

CITY COMMISSION AGENDA

City Hall Commission Chambers

Monday, September 16, 2013

7:00 p.m.

MEETING #4934

CALL TO ORDER

ROLL CALL

INVOCATION: by Vernon Bogart of John 14 Fellowship

PLEDGE OF ALLEGIANCE

PETITIONS & PROCLAMATIONS

National Welcoming Week

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).

Richard Stein – Kansas Mission of Mercy

CONSENT CALENDAR

1. Approval of City Commission Meeting Minutes, September 3, 2013
2. Appropriation Ordinance No. 18, September 16, 2013;
3. Cereal Malt Beverage License Applications;
 - a. Boot Hill Museum, Inc., 500 W. Wyatt Earp Blvd.

ORDINANCES & RESOLUTIONS

UNFINISHED BUSINESS

OTHER BUSINESS

NEW BUSINESS

1. Approval of Consultant for Bicycle/Pedestrian Path. Report by Director of Parks & Recreation, Paul Lewis.
2. Approval of the engagement letter for the audit of the City of Dodge City for the years ending December 31, 2013 and 2014. Report by City Clerk/Director of Finance, Nannette Pogue.

ADJOURNMENT

PROCLAMATION

Whereas, since our nation's founding, American prosperity has been fueled by the recognition that we are stronger as a nation when we work together as a people. Our nation, state and community's success has always been the product of our unique capacity to welcome the contributions and spirit of entrepreneurship of all people – immigrants and native-born – who seek to achieve the American dream. Regardless of race, gender, creed, or country of origin, we are joined in the values of hard work and shared opportunity that define us as residents of Dodge City and as a nation of immigrants.

Whereas, at no time in our state and community's history has the need to work together been more necessary, and it is important that residents of Dodge City join their community in a spirit of welcoming to embrace the talents and contributions of all residents. In a 21st century economy, we must create communities that leverage the full potential of all who live there. We must capitalize on diverse perspectives, cultures and talents as the most valuable assets in an economy where knowledge, creativity and innovation reap the greatest benefits, and become a more welcoming community means more customers for our local businesses, more jobs created by immigrant entrepreneurs, and a thriving economy that benefits us all. Building communities that welcome all also speaks to our deepest values as Americans and to our greatest aspirations for prosperity, economic growth and global competitiveness. By recognizing the contributions that we all make to create a vibrant culture and a growing economy, we make our community more welcoming to all who call it home.

Whereas, this week, we honor the spirit of unity that is bringing together neighbors across Dodge City to join this movement by renewing our commitment to our core American values and by taking action in the spirit of welcoming. Let us come together to build communities where every resident has the opportunity to contribute at his or her best. Let us come together to create more prosperous communities and to reaffirm that Dodge City still stands as a beacon of freedom and opportunity.

NOW, THEREFORE, be it resolved that I, Kent Smoll, Mayor of Dodge City, do hereby proclaim the week of September 15-22, 2013 as

Welcoming Week in Dodge City

and call upon the people of Dodge City to join together – as immigrants and native-born residents – to build a stronger community.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the City of Dodge City to be affixed, this 16th day of September 2013.

Kent Smoll

Nannette Pogue, City Clerk

CITY COMMISSION WORK SESSION MINUTES

City Hall Commission Chambers

Tuesday, September 3, 2013

6:30 p.m.

MEETING #4932

CALL TO ORDER

ROLL CALL:

Work session

1. Presentation of 2012 Audited Financial Statement was presented by John Hendrickson, Kennedy McKee & Company LLP.

Commissioner Jim Lembright moved to adjourn the meeting; Commissioner Rick Sowers seconded the motion. Motion carried unanimously.

E Kent Smoll, Mayor

ATTEST:

Nannette Pogue, City Clerk

CITY COMMISSION MEETING MINUTES

City Hall Commission Chambers

Tuesday, September 3, 2013

7:00 p.m.

MEETING #4933

CALL TO ORDER

ROLL CALL: Mayor Kent Smoll, Commissioners, Brian Delzeit, Joyce Warshaw, Rick Sowers, and Jim Lembright.

INVOCATION by Vernon Bogart of John 14 Fellowship

PLEDGE OF ALLEGIANCE

PUBLIC HEARING

1. 2014 Budget Hearing

Mayor Kent Smoll opened the Public Hearing on the 2014 Budget. The 2014 Budget was presented by City Finance Director/City Clerk, Nannette Pogue. The Mayor closed the Public Hearing.

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 Meeting Minutes, August 19, 2013
2. Approval of Joint City/County Meeting Minutes, August 22, 2013
3. Appropriation Ordinance No. 17, September 3, 2013;
4. Cereal Malt Beverage License Applications;
(a) Dillons Store, 1700 N. 14th Avenue
5. Approval of Change Order No. 1 for Concrete Reconstruction ST 1305.

Commissioner Jim Lembright moved to approve the Consent Calendar as presented; Commissioner Brian Delzeit seconded the motion. The motion carried unanimously.

ORDINANCES & RESOLUTIONS

Resolution No. 2013-29: A Resolution affiliating Dodge City, Kansas with the Welcoming Cities and Counties Initiative was approved on a motion by Commissioner Brian Delzeit; motion was seconded by Commissioner Joyce Warshaw .The motion carried unanimously. The Resolution was presented by Greta Clark, Chairman of the Cultural Relations Advisory Board.

UNFINISHED BUSINESS

1. Commissioner Rick Sowers moved to approve the concept to use the former TM Deal property located at 3rd Avenue and Spruce Street as a Multicultural Park and designate the area as a Park area. Commissioner Brian Delzeit seconded the motion. The motion carried unanimously.

NEW BUSINESS

1. Commissioner Rick Sowers moved to approve the Appointment of League of Kansas Municipalities Delegates; Ken Strobel, Cherise Tieben, Corey Keller, and Kent Smoll, alternate delegate, Rick Sowers. Commissioner Jim Lembright seconded the motion. Motion passed unanimously.
2. Commissioner Brian Delzeit moved to approve the 2014 Budget. Commissioner Joyce Warshaw seconded the motion. The motion carried unanimously.
3. Commissioner Jim Lembright moved to approve the 2012 Audited Financial Statement. Commissioner Rick Sowers seconded the motion. The motion carried unanimously.

OTHER BUSINESS

City Manager, Ken Strobel:

- Labor Day marks a new segment and everything gets to an orderly fashion.

Assistant City Manager, Cherise Tieben:

Reminder –

- September 19 – Joint Meeting – Venu Works;
- League of Kansas Municipalities Meeting;
- October 14 – Southwest Kansas Coalition in Garden City.

Commissioner, Joyce Warshaw:

- Remind residents of school's late start.

Commissioner, Rick Sowers:

- Joint City Commission Meeting – Take opportunities to openly discuss other issues.

Mayor, Kent Smoll:

- Walk with your Neighbor Event to be held Sunday, September 22, at 5:00 p.m. at the YMCA parking lot.
- Last week several meetings with State Officials and presentations from KU Dean of Business School. Governor was in town and several other officials from around the state were in town;
- Sales Tax Report – Year to date- Sales Tax increased 1.34%.

ADJOURNMENT

Commissioner Brian Delzeit moved to adjourn the meeting; Commissioner Jim Lembright seconded the motion. The motion carried unanimously.

E. Kent Smoll, Mayor

ATTEST:

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 type="checkbox"/> New License <input checked="" type="checkbox"/> Renew License <input type="checkbox"/> Special Event Permit	
Check One: <input checked="" type="checkbox"/> License to sell cereal malt beverages for consumption on the premises. <input 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 480629167F-01</u>			
Name of Corporation <u>Boot Hill Museum, Inc.</u>	Principal Place of Business <u>Boot Hill Museum, Inc.</u>		
Corporation Street Address <u>500 W. Front Street</u>	Corporation City <u>Dodge City</u>	State <u>KS</u>	Zip Code <u>67801</u>
Date of Incorporation <u>1947</u>	Articles of Incorporation are on file with the Secretary of State.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Resident Agent Name	Phone No. <u>620-227-8188</u>		
Residence Street Address	City <u>Dodge City</u>	State <u>KS</u>	Zip Code <u>67801</u>

SECTION 3 - LICENSED PREMISE			
Licensed Premise (Business Location or Location of Special Event)		Mailing Address (If different from business address)	
DBA Name		Name	
Business Location Address		Address	
City	State	Zip	City
			State
			Zip
Business Phone No.		<input type="checkbox"/> Applicant owns the proposed business or special event location. <input type="checkbox"/> Applicant does not own the proposed business or event location.	
Business Location Owner Name(s)			

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>Kerri Baker</u>	Position <u>Chairman</u>		Date of Birth
Residence Street Address	City <u>Minneapolis</u>	State <u>KS</u>	Zip Code
Spouse Name	Position		Date of Birth
Residence Street Address	City	State	Zip Code
Name <u>Beth Rhoten</u>	Position <u>Vice-Chair</u>		Date of Birth
Residence Street Address	City <u>Dodge City</u>	State <u>KS</u>	Zip Code <u>67801</u>
Spouse Name	Position		Age
Residence Street Address	City	State	Zip Code
Name <u>Kelly Henriksen</u>	Position <u>Sec/Treas.</u>		Date of Birth
Residence Street Address	City <u>Dodge City</u>	State <u>KS</u>	Zip Code <u>67801</u>
Spouse Name	Position		Age
Residence Street Address	City	State	Zip Code



City of Dodge City

806 N. Second Ave.
PO Box 880
Dodge City, KS 67801

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

Memorandum

To: City Manager
Assistant City Manager
City Commissioners

From: Paul Lewis 

Date: September 13, 2013

Subject: Gunsmoke Trail Design Proposals
Agenda Item: New Business

Recommendation: Staff recommends approving the proposal from SMH Consultants for engineering services for the Gunsmoke Trail Extension project and authorizing staff to negotiate a final scope of services and contract fee for Commission approval.

Background: Previously, the City was notified by Kansas Department of Transportation (KDOT) that our application for TE funds was approved. This project will extend the Gunsmoke Trail which presently ends at Spiers Park through Chilton Park and then west on Comanche to 14th Ave.

Once that award was known, staff began the process to secure engineering help to complete the construction documents necessary for the project to proceed. An RFP was developed and published and three firms submitted proposals for consideration. Schwab-Eaton based out of Manhattan, KS, BHC-Rhodes and SMH Consultants all submitted and all three have worked successfully for the City on past projects.

Staff from Parks and Recreation and the Engineering Department reviewed the submittals. Although all three firms are extremely capable and can provide the necessary services, based on staff on hand, City Staff is recommending the project be awarded to SMH Consultants.

Justification: The time frame for design work for this project is somewhat abbreviated. KDOT is calling for 50% plans in December and so it's imperative the design work including surveying begin immediately.

Financial Considerations: Under the TE program, the City is responsible for 100% of preliminary design costs up to the point of bidding. The final negotiated contract will be at the City's expense and funds for that purpose are available in the 2013 Capital Improvement Fund.

Purpose/Mission: This project fits the City's core value of Ongoing Improvement and our efforts to make Dodge City the best place to live.

Legal Considerations: N/A

Attachments: Gunsmoke Trail Extension RFP



Parks & Recreation

PO Box 880 • Dodge City KS 67801 • Phone: 316/225-8160 • Fax: 316/225-8184

REQUEST FOR PROPOSALS BIKE/PEDESTRIAN PATH CONSULTANT SERVICES

GENERAL INFORMATION

Scope

The City of Dodge City Parks and Recreation Department requests proposals for professional services from registered architectural or engineering firms licensed in the State of Kansas with experience in design and construction of bicycle/pedestrian paths. The City was approved by KDOT for a TEA-21 project to extend an existing path. The firm selected is expected to provide design and construction plans, specifications, contract documents, assist with the bidding process, and be responsible for construction engineering but not to include project observation and inspection.

Project Description

This project extends an existing bicycle/pedestrian path originally constructed in 2004 and extended in 2007. This extension connects with the existing path at Soule and Manor Drive and runs south through Chilton Park until it reaches Comanche Ave. At Comanche a spur is proposed to run west along Comanche to 14th Ave. and adds approximately .9 mile to the trail system. This extension will interface with an existing playground and a disc golf course. Pedestrian crossing are anticipated at Soule and at Comanche to connect with the existing path and sidewalk.

The budget approved for this project is \$424,112 which includes all consultant fees for professional services and contingency. This project is being funded through the TEA-21 reimbursement program administered by KDOT.

PROPOSAL REQUIREMENTS

Submittal Information

Three (3) copies of each firm's proposal may be submitted by 5:00 p.m. on Tuesday, August 13th, 2013. Proposals shall be submitted to Mr. Paul Lewis, Director of Parks and Recreation, City of Dodge City, PO Box 880, Dodge City, KS. 67801.

Interested firms are requested to submit a written statement of qualifications which shall include, but not be limited to the following: firm profile; statement of similar experience in this type of work; list of governmental references for which these services have been provided; a listing of key staff and resumes for personnel which may be assigned to the project and a suggested scope of services.

Any cost associated with providing this proposal shall be the responsibility of the firm.

Required Services

The firm selected will be responsible for providing the following services and any others negotiated in the contract related to the design and construction of the bicycle/pedestrian path extension:

- Meet with city staff to discuss project goals and parameters, necessities, and design aspects;
- Complete necessary research including surveys, topographical and traffic studies required for design preparation and construction;
- Conduct two or more public information meetings to present concepts and gather input from the general public;
- Prepare preliminary construction plans for review by city staff and KDOT personnel;
- Develop and submit all required permits and approvals required for construction through KDOT and any other regulatory agencies;
- Prepare final plans, specifications, and cost estimates for construction after receiving appropriate approval;
- Prepare required bid documents and provide the City with the electronic versions in file formats suitable to the City;
- Release final plans and specifications to prospective bidders. Attend bid letting, analyze bids, and recommend award of contract;
- Provide construction administration services throughout project construction including plan interpretation, reviewing contractor pay requests, and any required KDOT submittals. Construction observation will be performed by City of Dodge City engineering staff.

OTHER INFORMATION

Qualifications and Evaluation

Consulting firms will be evaluated based upon their relative work experience, past performance records, creativeness, and commitment to the project. Previous experience in the design and inspection of paths and trails is very important.

Responses to this RFP will be evaluated using the criteria shown below. A selection committee from City Staff will complete the evaluation. Interviews may be conducted should the committee desire additional input or information.

- A. Professional Qualifications
- B. Statement of Availability/Approach
- C. Previous Work History with City
- D. Fee Schedule

Contact

Questions concerning this request for proposals should be directed to Mr. Paul Lewis, Director, Parks and Recreation Department for the City of Dodge City. Telephone: (620) 225-8160. E-mail: paull@dodgecity.org.

Memorandum

*To: Ken Strobel, City Manager
Cherise Tieben, Assistant City Manager*

From: Nannette Pogue

Date: September 12, 2013

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 \$41,600 plus \$80 per hour for the audit of Federal financial assistance programs. The fee in 2011 for the years ending 2011 and 2012 was \$40,000 plus \$75 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 \$416000 plus \$80.00 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. (620) 227-3135
Fax (620) 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 9, 2013

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, 2013 and 2014. 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, 2013 and 2014. 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 reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance and OMB Circular A-133 in considering internal control over compliance and major program compliance. The paragraph will also 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 and to render the required reports. 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 to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for 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 will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and 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. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for 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 preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable 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. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written 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 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. The summary schedule of prior audit findings should be available for our review on the date fieldwork begins.

You are 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 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) 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; (3) that 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. 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) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that 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 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 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.

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 entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, 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 the financial statements and related matters.

Audit Procedures – Internal Controls

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 City of Dodge City's compliance with applicable laws and regulations and the provisions of 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 City of Dodge City's major programs. The purpose of those procedures will be to express an opinion on City of Dodge 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

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 \$41,600 for each year plus \$80 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 2011 peer review report accompanies this letter.

City of Dodge City
City Commission
September 9, 2013
Page Eight

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: _____

SYSTEM REVIEW REPORT

November 23, 2011

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, 2011. 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. 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 of Kennedy, McKee & Company, LLP in effect for the year ended September 30, 2011, 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

Agler & Gaeddert Chartered
Certified Public Accountants