

CITY COMMISSION MEETING AGENDA

City Hall Commission Chambers
Monday, November 16, 7:00 p.m.
MEETING #5020

CALL TO ORDER

ROLL CALL

INVOCATION BY Father Wesley Schawe of Our Lady of Guadalupe Church

PLEDGE OF ALLEGIANCE

PETITIONS & PROCLAMATIONS

Small Business Saturday Proclamation

VISITORS (Limit of five minutes per individual and fifteen minutes per topic. Final action may be deferred until the next City Commission meeting unless an emergency situation does exist).

CONSENT CALENDAR

1. Approval of City Commission Meeting Minutes, November 2, 2015;
2. Approval of City/County Joint Commission Meeting Minutes, November 9, 2015;
3. Appropriation Ordinance No. 22, November 16, 2015;
4. Cereal Malt Beverage License:
 - a..Murphy Oil USA, Inc. 1907 N. 14th Avenue.
5. Approval of Agreement between City of Dodge City and Finney County Committee on Aging, Inc. (FCCA)

ORDINANCES & RESOLUTIONS

Resolution No. 2015-26: A Resolution Delaying the Commencement of the Collection of a Community Improvement District Sales Tax From January 1, 2017 to January 1, 2018. Report by Finance Director/City Clerk, Nannette Pogue.

Resolution No. 2015-27: A Resolution Authorizing Year End Bonuses. Report by Human Resource Director, Barb Slagle.

Resolution No. 2015-28: A Resolution Declaring the Eligibility of the City of Dodge City, Kansas to Submit an Application to the Kansas Department of Transportation for Use of Transportation Alternative Funds Set Forth by The Federal Transportation Equity Act for the 21st Century for the Heritage District Beautification Project in Dodge City and Authorizing the Director of Parks and Recreation to Sign the Application. Report by Director of Parks & Recreation, Paul Lewis.

UNFINISHED BUSINESS

NEW BUSINESS

1. Approval of the Submission of Application for 5311 Public Transportation Grant. Report by Mobility Manger, Ernestor Del a Rosa.
2. Approval of Audit Engagement Letter with Kennedy McKee & Company LLP. Report by Finance Director/City Clerk, Nannette Pogue.

OTHER BUSINESS

EXECUTIVE SESSION

Discussion of Attorney-Client matters

ADJOURNMENT

Small Business Saturday Proclamation

WHEREAS, the government of Dodge City, Kansas celebrates our local small businesses and the contributions they make to our local economy and community. According to the United State Small Business Administration, there are currently 27.9 million small businesses in the United States representing 99.7 percent of American employer firms, creating more than two-thirds of the net new jobs and generating 46 percent of private gross domestic product as well as 54 percent of all US sales; and

WHEREAS, small businesses employ over 55 percent of the working population in the United States; and

WHEREAS, 89 percent of consumers in the United States agree that small businesses contribute positively to the local community by supplying jobs and generating tax revenue; and

WHEREAS, 87 percent of consumers in the United States agree that small businesses are critical to the overall economic health of the United States; and

WHEREAS, 93 percent of consumers in the United States agree that it is important for people to support the small businesses that they value in their community; and

WHEREAS, in 2010, Small Business Saturday was founded to support small businesses across the country by attracting new customers in November and December, which account for approximately 40% of annual revenue for U.S. retailers; and

WHEREAS, consumers spent an estimated \$14.3 billion at independent businesses nationwide on Small Business Saturday in 2014; and

WHEREAS, the City of Dodge City thanks our local small businesses and the contributions they make to our local economy and community

NOW, THEREFORE, I, Joyce Warshaw, Mayor of Dodge City, Kansas, do hereby proclaim November 28, 2015 as

Small Business Saturday

And urge the residents of our community, and communities across the country, to support small businesses and merchants on Small Business Saturday and throughout the year.

Joyce Warshaw, Mayor

Nannette Pogue, City Clerk



WHAT IS SMALL BUSINESS SATURDAY?

Small Business Saturday SM was created in 2010 in response to small business owners' most pressing need: more customers. Falling between Black Friday and Cyber Monday, it's a day to support the local businesses that create jobs, boost the economy and preserve neighborhoods around the country. It has since become a nation-wide, well-known celebrated event on the national calendar with support from elected officials, public and private organizations.



WHY SUPPORT SMALL BUSINESS SATURDAY?

- Demonstrates commitment to the communities in which we live
- Creates goodwill within the communities
- When we support small business, jobs are created and local communities preserve their unique culture

WHAT PEOPLE ACROSS THE NATION ARE SAYING ABOUT 2014 SMALL BUSINESS SATURDAY*:

"My chocolate shop had 400% more in sales than last year's Small Business Saturday (and last year was very strong) and at least 400% more in foot traffic. In fact, I had to stay open three additional hours due to the foot traffic and sales."

– Ricardo Trillos, Cao Chocolates, Miami, FL

"We hosted one of the featured Etsy Trunk Shows on Small Business Saturday and saw about triple the sales we ordinarily would have that day because of the event. About 300 people came by the store that night, which never happens!"

– Michelle Smith, Gather, Cary, NC

"This was not only the most successful Small Business Saturday for the store, but there were more sales than any day of our six and a half years of business. For much of the day the line took up half of our store!"

– Bill Jette and Dixie Carrol, J Marcel, Providence, RI

"I thought it was going to be difficult to beat last year's great Small Business Saturday sales figures, but we ended up beating those numbers by 23%!"

– Catherine Stigler, Planet Access Company Store, Chicago, IL

"We had over 3,600 visitors to our Small Business Saturday event. Last year we had about 1,200 people stop by."

– Audrey Thacker, Artisan Markets, Scottsdale, AZ

**If you would like to include any of this content please reach out to meganh@mbooth.com*

2014 SMALL BUSINESS SATURDAY FACTS:

- More than two-thirds of the U.S. population were aware of Small Business Saturday (67%)
- The U.S. Senate unanimously passed a resolution recognizing November 29, 2014 as Small Business Saturday and supporting efforts to encourage consumers to shop locally and increase awareness of the value of locally owned small businesses and the impact of locally owned small businesses on the economy of the United States
- Elected officials in all 50 states and Washington, D.C. – including President Obama and many senior government officials – championed Small Business Saturday
- 386 small business advocate groups supported the nationwide initiative
- Four hundred forty-six corporations, including FedEx, Eventbrite, Microsoft, and Yelp, banded together with American Express to promote shopping at small businesses for Small Business Saturday
- On November 29 alone, more than 126,000 tweets were sent in support of Small Business Saturday, many using the hashtags #SmallBizSat and #ShopSmall, a 10% increase from the previous year
- Nearly 3,000 Neighborhood Champions around the country rallied local businesses and created events and activities in their communities.

JOIN THE COALITION:

Building on the success of the previous five years, we plan to scale this year's Small Business Saturday by expanding the coalition of supporters and creating more local events around the country. This includes support from advocacy organizations that join the initiative to motivate constituents through incentives and offers to Shop Small on November 28, 2015.

The coalition will be led by Women Impacting Public Policy, a business advocacy organization representing small businesses.

Join Us!

CONTACT INFO:

Jason Lalak, Vice President, Women Impacting Public Policy (WIPP) | Phone: (415) 434-4314 | Email: JLalak@wipp.org

CITY COMMISSION MEETING MINUTES

City Hall Commission Chambers

Monday, November 2, 7:00 p.m.

MEETING #5018

CALL TO ORDER

ROLL CALL: Mayor Joyce Warshaw, Commissioners, Kent Smoll, Jan Scoggins, Rick Sowers, Brian Delzeit.

PLEDGE OF ALLEGIANCE

PETITIONS & PROCLAMATIONS

VISITORS (Limit of five minutes per individual and fifteen minutes per topic. Final action may be deferred until the next City Commission meeting unless an emergency situation does exist).

CONSENT CALENDAR

1. Approval of City Commission Work Session Minutes, October 19, 2015;
2. Approval of City Commission Meeting Minutes, October 19, 2015;
3. Appropriation Ordinance No. 21, November 2, 2015;
4. Approval of OMI Agreement. Report by City Manager, Cherise Tieben.

Commissioner Jan Scoggins moved to approve the Consent Calendar as presented; Commissioner Kent Smoll seconded the motion. The motion carried unanimously.

ORDINANCES & RESOLUTIONS

Ordinance No. 3617: An Ordinance Authorizing the Issuance of Sales Tax Special Obligation Revenue Bonds (Heritage Project Area) in an Aggregate Original Principal Amount not to Exceed \$18,000,000 For the Purpose of Providing Funds to Finance Certain Costs Relating to the Heritage Project Plan; Authorizing and Approving the Execution of Certain Documents in Connection with the Issuance of Said Bonds, and Authorizing Certain Other Actions in Connection With the Issuance of Said Bonds was approved on a motion by Commissioner Kent Smoll. Commissioner Rick Sowers seconded the motion. The motion carried unanimously.

Ordinance No. 3618: An Ordinance Authorizing Issuance by the City of Dodge City, Kansas of not to Exceed \$16,500,000 Aggregate Principal Amount of Taxable Industrial Revenue Bonds (Inn Vestments II, L.L.C. Project) Series 2015, to Provide Funds to Acquire, Construct and Equip a Project for Inn Vestments II, LLC and Authorizing and Approving Certain Documents and Actions in Connection With the Issuance of Said Bonds was approved on a motion by

Commissioner Kent Smoll. Commissioner Brian Delzeit seconded the motion. The motion carried unanimously.

Resolution No. 2015-24: A Resolution in Support of an Application for Funding Through the Moderate Income Housing Program Offered Through the Kansas Housing Resources Corporation to be utilized for the Abandoned Housing Program in Dodge City, Kansas was approved on a motion by Commissioner Brian Delzeit. Commissioner Jan Scoggins seconded the motion. The motion carried unanimously.

Resolution No. 2015-25: A Resolution Authorizing the Offering For Sale of General Obligation Bonds, Series 2015-A, of the City of Dodge City, Kansas was approved on a motion by Commissioner Rick Sowers. Commissioner Jan Scoggins seconded the motion. The motion carried unanimously.

UNFINISHED BUSINESS

NEW BUSINESS

1. Commissioner Brian Delzeit moved to approve a base bid in the amount of \$220,000 from Sutherland Builders Inc. of Wichita, KS for the north and east windows, doors and soffits project and base bid for lead paint in the amount of \$31,000 for a total bid of \$251,000, subject to KDOT approval. Commissioner Jan Scoggins seconded the motion. The total City match for the project is \$75,000 and of that \$75,000, tax credits have been approved in the amount of \$18,750. The motion carried unanimously.

OTHER BUSINESS

City Manager, Cherise Tieben

- Cherise and the Mayor will be in Washington D.C. at the end of the week to meet with the Congressional delegation along with Southwest Kansas Coalition representatives.

Commissioner, Rick Sowers

- Would like the staff to draft a letter for the Commissioners to sign, if they are agreeable, to the Dodge City Community College regarding a comment in the Dodge City Daily Globe that they wish to bring the SPIA tournament to their new facility and offer it to them free of charge. When DCCC approached the City Commission to be a pass through for funding by IRB's for their activity center, the City was under the impression that they would not compete with other facilities (Special Events Center) that were funded by the sales tax. This statement is in direct conflict with what had been discussed prior to the IRB's being issued by the City. All City Commissioners agreed to sign such a letter.
- The most recent sales tax report shows that the sales tax is down from the same period last year

Commissioner, Brian Delzeit

- Added to Rick's comments regarding the DCCC. He was Mayor at the time when the IRB's were issued to build the activity center at the college. He attended a meeting where DCCC representatives assured the City that their activity center would not compete with other facilities in the City. Asking SPIA to bring their tournament to the College is in direct conflict to those assurances.

Commissioner, Kent Smoll

- Doesn't like seeing competing facilities being built with taxpayers money.
- Village 8 theater's new renovation is awesome.
- WalMart is promoting "Green Light a Vet". It is a simple promotion that asks citizens to replace one outside light with a green bulb in honor of our nation's veterans
- Congratulations to DCHS for bringing back the hatchet to Dodge City by beating Garden City in football. There are several Dodge City High School teams that are WAC champions and several of the high school activities that are bringing home awards.
- Congratulations to the Kansas City Royals.
- Shop local and shop often. Sales tax receipts for us is important.

Commissioner, Jan Scoggins

- Enjoyed watching the Royals play baseball.
- Complimented the City for the bus system. This is a valuable resource
- Good job to Main Street for organizing the down town trick or treat activity. It was very well attended.

Mayor, Joyce Warshaw

- Compliment to Western Plains Regional Hospital for their fine hospital.
- Commented on the Naturalization Ceremony held in Dodge City last week. 57 people from 15 countries became citizens of the United States. Kudos to Melissa McCoy and Ernestor DeLaRosa and Senator Roberts office for the USCIS immigration services to Dodge City. This service and the naturalization ceremony was a win for Southwest Kansas, and the joint cooperation from Southwest Kansas Coalition which consists of Dodge City, Garden City and Liberal made it possible.
- Talked about the exhibit at the Carnegie Center which came from the Mexican Consulate in Kansas City. Melissa McCoy explained that the exhibit was from winners in a completion in Mexico consisting of illustrations in children's books.
- Holidays are upon us, give generously with your time and money.
- Complimented fellow Commissioners for addressing the DCCC issue. Appreciated the comments made, it needed to be said.

ADJOURNMENT

Commissioner Rick Sowers moved to adjourn the meeting; Commissioner Kent Smoll seconded the motion. The motion carried unanimously.

ATTEST:

Mayor

Nannette Pogue, City Clerk

Joint City/County Commission Meeting Minutes
Monday, November 9, 2015
Ford County Government Center
Rose Room
6:00 PM
Meeting # 5019

CALL TO ORDER

FORD COUNTY COMMISSION ROLL CALL: Chairman Danny Gillum, Commissioner Chris Boys. Commissioner Shawn Tasset was reported absent.

CITY OF DODGE CITY COMMISSION ROLL CALL: Mayor Warshaw, Commissioners Jan Scoggins, Kent Smoll, Brian Delzeit, Rick Sowers.

REPORT:

1. Paul Lewis Director of Parks & Recreation reported on the update of the Long Branch Lagoon Aquatics Park.
2. Ed Elam, County Administrator reported on the update of the WSB Expo Center Horse Stalls Building Project.

NEW BUSINESS

1. 2016 Special Sales Tax Project Budget was presented by Director of Finance-Nannette Pogue

County Action: Commissioner Danny Gillum moved to approve the 2016 Special Sales Tax Project Budget. Commissioner Chris Boys seconded the motion. The motion carried 2-0.

City Action: Commissioner Rick Sowers moved to approve the 2015 2016 Special Sales Tax Project Budget. Commissioner Kent Smoll seconded the motion. The motion carried unanimously.

2. CFAB Recommendations for Organizational Funding Applications was presented by Project Development Coordinator Melissa McCoy. The recommendations for funding are the following:

Dodge City Area Arts Council	\$12,987
Dodge City Roundup	\$31,500
Dodge City Trail of Fame	\$27,000

Ford County Historical	\$10,000
Kansas Teachers Hall of Fame	\$12,366
Young Guns Youth Rodeo	\$14,325

County Action: Commissioner Chris Boys moved to approve CFAB recommendations for 2016 Organizational Funding in the amount of \$108,178.00. Commissioner Danny Gillum seconded the motion. The motion carried 2-0.

City Action: Commissioner Rick Sowers moved to approve CFAB recommendations for 2016 Organizational Funding in the amount of \$108,178.00. Commissioner Jan Scoggins seconded the motion. The motion carried unanimously.

3. Discussion and Appointment of New CFAB Board Member-Report by Project Development Coordinator Melissa McCoy

City Action: Commissioner Joyce Warshaw moved to appoint Christa Roy to the Community Facilities Advisory Board (CFAB). Commissioner Brian Delzeit seconded the motion. The motion carried unanimously.

County Action: Commissioner Danny Gillum moved to appoint Christa Roy to the Community Facilities Advisory Board (CFAB). Commissioner Chris Boys seconded the motion. The motion carried 2-0.

4. The Dodge City Raceway Park Contract Agreement with Triple T Promotions was presented by City Manager Cherise Tieben.

County Action: Commissioner Danny Gillum moved to approve Dodge City Raceway Park Contract with Triple T Promotions. Commissioner Chris Boys seconded the motion. The motion carried 2-0.

City Action: Commissioner Rick Sowers moved to approve Dodge City Raceway Park Contract with Triple T Promotions. Commissioner Kent Small seconded the motion. The motion carried unanimously.

UPCOMING MEETINGS:

1. Thursday, November 19, 2015 6:00 pm -Joint Commission Meeting- City Commissioners Chambers City Hall

ADJOURNMENT:

County Action: Commissioner Danny Gillum moved and Commissioner Chris Boys seconded the motion to adjourn the meeting. The motion carried 2-0.

City Action: Commissioner Kent Smoll moved and Commissioner Rick Sowers seconded the motion to adjourn the meeting. The motion carried unanimously.

ATTEST:

Mayor

Nannette Pogue, City Clerk

CORPORATE APPLICATION FOR LICENSE TO SELL CEREAL MALT BEVERAGES

(This form has been prepared by the Attorney General's Office)

City or County of Dodge City

SECTION 1 - LICENSE TYPE	
Check One: <input checked="" type="checkbox"/> New License <input type="checkbox"/> Renew License <input type="checkbox"/> Special Event Permit	
Check One:	
<input type="checkbox"/> License to sell cereal malt beverages for consumption on the premises.	
<input checked="" type="checkbox"/> License to sell cereal malt beverages in original and unopened containers and not for consumption on the licensed premises.	

SECTION 2 - APPLICANT INFORMATION			
Kansas Sales Tax Registration Number (required): <u>004-710727492F-01</u>			
Name of Corporation <u>MURPHY OIL USA INC</u>		Principal Place of Business <u>MURPHY USA # 7483</u>	
Corporation Street Address <u>422 N. Washington</u>		Corporation City <u>EIDORADO</u>	State <u>AR</u> Zip Code <u>71730</u>
Date of Incorporation <u>09-28-1992</u>		Articles of Incorporation are on file with the Secretary of State. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Resident Agent Name <u>The Corporation Company</u>		Phone No <u>870-881-6657</u>	
Residence Street Address <u>515 S. Kansas Avenue</u>		City <u>Topoka</u>	State <u>KS</u> Zip Code <u>66603</u>

SECTION 3 - LICENSED PREMISE			
Licensed Premise (Business Location or Location of Special Event)		Mailing Address (If different from business address)	
DBA Name <u>MURPHY USA # 7483</u>		Name <u>Merchandise Permits</u>	
Business Location Address <u>1907 North 14th Avenue</u>		Address <u>PO Box 7300</u>	
City <u>Dodge City</u> State <u>KS</u> Zip <u>67801</u>		City <u>EIDORADO</u> State <u>AR</u> Zip <u>71731</u>	
Business Phone No. <u>620-227-5228</u>		<input checked="" type="checkbox"/> Applicant owns the proposed business location. <input type="checkbox"/> Applicant does not own the proposed business location.	
Business Location Owner Name(s) <u>MURPHY OIL USA INC</u>			

SECTION 4 - OFFICERS, DIRECTORS, STOCKHOLDERS OWNING 25% OR MORE OF STOCK			
List each person and their spouse, if applicable. Attach additional pages if necessary.			
Name <u>see attached</u>		Position	
Residence Street Address		City	State Zip Code
Spouse Name		Position	
Residence Street Address		City	State Zip Code
Name		Position	
Residence Street Address		City	State Zip Code
Spouse Name		Position	
Residence Street Address		City	State Zip Code
Name		Position	
Residence Street Address		City	State Zip Code
Spouse Name		Position	
Residence Street Address		City	State Zip Code

AGREEMENT

THIS AGREEMENT (Agreement) made and entered into on the ____ day of _____, 201_, by and between the CITY OF DODGE CITY, KANSAS (CITY), a municipal corporation, and the FINNEY COUNTY COMMITTEE ON AGING, INC. (FCCA), a private non-profit corporation.

The purpose of this agreement is to constitute the responsibilities to be assumed by the agreeing parties in connection with dispatching eligible passengers of the CITY Public Transportation Service. Financial consideration to be paid by CITY included hereinafter in this agreement shall be dependent upon funding received from state and federal grant funds administered by Kansas Department of Transportation (KDOT) pursuant to an agreement executed between KDOT and CITY and FCCA, on ___ day of ___, 201_.

WHEREAS, FCCA operates public transportation for elderly, disabled and the general public; and

WHEREAS, CITY has a need for dispatching services for expanded public transportation to meet the needs of the residents of the areas served by the CITY Public Transportation Service; and

WHEREAS, FCCA is willing to provide centralized dispatching for the transportation for the elderly, disabled and general public on all CITY Public Transportation Service bus routes; and

WHEREAS, CITY is willing to contribute funds to pay a portion of the costs associated with acquisition of equipment and annual operating and administrative expenses for centralized public transportation dispatching;

NOW, THEREFORE, in consideration of the terms and conditions set forth below, the parties agree as follows:

1. DISPATCHING. FCCA agrees to Dispatch for the CITY's public transportation routes, from 6:00 a.m. to 7:00 p.m., Monday through Friday, for transportation of the general public, in the areas served by CITY's Public Transportation Service in Ford and Gray County. The actual routes shall be established by the CITY Public Transportation in consultation with FCCA. On a periodic basis, not less frequent than annually, CITY and FCCA, or their designated agents, shall meet to discuss the efficiency of the routes, and whether the routes and dispatching are meeting the transportation needs of the general public.

2. CONTRIBUTION OF CITY. Annually, prior to submittal of KDOT grant application, FCCA and CITY shall review and agree upon a budget based on projected services as related to the 5311 grant application. This will include a detailed description of operating, administrative and capital expenses.

CITY agrees to pay to FCCA, a share of equipment acquisition and annual dispatching operating and administrative expenses, as follows:

- (a) In years in which CITY and FCCA agree to acquire dispatching related capital equipment to be used in dispatching for CITY, CITY shall reimburse FCCA an amount equal to twenty percent (20%) of equipment acquisition costs not reimbursed by KDOT grant funding.
- (b) Each month FCCA will submit a bill to CITY for the relevant dispatch capital equipment, operating and administrative expenses. CITY shall reimburse FCCA for the local match portion of said capital equipment, operating and administrative expenses which is not reimbursed by KDOT through the 5311 grant program. CITY shall also reimburse FCCA for the relevant administrative costs beyond what is paid by KDOT through the Administrative portion of the 5311 grant. The expected dispatch capital equipment, operating and administrative expenses will be contained in the budget FCCA and CITY agree upon prior to submitting the 5311 grants each year (see Section 2 above).
 - i. If dispatch operating or administrative expenses exceed or are anticipated to exceed budgeted amounts, FCCA will make the CITY aware of this situation. FCCA shall submit a supplemental request to KDOT to cover the additional expenses, and notify the CITY with a copy of the request.
 - ii. If KDOT does not provide supplemental dispatch operating or administrative funds, FCCA shall notify CITY within seven (7) days of KDOT's decision and both FCCA and CITY agree to meet and mutually determine budget adjustments including potential additional reimbursement by CITY and expense reductions by FCCA.
- (c) The payment made by CITY to FCCA for dispatching capital equipment, operating and administrative expenses shall be made within thirty (30) days of submission of an accounting from FCCA to CITY for the previous month's dispatching capital equipment, operating and administrative expenses;
- (d) If EITHER PARTY terminates this Agreement, for any reason, FCCA shall not be required to repay or reimburse CITY for any expenditure made by CITY for equipment acquisition costs;
- (e) FCCA shall provide CITY all financial and dispatching reports requested by CITY that relate to the general public transportation dispatching services provided by FCCA for which the financial contributions set forth herein are to be made by CITY.

3. OPERATION OF DISPATCHING AND TRANSPORTATION SERVICES. Other than input by CITY on the conduct of dispatching services, all dispatching shall be under the exclusive control of FCCA. Material dispatching operational changes shall be presented to the CITY and FCCA, and shall be subject to approval at least ninety (90) days prior to the annual KDOT grant submission deadline.

Other than input by FCCA on the operation of transportation services, all transportation operations shall be under the exclusive control of CITY. Material transportation operational changes shall be presented to the CITY and FCCA, and shall be subject to approval by same. Material operational changes including, but not limited to, additional vehicles(s) and/or expansion of service area may result in increased costs to CITY. In the event FCCA is not awarded an increase in KDOT funding and CITY opts to proceed with changes, CITY shall be billed for these costs at 100% with billing occurring outside of the KDOT grant.

- (a) CITY operates a fleet of eight (8) vehicles, providing three Fixed Route buses and three buses for the required complementary ADA Para-transit service and demand response service 2 miles beyond the city limits. Dispatch Services for three ADA Para-transit and Demand Response service routes will be provided from 6:00 a.m. to 7:00p.m., Monday through Friday. Service will be provided every weekday except on days when the CITY Public Transportation service is deemed closed. There will be no service provided on weekends or major holidays. A list of common holiday closures appears in Attachment B, but shall be negotiated each year as FCCA and City determine their specific dates of Holiday closures.
- (b) CITY reserves the right to determine that weather related closures will occur in Ford County. CITY & FCCA both understand and agree either entity may experience weather related closings. FCCA shall provide dispatch services for CITY if said CITY should continue operating.
- (c) Additional dispatcher hours related to holiday and weather closings will be billed to CITY. The specified FCCA employee's current wage rate will be charged to CITY at double the time and paid outside of the grant.
- (d) FCCA and CITY provide "general public transportation" as defined by the USC 49-5311 grant program. Demand Response and Para-transit service is based on a first come first served basis, and no prioritizing of rides shall be permitted. CITY will provide mandatory ADA Para-transit Service in an area $\frac{3}{4}$ mile outside Fixed Route bus routes. Para-transit Service is limited to qualified persons who are functionally unable to independently use Fixed Route service. Material operational changes including, but not limited to, additional vehicles(s) and/or expansion of service area may result in increased costs to CITY. In the event KDOT funding is not sufficient to meet the budget agreed to by CITY and FCCA, CITY and FCCA shall meet to consider service changes and possible changes in billing to CITY.

5. INDEMNIFICATION. FCCA shall be responsible for employee general liability and property casualty insurance on dispatch employees and dispatching equipment, with expenses included in the KDOT administration grant.

FCCA shall keep, protect, hold harmless, and indemnify CITY from any loss, cost, claim, judgment or experience of any sort or nature, and from any liability to any person, on account of any injury, damage or death to any person or property related to the dispatching services provided by FCCA under the terms of this Agreement. CITY shall keep, protect,

hold harmless and indemnify FCCA from any loss, cost, claim, judgment or experience of any sort or nature, and from any liability to any person, on account of any injury, damage or death to any person or property related to the general public transportation services provided by CITY under the terms of this agreement.

6. TERM. The term of this Agreement shall begin on the date of approval by both parties, and end on June 30, 2017. Thereafter, the term of this Agreement shall automatically renew for annual terms from July 1st to June 30th of each year, unless this Agreement is terminated by either party, by giving written notice of not less than ninety (90) days or less if award notices are not received from KDOT at least 90 days prior to the commencement of the new contract year.
7. GRANT FUNDING. The obligation of CITY to pay FCCA, pursuant to paragraph 2 of this Agreement, is dependent upon CITY and/or FCCA annually receiving state and federal grant funding from the Kansas Department of Transportation (KDOT) for the specific purpose intended by this Agreement. Should CITY and/or FCCA not receive sufficient KDOT grant funding for the fiscal year, or not receive the KDOT grant for a fiscal year, CITY or FCCA shall have the right to terminate this Agreement by giving notice as set forth in paragraph 6 or 8 of this Agreement.
8. TERMINATION. EITHER PARTY may terminate its participation in the centralized dispatch program and services, and this Agreement, for any reason, by providing OTHER PARTY written notice of termination not less than ninety (90) days prior to the end of the initial or any renewal term.
9. DRIVERS AND DISPATCHERS. CITY shall provide drivers for the buses and/or minivans, who will be employees of the CITY, and abide by policies of the CITY. CITY shall be responsible to license, supervise, and discipline the drivers. FCCA shall provide dispatchers who will be employees of FCCA, and abide by policies of FCCA. FCCA shall be responsible to license, supervise and discipline the dispatchers.
10. ELIGIBLE PASSENGERS. Eligible passengers for ADA Para-transit and Demand Response shall be only those in the "service area" of Dodge City who are either pre-certified by CITY as eligible for ADA Para-transit due to having a disability that prevents them from riding fixed route buses within ¾ miles either side of the Fixed Routes OR are beyond the ¾ mile ADA Para-transit service area but within service area of CITY as certified by CITY within Ford County. CITY shall provide each eligible passenger who uses the transportation service a Dodge City Public Transportation rider handbook, Attachment C. For those passengers requiring ADA Para-transit services, CITY shall provide an ADA Para-transit application, and once eligibility is determined by CITY, provide approved application to FCCA to enter into computer aided dispatching software as an eligible ADA Para-transit passenger. Non-ADA Para-transit eligible passengers who are beyond the ¾ mile ADA Para-transit but within the service area of Dodge City in Ford County will be provided an intake form to obtain client passenger information. Once eligibility is determined by CITY, CITY will provide approved client information to FCCA to enter into computer aided dispatching software as an eligible Demand Response client.

11. SEVERABILITY. If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.
12. GOVERNING LAW. In the event of any dispute arising under this agreement, it is agreed between the parties that the law of the State of Kansas will govern the interpretation, validity and effect of this contract.
13. DEFAULT. Should a party fail to meet its obligations under this Agreement, the other party shall give written notice of default. Should the defaulting party fail to cure the default within thirty (30) days of the notice, the non-defaulting party may declare this Agreement to be immediately terminated by serving a written notice of termination on the other party.
14. NON-APPROPRIATION OF FUNDS. In the event sufficient funds shall not be budgeted and appropriated by CITY for payments required under paragraph 2, CITY or FCCA may terminate this Agreement at the end of the fiscal year in which funds were last budgeted and appropriated for payments, and CITY or FCCA shall have no further rights or obligations under this Agreement. EITHER PARTY of this Agreement shall notify the OTHER PARTY at least ninety (90) days prior to the expiration of the fiscal year then in effect, if funds are not going to be available during the ensuing term for the payments required by this Agreement by reason of non-appropriation of funds. Failure of CITY or FCCA to appropriate funds for continuation of this Agreement shall not constitute an element of default under this Agreement.
15. EFFECTIVE DATE. This Agreement shall take effect upon its approval by the governing bodies of the parties.
16. GENERAL COVENANTS.
 - (a) All notices which are required or which may be given hereunder shall be considered as properly given if delivered in writing, personally, or sent by certified mail, postage prepaid, and addressed as follows:
 - (1) If to DODGE CITY: Dodge City Parks & Recreation Director
806 N. Second Avenue
PO Box 880
Dodge City, Kansas 67801
 - (2) If to FCCA: Transportation Director
1008 N. 11th Street
Garden City, Kansas 67846

Notices served by mail shall be deemed to be given on the date on which such notice is deposited in the United States mail.

- (b) This document incorporates all the obligations, agreements, and understandings of the parties hereto, and there are no oral agreements or understandings between the parties hereto concerning the purpose covered by this Agreement.
- (c) This Agreement may be amended, changed, or modified, only upon the written consent of the parties.
- (d) This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, and personal representatives and permitted assigns, subject to approval of the governing bodies of the parties.
- (e) This Agreement shall be construed in accordance with the laws of the State of Kansas.

17. AUTHORITY. By signing below, the signatories certify that they have the authority to sign on behalf of and bind the entity indicated.

IN WITNESS WHEREOF, the parties hereto have approved and signed this Agreement the day and year indicated below.

CITY OF DODGE CITY, KANSAS (CITY)

Date

By _____
JOYCE WARSHAW, Mayor

ATTEST:

Nannette Pogue, City Clerk

FINNEY COUNTY COMMITTEE ON AGING,
INC. (FCCA)

Date

By _____
BETH TEDROW, Chairperson

ATTEST:

ANNA MAY VELEV, FCCA Secretary

Attachment B
Holiday Closures remainder of 2016-2017 Grant Year

Monday, July 4, 2016 - Fourth of July Closed

Monday, September 5, 2016 – Labor Day Closed

Friday, November 11, 2016 Veterans Day Closed

Wednesday- November 23rd, 2016 Closed at 1:00 pm for Thanksgiving.
Remaining Closed Thursday & Friday, November 24th & 25th for Thanksgiving Holiday.

Monday, December 26, 2016 Closed for Christmas Holiday

Monday, January 2, 2017 New Year's Day Closed

Monday, May 29, 2017 - Memorial Day Closed

City of Dodge City
806 N. Second Ave.
67801

Phone: 620-225-8100
FAX: 620-225-8144
www.dodgecity.org

Memorandum

To: Cherise Tieben, City Manager
From: Nannette Pogue
Date: October 29, 2015
Subject: Resolution No. 2015-26
Agenda Item: Ordinances and Resolutions

Recommendation: I recommend the approval of Resolution No. 2015-26, thereby extending the collection date of the CID sales tax for the Santa Fe Plaza project to January 1, 2017.

Background: Ordinance No. 3429 provided that the district would begin January 1, 2011, but extended to January 1, 2012 by Resolution Nos. 2010-32 and 2011-14. Resolution No. 2011-26 extended the date to January 2013, Resolution No. 2012-32 extended the date to January 1, 2014, Resolution No. 2013-35 extended the date to January 1, 2015 and Resolution No. 2014-22 extended the date to January 1, 2016. As the development has not yet started construction, the property owner, Brian Marshall, submitted a petition to delay the starting date to January 1, 2017. Resolution No. 2015-26 will accomplish that delay.

Justification: The developer does not expect to have development on the property until early next year therefore no sales tax would be generated until that date.

Financial Considerations: none

Purpose/Mission: Together we strive to achieve high performance and service standards set by us and expected by the community.

Legal Considerations: This resolution will satisfy the legal requirements.

Attachments: Resolution No. 2015-26

RESOLUTION NO. 2015-26

A RESOLUTION DELAYING THE COMMENCEMENT OF THE COLLECTION OF A COMMUNITY IMPROVEMENT DISTRICT SALES TAX FROM JANUARY 1, 2016 TO JANUARY 1, 2017.

WHEREAS, on June 7, 2010, the Governing Body of the City of Dodge City, Kansas (the "City") passed Ordinance No. 3429 making findings as to the advisability of and creating a community improvement district more particularly described therein (the "Santa Fe Plaza CID"), authorizing certain projects relating thereto, approving the estimated cost of such projects, authorizing the imposition of a community improvement district sales tax within the community improvement district, and providing the proposed method and amount of financing; and

WHEREAS, Section 6 of Ordinance No. 3429 provided that the community improvement district sales tax would commence on January 1, 2011 or any other effective date the City may approve by resolution if a change in the effective date was requested by the party that petitioned to create such community improvement district (the "Petitioner"); and

WHEREAS, on December 17, 2010, the City received a Request for Delay of Community Improvement District Sales Tax Effective Date from January 1, 2011 to July 1, 2011 executed by the Petitioner, which Request was granted by Resolution No. 2010-32; and

WHEREAS, on April 8, 2011, the City received a Request for Delay of Community Improvement District Sales Tax Effective Date from July 1, 2011 to January 1, 2012 executed by the Petitioner, which Request was granted by Resolution No. 2011-14; and

WHEREAS, on September 30, 2011, the City received a Request for Delay of Community Improvement District Sales Tax Effective Date from January 1, 2012 to January 1, 2013 executed by the Petitioner, which Request was granted by Resolution No. 2011-26; and

WHEREAS, on September 24, 2012, the City received a Request for Delay of Community Improvement District Sales Tax Effective Date from January 1, 2013 to January 1, 2014 executed by the Petitioner, which Request was granted by Resolution No. 2012-32; and

WHEREAS, on November 4, 2013, the City received a Request for Delay of Community Improvement District Sales Tax Effective Date from January 1, 2014 to January 1, 2015 executed by the Petitioner; which Request was granted by Resolution No. 2013-35; and

WHEREAS, on August 18, 2014, the City received a Request for Delay of Community Improvement District Sales Tax Effective Date from January 1, 2015 to January 1, 2016 executed by the Petitioner; which Request was granted by Resolution No. 2014-22; and

WHEREAS, on October 28, 2015, the City received a Request for the Delay of Community Improvement District Sales Tax Effective date from January 1, 2016 to January 1, 2017.

WHEREAS, such Request for Delay was signed by the owners of all the real property within the community improvement district; and

WHEREAS, the City hereby finds that it is appropriate to temporarily delay the effective date of the collection of community improvement district sales tax within the Santa Fe Plaza CID based on the receipt of such Request for Delay.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF DODGE CITY, KANSAS:

SECTION 1. The collection of the community improvement district sales tax within the Santa Fe Plaza CID shall be delayed from January 1, 2016 with the collection of such community improvement district sales tax to commence on January 1, 2017, or any other effective date the City may approve by resolution if a further extension of such collection date is duly requested.

SECTION 2. Upon approval, a certified copy of this resolution shall be delivered to the state director of taxation in accordance with the Kansas Community Improvement District Act, K.S.A. § 12-6a26, *et seq.*

PASSED by the Governing Body on this 16th day of November, 2015.

APPROVED by the Mayor on this 16th day of November, 2015.

Mayor

ATTEST:

Nannette Pogue, City Clerk

APPROVED AS TO FORM:

Ken Strobel, City Attorney

Memorandum

To: City Commissioners
City Manager
From: Barb Slagle
Director of Human Resources
Date: November 12, 2015
Subject: Resolution No. 2015-27
Agenda Item: End of Year Bonuses

Recommendation: Approval of Resolution No. 2015-27

Background: Each non-probationary full-time employee with over one (1) year of service will receive a bonus of \$50.00 per calendar years worked for the City, a benefit adopted in 1998. Each non-probationary regular part-time employee with over one (1) year of service will receive a bonus of \$25.00 per calendar years worked for the City. A cap of \$1,000 after 20 years of service has been established.

Justification: This is a budgeted item and funds are available.

Financial Considerations: The amount budgeted for the 2015 bonus is \$_____.

Purpose/Mission: To provide employees an annual reward benefit for their continued efforts in striving to achieve high performance and service standards set by us and expected by the community.

Legal Considerations: None

Attachments: Resolution No. 2015-27

RESOLUTION NO. 2015-27

**A RESOLUTION AUTHORIZING PAYMENT OF 2015 YEAR END
BONUSES TO QUALIFIED EMPLOYEES**

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF DODGE CITY:

WHEREAS: Taking into consideration the City's financial standing, the Governing Body desires to recognize the dedication and commitment of City employees by a discretionary year end bonus, under the guidelines established by Resolution 98-41.

ADOPTED AND APPROVED BY THE GOVERNING BODY OF THE CITY OF DODGE CITY THE 16TH DAY OF NOVEMBER, 2015.

Joyce Warshaw, Mayor

Attest:

Nannette Pogue, City Clerk



Parks and Recreation

PO Box 880 • Dodge City KS 67801 • Phone: 620/225-8160 • Fax: 620/225-8144

Memorandum

To: City Commission
From: Paul Lewis
Date: November 13, 2015 
Cc: Cherise Tieben, City Manager
Nannette Pogue, Finance Director
Subject: Heritage District Beautification Project
Agenda Item: Ordinances and Resolutions

Recommendation: Staff recommends approval of Resolution No. 2015-28 authorizing a Transportation Alternative application for Heritage District Beautification project in the Heritage District.

Background: Resolution 2015-28 supports a Transportation Alternative application to the Kansas Department of Transportation for a beautification project which includes an area from 5th Avenue to 1st Avenue south of Wyatt Earp Blvd near the rail road tracks.

In March of 2015, the City signed an indefinite Term Lease with BNSF Railway Company for the use of the railroad right away for the aforementioned beautification project which includes landscaping and parking from an area South of Wyatt Earp Blvd along the south boundary of the railroad right of way running easterly from 5th Avenue abutting South Front Street to a point approximately 275 feet east of the 1st Ave. intersection.

Justification: The enhancement of landscaping is an essential component of the development of the Heritage and Historic District which is located in and adjacent to the downtown. This beautification project will vastly improve a blighted area by mirroring the existing landscaping north of Wyatt Earp Blvd.

Project Specifics: The project will construct new landscape areas along the South Front Street right of way and the south boundary of the railroad right of way from the west side of Second Avenue to Fifth Avenue paralleling the tracks. From Second Avenue east to the Atchison, Topeka, Santa Fe (ATSF) Railway Depot landscaping will only be on railroad right away. Landscaping will be installed between the parking area and the tracks to within approximately 15 ft. of the southernmost rail of the tracks. This

would essentially mirror the landscaping on the north side of the tracks and will also include fencing and walking trails. The landscaping will feature trees, shrubs and grasses.

Financial Considerations: The cost estimate for this project is \$192,690. The TA program is a reimbursement program where KDOT reimburses 80% of eligible costs (construction and project administration) with the City responsible for the remaining 20% plus all preliminary design fees. After KDOT reimbursement, plus design fees, the City's total outlay will be approximately \$58,600.

Purpose and Mission: This project is consistent with the City with the City's Core Purpose of "Making Dodge City the Best Place to Be" and our core value of ongoing improvement.

Legal Considerations: N/A

Attachments:

Resolution No. 2105-28
Project Cost Estimate
Preliminary Site Plan

RESOLUTION NO. 2015-28

A RESOLUTION DECLARING THE ELIGIBILITY OF THE CITY OF DODGE CITY, KANSAS TO SUBMIT AN APPLICATION TO THE KANSAS DEPARTMENT OF TRANSPORTATION FOR USE OF TRANSPORTATION ALTERNATIVE FUNDS SET FORTH BY THE FEDERAL TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY FOR THE HERITAGE DISTRICT BEAUTIFICATION PROJECT IN DODGE CITY AND AUTHORIZING THE DIRECTOR OF PARKS AND RECREATION TO SIGN THE APPLICATION.

WHEREAS, the City of Dodge City, Kansas has the legal authority to apply for, receive, and administer federal, state, and other monies through Home Rule Power under the Constitution of the State of Kansas and authorized by K.S.A 12-1662, regarding the expenditure of federal and public agencies; and

WHEREAS, the City of Dodge City, Kansas desires to submit an application to the Kansas Department of Transportation for Transportation Alternative program funds set forth by the Federal Transportation Equity Act for the 21st Century; and

WHEREAS, the City of Dodge City is participating in the Kansas Department of Transportation's Transportation Alternative Program set forth by the Federal Transportation Equity Act for the 21st Century; and

WHEREAS, Federal monies are available under a Transportation Alternative program set forth by the Federal Transportation Equity Act for the 21st Century, administered by the State of Kansas, Department of Transportation, for the purpose of Historic, Scenic and Environmental, Pedestrian and Bicycle and Safe Routes to School Projects; and

WHEREAS, After appropriate public input and due consideration, the Governing Body of the City of Dodge City, Kansas has recommended that an application be submitted to the State of Kansas for Heritage District Beautification project.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF DODGE CITY, KANSAS:

SECTION 1: That the City of Dodge City, Kansas does hereby authorize the Director of Parks and Recreation to submit an application to the Kansas Department of Transportation for the Transportation Alternative Funds set forth by the Federal Transportation Equity Act for the 21st Century on behalf of the Citizens of Ford County.

SECTION 2: That the City of Dodge City, Kansas hereby assures the Kansas Department of Transportation that sufficient funding for the operation and maintenance of the Heritage District Beautification project is available.

SECTION 3: That the City of Dodge City, Kansas hereby assures the Kansas Department of Transportation that sufficient funding for the operation and maintenance of the Heritage District Beautification project will be available for the life of the project.

SECTION 4: That the City of Dodge City, Kansas hereby assures the Kansas Department of Transportation that the City of Dodge City, KS. Kansas, will have title or permanent easement to the Heritage District Beautification project by the time off project letting.

SECTION 5: That the Director of Parks and Recreation, is authorized to sign the application to the Kansas Department of Transportation or Transportation Alternative program funds set forth by the Federal Transportation Equity Act for the 21st Century on behalf of the Citizens of the City of Dodge City, Kansas. The Director of Parks and Recreation is also authorized to submit additional information as may be required and act as the official representative of the City of Dodge City in this and subsequent related activities.

ADOPTED AND PASSED by the Governing body of the City of Dodge City, Kansas, this the 16th day of November, 2015

Joyce Warshaw, Mayor

ATTEST:

Nannette Pogue, City Clerk

Railroad Lease Request - Parking Lot & Landscaping



Railroad Lease Request - Parking Lot & Landscaping





Parks and Recreation

PO Box 880 • Dodge City KS 67801 • Phone: 620/225-8160 • Fax: 620/225-8144

Memorandum

To: City Manager, Cherise Tieben
City Commissioners

From: Ernestor De La Rosa
Paul Lewis

Date: November 13, 2015

Subject: Public Transportation Grant Letters

Agenda Item: New Business

Recommendation: Staff recommends the City Commission approve the submission of application for 5311 public transportation grant including local match financial commitment letters as follows:

1. U.S.C. 49-5311 Public Transportation Operating Grant in the amount of \$399,616 which includes \$78,670 for Dispatch provided by Finney County Transit.

Background: The Dodge City Public Transportation recently expanded services to include Fixed Route and ADA Para-transit service. The proposed budget for this grant (see Attachment 1) will support this expanded program as follows:

- **Fixed Route Bus Service in Dodge City.** The Fixed Route bus system was expanded in May 2015. Each route runs hourly from 6:00 am to 6:00 pm, Monday through Friday. Currently we are providing over 2,000 rides per month within the first five months of operation, and continue to grow thereafter.
- **Door-to-Door ADA Para-transit Service.** We continue to provide door to door service (within $\frac{3}{4}$ of a mile of the Fixed Routes) for passengers with physical, cognitive or visual disabilities which prevent them from utilizing the fixed route buses.
- **Regional Demand Response Service.** We provide service outside the $\frac{3}{4}$ mile Para-transit zone, and up to 2 miles beyond the city limits. Any resident may schedule a door-to-door ride if the ride's origin or destination is beyond the $\frac{3}{4}$ mile Para-transit zone and within a 2 mile radius of City limits. Based on our reports over the last five months, we are providing more than 1,000 Para-transit and Regional Demand Response rides per month.

Justification: As of today, Dodge City Public Transportation is providing over 3,100 rides a month with both Fixed Route and Para transit/Demand Response service. We have seen a 30% increase in total rides when comparing to last year. We expect that the Fixed Route and Para-transit services continue to increase and build ridership.

Gray County has contracted with us to provide door to door bus service for the general public throughout their county. Included in our 5311 grant is the purchase of a 2nd full sized van along with operation and administration expenses, for which Gray County will be paying all local match costs. While most service is provided within Gray County, rides also are provided to Dodge City and Garden City.

Financial Considerations: The most significant change in the financial picture is Ford County’s decision not to participate in funding public transportation in 2015. Approximately 12% of the rides we provide have been outside the city limits, and we had hoped to expand service by providing door to door service throughout Ford County (similar to what we are doing with Gray County).

For this grant cycle staff recommends Dodge City commit to meeting the local match costs associated with this important public service. The letters of financial commitment required for the 5311 grant application as follows:

- U.S.C. 49-5311 Public Transportation Grant:

○ *Operations (50%)	\$301,246
○ *Dispatch (50%)	\$ 78,670
○ Administration (20%)	<u>\$ 19,700</u>
TOTAL	\$399,616

The commitment letters are required to include a 50% local match of the Federal transportation funds for Operations and Dispatch for which the City is applying. Historically KDOT has supplemented the Federal funds and for this grant cycle we anticipate State funding of an additional 20%. With State funding, the net City obligation will be \$279,116 of which \$187,085 is budgeted in Public Transportation (3410) for 2016; \$82,030 is provided from existing covered positions in the Parks budget (5210) and \$10,000 will be raised through Service Contracts.

Purpose/Mission: Improvements to public transportation represent the City’s core values of Ongoing Improvement and Preparing for the Community’s Future. Dodge City’s expanding service is helping more residents every day by allowing them to get to work, do their shopping and get to medical appointments. The availability of public transportation also allows older residents to live more independently.

Legal Considerations: These commitment letters are required elements of the City’s application for grant funding. KDOT will consider all requests and most likely will adjust the final approved amounts.

Attachments: Program Budget Document, Sample Letters of Financial Support

SFY 2017 Public Transportation Budget 5311 and 5317
July 1, 2016 - June 30, 2017

		DR/Paratransit (3 buses)	Fixed Route (3 buses)	Finney County Dispatch	Gray County (2 vans)
Section L. Operating Assistance Budget					
1.	Personnel – Driver (Paid)				
	1 FT wages	34,980			
	Regular PT	112,320	142,180		62,400
	Health Insurance	55,500	46,900		13,400
	FICA/KPERS	27,990	27,010		11,860
	Personnel - Dispatcher				
	Personnel - Mechanic				
	Wages, 50%	6,750	6,750		
	Health Insurance	3,825	3,825		
	FICA/KPERS	1,280	1,280		
	Total Personnel	242,645	227,945		87,660
2.	Vehicle Insurance	2,000	2,000		800
3.	Advertising (includes marketing materials)	5,000	5,000		1,000
4.	Fuel	42,000	42,000		9,000
5.	Maintenance, Repair, Lubrication, Parts, Labor, Tires	36,000	28,800		14,400
6.	Storage (Paid)				
7.	Contract Services (Specify name & reason)*				
8.	Communications/Phone	500	500		300
9.	Other (Must specify each item)				
	9a FIT Dispatching Contract			163,150	
10.	Licenses & Registration	2,000	2,000		800
11.	KPTA Membership Dues	100	100		50
12.	KPTA Annual Meeting Expenses	500	500		100
13.	RTAP Driver Training	1,000	1,000		200

**SFY 2017 Public Transportation Budget 5311 and 5317
July 1, 2016 - June 30, 2017**

		DR/Paratransit (3 buses)	Fixed Route (3 buses)	Finney County Dispatch		Gray County (2 vans)
14.	RTAP Manager Training	300	300			75
15.	KCC Registration Fee	250	250			100
16.	DOT Driver's Physical	900	900			200
17.	Total Operating Expenses (Add #1 through #16)	333,195	311,295	163,150		114,685
18.	Comments and Explanations of line items above					
19.	Project Income - Fares	12,000	30,000			2,000

SFY 2017 Public Transportation Budget 5311 and 5317
July 1, 2016 - June 30, 2017

		DR/Paratransit (3 buses)	Fixed Route (3 buses)	Finney County Dispatch	Gray County (2 vans)
20.	Net Operating Cost (Line #17 - #19)	321,195	281,295	163,150	112,685
21.	5311 Reimbursement Request (50% of Line 20)	160,598	140,648	81,575	56,340
Operating/Dispatch/Mobility Manager Local Match Letters					
22.	5311 Operating/Dispatch Local Match Letter (50%)	160,598	140,648	81,575	56,343
Section K - Capital Assistance Budget					
	All equipped VAN				40,000
	Lift Equipped Minivan (1)				
	Radio Equipment				850
4.	Total Capital with 2.5% contingency				41,870
5.	Capital Reimbursement Request (80%)				33,500
6.	Capital Local Match Letter (20%)	0	0		8,370
Section M - Administrative Assistance Budget					
24.	Administrative Personnel				
	Mobility Manager (50%)	11,770	12,020		1,250
	Administrative Aide (75%)	11,630	11,880		2,480
	Clerical Support, (12hrs x 5 days x 52 wks @ 12) 75%	13,650	13,650		
	Other - Gray County Liaison				9,000
	Health Insurance	10,320	10,320		1,150
	FICA/KPERS	7,040	7,130		470
	Total Administrative Personnel	42,640	42,980		14,350
25.	Building Insurance	1,130	1,130		
26.	Office Supplies	320	320		80

**SFY 2017 Public Transportation Budget 5311 and 5317
July 1, 2016 - June 30, 2017**

		DR/Paratransit (3 buses)	Fixed Route (3 buses)	Finney County Dispatch		Gray County (2 vans)
27.	Postage	240	240			60
28.	Building Maintenance (must specify)	1,070	1,070			
29.	Utilities	2,680	2,680			
30.	Contract Services - Specify name and reason (must attach copy of contract)					
31.	Pre-Employment Drug Testing	400	400			100
32.	Other (must specify each item)					
	Admin to FIT			7,750		410
33.	Uniforms	600	600			150
34.	Agency Audit					
35.	Total Administrative Expenses	49,080	49,420	7,750		15,150
36.	List any general comments and explanations of line items above					
37.	Administration Reimbursement Request (80%)	39,260	39,540	6,200		12,120
38.	Administration Local Match Letter (20%)	9,820	9,880	1,240		3,030

**SFY 2017 Public Transportation Budget 5311 and 5317
July 1, 2016 - June 30, 2017**

			DR/Paratransit (3 buses)	Fixed Route (3 buses)	Finney County Dispatch		Gray County (2 vans)
SUMMARY (unreimbursed expense)							
5311 Operating (50%)			160,598	140,648			56,343
5311 Capital (20%)			0	0			8,370
5311 Administration Assistance (20%)			9,820	9,880			3,030
5311 Dispatch (50%)					78,670		4,140
5317 Mobility Manager (20%)							0
Match Letter Requirements			170,418	150,528	78,670		71,883
Local Match Letters							
Dodge City			170,418	150,528	78,670		
Gray County							71,883

Memorandum

To: Cherise Tieben, Assistant City Manager
From: Nannette Pogue
Date: November 12, 2015
Subject: Audit Engagement Letter
Agenda Item: New Business

Recommendation: Approve the engagement letter for the audit of the City of Dodge City for the years ending December 31, 2013 and 2014

Background: This proposal from Kennedy McKee & Company LLP is to audit the City of Dodge City's financial statements for the years ending December 31, 2013 and 2014. The fees for these services will be based on actual time spent, plus other out-of-pocket costs not exceeding \$44,150 plus \$85 per hour for the audit of Federal financial assistance programs. The fee in 2013 for the years ending 2013 and 2014 was \$41,600 plus \$80 per hour for the audit of Federal financial assistance programs. The detailed audit objectives, management responsibilities and audit procedures are outlined in the attached audit engagement letter. Kennedy McKee & Company has been conducting the City's audit for the past several years. They have extensive background information on the City of Dodge City, know our organization and the financial policies and procedures, work well with the city employees and have done an excellent job.

Justification: Municipalities of our size are required to have an annual audit.

Financial Considerations: This is an annually budgeted item. Each year, the proposed fee is not to exceed \$44,150 plus \$85.00 per hour for federal financial assistance programs.

Purpose/Mission: To promote open communications.

Legal Considerations: None

Attachments: Proposed engagement letter and a letter from A&G Certified Public Accountants who conducted a Peer Review of Kennedy McKee and Company.

Kennedy
McKee & Company LLP Certified Public Accountants

1100 W Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (316) 227-3135
Fax (316) 227-2308

JAMES W. KENNEDY, CPA
JAMES R. SHIRLEY, CPA
LU ANN WETMORE, CPA
ROBERT C. NEIDHART, CPA
PATRICK M. FRIESS, CPA
JOHN W. HENDRICKSON, CPA

September 8, 2015

Nanette Pogue
City of Dodge City
806 N. 2nd Avenue
Dodge City, KS 67801

Dear Nanette:

Enclosed is the engagement letter for the audit of the City for the years ending December 31, 2015 and 2016. Please have one copy of the letter signed and return it to me for my records.

Yours truly,



John W. Hendrickson
Partner

Kennedy
McKee & Company LLP Certified Public Accountants

1100 W. Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (620) 227-3135
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PATRICK M. FRIESS, CPA
JOHN W. HENDRICKSON, CPA

September 8, 2015

City of Dodge City
City Commission
Dodge City, Kansas 67801

We are pleased to confirm our understanding of the services we are to provide City of Dodge City, Kansas for the years ended December 31, 2015 and 2016. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of City of Dodge City as of and for the years ended December 31, 2015 and 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Dodge City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Dodge City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies City of Dodge 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:

- 1) Schedule of expenditures of federal awards.
- 2) Combining and individual fund financial statements.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements as a whole. The objective also includes reporting on—

- 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*.
- 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 that (1) 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) 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 will include tests of 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 City Commission of the City of Dodge 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 opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will 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 opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

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 policies 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 or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. 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, 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 tests of the physical existence of inventories, and direct confirmation of receivables and certain other 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 the 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 government 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 provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures 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 *Government 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 tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* 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 these procedures will be to express an opinion on 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.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with U.S. generally accepted accounting principles and OMB Circular A-133 based on information provided by you. 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*.

Management Responsibilities

Management is responsible for (1) 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; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management 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, schedule of expenditures of federal awards, and all accompanying information 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. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management 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 affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud 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 government 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. The summary schedule of prior audit findings should be available for our review on the date fieldwork begins.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) 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 our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of 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 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 for the timing and format for providing that information.

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 management 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. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of and sign 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 audit findings, auditors' reports, and 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.

The audit documentation for this engagement is the property of Kennedy McKee & Company LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a Cognizant of Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Kennedy McKee & Company LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that 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.

Our fees for these services will be \$44,150 for each year plus \$85 per hour for the audit of Federal financial assistance programs. This fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. 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 and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2014 peer review report accompanies this letter.

We appreciate the opportunity to be of service to City of Dodge City 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 it to us.

Very truly yours,

KENNEDY MCKEE & COMPANY LLP



John W. Hendrickson
Partner

RESPONSE:

This letter correctly sets forth the understanding of City of Dodge City.

By: _____

Title: _____

Date: _____

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Lucille L. Hinderliter, CPA
Harold K. Mayes, CPA

W. Keith Gaeddert, CPA
(Retired)

SYSTEM REVIEW REPORT

January 23, 2015

To the member/owners' of
Kennedy, McKee & Company, LLP
and the Peer Review Committee of the Kansas Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Kennedy, McKee & Company, LLP (the Firm) in effect for the year ended September 30, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in the System review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice Kennedy, McKee & Company, LLP in effect for the year ended September 30, 2014, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Kennedy, McKee & Company, LLP has received a peer review rating of pass.

Agler & Gaeddert Chartered
Certified Public Accountants

