

**EDGERTON CITY COUNCIL
MEETING AGENDA
CITY HALL, 404 EAST NELSON STREET
November 13, 2014
7:00 PM**

Call to Order

1. **Roll Call** ____ Roberts ____ Longanecker ____ Brown ____ Crooks ____ Cross ____ Troutner
2. **Welcome**
3. **Pledge of Allegiance**

Consent Agenda *(Consent Agenda items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action)*

4. Agenda Approval
5. City Council Meeting Minutes October 28, 2014

Regular Agenda

6. **Public Comments.** Persons who wish to address the City Council regarding items not on the agenda and that are under the jurisdiction of the City Council may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court or other outside tribunals are not permitted. Please notify the City Clerk before the meeting if you wish to speak. Speakers are limited to three (3) minutes. Any presentation is for informational purposes only. No action will be taken.
7. **Declaration.** At this time Council members may declare any conflict or communication they have had that might influence their ability to impartially consider today's issues.
8. Presentation from United Community Services of Johnson County regarding the 2015 Human Service Fund
9. Presentation from Southwest Johnson County Economic Development Corporation

Business Requiring Action

10. **CONSIDER A ONE-YEAR CONTRACT WITH MIZE HOUSER & COMPANY, P.A., TO PREPARE THE CITY'S FINANCIAL AUDIT FOR FISCAL YEAR 2014**

Motion: _____ Second: _____ Vote: _____

11. **CONSIDER RESOLUTION NO. 11-13-14A ADOPTING AMENDMENTS TO THE CITY OF EDGERTON PERSONNEL RULES AND REGULATIONS REGARDING CLOSURE OF CITY HALL FOR EMERGENCIES OR INCLEMENT WEATHER**

Motion: _____ Second: _____ Vote: _____

12. Report by City Administrator

- Special Council Meeting November 20th 7:00 PM

13. Report by the Mayor

- Set Date/Time for Christmas Light Judging

14. CONSIDER RECESSING INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75-4319 (b) (2) FOR CONSULTATION WITH AN ATTORNEY DEEMED PRIVILEGED IN THE ATTORNEY-CLIENT RELATIONSHIP TO INCLUDE CITY ATTORNEY AND CITY ADMINISTRATOR

Motion: _____ Second: _____ Vote: _____

RECONVENE INTO OPEN SESSION

15. CONSIDER RECESSING INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75-4319 (b) (2) FOR CONSULTATION WITH AN ATTORNEY DEEMED PRIVILEGED IN THE ATTORNEY-CLIENT RELATIONSHIP TO INCLUDE BOND COUNSEL AND CITY ADMINISTRATOR

Motion: _____ Second: _____ Vote: _____

RECONVENE INTO OPEN SESSION

16. Future Meeting/Event Reminders:

- November 19th Noon – Senior Lunch
- November 20th 7:00 PM – Edgerton City Council Special Session
- November 27th and 28th Thanksgiving Holiday – City Offices CLOSED
- November 27th – City Council meeting CANCELLED
- Week of November 27th – Trash Pickup on FRIDAY

17. Adjourn Motion: _____ Second: _____ Vote: _____

City of Edgerton, Kansas
Minutes of City Council Regular Session
October 23, 2014

A Regular Session of the City Council was held in the Edgerton City Hall, 404 E. Nelson, Edgerton, Kansas on October 23, 2014. The meeting convened at 7:00 p.m. with Mayor Roberts presiding, and City Clerk Janeice L. Rawles recording.

1. ROLL CALL

Charlie Troutner	present
Cindy Crooks	present
Clay Longanecker	present

Jody Brown	absent
Frances Cross	absent

With a quorum present, the meeting commenced.

Staff in attendance:	City Administrator Beth Linn
	Utilities Superintendent Ken Oshel
	City Attorney Patrick Reavey

2. WELCOME AND PLEDGE OF ALLEGIANCE

3. CONSENT AGENDA

- A. Agenda Approval
 - B. City Council Meeting Minutes October 9, 2014
 - C. Approve the appointment of Randal Gifford to Planning Commission
- The Mayor introduced Randal Gifford, as he was present with his family.

A motion by Longanecker, seconded by Troutner, to approve the Consent Agenda.

The motion was approved, 3-0.

4. PUBLIC COMMENTS

None

5. DECLARATIONS BY COUNCIL MEMBERS

None

6. TRANSFER OF PROPERTY TAX INCREMENT FOR THE INTERMODAL SITE FROM THE GENERAL FUND TO THE PUBLIC INFRASTRUCTURE FUND WAS CONSIDERED.

City Administrator Beth Linn reminded the council of LPKC Financing Plan and that it calls for the City to deposit 100% of the City's share of ad valorem property taxes above the 2009 base year for the intermodal site into the Public Infrastructure Fund. Staff performed an analysis from 2009 through 2014 to determine the tax increment received to date by the City, that amount is \$65,899.21. To comply with The Financing Plan, that amount needs to be transferred from the General Fund to the Public Infrastructure Fund in 2014.

Motion by Crooks, seconded by Longanecker, to approve the transfer of property tax increment for the intermodal site from the general fund to the public infrastructure fund.

The motion was approved, 3-0.

7. AGREEMENT WITH UNITED MISSOURI BANK FOR PURCHASING CARD SERVICES WAS CONSIDERED.

Purchasing cards are similar to traditional credit cards, except all employees who purchase goods/services on behalf of the City will be able to have their own card. This allows the city to more easily obtain goods/services because employees are not limited to vendors with whom the City has an account. Some advantages of purchasing cards over the current credit cards are: information reporting, on-line statement reconciliation, expanded controls, management of cards on-site. The design of the card can be customized with the City's logo to distinguish it from other cards employees carry. Implementation will occur in the 4th quarter of 2014 with staff using the new cards starting January 1, 2015.

Motion by Crooks, seconded by Troutner, to approve the agreement with United Missouri Bank for Purchasing Card Services.

The motion was approved, 3-0.

8. FINAL ACCEPTANCE OF THE 2014 STREET MAINTENANCE PROGRAM WAS CONSIDERED.

The 2014 street maintenance program is now complete. The City's construction inspector with BG consultants has indicated that the project has been completed in general conformance to the plans and specifications approved by the City of Edgerton. Recommendation is to do final acceptance of the project in order to release final payment to the contractor and begin the warranty period.

Motion by Longanecker, seconded by Crooks, to accept the 2014 Street Maintenance Program.

The motion was approved, 3-0.

Council member Jody Brown arrived at the meeting 7:23 p.m.

9. PURCHASE OF MOTOR GRADER WAS CONSIDERED.

During the last budget work session, staff reviewed the proposed 2014 and 2015 vehicle and equipment purchases. Staff recommended the purchase of two significant pieces of equipment, a tandem axle snow plow and a motor grader. The snow plow has been purchased and is awaiting arrival. A Caterpillar 12M2 Motor Grader sold by Foley Equipment, Olathe in the amount of \$235,000.00 is the staff recommendation. The purchase recommended is a lease-to-own financing program over five years with a very competitive fixed rate, with annual or semi-annual payments. It also includes a basic maintenance plan for 5000 hours of 20 services and the equipment protection plan for the power train and hydraulics for five years; total amount financed would be \$255,150.00.

Motion by Longanecker, seconded by Brown, to approve the purchase of motor grader.

The motion was approved, 4-0.

10. REPORT BY THE CITY ADMINISTRATOR.

Discussion of draft on-call/call back/emergency closure update for personnel regulations was discussed. Discussion involved the difference between essential and non-essential employees and how to establish which employee belongs to which category. The City Administrator Beth Linn would like to see a better call out policy and would like to discuss it with the public works employees before bringing back to council on the 13th of November 2014.

The Accounts Payable report will be available via e-mail at the first meeting of each month for the previous month.

Discussion of Truck Routes in Edgerton was started with handouts of proposed truck routes and a map. Everyone present agreed that the intersection of 4th and Nelson is becoming dangerous with all the truck traffic. The City of Edgerton will borrow some counters so the number of vehicles and the type or size of vehicle can be counted. Other suggestions were to install more stop signs. The discussion of changing the truck routes was quite lengthy. Staff will bring this issue back to council after the counters have been installed and information gathered.

Mayor Roberts announced that Bettis Asphalt removed their Conditional Use Permit Application from Johnson County.

11. REPORT BY THE MAYOR

The Mayor handed out invites to council for the JoCo/WyCo Council of Mayors Christmas Event. Please RSVP to City Administrator.

Council member Troutner spoke about the League of Municipalities Conference that he and the Mayor attended. Mr. Troutner said the conference was a great learning experience and the networking with other cities is very important.

12. FUTURE MEETING/EVENT REMINDERS

- October 26th 4:00 – 7:00 – Edgerton Halloween Party hosted by Frontier Days Committee
- November 4th – Election Day

- November 4th – 7:30 p.m. Planning Commission
- November 11th – Veteran's Day – City Offices Closed
- November 13th 7:00 pm – City Council Meeting
- November 19th Noon – Senior Lunch
- November 27th and 28th Thanksgiving Holiday – CITY OFFICES CLOSED
- November 27th – City Council Meeting CANCELLED
- Week of November 27th – Trash Pickup on FRIDAY

The Mayor recessed the meeting for five minutes, 8:40 p.m.

The meeting was reconvened at 8:45 p.m.

13. EXECUTIVE SESSION

Motion by Crooks, seconded by Brown, to consider recessing for fifteen minutes into executive session pursuant to K.S.A. 75-4319 (b)(2) for consultation with an attorney deemed privileged in the attorney-client relationship to include city attorney and city administrator.

The motion was approved, 4-0.

The meeting recessed at 8:50 p.m.

The meeting reconvened at 9:05 p.m.

Motion by Crooks, seconded by Longanecker, to recess at 9:10 p.m. for five minutes.

The motion was approved, 4-0.

The meeting recessed at 9:10 p.m.

Motion by Crooks, seconded by Longanecker, to reconvene the meeting at 9:15 p.m.

Motion by Crooks, seconded by Longanecker, to return to regular session and indicated only the items mentioned were discussed, and no action taken.

The motion was approved, 4-0.

14. CHANGE ORDER NO. 2 FOR EDGERTON QUIET ZONES PROJECT (NELSON STREET AND 199TH STREET) WAS CONSIDERED.

Beth Linn, City Administrator, gave the overview of the Quiet Zones and what has happened to date. On August 14, 2014, City Council approved final acceptance for the original portion of the project as constructed, not as designed.

Motion by Crooks, seconded by Longanecker, to approve Change Order No. 2 in the amount of \$19,735.00 for Edgerton Quiet Zones project (Nelson Street and 199th street) and this shall not be construed as waiving any claim arising out of design issues.

The motion was approved, 4-0.

15. UNITED MISSOURI BANK ORGANIZATION RESOLUTION NO. 10-23-14A AND AGREEMENT FOR CREDIT CARD PROGRAM WAS CONSIDERED.

Motion by Brown, seconded by Troutner, to approve Resolution No. 10-23-14A and agreement for credit card program, and agree for the Mayor to sign such Resolution.

The motion was approved, 4-0.

16. EXECUTIVE SESSION

Motion by Troutner, seconded by Crooks, to recess for fifteen minutes into executive session pursuant to K.S.A. 75-4310 (b)(2) for consultation with an attorney deemed privileged in the attorney-client relationship to include bond counsel and city administrator.

The motion was approved, 4-0.

The meeting recessed at 9:20 p.m.

The meeting reconvened at 9:35 p.m.

Motion by Crooks, seconded by Brown, to recess for fifteen minutes.

The motion was approved, 4-0.

The meeting recessed at 9:35 p.m.

The meeting reconvened at 9:50 p.m.

Motion by Crooks, seconded by Brown, to return to regular session and indicated only the items mentioned were discussed, and no action taken.

The motion was approved, 4-0.

Motion by Crooks, seconded by Longanecker, to authorize the Mayor to sign the Letter of Intent with the Kansas Department of Transportation regarding the Reconstruction of Waverly Road with three changes:

- Remove any reference to utility franchise fees
- Remove any reference to a 30-year term for repayment
- KDOT will assign an employee at KDOT's cost

The motion was approved, 4-0.

Motion by Crooks, seconded by Longanecker, to adjourn.

The motion was approved, 4-0.

Meeting adjourned at 10:00 pm.

Janeice L. Rawles, CMC
City Clerk

Approved by the Governing Body on

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider a One-Year Contract with Mize Houser & Company, P.A., to prepare the City's Financial Audit for Fiscal Year 2014

Department: Administration

Background/Description of Item: Since 2009, the City of Edgerton has contracted with Mize Houser & Company P.A., for professional services to perform the annual audit of the City's financial statements. Because of the complexity of the Big Bull Creek Waste Water Treatment Plant Project, the staff recommends retaining Mize Houser & Company, P.A., as the City's Auditor. Please find attached a copy of the Letter of Understanding detailing the work to be performed by Mize Houser & Company, P.A., as part of the audit of the financial statements.

The City of Edgerton received dollars through the State of Kansas Water Pollution Control Revolving Loan Fund for construction of the Big Bull Creek Wastewater Treatment Facility and Conveyance System. Because the dollar amount exceeded \$500,000 from this source, the City of Edgerton is required to submit a single audit of this program to the State of Kansas in addition to the normal financial audit. The City believes the State of Kansas Water Pollution Control Revolving Loan Fund is the only program that meets the requirements for a single audit.

The fee for the regular financial audit shall not exceed \$8,000 and the fee for the single audit shall not exceed \$2,500, for a total fee that shall not exceed \$10,500. This is an increase of \$1,090 over the cost of the 2013 audit. The 2015 Budget includes funding for the regular financial audit and the single audit totaling \$9,881. The maximum contract amount is \$619 higher than the funding included in the 2015 Budget. The \$619 can be absorbed by the professional services account in the General Fund Administration Department, in the Water Fund in the Commercial & General Professional Services account and in the Sewer Fund in the Commercial & General Professional Services account.

Enclosure: Letter of Understanding with Mize Houser & Company, P.A.

Related Ordinance(s) or Statute(s): K.S.A. 44-1030

Recommendation: Approve a One-Year Contract with Mize Houser & Company, P.A., to prepare the City's Financial and Single Audit for Fiscal Year 2014.

Funding Source: The 2015 Budget included the following funding for the audit: General Fund \$4,745, Water Fund \$1,141 and Sewer Fund \$3,994 for a total of \$9,881. The \$619 remaining will be funded from the professional services budget in each of the three funds.

Prepared by: Karen Kindle, Accountant
Date: November 11, 2014



MIZE & HOUSER
COMPANY P.A.

October 15, 2014

Mayor and City Council
City of Edgerton
PO Box 255
Edgerton, KS 66021

We are pleased to confirm our understanding of the services we are to provide City of Edgerton, Kansas (the City) for the year ended December 31, 2014. We will audit the financial statements of the City for the year ended December 31, 2014. We understand that the financial statements will be presented in accordance with the Kansas regulatory basis of accounting.

We have also been engaged to report on Kansas regulatory required supplementary information that accompanies the City's financial statements. We will subject the following regulatory required supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole: summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds.

We have also been engaged to report on supplementary information other than regulatory required supplementary information that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole: the schedule of expenditures of federal awards.

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with the Kansas regulatory basis of accounting and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements taken as a whole.

The objectives also include reporting on:

1. Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
2. Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133; and the Kansas Municipal Audit and Accounting Guide and will include tests of the accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the governing body of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements or the Single Audit compliance opinions are other than unmodified, we will fully discuss the reasons with you in advance. If for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include, identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud and illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud and illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan, if required.

You are responsible for the preparation of the regulatory required supplementary information in conformity with the Kansas regulatory basis of accounting. You agree to include our report on the regulatory required supplementary information in any document that contains and indicates that we have reported on the regulatory required supplementary information. You also agree to present the regulatory required supplementary information with the audited financial statements. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the regulatory required supplementary information in accordance with the Kansas regulatory basis of accounting; (b) that you believe the regulatory required supplementary information, including its form and content, is fairly presented in accordance with the Kansas regulatory basis of accounting; (c) that the methods of measurement or presentation have not changed from those used in the prior period; and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are also responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes or report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (b) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133, (c) that the methods of measurement or presentation have not changed from those used in the prior period; and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishment and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and the timing and format related thereto.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. To mitigate these risks, we offer a method for you to send sensitive information to us securely and also one for us to securely send sensitive information to you. We strongly encourage the use of these secure methods, particularly for the transmission of Personally Identifiable Information (PII).

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws and governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of this engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures-Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards* and OMB Circular A-133.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Governmental Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the OMB Circular A-133 Compliance Supplement and related addenda for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion of the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees and Other

When delivered to the City the audit reports and financial statements produced in connection with this engagement letter are public records and may be used (a) to fulfill the requirements of continuing disclosure under SEC Rule 15c2-12, (b) as inserts or incorporated by reference in offering documents issued by the City and (c) for any lawful purpose of the City all without subsequent consent from us. Any official statements in connection with debt issuances which include the above mentioned audit reports and financial statements shall contain the following: "Our independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this official statement."

At the conclusion of this engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior auditing findings, auditor's reports and a corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the general ledger into a working trial balance. Also, as part of the audit, we will prepare a draft of your financial statements and related notes. You will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

The workpapers for this engagement are our property and constitute confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available. If requested, access to such workpapers will be provided under the supervision of firm personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to governmental agencies who may intend or decide to distribute the photocopies or information contained therein to others, including other governmental agencies. You agree to reimburse us for our personnel and other costs associated with our compliance with such requests. Our policy is to retain workpapers for five years after the engagement. If we are aware of a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

During the term of this engagement, we agree to comply with the provisions of K.S.A. 44-1030.

You agree that the term "those charged with governance", as used in Statement of Auditing Standards No. 114 for defining our communication responsibilities under that standard, consists of the mayor, city council and the city administrator.

It is understood that the services provided by our firm necessarily rely, to some extent, on information provided by your organization, including management representations, as well as information and documents. Accordingly, your organization indemnifies our firm and its owners and employees, and holds them harmless from all claims, liabilities, losses or costs in connection with services provided by our firm that are affected in any way by erroneous, misleading, or incomplete information furnished by your organization. This indemnification will survive any terminations under this letter.

Mize Houser & Company P.A. and the City agree that any dispute arising hereunder (other than our efforts to collect unpaid fees and expenses) will, prior to resorting to litigation, be submitted to mediation by the parties. The parties will engage in the mediation process in good faith and such process shall be commenced by the written request by either party to the other to mediate any such dispute or alleged breach of this Agreement. Any mediation initiated as a result shall be administered within the state and county of the Mize Houser & Company P.A. office servicing the City by a mutually agreed-upon mediator in accordance with generally accepted mediation rules. Such mediation shall be binding on both parties only after execution of a written agreement setting forth the terms and conditions agreed to pursuant to such mediation. Any and all costs of mediation shall be divided equally between the parties hereto.

Audrey M. Odermann, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We agree that our gross fee, including all expenses, for the above services shall not exceed \$8,000, without a single audit. The additional fee for the single audit will not exceed \$2,500 for each major program audited, if required. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit, including but not limited to delays resulting from the untimely delivery of and/or incomplete preparation of schedules and questionnaires we have requested from your staff. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report. Our 2012 peer review report accompanies this letter.

We appreciate the opportunity to be of service to City of Edgerton, Kansas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return to us.

MIZE HOUSER & COMPANY P.A.
Certified Public Accountants



By _____
Audrey M. Odermann, CPA

RESPONSE:

This letter correctly sets forth the understanding of City of Edgerton, Kansas.

By: _____

Title: _____

Date: _____

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider Resolution No. 11-13-14A Adopting Amendments To The City Of Edgerton Personnel Rules And Regulations Regarding Closure Of City Hall For Emergencies Or Inclement Weather

Department: Administration

Background/Description of Item: The purpose of the proposed amendment is to add a section in the Edgerton Personnel Rules and Regulations to address compensation of employees during the closure of City Hall due to emergency situations or inclement weather. The draft policy states the City will make every effort to remain open, and employees are expected to report for work unless they have made arrangements to be absent in accordance with the existing regulations for leave.

In the event that City Hall does close, the policy classifies employees into groups based on those employees that would be required to report for duty in order to perform essential services. The matrix below is a summary of the proposed policy.

Employee Type	Hours Compensated	Rate	Hrs. Count Toward Overtime
Essential	actual hours	regular	yes
	scheduled hours	regular	no
Non Essential	scheduled hours	regular	no
Part Time	none		
Seasonal	none		

This concept of the proposed policy was discussed with City Council on October 28, 2014. Staff continues to work on updating the entire Personnel Rules and Regulations. However, due to the impending winter, staff recommends the approval of this amendment now.

Enclosure: Draft Resolution 11-13-14A
Draft Amendment to Article D

Recommendation: Approve Resolution No. 11-13-14A Adopting Amendments To The City Of Edgerton Personnel Rules And Regulations Regarding Closure Of City Hall For Emergencies Or Inclement Weather

Funding Source: N/A

Prepared by: Beth Linn, City Administrator
Date: November 13, 2014

RESOLUTION NO. 11-13-14A

**A RESOLUTION ADOPTING AMENDMENTS TO THE CITY OF EDGERTON
PERSONNEL RULES AND REGULATIONS**

WHEREAS, City Staff has prepared an amendment to the City's Personnel Rules and Regulations to specifically address compensation of employees during emergency or inclement weather closures of City Hall; and

WHEREAS, the City Council is supportive of implementing said amendments.

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

Section 1. The attached revisions to **ARTICLE D** of the Personnel Rules and Regulations are hereby adopted by the Governing Body.

Section 2. City Staff is directed to implement said revisions and to notify all employees of the revisions.

Section 3. This Resolution will become effective upon its adoption by the Governing Body.

ADOPTED November 13, 2014.

CITY OF EDGERTON, KANSAS

Mayor, Donald Roberts

(SEAL)

ATTEST:

City Clerk, Janeice Rawles

APPROVED AS TO FORM:

Patrick G. Reavey, City Attorney

D-9. Emergency or Inclement Weather Closures of City Hall. In order to effectively serve the community during inclement weather and other emergencies, the City will make every effort to remain open during its regular business hours. When the City is open during inclement weather or other emergency situations, employees are expected to report for duty as scheduled. An employee who is scheduled but not able to report to work must follow the applicable City Leave Policy and request time off from his or her supervisor. Employees are advised to take all necessary precautions and to avoid dangerous conditions to, from and around the worksite.

In the event it is decided to close City Hall or other City services, certain classifications of employees are required to report for duty in order to perform essential services (i.e. Public Works, Utilities and any other essential personnel for inclement weather operations.). Departments that provide these essential services will schedule employees accordingly. Essential employees will be compensated at their regular rate of pay for actual hours worked. In addition to actual time worked during an emergency or inclement weather closing, essential employees who are required to work will also receive compensation at their regular rate of pay for their regularly scheduled hours during any period of time City Hall or normal city services remain closed. This compensation is not required and is therefore considered gratuitous. This gratuitous compensation will not count towards hours worked for the purpose of calculating overtime. Essential employees will be eligible for over-time, on-call and call back pay in accordance with those policies.

Non-essential full-time personnel will be compensated at their regular rate of pay for any scheduled hours of work during the period of time(s) City Hall remains closed. Compensation at the employee's regular rate of pay during emergency or inclement weather closings is considered gratuitous, and is not a requirement. This gratuitous compensation will not be counted towards total hours worked for non-exempt employees, and is therefore excluded from calculating hours for overtime or other leave purposes. Non-essential part-time and seasonal personnel will not be compensated during closures of City Hall or other City services.