

EDGERTON CITY COUNCIL-REGULAR MEETING AGENDA
CITY HALL, 404 EAST NELSON STREET
March 6, 2013

Call to Order

1. **Roll Call** ____ Roberts ____ Longanecker ____ Powers ____ Cross ____ Wiseman ____ Brown
2. **Welcome**
3. **Girl Scout Troop 1200 Presentation of the Colors**
4. **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*)

5. Agenda Approval
6. Meeting Minutes February 14, 2013 Regular Meeting

Regular Agenda

1. **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.
2. **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.
3. Request for Donation to Girl Scout Troop 1200 for 2013 Edgerton Easter Egg Hunt
4. Request for Donation to Gardner-Edgerton High School Project Graduation Class of 2013
5. Discussion regarding partnership between City of Edgerton, Johnson County Library and Johnson County Sheriff's Office to provide space for the Sheriff at the Edgerton Library

Business Requiring Action

6. **CONSIDER DESIGNATION OF A VOTING DELEGATE AND ALTERNATE VOTING DELEGATE FOR THE KANSAS RURAL WATER ASSOCIATION MEETING**

Motion: _____ Second: _____ Vote: _____

7. **CONSIDER A CONTRACT WITH MIZE HOUSER & COMPANY P.A. TO PREPARE THE CITY'S REQUIRED SUPPLEMENTARY INFORMATION AS REQUIRED BY THE STATE OF KANSAS**

Motion: _____ Second: _____ Vote: _____

8. **CONSIDER DESIGNATION OF FEBRUARY 21ST AND FEBRUARY 26TH AS HOLIDAYS**

Motion: _____ Second: _____ Vote: _____

9. **CONSIDER RECESSING INTO EXECUTIVE SESSION PURSUANT TO K.S.A. 75-4319
(b) (4) FOR CONFIDENTIAL AND PROPRIETARY INFORMATION TO INCLUDE CITY
ATTORNEY AND CITY ADMINISTRATOR**

Motion: _____ Second: _____ Vote: _____

RECONVENE INTO OPEN SESSION

10. **Report by the City Administrator**

- o Southwest Johnson County Area Plan
- o Report on Winter Weather Operations
- o Report on Facilities Extension Agreement with Kansas City Power & Light

11. **Reports by City Council Members**

12. **Report by the Mayor**

13. **Future Meeting/Event Reminders:**

- March 8th 5:00 PM – Low Cost Rabies Clinic for Dogs
- March 14th 7:00 PM – City Council Meeting
- March 20th Noon – Senior Lunch
- March 21st 7:00 PM – City Council Work Session
- March 28th 7:00 PM - City Council Meeting
- March 29th 5:00 PM – Low Cost Rabies Clinic for Cats

14. **Adjourn** Motion: _____ Second: _____ Vote: _____

**City of Edgerton, Kansas
Minutes of City Council Regular Session
February 14, 2013**

A Regular Session of the City Council was held in the Edgerton City Hall, 404 E. Nelson, Edgerton, Kansas on February 14, 2013. The meeting convened at 7:00 p.m. with Mayor Donald Roberts presiding, and City Clerk Janeice L. Rawles recording.

Councilmembers in attendance: Clay Longanecker
 Glyn Powers
 Frances Cross
 Heidi Wiseman
 Jody Brown

Staff in attendance: City Administrator Beth Linn
 Administrative Services Director, Anna-Marie Keena
 Public Works Superintendent Michael Mabrey

Consultants in attendance: Bond Counsel Scott Anderson

ROLL CALL

Mayor Roberts called the roll of the Governing Body. With a quorum present, the meeting commenced.

WELCOME AND PLEDGE OF ALLEGIANCE

CONSENT AGENDA

Motion by Longanecker, seconded by Brown, to approve the consent agenda,
Motion carried 5-0-0.

PUBLIC COMMENTS

There were no public comments at this time.

DECLARATIONS BY COUNCIL MEMBERS

None at this time

BUSINESS REQUIRING ACTION:

Ordinance No. 935 authorizing the City of Edgerton, Kansas to issue industrial revenue bonds (The Delong Co., Inc. project) Series 2013, in an aggregate maximum principal amount not to exceed \$7,500,000 was considered.

Motion by Wiseman, seconded by Longanecker to approve Ordinance No. 935 authorizing the City of Edgerton, Kansas to issue industrial revenue bonds for The Delong Co., Inc. project Series 2013, in an aggregate maximum principal amount not to exceed \$7,500,000

Motion carried 5-0-0

Change order #2 to the design/build agreement with Burns and McDonnell/CAS Construction, LLC in the amount of \$2,450,000 was considered.

Motion by Wiseman, seconded by Longanecker to approve change order #2 to the design/build agreement with Burns and McDonnell/CAS Construction, LLC in the amount of \$2,450,000.

Motion carried 5-0-0

Supplemental agreement No. 2 with BG Consultants, Inc. for construction observation services associated with the Big Bull Creek Wastewater Treatment Facility, was considered.

Motion by Powers, seconded by Longanecker to approve supplemental agreement No. 2 with BG Consultants, Inc. for construction observation services associated with the Big Bull Creek Wastewater Treatment Facility.

Motion carried 5-0-0

A facilities extension agreement with Kansas City Power and Light (KCP&L) regarding extension of services to the Big Bull Creek Wastewater Treatment Facility was considered.

Motion by Powers, seconded by Brown to authorize Mayor Roberts to sign agreement with KCPL, subject to City Attorney negotiating with KCPL on two minor issues (indemnity and what States' law governs) highlighted by City Attorney.

Motion carried 5-0-0

Ordinance 936 annexing, all that part of a tract of land described as the J.A. Pearce Tract in the Southwest Quarter of Section 34 , Township 14 South, Range 22 East as said tract is shown and described in the 1892 Re-Survey of said Section Township and Range, Johnson County, Kansas into the City of Edgerton, Kansas was considered.

Motion by Powers, seconded by Cross to authorize Mayor Roberts to sign annexation agreement with Schlager, with revised language in paragraph 10 to obligate the City to engage in good faith discussion with Schlager, about extending tax benefits received by an adjoining property to Schlager property, rather than obligating City to automatically provide those tax benefits.

Motion carried 5-0-0

EXECUTIVE SESSION

Motion by Wiseman, seconded by Longanecker to recess into executive session for 15 minutes, pursuant to K.S.A. 75-4319 (b) (4) for confidential and proprietary information to include City Attorney and City Administrator.

Motion carried 5-0-0

The meeting recessed at 8:27 pm.

The meeting reconvened 8:42 pm with everyone present.

Mayor Roberts announced that no votes were taken and no decisions were made during the executive session. The discussion was limited to the subject stated.

Mayor Roberts announced that due to the February 28th Public open house with the Southwest Johnson County Area District Plan, the City of Edgerton regularly scheduled council meeting for the 28th of February has been changed to Wednesday, March 6th @ 7:00 pm.

ADJOURN

Motion by Cross, seconded by Powers, to adjourn.

Motion carried 5-0-0

The meeting adjourned at 8:44 p.m.

Janeice L. Rawles, CMC

Approved by the Governing Body on XXXXXXXXXXXXXXXX

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider Designation of a Voting Delegate and an Alternate Voting Delegate for the Kansas Rural Water Association Meeting

Department: Administration

Background/Description of Item: Each year the City of Edgerton attends the Rural Water Association Conference. Active members of the association may appoint a voting delegate to the meeting of the membership. The voting or alternate delegate will attend the meeting of the membership on behalf of the City. These delegates must be designated by the City Council.

Michael Mabrey, Public Works Superintendent, and Janeice Rawles, City Clerk, will attend the Conference this year. Staff would recommend the designation of Michael Mabrey as the Voting Delegate and Janeice Rawles as the Alternate Delegate.

Related Ordinance(s) or Statute(s):

Recommendation: Approve the Designation of Michael Mabrey as the Voting Delegate and Janeice Rawles as the Alternate Voting Delegate for the Kansas Rural Water Association Meeting

Funding Source: N/A

Prepared by: Beth Linn, City Administrator

Date: March 5, 2013

Notice of Annual Business Meeting, Kansas Rural Water Association

Designation of Voting Delegate

Notice is hereby given that the 46th annual meeting of the membership of the Kansas Rural Water Association will be held on Thursday, **March 28, 2013** beginning at **8:00 a.m. in Conference Room 209A at Century II Convention Center, Wichita, KS**. Active members (public and private water systems, current on dues) may appoint a voting delegate to the meeting of membership. The dates of the annual conference are March 26 - 28. The program with conference registration forms will be mailed about January 8. This notice is addressed to the person named as "key contact" by each member system, and a copy has also been provided to the Mayor or RWD Board Chairman of each active member of the Association.

Please complete the form below and return it to KRWA to certify the appointment/election of your delegate and alternate. This form must be returned to KRWA by March 15 to ensure accurate recording of the voting delegates for the meeting of membership.

Agenda

Reading and approval of minutes
Report of officers
Audit Report
Report of Nominating Committee, election of directors
Manager's report
Unfinished business
New business
Adjournment

detach and return to KRWA, PO Box 226, Seneca, KS 66538 by March 15

Please print or type --

Name of System: City of Edgerton County: Johnson

Name of Delegate: _____

Address: 404 E Nelson City: Edgerton Zip: 66021

Name of Alternate Delegate: _____

Address: same City: Edgerton Zip: 66021

Attest by Signature:

Chairman or Mayor: _____ Clerk, Secretary: _____

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider a Contract with Mize Houser & Company P.A. To Prepare the City's Required Supplementary Information as Required by the State of Kansas

Department: Administration

Background/Description of Item: In August 2012, the Edgerton City Council approved a contract with Mize Houser to perform the financial audit for fiscal year 2012 for an amount not to exceed \$6710. The City of Edgerton has since been notified by the State of Kansas that City will be required to report supplementary information to the State of Kansas, typically called a single audit.

In 2012, 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.

This contract would allow Mize Houser to prepare that single audit on behalf of the City of Edgerton. This cost for the single audit shall not exceed \$2500 per program audited. 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.

Enclosure: Letter of Understanding

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

Recommendation: Approve the Contract with Mize Houser & Company P.A. To Prepare the City's Required Supplementary Information as Required by the State of Kansas in an amount not to exceed \$2500

Funding Source: General – General Government – Professional Services

Prepared by: Beth Linn, City Administrator

Date: March 5, 2013



MIZE & HOUSER
COMPANY P.A.

February 11, 2013

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 the City of Edgerton, Kansas (the City) for the year ended December 31, 2012. We will audit the financial statements of the City for the year ended December 31, 2012. 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, schedule of regulatory basis receipts and expenditure-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 reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of the audit committee, management, the body or individuals charged with governance, others within the entity specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

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 and to render the required reports. If our opinion on the financial statements or the Single Audit compliance opinions are other than unqualified, 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 as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements 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. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and the schedule of expenditures of federal awards 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. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for 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 and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements in conformity with the Kansas regulatory basis of accounting; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. 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. 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, and the timing and format related thereto.

With regards to the electronic dissemination of audited financial statements, including financial statements published electronically on your website (if any), you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

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 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 also require certain written representations from you about the financial statements and related matters.

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 with in 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.

In the interest of facilitating our services to your organization, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to your organization. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

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.

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 \$6,710, 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 the 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
Audrey M. Odermann, CPA

RESPONSE:

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

By: _____

Title: _____

Date: _____

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider Designation of February 21st and February 26th as holidays

Department: Administration

Background/Description of Item: During the last two weeks, the City of Edgerton and Kansas City Metro area has experienced two significant winter storm events with large accumulations of snow. During both winter storm events the National Weather Service encouraged citizens to stay off the roadways when possible to allow for proper removal of the snow and limit the number of accidents and stranded drivers.

Based on the warnings issued by the National Weather Service, significant accumulation of snow and hazardous driving conditions, the City Administrator closed City Hall on February 21st and February 26th with only essential personnel reporting to work. For both events, the City of Edgerton snow ordinance went into effect requiring residents to remove vehicles from the streets to allow street crews adequate space for snow removal.

The City of Edgerton Personnel Rules and Regulations does not address the closure of City Hall for inclement weather nor the compensation of essential personnel required to report to work during the closure. The Personnel Regulations do allow for the Governing Body to designate days as a holiday on a one-time basis.

Proper staffing during inclement weather events for purposes of snow removal is critical in order to provide this important service to the residents. Staff recognizes the tremendous efforts of the Public Works crews working during hazardous conditions to clear the roads while non-essential personnel were not required to report to work. In the absence of a formal policy for closures due to inclement weather, staff would recommend the City Council consider designating February 21st and February 26th as holidays. By designating these days as holidays, all employees would be compensated for their normal hours of work. Employees required to work on the holiday (such as Public Works Snow Team and the Code Enforcement Officer) would receive one and one-half times their normal hourly rate of pay for each hour actually work in addition to their regular salary for the day.

Staff would also recommend a formal inclement weather policy be developed and considered for addition to the Personnel Regulations in the near future.

Enclosure: Excerpt from Personnel Rules and Regulations

Related Ordinance(s) or Statute(s): Personnel Rules and Regulations

Recommendation: Approve the Designation of February 21st and February 26th as holidays due to inclement weather.

Funding Source: General Fund – General Government - Salaries; General Fund - Streets – Salaries; Water Fund – Distribution – Salaries; Sewer Fund – Treatment Plant - Salaries

Prepared by: Beth Linn, City Administrator
Date: March 5, 2013

- (b) Normal Work Hours. No employee shall be permitted to work in excess of their normal work week except when so directed by the employee's department head.

E-2. HOLIDAYS. The following days shall be paid holidays for city employees:

NEW YEAR'S DAY, JANUARY 1
PRESIDENTS DAY, THIRD MONDAY IN FEBRUARY
MEMORIAL DAY, LAST MONDAY IN MAY
INDEPENDENCE DAY, JULY 4
LABOR DAY, FIRST MONDAY IN SEPTEMBER
COLUMBUS DAY, SECOND MONDAY IN OCTOBER
VETERAN'S DAY, NOVEMBER 11
THANKSGIVING DAY, FOURTH THURSDAY IN NOVEMBER
FRIDAY FOLLOWING THANKSGIVING
CHRISTMAS DAY, DECEMBER 25

From time-to-time, and for certain special occasions, the Governing Body may by motion designate other days as special holidays on a one-time basis.

- (a) When NEW YEARS DAY, INDEPENDENCE DAY, VETERANS' DAY OR CHRISTMAS DAY falls on a Saturday or a Sunday, the preceding Friday or following Monday may be declared a holiday by the City Administrator Governing Body.
- (b) Employees required to work on a city observed holiday shall be granted an alternative day off. In the event that an alternative day off is not feasible, employees required to work on a city observed holiday shall receive one and one-half times their normal hourly rate of pay for each hour actually worked in addition to their regular salary for the day.
- (c) To be eligible to receive pay for a city holiday, an employee must not have been absent without leave either on the workday before or the workday after the holiday.

E-3. VACATION LEAVE. Vacation leave shall be earned beginning with the date of employment under the conditions hereinafter stated. An employee who works fewer than 12 days in any month shall not accrue vacation credit for such month of service; provided, that this restriction of 12 days shall not apply where the employee has worked fewer than 12 days due to authorized vacation or sick leave. No employee shall be permitted to use vacation time for any period spent on unauthorized leave.

- (a) Full-Time employees. Full-time employees are entitled to paid vacation leave time according to the following schedule: