	7/9/2002
Edna M. Brantley	2304 S 17th Street	Child Care Center	7354	4/14/1998
Sue & Tim Moore	1626 Limit Street	Child Care Center	7478	12/12/2000

Section 3. This Ordinance shall take effect and be in force from and after its passage by the Governing Body, and its publication once in the official City newspaper.

PASSED AND APPROVED by the City Commission of the City of Leavenworth, Kansas, on June _____, 2018.

Mark Preisinger, Mayor

ATTEST:

Carla K. Williamson, City Clerk

APPROVED AS TO LEGAL FORM:

David E. Waters, City Attorney

Bev Wilson

From: Annie Nicole <[REDACTED]@yahoo.com>
Sent: Monday, March 19, 2018 9:17 AM
To: Bev Wilson
Subject: 936 Osage

Good morning;

This email is in regard to the special use permit for our daycare located on 936 Osage street in Leavenworth, Kansas. We sold the property in June of 2017 and officially closed the daycare at that time, therefore we will no longer need the special use permit for that property.

Thank you~
Annie Schmalbeck
[REDACTED]
[REDACTED]@yahoo.com

Bev Wilson

From: Debbie Schmidt [REDACTED]
Sent: Thursday, February 22, 2018 3:51 PM
To: Bev Wilson
Subject: NO LONGER USING SPECIAL USE PERMIT

Dear Ms. Wilson

I am writing to inform you that I have not needed nor have I used a special use permit at 932 Ottawa Leavenworth, Kansas 66048. I sold the property on February 13, 2018. The house is closed and I no longer own the property. Thank You for any inconvenience that this may have caused. The house has been empty since June of 2018. It has been on the Market as a single family dwelling and now I no longer own the property.

Sincerely,
Debbie Schmidt
1820 Seneca St.
Leavenworth, Kansas 66048
[REDACTED]

March 7, 2018

To Whom This May Concern:

The Daycare at 2304 South 17th Street (for Edna M. Brantley) has officially closed since December 2017. If you have questions or need additional information, please call me at [REDACTED]

Thank you,



Edna M. Brantley

Cary Collins

From: Tim & Sue Moore [REDACTED]
Sent: Thursday, February 22, 2018 7:13 PM
To: Cary Collins
Subject: Notice of Daycare Closing

To whom it may concern.

This is notification that Susan Neil Moore Daycare closed for business on December 31,2017. Daycare address: 1626 Limit Street, Leavenworth, Kansas.

Sue Moore

**POLICY REPORT
FIRST CONSIDERATION ORDINANCE
GENERAL OBLIGATION BONDS, SERIES 2018-A**

May 22, 2018

Prepared by:



Carla K. Williamson, CMC
City Clerk

Reviewed by:



Paul Kramer
City Manager

ISSUE:

The issue before the City Commission is to consider an ordinance authorizing the issuance of \$1,440,000 aggregate principal amount of General Obligation Bonds Series 2018-A.

BACKGROUND:

General Obligation Series 2018-A will be issued in the estimated amount of \$1,440,000 and will provide funding to redeem and pay the Series A2017 Notes in the principal amount of \$1,370,000 together with accrued interest payable on July 1, 2018 to permanently finance the costs of the General Improvements.

On May 8, 2018 the City Commission was presented and approved Resolution No B-2197 authoring and providing for the public sale of General Obligation Bonds, Series 2018-A. The bond and note sale will be on Tuesday, June 12, 2018. The results will be presented to the City Commission the same evening.

ACTION REQUIRED:

Consensus to place an ordinance on first consideration for the General Obligation Bonds, Series 2018-A, as presented.

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,440,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2018-A, OF THE CITY OF LEAVENWORTH, KANSAS, UNDER THE AUTHORITY OF K.S.A. 10-101 TO 125, INCLUSIVE, AND CHARTER ORDINANCE NO. 56 OF THE CITY, ALL AS AMENDED.

WHEREAS, the Governing Body of the **City of Leavenworth, Kansas**, (the “City”) has, in accordance with the powers of home rule of all cities of the State of Kansas under Section 5 of Article 12 of the Constitution of the State of Kansas, passed and approved, by the vote of not less than two-thirds of the members-elect of the governing body of the City, Charter Ordinance No. 56 of the City, which charter ordinance was published once each week for two consecutive weeks in the official newspaper of the City with such charter ordinance taking effect, without protest, on the sixty-first (61st) day following the publication thereof; and

WHEREAS, the City pursuant to Resolution No. B-2161 of the City, adopted on February 14, 2017, has authorized the construction of certain general improvements in the estimated amount of \$1,787,284 (the “Improvements”) to be made in the City under the authority of Charter Ordinance No. 56 of the City; and

WHEREAS, the City has heretofore duly authorized, issued and delivered its \$1,370,000 Temporary Notes, Series A2017, dated June 29, 2017, (the “Series A2017 Notes”) pursuant to Resolution No. B-2171 (the “Series A2017 Note Resolution”) adopted June 13, 2017, in accordance with the requirements of Charter Ordinance No. 56 of the City to temporarily finance the costs of the Improvements, which Series A2017 Notes will be redeemed and paid on July 1, 2018, from proceeds of the Bonds authorized herein; and

WHEREAS, all legal requirements pertaining to the Projects have been complied with and the total cost thereof, including bond issuance costs, is \$1,448,165.05 (the “Project Cost”) to be financed with the proceeds of general obligation bonds of the City in the principal amount of \$1,440,000.00 with the balance of such Project Cost payable from bond premium; and

WHEREAS, in accordance with all of the foregoing, the City deems it necessary and advisable to issue and sell its General Obligation Bonds, Series 2018-A, in the aggregate principal amount of One Million Four Hundred Forty Thousand Dollars (\$1,440,000) for the purpose of providing funds to permanently finance the costs of the Improvements, including redeeming and paying the Series A2017 Notes in the principal amount of \$1,370,000 together with accrued interest payable thereon on July 1, 2018, and paying the costs of issuing the Bonds; and

WHEREAS, the City does hereby authorize the issuance and sale of the bonds to the best bidder.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LEAVENWORTH, LEAVENWORTH COUNTY, KANSAS:

Section 1. That for the purpose of providing funds to permanently finance the costs of the Improvements, including redeeming and paying the Series A2017 Notes in the principal amount of \$1,370,000 together with accrued interest payable thereon on July 1, 2018, and paying the costs of issuing the Bonds, there is hereby authorized and directed to be issued General Obligation Bonds, Series 2018-A, of the City in the aggregate principal amount of One Million Four Hundred Forty Thousand Dollars (\$1,440,000) (the "Bonds") as provided by Charter Ordinance No. 56 of the City and Article 1 of Chapter 10, Kansas Statutes Annotated, all as amended. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such form, shall be subject to redemption and payment prior to the maturity thereof and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in a resolution of the Governing Body of the City adopted the same date as the date of the passage and approval of this Ordinance (the "Resolution").

Section 2. That the Mayor and City Clerk are hereby authorized to prepare and execute the Bonds and when so executed, the Bonds shall be registered as required by law and the Governing Body shall annually make provisions for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same shall become due by levying a tax upon all the taxable property of the City.

Section 3. That the City shall, and the officers, agents and employees of the City are hereby authorized and directed to, take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the provisions of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the Resolution all as necessary to carry out and give effect to the transaction contemplated hereby and thereby.

Section 4. That if any portion or provision of this Ordinance or the Bonds shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such portion or provisions shall not effect any of the remaining provisions of this Ordinance or the Bonds but this Ordinance and said Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 5. That the Bonds shall be issued and sold to the purchaser thereof in accordance with both their bid for the purchase thereof and the terms and conditions of this Ordinance.

Section 6. That this Ordinance shall take effect and be in force from and after its passage and publication in the official City newspaper.

Passed by the Governing Body and approved by the Mayor this 12th day of June, 2018.

CITY OF LEAVENWORTH, KANSAS

(SEAL)

Mark Preisinger, Mayor

ATTEST:

Carla K. Williamson, City Clerk