



AGENDA
CITY COUNCIL REGULAR MEETING
THURSDAY, JULY 9, 2020
SPRING HILL CIVIC CENTER
401 N. MADISON, COUNCIL CHAMBERS
7:00 P.M.

CALL TO ORDER

INVOCATION Pastor Irvin Middlebush

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF AGENDA

CITIZEN PARTICIPATION

PRESENTATION

- Cemetery Board Annual Report, Christine Hecke and Larry Sumner

CONSENT AGENDA:

The items on the Consent Agenda are considered by staff to be routine business items. Approval of the items may be made by a single motion, seconded, and a majority vote with no separate discussion of any item listed. Should a member of the Governing Body desire to discuss any item, it will be removed from the Consent Agenda and considered separately.

1. Appropriation Order No. 2020-07-09
2. Consider Approval of Special Event Permit: Movie in the Park, Spring Hill Aquatic Center Parking Lot
3. Consider Approval of Agreement with WaterOne for Relocation of Equipment in Private Easements for the 199th and Ridgeview RDB
4. Consider Approval of the Engagement Letter for Gordon CPA

FORMAL ACTION

5. Consider Ordinance: Regulation and Licensing Procedures for Pawnbrokers and Precious Metal Dealers Pursuant to K.S.A 16-706 et seq. and Charter Ordinance No. 38
6. Consider Resolution: Resolution Establishing Annual License Fee for Pawnbrokers and Precious Metal Dealers Authorized by the Spring Hill Municipal Code

DISCUSSION

7. Golf Carts and Low Speed Vehicles in City
8. Expenditure and Use of Local Alcoholic Liquor Funds Relating to K.S.A. 79-41a04(d)
9. Payment of Taxes and Issuance of Permits
10. Budget: Utility Funds Review

ANNOUNCEMENTS and REPORTS

ADJOURN

2019 Spring Hill Cemetery Year End Report

COMMITTEE MEMBERS

Christine Hecke President
Sharon Meek Secretary
Bill Peaderman Member
Susan Crawford Member

Larry Sumner Vice President
Helen Hecke Treasurer
Joy Rose Member
Don Skinner Member

We started the year with \$16,701.54 in checking and ended the year with \$13,231.

In our Savings/Perpetual Care, we opened it with \$14,000 and ended the year with \$18,500.

Our CD's are as follows 1- \$14,476.27 and 2- \$60,034.08.

We sold 39 spaces this year bringing in \$500 ea. we split this 50/50 between perpetual care and the operating acct. It is in the Perpetual care acct. where we have the funds from the city for taking care of the cemetery.

INCOME:

39 grave spaces	\$19,500
Parade of flags	\$ 1,801
City allocation	<u>\$28,000</u>
Total	\$49,301

EXPENSES:

Mowing	\$23,850
Tree trimming	\$ 3,500
Maintenance: leveling stones and graves	\$ 3,240

Miscellaneous: bonding insurance, paper, stamps, and replacement flags for the memorial \$ 621.68

Settlement with an owner \$ 2,000

Joined a computer software company to digitize and maintain our records of ownership, sales, and public access for genealogy searches at an initial cost \$ 750

Staking fees \$ 650

2 grave openings \$ 400

Total \$35,011.68

We have started the Parade of Flags to Honor our fallen Heroes. These flags are sponsored by individual donations and are ear marked as such. For this project we had raised \$1801 and have installed 21 flags to date. With the help of the Spring Hill American Legion Post, Spring Hill Ruritan club, and Home Depot these were installed and are planning for 7 more going North on the West Rd. We also have another American flag, and the 5 branches of our great military branches to be installed along the West fence. Due to the Covid19 scare these flags will be installed when we can do this safely. We still have \$1091.27 in this fund.



President, Christine Hecke:

CITY OF SPRING HILL, KANSAS

APPROPRIATION ORDER NUMBER 2020-07-09 PRESENTED: July 09, 2020

Be it ordered by the Governing Body of the City of Spring Hill that the above dated order is and shall be approved and all claims honored and paid by the City Clerk.

Section 1:

Claims paid prior to approval of the City Council as authorized by Ordinance 2001-08:

Accounts Payable:	\$112,164.17
Payroll:	<u>\$73,231.81</u>
	\$185,395.98

Section 2:

Claims presented for approval of payment:

Accounts Payable:	<u>\$361,389.91</u>
	\$361,389.91

Total amount of the Appropriation Order: \$546,785.89

<u>Payable Number</u>	<u>Description (Payable)</u>	<u>Account Number</u>	<u>Payment Number</u>	<u>Payment Date</u>	<u>Amount</u>
Vendor: 00030 - AMERICAN LIFE ASSURANCE COMPANY OF COLUMBUS					
193111	AFLAC PREMIUMS - JUN 2020	100-2120	DFT0001742	06/15/2020	\$1,680.80
Vendor 00030 - AMERICAN LIFE ASSURANCE COMPANY OF COLUMBUS Total:					\$1,680.80
Vendor: 00070 - ANDREA (DAWN) JESBERG					
3865	COMMUNITY CENTER DEPOSIT REFUND	100-2200			\$200.00
Vendor 00070 - ANDREA (DAWN) JESBERG Total:					\$200.00
Vendor: 00113 - ATRONIC ALARMS, INC					
415279	FIRE ALARM MONITORING & ANNUAL INSPECTION - CH	100-720-7190			\$59.00
415279	FIRE ALARM MONITORING & ANNUAL INSPECTION - CH	100-720-7190			\$636.00
Vendor 00113 - ATRONIC ALARMS, INC Total:					\$695.00
Vendor: 01708 - BAKER TILLY VIRCHOW KRAUSE, LLP					
BTMA5721	AUDIT RFP REVIEW	100-200-7190			\$1,690.00
Vendor 01708 - BAKER TILLY VIRCHOW KRAUSE, LLP Total:					\$1,690.00
Vendor: 01882 - CARMEN HARMAN					
3879	COMMUNITY CENTER DEPOSIT REFUND	100-2200			\$200.00
Vendor 01882 - CARMEN HARMAN Total:					\$200.00
Vendor: 00202 - CENTURYLINK					
INV0001940	COMMUNICATION - LONG DISTANCE - 06/09-07/08/2020	100-800-7622	DFT0001747	07/01/2020	\$23.88
INV0001940	COMMUNICATION - LONG DISTANCE - 06/09-07/08/2020	520-670-7622	DFT0001747	07/01/2020	\$23.88
Vendor 00202 - CENTURYLINK Total:					\$47.76
Vendor: 00208 - CHAMPLIN TIRE RECYCLING					
134383	RUBBER MULCH FOR VETERANS PARK PLAYGROUND	300-000-8000			\$8,483.64
134384	10 BENCHES AND 4 TABLES FOR VETERANS PARK	300-000-8126			\$8,206.00
134726	RUBBER MULCH FOR VETERANS PARK PLAYGROUND	300-000-8000			\$2,844.93
Vendor 00208 - CHAMPLIN TIRE RECYCLING Total:					\$19,534.57
Vendor: 00245 - COLEMAN EQUIPMENT INC.					
427844	UNIT #207 TEETH REPLACEMENT	100-640-6750			\$60.00
Vendor 00245 - COLEMAN EQUIPMENT INC. Total:					\$60.00
Vendor: 00246 - COLLECTION BUREAU OF KANSAS					
6853	COLLECTION FEES - FEB 2020	510-660-7785			\$145.24
6853	COLLECTION FEES - FEB 2020	520-670-7785			\$145.24
6920	COLLECTION FEES - MAR 2020	510-660-7785			\$29.42
6920	COLLECTION FEES - MAR 2020	520-670-7785			\$29.42
7009	COLLECTION FEES - MAY 2020	510-660-7785			\$36.54
7009	COLLECTION FEES - MAY 2020	520-670-7785			\$36.53
Vendor 00246 - COLLECTION BUREAU OF KANSAS Total:					\$422.39
Vendor: 00239 - CONSTRUCTION MATERIALS, INC					
4291	SUPPLIES TO BUILD SNEEZE GUARDS DUE TO COVID19	100-110-6165			\$46.75
Vendor 00239 - CONSTRUCTION MATERIALS, INC Total:					\$46.75
Vendor: 00423 - FISHER, PATTERSON, SAYLOR & SMITH, LLP					
91809	SPECIAL COUNSEL - KORA CLAIM REVIEW	100-110-7170			\$1,133.00
Vendor 00423 - FISHER, PATTERSON, SAYLOR & SMITH, LLP Total:					\$1,133.00
Vendor: 01765 - G T DISTRIBUTORS, INC					
INV0773848	CLASS A UNIFORM - PD	100-800-5400			\$95.00
INV0773876	UNIFORM MAG POUCHES - PD	100-800-5400			\$66.60
INV0774296	RAIL MOUNT TAC LIGHTS	100-800-8111			\$404.97
Vendor 01765 - G T DISTRIBUTORS, INC Total:					\$566.57
Vendor: 00487 - GRAINGER					
9563238592	HVAC FILTER FOR LIFT STATIONS	520-670-6730			\$42.84
Vendor 00487 - GRAINGER Total:					\$42.84
Vendor: 00571 - INLAND TRUCK PARTS COMPANY					
IN-633846	UNIT #203 REPAIRS	100-640-6720			\$1,967.32
Vendor 00571 - INLAND TRUCK PARTS COMPANY Total:					\$1,967.32
Vendor: 00575 - INTERNAL REVENUE SERVICE					
INV0001932	MEDICARE TAXES PAYABLE	100-2100	DFT0001738	06/19/2020	\$2,737.56
INV0001932	MEDICARE TAXES PAYABLE	510-2100	DFT0001738	06/19/2020	\$131.84
INV0001932	MEDICARE TAXES PAYABLE	520-2100	DFT0001738	06/19/2020	\$124.68
INV0001933	SOCIAL SECURITY TAXES PAYABLE	100-2100	DFT0001739	06/19/2020	\$11,705.68
INV0001933	SOCIAL SECURITY TAXES PAYABLE	510-2100	DFT0001739	06/19/2020	\$563.62
INV0001933	SOCIAL SECURITY TAXES PAYABLE	520-2100	DFT0001739	06/19/2020	\$533.16
INV0001934	FEDERAL WITHHOLDING TAX PAYABLE	100-2100	DFT0001740	06/19/2020	\$7,764.14
INV0001934	FEDERAL WITHHOLDING TAX PAYABLE	510-2100	DFT0001740	06/19/2020	\$218.31
INV0001934	FEDERAL WITHHOLDING TAX PAYABLE	520-2100	DFT0001740	06/19/2020	\$265.27
Vendor 00575 - INTERNAL REVENUE SERVICE Total:					\$24,044.26

<u>Payable Number</u>	<u>Description (Payable)</u>	<u>Account Number</u>	<u>Payment Number</u>	<u>Payment Date</u>	<u>Amount</u>
Vendor: 00592 - J & T AUTO SERVICE INC					
6150	UNIT #403 A/C REPAIRS	520-670-6720			\$426.93
6336	REPLACE SHIFT CONTROL CABLE/OIL CHANGE UNIT 859	100-800-6720			\$305.05
6306	TRANS REPLACED/OIL CHANGE/TIRE ROTATION-UNIT 855	100-800-6720			\$5,404.07
Vendor 00592 - J & T AUTO SERVICE INC Total:					\$6,136.05
Vendor: 01704 - JEFF COHEE					
2020-SPRINGHILL-01	POLYGRAPH NEW CANDIDATE	100-800-5510			\$190.00
Vendor 01704 - JEFF COHEE Total:					\$190.00
Vendor: 00640 - JOHNSON COUNTY FIRE DISTRICT NO.2					
INV0001950	2020 FIRE DISTRICT SERVICES - 3RD QTR	215-000-7310			\$189,000.00
Vendor 00640 - JOHNSON COUNTY FIRE DISTRICT NO.2 Total:					\$189,000.00
Vendor: 00706 - KANSAS PAYMENT CENTER					
INV0001930	INCOME WITHHOLDING ORDER	100-2130	82839	06/18/2020	\$158.31
Vendor 00706 - KANSAS PAYMENT CENTER Total:					\$158.31
Vendor: 01859 - KANSAS STATE SCHOOL FOR THE DEAF					
3855A	AQUATIC CENTER RENTAL REFUND - DUE TO COVID19	100-000-4645			\$400.00
Vendor 01859 - KANSAS STATE SCHOOL FOR THE DEAF Total:					\$400.00
Vendor: 00764 - KPERs					
INV0001923	KP & F PENSION PAYABLE	100-2110	DFT0001730	06/19/2020	\$9,944.85
INV0001924	KPERs TIER 1 PAYROLL	100-2110	DFT0001731	06/19/2020	\$3,759.32
INV0001924	KPERs TIER 1 PAYROLL	510-2110	DFT0001731	06/19/2020	\$279.69
INV0001925	KPERs TIER 2 PAYROLL	100-2110	DFT0001732	06/19/2020	\$2,020.74
INV0001925	KPERs TIER 2 PAYROLL	510-2110	DFT0001732	06/19/2020	\$394.49
INV0001925	KPERs TIER 2 PAYROLL	520-2110	DFT0001732	06/19/2020	\$184.43
INV0001926	KPERs TIER 3 PAYROLL	100-2110	DFT0001733	06/19/2020	\$3,745.87
INV0001926	KPERs TIER 3 PAYROLL	510-2110	DFT0001733	06/19/2020	\$87.11
INV0001926	KPERs TIER 3 PAYROLL	520-2110	DFT0001733	06/19/2020	\$503.40
INV0001927	KPERs 457 PLAN PAYABLE	100-2115	DFT0001734	06/19/2020	\$467.91
INV0001928	KPERs 457 PLAN PAYABLE	100-2115	DFT0001735	06/19/2020	\$1,795.00
INV0001928	KPERs 457 PLAN PAYABLE	510-2115	DFT0001735	06/19/2020	\$60.00
INV0001928	KPERs 457 PLAN PAYABLE	520-2115	DFT0001735	06/19/2020	\$30.00
INV0001929	KPERs D & D PAYABLE	100-2110	DFT0001736	06/19/2020	\$652.01
INV0001929	KPERs D & D PAYABLE	510-2110	DFT0001736	06/19/2020	\$52.12
INV0001929	KPERs D & D PAYABLE	520-2110	DFT0001736	06/19/2020	\$47.07
Vendor 00764 - KPERs Total:					\$24,024.01
Vendor: 00779 - KS EMPLOYMENT SECURITY FUND					
INV0001944	UNEMPLOYMENT TAX ALLOCATION - 2ND QTR 2020	100-2100	DFT0001744	06/22/2020	\$2,267.39
INV0001944	UNEMPLOYMENT TAX ALLOCATION - 2ND QTR 2020	510-2100	DFT0001744	06/22/2020	\$125.66
INV0001944	UNEMPLOYMENT TAX ALLOCATION - 2ND QTR 2020	520-2100	DFT0001744	06/22/2020	\$115.76
Vendor 00779 - KS EMPLOYMENT SECURITY FUND Total:					\$2,508.81
Vendor: 00802 - LAMP RYNEARSON INC					
0320005.03-0000002	CDBG SEWER REHABILITATION	520-670-7150			\$14,112.35
Vendor 00802 - LAMP RYNEARSON INC Total:					\$14,112.35
Vendor: 00828 - LIFTOFF LLC					
5282RENEW5A	MICROSOFT EXCHANGE LICENSES RENEWAL	100-800-6130			\$3,796.80
Vendor 00828 - LIFTOFF LLC Total:					\$3,796.80
Vendor: 00882 - MCANANY, VAN CLEAVE & PHILLIPS					
840079	EMPLOYMENT COUNSEL	100-110-7170			\$1,882.50
840080	EMPLOYEE RELATIONS MATTER 16	100-110-7170			\$2,722.50
840081	BROADBAND/DA INVESTIGATION MATTER 21	100-110-7170			\$6,142.50
841416	GENERAL MATTERS	100-110-7170			\$5,008.00
Vendor 00882 - MCANANY, VAN CLEAVE & PHILLIPS Total:					\$15,755.50
Vendor: 00908 - MIAMI COUNTY SHERIFF OFFICE					
INV0001919	PRISONER BOARDING - MAY 2020	100-310-7540			\$120.00
Vendor 00908 - MIAMI COUNTY SHERIFF OFFICE Total:					\$120.00
Vendor: 00920 - MICRO CENTER					
7988036	OFFICE EQUIP - WIRELESS DISPLAY ADAPTER & SPLITTER	100-100-8110			\$3.99
7988036	OFFICE EQUIP - WIRELESS DISPLAY ADAPTER & SPLITTER	100-110-6165			-\$10.00
7988036	OFFICE EQUIP - WIRELESS DISPLAY ADAPTER & SPLITTER	100-800-8300			\$49.99
Vendor 00920 - MICRO CENTER Total:					\$43.98
Vendor: 00930 - MID-STATES MATERIALS, LLC					
93527	GRAVEL FOR LINCOLN ST PROJECT & VETERANS PARK	300-000-8000			\$181.22
93527	GRAVEL FOR LINCOLN ST PROJECT & VETERANS PARK	300-000-8000			\$1,146.81
93788	GRAVEL FOR LINCOLN ST PROJECT & VETERANS PARK	300-000-8000			\$430.78
93788	GRAVEL FOR LINCOLN ST PROJECT & VETERANS PARK	300-000-8000			\$152.21
Vendor 00930 - MID-STATES MATERIALS, LLC Total:					\$1,911.02

<u>Payable Number</u>	<u>Description (Payable)</u>	<u>Account Number</u>	<u>Payment Number</u>	<u>Payment Date</u>	<u>Amount</u>
Vendor: 00939 - MIDWEST PUBLIC RISK					
INV0001951	HEALTH INS PREMIUM - JUL 2020	100-2120			\$64,510.00
INV0001951	HEALTH INS PREMIUM - JUL 2020	510-2120			\$7,758.00
INV0001951	HEALTH INS PREMIUM - JUL 2020	520-2120			\$5,152.00
Vendor 00939 - MIDWEST PUBLIC RISK Total:					\$77,420.00
Vendor: 00974 - MUTUAL OF OMAHA INSURANCE CO					
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-100-5120	DFT0001749	06/29/2020	\$25.20
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-140-5120	DFT0001749	06/29/2020	\$8.40
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-200-5120	DFT0001749	06/29/2020	\$25.20
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-220-5120	DFT0001749	06/29/2020	\$8.40
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-300-5120	DFT0001749	06/29/2020	\$8.40
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-310-5120	DFT0001749	06/29/2020	\$8.40
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-500-5120	DFT0001749	06/29/2020	\$33.60
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-610-5120	DFT0001749	06/29/2020	\$16.80
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-620-5120	DFT0001749	06/29/2020	\$33.60
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-640-5120	DFT0001749	06/29/2020	\$33.60
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-710-5120	DFT0001749	06/29/2020	\$2.74
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-720-5120	DFT0001749	06/29/2020	\$6.93
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-730-5120	DFT0001749	06/29/2020	\$4.20
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-800-5120	DFT0001749	06/29/2020	\$109.20
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	100-810-5120	DFT0001749	06/29/2020	\$8.40
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	510-660-5120	DFT0001749	06/29/2020	\$33.60
001098537611	GROUP LIFE/AD&D PREMIUMS - JUL 2019	520-670-5120	DFT0001749	06/29/2020	\$33.60
Vendor 00974 - MUTUAL OF OMAHA INSURANCE CO Total:					\$400.27
Vendor: 00979 - NAPA SPRING HILL, LLC					
365446	HAND TOOLS FOR WATER REPAIRS	510-660-6660			\$175.48
368051	SEALANT FOR FIRE HYDRANTS AT VETERANS PARK	300-000-8000			\$16.06
368141	PARTS FOR SPRAYER	100-640-6750			\$120.04
368145	PARTS FOR SPRAYER	100-640-6750			\$7.78
368171	UNIT #119 PIPE CLAMP	100-620-6720			\$8.13
Vendor 00979 - NAPA SPRING HILL, LLC Total:					\$327.49
Vendor: 00988 - NATIONAL SIGN COMPANY INC.					
IN-193633	PEDESTRIAN CROSSING SIGN AT WEBSTER & SYCAMORE	100-640-6600			\$90.00
IN-193634	SIGNS FOR PW PROJECT & REPLACEMENT SIGNS	100-640-6600			\$1,315.00
IN-193635	REPLACE FLASHING LIGHT ON WEBSTER & SOUTH ST	100-640-6600			\$279.90
Vendor 00988 - NATIONAL SIGN COMPANY INC. Total:					\$1,684.90
Vendor: 01013 - OFFICE DEPOT, INC					
512647035001	ADMIN / OPERATING SUPPLIES - CD/CH	100-110-6110			\$93.43
512647035001	ADMIN / OPERATING SUPPLIES - CD/CH	100-500-6110			\$35.98
512647035001	ADMIN / OPERATING SUPPLIES - CD/CH	100-720-6110			\$50.72
512648261001	ADMIN / OPERATING SUPPLIES - CH	100-110-6110			\$17.90
512753246001	ADMIN / OPERATING SUPPLIES - CH	100-110-6110			\$70.23
512753246001	ADMIN / OPERATING SUPPLIES - CH	100-720-6110			\$12.98
Vendor 01013 - OFFICE DEPOT, INC Total:					\$281.24
Vendor: 01035 - OLATHE WINWATER COMPANY					
150332 00	MATERIALS FOR HYDRANT REPAIRS	510-660-6610			\$590.00
Vendor 01035 - OLATHE WINWATER COMPANY Total:					\$590.00
Vendor: 01082 - POMP'S TIRE SERVICE, INC.					
1180040673	VEHICLE MAINTENANCE - TIRE REPAIR - UNIT #419	100-640-6720			\$25.00
1180040673	VEHICLE MAINTENANCE - TIRE REPAIR - UNIT #419	100-640-6750			-\$10.00
Vendor 01082 - POMP'S TIRE SERVICE, INC. Total:					\$15.00
Vendor: 01101 - PUR - O - ZONE					
806846	JANITORIAL SUPPLIES - FLOOR CLEANER	100-720-6160			\$127.18
Vendor 01101 - PUR - O - ZONE Total:					\$127.18
Vendor: 01128 - REEVES-WIEDEMAN COMPANY					
5591470	FAUCET FOR PW OFFICE RESTROOM	100-610-6730			\$68.00
Vendor 01128 - REEVES-WIEDEMAN COMPANY Total:					\$68.00
Vendor: 01132 - REINDERS, INC					
5053826-00	PESTICIDE FOR ALL PARK AREAS	100-620-6645			\$186.25
5053848-00	WEED KILLER FOR VARIOUS PARK LOCATIONS	100-620-6645			\$194.78
Vendor 01132 - REINDERS, INC Total:					\$381.03
Vendor: 01133 - REJIS COMMISSION					
440514	LEWEB SUBSCRIPTION RENEWAL - JUNE 2020	100-800-6130			\$44.83
Vendor 01133 - REJIS COMMISSION Total:					\$44.83
Vendor: 01158 - ROYAL METAL INDUSTRIES, LLC					
319880	MATERIALS FOR DUMP TRAILER	100-620-6750			\$23.50
Vendor 01158 - ROYAL METAL INDUSTRIES, LLC Total:					\$23.50

<u>Payable Number</u>	<u>Description (Payable)</u>	<u>Account Number</u>	<u>Payment Number</u>	<u>Payment Date</u>	<u>Amount</u>
Vendor: 01175 - SAVAGE HOLDINGS, INC.					
879	PROFESSIONAL SERVICES - CH/PD	100-100-7190			\$410.53
879	PROFESSIONAL SERVICES - CH/PD	100-800-7190			\$410.53
Vendor 01175 - SAVAGE HOLDINGS, INC. Total:					\$821.06
Vendor: 01748 - SPRAYER SPECIALTIES, INC					
1098152-IN	SPRAYER FOR CURB LINES	100-640-6660			\$339.75
Vendor 01748 - SPRAYER SPECIALTIES, INC Total:					\$339.75
Vendor: 01229 - SPRING HILL CEMETERY BOARD					
INV0001949	2019 CEMETERY FUNDING - 2ND HALF	220-000-7320			\$15,000.00
Vendor 01229 - SPRING HILL CEMETERY BOARD Total:					\$15,000.00
Vendor: 01230 - SPRING HILL CHAMBER OF COMMERCE					
12002	2020 CHAMBER CONTRACT - 2ND HALF	100-110-7700			\$5,000.00
Vendor 01230 - SPRING HILL CHAMBER OF COMMERCE Total:					\$5,000.00
Vendor: 00777 - STATE OF KANSAS					
INV0001943	SALES TAX - WATER - MAY 2020	510-2210	DFT0001743	06/19/2020	\$1,881.79
Vendor 00777 - STATE OF KANSAS Total:					\$1,881.79
Vendor: 01282 - SUMNERONE/UNISOURCE/DATAMAX					
2560860	COMP.EQUIP.MAINT. CONTRACT - 06/19-09/18/2020	100-110-6130			\$224.91
2560860	COMP.EQUIP.MAINT. CONTRACT - 06/19-09/18/2020	100-110-6130			\$687.75
2560860	COMP.EQUIP.MAINT. CONTRACT - 06/19-09/18/2020	100-610-6130			\$25.76
2560860	COMP.EQUIP.MAINT. CONTRACT - 06/19-09/18/2020	100-610-6130			\$343.87
2560860	COMP.EQUIP.MAINT. CONTRACT - 06/19-09/18/2020	100-800-6130			\$53.12
2560860	COMP.EQUIP.MAINT. CONTRACT - 06/19-09/18/2020	100-800-6130			\$343.88
Vendor 01282 - SUMNERONE/UNISOURCE/DATAMAX Total:					\$1,679.29
Vendor: 01635 - T2 HOLDINGS, LLC					
100262045	SHRED BIN RENTAL AND DISPOSAL	100-110-7190			\$27.50
100262045	SHRED BIN RENTAL AND DISPOSAL	100-800-7190			\$40.00
100262045	SHRED BIN RENTAL AND DISPOSAL	510-660-7190			\$13.75
100262045	SHRED BIN RENTAL AND DISPOSAL	520-670-7190			\$13.75
Vendor 01635 - T2 HOLDINGS, LLC Total:					\$95.00
Vendor: 01883 - TAMMY BUNCH					
3853	COMMUNITY CENTER DEPOSIT REFUND DUE TO COVID19	100-2200			\$200.00
Vendor 01883 - TAMMY BUNCH Total:					\$200.00
Vendor: 01520 - TOWNER COMMUNICATIONS LLC					
20151	PROFESSIONAL SERVICES - PHONE SYSTEM - COVID19	100-110-6165			\$67.50
Vendor 01520 - TOWNER COMMUNICATIONS LLC Total:					\$67.50
Vendor: 01435 - VISA					
INV0001948	LOWE'S - SUPPLIES FOR COVID19	100-110-6165	DFT0001748	06/09/2020	\$65.36
INV0001948	NIMBLE - CREDIT FOR OVERPYMT ON INVOICE #46631	100-730-7700	DFT0001748	06/09/2020	-\$111.00
INV0001948	NIMBLE - SCHEDULING & TRACKING - SHAC EMPLOYEES	100-730-7700	DFT0001748	06/09/2020	\$195.00
Vendor 01435 - VISA Total:					\$149.36
Vendor: 01462 - WASTE MANAGEMENT OF KANSAS, INC.					
0415897-4856-9	TRASH COLLECTION - MAY 2020	100-2220	DFT0001746	06/25/2020	\$47,876.55
0416532-4856-1	WW REFUSE - MAY 2020	520-670-7628	DFT0001745	06/25/2020	\$4,450.66
Vendor 01462 - WASTE MANAGEMENT OF KANSAS, INC. Total:					\$52,327.21
Vendor: 01465 - WATER DISTRICT #7					
INV0001947	WATER UTILITY SRV -22785 W 220TH- 05/21-06/18/2020	520-670-7620			\$20.78
Vendor 01465 - WATER DISTRICT #7 Total:					\$20.78
Vendor: 01505 - WITHHOLDING TAX					
INV0001931	KANSAS WITHHOLDING TAX PAYABLE	100-2100	DFT0001737	06/19/2020	\$3,871.43
INV0001931	KANSAS WITHHOLDING TAX PAYABLE	510-2100	DFT0001737	06/19/2020	\$108.97
INV0001931	KANSAS WITHHOLDING TAX PAYABLE	520-2100	DFT0001737	06/19/2020	\$140.41
Vendor 01505 - WITHHOLDING TAX Total:					\$4,120.81
Grand Total:					\$473,554.08

AGENDA ITEM REVIEW SHEET

TO: GOVERNING BODY
SUBMITTED BY: GLENDA GERRITY, CITY CLERK
MEETING DATE: JULY 9, 2020
DATE: JULY 2, 2020

Consent Item: Special Event Permit: Movie in the Park, Spring Hill Recreation Commission (SHRC)

Background: The SHRC is sponsoring a Drive-In Movie on Friday, July 24, 2020 from 9:00pm – 11:00pm at the Spring Hill Aquatic Center. This event requires a Special Event Permit.

Analysis: The application and supporting documentation were received by the City Clerk's office. No issues were reported from Johnson County Fire District No. 2. The Spring Hill Parks Dept and Police Dept. are reviewing the application.

Legal Review: The certificate of insurance was submitted with the appropriate coverage.

Alternatives: 1. Approve the Special Event Permit
2. Deny the Special Event Permit

Funding Review or Budgetary Impact: N/A

Recommendation: Staff recommends a contingency approval for the Special Event Permit for the SHRC Drive-In Movie to be held on July 24, 2020 at the Spring Hill Aquatic Center contingent upon full review from the Parks & Police Department and any restrictions due to COVID-19.

Attachments: Special Event Application
Approval Permit

SPECIAL EVENT APPLICATION

Name of Event: Movie In The Park
Name of Business/Sponsor/Organization: Spring Hill Recreation Commission
Type of Event: Community Movie
Address / Vicinity of Proposed Event /Route: Spring Hill Aquatic Center Parking Lot
Application Date: 6/10/20 Start Date: 7/24/20 End Date: 7/24/20
Hours of Event: 9:00 pm - 11:00 pm

APPLICANT / AUTHORIZED REPRESENTATIVE

Name: Nick Forbes
Address: 123 S. Main St. City: Spring Hill Zip: 66083
Phone: 913-592-2214 Fax: _____ Email: nickf@springhillrec.org

PROPERTY OWNER

Name: City of Spring Hill
Address: 401 N. Madison St City: Spring Hill Zip: 66083
Phone: 913-592-3664 Fax: _____ Email: _____

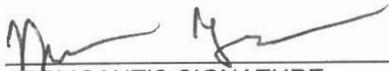
EVENT SUPERVISOR (If other than the applicant)

Name: _____
Address: _____ City: _____ Zip: _____
Phone: _____ Fax: _____ Email: _____

ATTACHMENTS INCLUDED:

- List of Services requested to be provided by the City of Spring Hill
- Site Plan showing the location of proposed activities and structures in relation to existing buildings, parking areas, streets and property lines.
- Routes/Staging/Dispersal/Parking Plans
- Flyer/Brochure/Advertisement of the event
- If applicable, classification of dangerous and/or exotic animals
- Sponsoring Agency's Certificate of Insurance
- Operator's Certificate of Insurance
- Completed Release

I UNDERSTAND THAT THE FACILITIES FOR THIS EVENT MUST BE INSPECTED PRIOR TO THE COMMENCEMENT OF OPERATION AND MUST CONFORM TO ALL REGULATIONS OF THE CITY OF SPRING HILL AS DESCRIBED IN THE SPRING HILL MUNICIPAL CODE TO INCLUDE BUT NOT LIMITED TO THE NATIONAL ELECTRICAL CODE. I UNDERSTAND THAT FAILURE TO COMPLY WITH THESE MAY RESULT IN PERMISSION TO OPERATE BEING WITHHELD UNTIL ALL CODES ARE MET.


APPLICANT'S SIGNATURE

6/10/20
DATE



INDEMNIFICATION STATEMENT [Waiver of Liability]

INTERMEDIATE FORM:

COMPARATIVE FORM INDEMNITY OBLIGATION WITH DEFENSE OBLIGATION

To the fullest extent permitted by law,

SHRC [hereafter referred to as OPERATOR and/or SPONSOR] shall indemnify, hold harmless and defend the city of Spring Hill, hereafter referred to as the CITY, and all of its appointed and elected officials, agents, officials and employees from and against all claims, damages, losses and expenses, including but not limited to reasonable attorneys' fees arising out of or resulting from the conduct or management of the Special Event, known as

Drive-In Movie and any condition created in or about the Special Event or any accident, injury or damage whatsoever occurring in or at the Special Event, provided that any such claim, damage, loss or expense: (a) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, including loss of use resulting there from, and (b) is caused in whole or in part by any alleged act or omission of the OPERATOR / SPONSOR or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether it is caused in part by the negligent act or omission of the CITY or any of its appointed and elected officials, agents, officials and employees. Notwithstanding the foregoing, the special event OPERATOR'S / SPONSOR'S obligation to indemnify the CITY or any of its appointed and elected officials, agents, officials and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence of the CITY in contributing to such claim, damage, loss and expense. In any and all claims against the CITY or any of its appointed and elected officials, agents, officials and employees, by any employee of the OPERATOR and/or SPONSOR, the indemnification obligation under this paragraph shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for OPERATOR and/or SPONSOR under workers compensation acts, disability benefit acts or other employee benefit acts. Such workers compensation policies or plans maintained on behalf of OPERATOR and/or SPONSOR shall waive subrogation against the CITY.

(X) Date: 6/10/20

(X) Troy Mitchell
Board Chair
Title

STATE OF Kansas)

COUNTY OF Johnson) ss:

BE IT REMEMBERED that on this 10th day of June, 2020, before me, the undersigned, a notary public in and for the County and State aforesaid, came Troy Mitchell (Name) Board Chair of SHRC (Official Capacity) (Business/Sponsor/Organization), who is personally known to me to be

the person who executed, as such officer, the within instrument on behalf of said entity and such person duly acknowledged the execution of the same to be the voluntary act and deed of said entity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal and the day and year last above written.

Marie H. Haney
Notary Public

My Commission Expires: 10/20/2020

(SEAL)

MARIE H. HANEY
Notary Public, State of Kansas
My appointment expires 10/20/2020

City of Spring Hill Risk Management – Johnson County Fire Department
Public Safety Checklist – Public assemblages and events

Event name: Movie in the Park
Event location: Spring Hill Aquatic Center Parking Lot
Event date: July 24, 2020
Contact person: Nick Forbes
Contact person phone number: W: 913-592-2214 (ext 107) P: 816-726-6403

The following items are the responsibility of the event organizer(s) to help ensure a safer event:

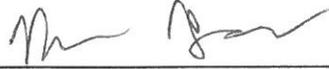
- Yes No A procedure is in place for reporting a fire or other emergency.
- Yes No A procedure is in place for notifying, relocating or evacuating occupants.
- Yes No Site plan is submitted showing the following:
- Assembly areas
 - Fire hydrant locations
 - Normal routes of fire department vehicle access (20 ft. wide minimum)
 - Main entrances / exits
- Yes No All drive aisles are designated as NO PARKING and maintained at a 20 foot minimum for emergency vehicle access.
- Yes No N/A Food vendors are being used.

If used, each food vendor must:

- Have a fire extinguisher with a minimum rating of 2A10BC.
- Ensure that any extension cord (2) used to power food production or other portable equipment is of a minimum 12-gauge size.

- Yes No N/A Food vendor locations are shown on the site plan.
- Yes No N/A Will liquor and/or cereal malt beverages be served at your event?
If yes, please contact the City Clerk's office at (913) 592-3664
- Yes No N/A Special Event Permit Application made

Date: 6/10/20

Signed: 

SHRC PRESENTS

Movie

IN THE PARK

FEATURED MOVIE

THE SANDLOT

STARTS AT 9 PM



It's time for our Summer Movie in the Park courtesy of Spring Hill Recreation Commission and The City of Spring Hill. On Friday, July 24th at 9pm. The Spring Hill Aquatic Center parking lot will transform into a drive-in movie theater with an FM transmitter to tune into the movie from your vehicle. Stay comfy in your vehicle or bring your lawn chairs and blankets and get the best seat in the park to watch The Sandlot! There will be a food truck for concessions.

FREE EVENT



WE THANK OUR SPONSORS!



Crown Realty

Mid Am Supply, Inc

Spring Hill Chamber of Commerce

Vision Source





CERTIFICATE OF EVENT APPROVAL

Special Event: Movie in the Park

Applicant: Nick Forbes

Sponsoring Organization: Spring Hill Recreation Commission

Event Supervisor: Nick Forbes

Contact Number: (913) 592-2214

Date and Times of Event: July 24, 2020 9:00pm – 11:00pm

Type of Event: Drive-In Movie

Location of Event: Spring Hill Aquatic Center Parking Lot

Site Plan: Attached

Additional Comments or Conditions:

This form shall be in the possession of the event supervisor or their representative at the event site and shall be presented upon request to any officer of the Police Department prior to or during the event.

If Traffic Control assistance is required, it is the responsibility of the applicant/sponsor to make arrangements for traffic signs or personnel as directed by the City of Spring Hill Police Department, 913-592-2700, and Streets Department, 913-592-3317.

Failure to adhere to requirements of conditions contained herein will render this approval void.

The City of Spring Hill, Kansas, shall be held harmless from any liability resulting from the conduct of this event.

Issued by:

_____ Date: _____
Mayor

Attest:

City Clerk

AGENDA ITEM REVIEW SHEET

TO: GOVERNING BODY
SUBMITTED BY: JIM HENDERSHOT, CITY ADMINISTRATOR
MEETING DATE: JULY 9, 2020
DATE: JUNE 18, 2020

Agenda Item: An action item to authorize the Mayor to sign the WaterOne relocation Agreement for the 2019 CARS – 199th and Ridgeview Round-a-bout project.

Issue: WaterOne facilities currently existing within private easements need to be relocated for construction of the Round-a-bout. An Agreement has been received from WaterOne, and the Mayor is required to sign this Agreement accepting the terms of the relocation effort, including City payment of the costs.

Background: Staff has been working with all utilities that will be impacted by the 199th and Ridgeview Round-a-bout. WaterOne is one of those utilities. They have a relocation plan and cost estimate, attached with the Agreement. This work needs to be constructed as soon as possible to allow the project construction to proceed.

Analysis: The City Engineer has reviewed the Agreement and relocation plans and finds them acceptable.

Alternatives: Approval, denial, remand for further study.

Legal Review: The City Attorney has reviewed and approved the Agreement.

Funding Review or Budgetary Impact: The relocation cost to be charged to the City is estimated at \$12,056.21. The cost will be paid from the project account.

Recommendation: Staff recommends that the City Council authorize the Mayor to execute the Agreement and direct the Director of Finance to prepare a check for the above amount so that WaterOne may schedule the relocation construction work.

Attachments: WaterOne Agreement and supporting documents

MC-20024 - W. 199th St. - S. Ridgeview Rd. to S. Renner Rd.

AGREEMENT

City of Spring Hill, Kansas, hereinafter called the **Petitioner**, agrees to pay the sum of **Twelve Thousand Dollars Fifty Six dollars and Twenty-one cents (\$12,056.21)** to **WaterOne**, said sum to cover the estimated cost to **extend the 12-inch main on the West side of the proposed roundabout to the West about 45 linear feet and tie into the existing 4-inch main, install a 12-inch valve, and retire the 4-inch valve and 4-inch main.** These costs do not include any rock excavation, pavement repair, seeding, sodding, or other property restoration. Rock excavation, if required, will increase costs for the project. The **Petitioner** will be responsible for pavement repair, seeding, sodding, or other property restoration, as required.

After receipt of the amount stated above, **WaterOne** will proceed to schedule and complete the work. If, after the completion of the work and determination of the entire actual cost thereof, including overhead costs, it shall occur that said actual cost is less than the estimated cost stated above, **WaterOne** will repay the **Petitioner** the difference between the actual costs and the estimated costs. If the actual cost thereof is greater than the estimated cost, the **Petitioner** shall forthwith pay to **WaterOne**, the difference between the actual cost and the estimated cost.

It is also agreed that a registered land surveyor hired by the **Petitioner** shall provide surveying and construction staking as required by **WaterOne**. If the water facilities are to be installed in a Later-To-Be-Defined easement, **Petitioner's** surveyor shall provide the legal description of **WaterOne's** easement within 30-days of the completion of the work. **Petitioner's** surveyor shall bill **Petitioner** directly for all services rendered in relation to this **Agreement**, and **Petitioner** agrees to be responsible for all engineering and surveying expenses incurred. **Petitioner** shall provide the name of the surveying company and contact information on the lines below.

WaterOne shall have and retain full and complete ownership and title to said water facilities and shall have the right to perform maintenance to it at any time; additionally, **WaterOne** shall assume no liability or responsibility whatsoever for the portion of water facilities, if any, that are to be abandoned.

This **Agreement** is subject and subordinate to all applicable Rules and Regulations of **WaterOne**.

City of Spring Hill, Kansas

Steven M. Ellis, Mayor

Date

ATTEST:

APPROVED AS TO FORM:

Glenda Gerrity, City Clerk

Frank H. Jenkins, Jr., City Attorney

MC-20024 - W. 199th St. - S. Ridgeview Rd. to S. Renner Rd.

AGREEMENT – cont'd

Surveying Firm

Signature

Print Name and Title

Phone No: (____) _____ - _____

Email: _____

Accepted this _____ day of _____, 2020
WATER DISTRICT NO. 1 OF JOHNSON COUNTY (KANSAS)

By: _____
MICHAEL J. ARMSTRONG
General Manager

Date: 05/18/2020
Time: 13:18:51
Page: 1

Cover Page

***** Project: MC-20024

Description: 199th and Ridgeview Roundabout

DETAILS

Date: 05/18/2020
 Time: 11:18:51
 Page: 3

Project: WC-10024 159th and Ridgeview Roundabout

Work Order: 9052581		Description: 12" W 159th St. and Ridgeview Rd. (rel)		WBS Element: WC-10024.011		Type:			
Description	Planned Qty.	Unit	Planned	Planned Gross	Act. Qty.	Act.	Act.	Act.	
C&M Foreman	12.000	HR	40.09	481.08	0.000	0.00	0.00	0.00	
Distribution Tech	46.000	HR	27.81	1,334.88	0.000	0.00	0.00	0.00	
* SUBTOTAL FOR Labor					1,815.96			0.00	
10801	12" D. I. PIPE MJ X SJ CL-50	45.000	FT	30.04	1,351.80	0.000	0.00	0.00	
10475	12" GATE VALVE, RW, MJ	1.000	EA	1,164.61	1,164.61	0.000	0.00	0.00	
10262	12" SOLID FLUG MJ	1.000	EA	74.92	74.92	0.000	0.00	0.00	
10377	12" X 12" X 4" Tee MJ	1.000	EA	124.73	124.73	0.000	0.00	0.00	
12992	12"Cam-Lock Gland Kit P/PVC, DIP SI	5.000	EA	91.76	458.80	0.000	0.00	0.00	
10328	12"X 7 1/2" SOLID SLEEVE MJ	1.000	EA	110.57	110.57	0.000	0.00	0.00	
10822	20" POLY-WRAP FOR 4" & 6" D.I. PIPE	5.000	FT	0.22	1.10	0.000	0.00	0.00	
10823	30" POLY-WRAP FOR 8" & 12" D.I. PIPE	55.000	FT	0.34	18.70	0.000	0.00	0.00	
13003	4" C900 RY DR18 PC235 INTERN RESTRAI	5.000	FT	3.71	18.55	0.000	0.00	0.00	
10085	4" D. I. SOLID CAP MJ	2.000	EA	13.76	27.52	0.000	0.00	0.00	
10222	4" SPLIT HEG-A-LUG RETAINER GLAND	5.000	EA	37.41	187.05	0.000	0.00	0.00	
10547	4" X 24" SWIVEL ANCHOR COUPLING	1.000	EA	123.12	123.12	0.000	0.00	0.00	
10324	4" X 7 1/2" SOLID SLEEVE MJ	1.000	EA	21.50	21.50	0.000	0.00	0.00	
10005	4" X 90 DEGREE BEND MJ	1.000	EA	35.50	35.50	0.000	0.00	0.00	
10532	LID VALVE BOX	1.000	EA	11.83	11.83	0.000	0.00	0.00	
10535	NO. 6 VALVE BOX BASE	1.000	EA	53.59	53.59	0.000	0.00	0.00	
10533	S- Bottom Valve Box 6850-B 24B	1.000	EA	47.05	47.05	0.000	0.00	0.00	
10530	S-TOP VALVE BOX 6850/60,16T	1.000	EA	41.26	41.26	0.000	0.00	0.00	
* SUBTOTAL FOR Material					3,872.20			0.00	
CA-5	Concrete (thrust block)	30.000	TON	17.00	510.00	0.000	0.00	0.00	
	raise valve box	5.000	YDS	120.00	600.00	0.000	0.00	0.00	
		1.000	EA	100.00	100.00	0.000	0.00	0.00	
* SUBTOTAL FOR Services					1,210.00			0.00	
** SUBTOTAL FOR 9052581 12" W 159th St. and Ridgeview Rd. (rel)					6,898.16			0.00	

***DETAILS

Date: 05/18/2020
 Time: 11:18:51
 Page: 3

Project: NC-20024 199th and Ridgeview Roundabout

Work Order:	Description	Planned Qty.	Unit	Planned Price	Planned Gross	Act. Qty.	Act. Price	Act. Gross
9052582	4" 199th St. - Ridgeview to Renner (ret)							
	WBS Element: NC-20024.013							
	Type: MD							
Number	Description	Planned Qty.	Unit	Planned Price	Planned Gross	Act. Qty.	Act. Price	Act. Gross
	CSM Foreman	8.000	HR	40.09	320.72	0.000	0.00	0.00
	Distribution Tech	32.000	HR	27.61	889.92	0.000	0.00	0.00
* SUBTOTAL FOR Labor					1,210.64			0.00
10262	12" SOLID PLUG MJ	1.000	EA	74.92	74.92	0.000	0.00	0.00
10622	20" POLY-WRAP FOR 4" & 6" D.I. PIPE	5.000	FT	0.22	1.10	0.000	0.00	0.00
10085	4" D. I. SOLID CAP MJ	1.000	EA	13.76	13.76	0.000	0.00	0.00
10255	4" PLUG MJ	1.000	EA	15.74	15.74	0.000	0.00	0.00
* SUBTOTAL FOR Material					105.52			0.00
	CA-5	10.000	TON	17.00	170.00	0.000	0.00	0.00
	Concrete (thrust block)	2.000	YD3	120.00	240.00	0.000	0.00	0.00
* SUBTOTAL FOR Services					410.00			0.00
** SUBTOTAL FOR 9052582 4" 199th St. - Ridgeview to Renner (ret)					1,726.16			0.00

Date: 05/18/2020
Time: 13:18:51
Page: 4

Project: MC-20024 188th and Sigbee Ave. Roundabout

Order: 9052583 Description: C/O 16915 W 199th St. (ret) WBS Element: MC-20024.013 Type: RD

		Planned Qty.	Unit	Planned Price	Planned Gross	Act. Qty.	Act. Price	Act. Gross
	change over	1.000	EA	1,500.00	1,500.00	0.000	0.00	0.00
*	SUBTOTAL FOR Services				1,500.00			0.00
**	SUBTOTAL FOR 9052583 C/O 16915 W 199th St. (ret)				1,500.00			0.00

*** SUMMARY ***

Date: 05/18/2020
 Time: 13:18:51
 Page: 5

Work Order: 9052584		Description: C/O 18045 W 199th St. (ret)		WBS Element: MC-20024.013		Type: MD	
		Planned Qty.	Planned Price	Planned Gross	Act. Qty.	Act. Price	Act. Gross
	change over	1.000	NA	3,000.00	0.000	0.00	0.00
*	SUBTOTAL FOR Services			3,000.00			0.00
**	SUBTOTAL FOR 9052584 C/O 18045 W 199th St. (ret)			3,000.00			0.00

S U B T O T A L

Date: 05/18/2020
 Time: 13:28:51
 Page: 8

Project: WC-20024 181th and Ridgeview Schoolabout								
Work Order: 9052585 Description: Restoration for change overs - grass WBS Element: WC-20024.013 Type: WD								
Number	Description	Planned Qty.	Unit	Planned Price	Planned Gross	Act. Qty.	Act. Price	Act. Gross
	seed/seed	1.000	EA	1,360.20	1,360.20	0.000	0.00	0.00
* SUBTOTAL FOR Services					1,360.20			0.00
** SUBTOTAL FOR 9052585 Restoration for change overs - grass					1,360.20			0.00
** Total all Orders.....					14,484.52			0.00

***** OF Planned Amount

Date: 05/18/2020
 Time: 23:18:52
 Page: 1

PROJECT IDENTIFICATION: 05-70000 Project Description: Data and Software Acquisition

	Planned Contract	Planned (WD)
Subtotal for Orders..	6,898.16	7,586.36
Overheads on Labor..	1,985.79	1,323.86
Overheads on Material	769.05	20.96
Overheads on Services	132.88	688.59
Total Overheads for Orders	2,887.72	2,033.41
Total for Orders	9,785.88	9,619.77
Preliminary Engineering	1,174.31	0.00
Subtotal	10,960.19	9,619.77
Contingency 10%.....	1,096.02	961.98
Total Planned on WBS elements	0.00	0.00
Total Estimate.....	12,056.21	10,581.75

***** OF Actual Amounts

Date: 05/16/2020
Time: 11:12:51
Page: 3

Project Definition : MC-20024 Project Description: 199th and Ridgeview Roundabout

Document #	Description	Detail Amount	Actual Gross Contract	Actual Gross (WD)
			0.00	0.00
			0.00	0.00
	Total Charges all WBS elements		0.00	0.00
	Actual Total from Orders		0.00	0.00
	Total from Orders and WBS Elements		0.00	0.00
	Project Grand total:	0.00		

S U M M A R Y

Date: 05/18/2020
Time: 12:10:51
Page: 3

PROJECT	DESCRIPTION	AMOUNT	PLANNED	ACTUAL	DIFFERENCE	PERCENTAGE	STATUS
TOTAL CONTRACT (EPA)		12,056.21	0.00	0.00	0.00		
TOTAL WD (EPA)		10,561.75	0.00	0.00	0.00		
TOTAL Project EPA		22,637.96	0.00	0.00	0.00		
TOTAL Contract (SAP)			0.00	0.00	0.00		
TOTAL WD (SAP)			0.00	0.00	0.00		
TOTAL Project SAP			0.00	0.00	0.00		

UNITED STATES DEPARTMENT OF AGRICULTURE
FARMERS HOME ADMINISTRATION

785705 RIGHT-OF-WAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that Alta Mae Harra and Vern B. Harra, husband and wife, hereinafter called Grantors, in consideration of one dollar (\$1.00) and other good and valuable considerations paid by Rural Water District No. 5, Johnson County, Kansas hereinafter called the Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and thereafter use, operate, inspect, repair, maintain, replace and remove

Water Transmission Lines

over and across the following land owned by Grantor is Johnson County, State of Kansas

The East Half of the Northeast Quarter
of Section 12, Township 15, Range 23

Together with the right of ingress and egress over Grantors' adjacent lands for the purposes for which the above-mentioned rights are granted. The easement hereby granted shall not exceed 10 feet in width, the center line thereof to be ~~between the center lines of the~~

The center line of water transmission lines as constructed, but in no case more than 65 feet from the North line of said property.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures related to herein and the Grantee will maintain such easement in a state of good repair and efficient so that no unreasonable damages will result from its use at Grantors' premises. This Agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above-described lands and that said lands are free and clear of all encumbrances and liens except the following:

Mortgage lien to The Farmers Bank of Gardner, Kansas

IN WITNESS WHEREOF the said Grantors have executed this instrument this 22 day of July 19 67.

Alta Mae Harra
Alta Mae Harra
Vern B. Harra
Vern B. Harra

STATE OF KANSAS
COUNTY OF Johnson KS

BE IT REMEMBERED, that on this 22 day of July, 19 67, before me, the undersigned, a Notary Public, in and for the county and state aforesaid, came Alta Mae Harra and Vern B. Harra who are personally known to me to be the same persons as who executed the within instrument of writing and such person as duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My commission expires

Mar. 29, 1971

Neal Janicke
Neal Janicke Public

LIENHOLDER'S CONSENT TO EASEMENT

The undersigned hereby consents to the granting of the above easement.

The Farmers Bank
By Karl E. Lehman, President

Lienholder
STATE OF KANSAS } ss
COUNTY OF JOHNSON }
FILED FOR RECORD

ATTEST: Dana E. Lehman
Dana E. Lehman, Secretary

AUG 15 PM 4 59 '67

CORPORATION ACKNOWLEDGMENT

Marguerite M. Brenner
MARSHALL H. BRENNER
REGISTER OF DEEDS

STATE OF KANSAS

COUNTY OF Johnson

BY DEP

BE IT REMEMBERED, that on this 11 day of August, 19 67, before me, the undersigned, a Notary Public in and for the County and state aforesaid, came Karl E. Lehman, President of The Farmers Bank, Gardner, Kansas

a corporation duly organized, incorporated and existing under and by virtue of the laws of Kansas and Dana E. Lehman, Secretary of said corporation, who are personally known to me to be such officers, and who are personally known to be the same persons who executed as such officers, the within Consent to Easement on behalf of said corporation, and such persons duly acknowledge the execution of the same to be the act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.



R. K. Stahmyer
Notary Public

My commission expires March 27, 1970

AGENDA ITEM REVIEW SHEET

TO: GOVERNING BODY
SUBMITTED BY: MELANIE LANDIS, ASSISTANT CITY ADMINISTRATOR
MEETING DATE: JULY 9, 2020
DATE: JULY 2, 2020

Consent Action Item: Audit engagement for December 31, 2019 financials

Background: Each year the City engages in audit services with a certified public accounting firm for the purpose of auditing and preparing the City's financial statements. The Finance Department issued a Request for Proposal (RFP) for Audit Services. On June 22, 2020, Council approved the award of bid from Gordon CPA. An engagement letter, which summarizes the services the City will receive, must be approved. Additionally, the proposal from Gordon CPA included an Addendum to Engagement Letter Agreement, Appendix C. This addendum is our contract and stipulates the terms of our agreement.

Analysis: To finalize the agreement, the engagement letter and addendum must be accepted by the Council and signed by the mayor. This will secure an audit date for the December 31, 2019 financial statements. It is expected that the audit will be completed no later than November 2020.

Alternatives:

1. Approve the engagement letter and addendum to engagement letter agreement for the audit of fiscal year ending December 31, 2019.
2. Deny the engagement letter for the audit of fiscal year ending December 31, 2019.
3. Table the issue.

Legal Review: The engagement letter and addendum were reviewed and approved by the city attorney.

Funding Review or Budgetary Impact: The expenditure will be split between the budgets of the General Fund, the Water Fund, and the Sewer Fund. The 2019 audit fee will not result in an increase from the 2018 audit fee. Further, the 2020 audit fee will remain the same as the 2019 audit fee and a 3% increase for both 2020 and 2021 is proposed.

Recommendation: Staff recommends that the Council approve the engagement letter and addendum to engagement letter agreement from Gordon CPA.

Attachments:

- 1) Engagement Letter
- 2) Proposal for Audit Services from Gordon CPA
- 3) Exhibit 1 – RFP for Auditing Services issued by City of Spring Hill Kansas

July 1, 2020

Mayor and City Council
City of Spring Hill
PO Box 424
Spring Hill, KS 66083

I am pleased to confirm our understanding of the services I am to provide the City of Spring Hill, Kansas, (the City) for the year ended December 31, 2019. I will audit the financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparison schedules and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ended December 31, 2019.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management discussion and analysis (MD&A), to supplement the 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 my engagement, I will apply certain limited procedures to the 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me 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: Management Discussion and Analysis, the OPEB information and the pension liability information.

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

Audit Objective

The objective of my 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 financial statements as a whole. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures I consider necessary to enable me to express such opinions. I will issue a written report upon completion of my audit of the City's financial statements. My report will be addressed to the governing body of the City. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for me to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinions on the financial statements are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinions, I may decline to express opinions 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, my 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. I will plan and perform the audit to obtain reasonable 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 of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted 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. However, I will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My 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. I 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, I will also require certain written representations from you about the financial statements and related matters.

Audit Procedures-Internal Control

My 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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, I will express no such opinion. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance, and I will not express such an opinion.

Other Services

I will also prepare the financial statements of the City in conformity with U.S. generally accepted accounting principles based on information provided by you. I will also compile the capital assets depreciation schedule for the year ended December 31, 2019, based on information provided by you. I will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements services previously defined. I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me 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 I may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to me in the representation letter that the effects of any uncorrected misstatements aggregated by me 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 me 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 me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include my 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 my report thereon. Your responsibilities include acknowledging to me in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, (c) that the methods of measurement or presentation have not changed from those used in the prior period; and (d) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services I provide, oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with this engagement, I may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, I cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, I specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that I shall have no liability for an loss or damage to any person or entity resulting from the use of emails transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Audit Administration, Fees and Other

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

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

The workpapers for this engagement are our property and constitute confidential information. However, I may be requested to make certain workpapers available to others pursuant to authority given by law, regulation or other legal process. I will notify you of any such request. If requested, access to such workpapers will be provided under the supervision of firm personnel. Furthermore, upon request, I may provide photocopies of selected workpapers to governmental agencies who may intend or decide to distribute the photocopies or information contained therein to others, including other governmental agencies. You agree to reimburse me for our personnel and other costs associated with our compliance with such requests. My policy is to retain workpapers for five years after the engagement. During the term of this engagement, I agree to comply with the provisions of K.S.A. 44-1030.

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

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

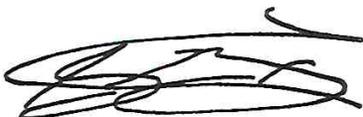
Gordon CPA LLC and the City agree that any dispute arising hereunder (other than my efforts to collect unpaid fees and expenses) will, prior to resorting to litigation, be submitted to mediation by the parties. The parties will engage in the mediation process in good faith and such process shall be commenced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

Sean Gordon, CPA is the engagement principal and is responsible for supervising the engagement and signing the report. We agree that our gross fee, including all expenses, for the above services shall not exceed \$21,000, except as noted above. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If I elect to terminate our services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report. You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit, including delays resulting from the untimely delivery of and incomplete preparation of schedules and questionnaires I have requested from your staff. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

I appreciate the opportunity to be of service to the City of Spring Hill, Kansas and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign and return a copy of this letter to me.

Very truly yours,

Gordon CPA LLC
Certified Public Accountant



By: _____
Sean M. Gordon, CPA

RESPONSE:

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

By: _____
Steven M. Ellis, Mayor

Attest:

By: _____
Glenda Gerrity, City Clerk

Approval as to Form:

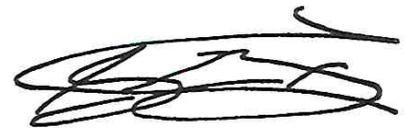
By: _____
Frank H. Jenkins, Jr., City Attorney

GORDONCPA

AUDITING
ACCOUNTING
CONSULTING

PROPOSAL

TO PROVIDE PROFESSIONAL AUDIT SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2019
FOR THE CITY OF SPRING HILL, KANSAS



Sean M. Gordon, CPA
Gordon CPA LLC
Certified Public Accountant
2500 W. 31st Street, Ste. G-1B
Lawrence, Kansas 66047
(785) 371-4847
www.cpagordon.com
sgordon@cpagordon.com

May 27, 2020

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GORDONCPA

AUDITING ACCOUNTING CONSULTING

May 27, 2020

City of Spring Hill, Kansas
Glenda Gerrity
c/o City Clerk's Office
PO Box 424
Spring Hill, KS 66083-0424

Gordon CPA is pleased to have the opportunity to submit this proposal to provide professional auditing services to the City of Spring Hill, Kansas, for the year ended December 31, 2019. Through this proposal, we will demonstrate the benefits Gordon CPA can bring to the City of Spring Hill.

Gordon CPA is a certified public accounting firm located in Lawrence, Kansas. Our goal is to provide quality professional services that benefits our clients.

Sean M. Gordon, CPA, has more than 11 years of experience providing auditing and consulting services to cities, counties and school districts throughout the state of Kansas. At Gordon CPA, we have gained a tremendous understanding of the complex issues encountered by local governments in their daily operations. Gordon CPA understands that local governments are faced with high levels of public accountability and continued demands for efficiency.

Gordon CPA currently serves 36 local governments in Kansas. Our clients appreciate our efficiency during the audit and value our timely responses to technical questions that arise throughout the year.

Gordon CPA is also a member of several professional organizations that allow us access to the most recent developments in professional standards and industry related issues. This access allows us be educated in areas that may directly affect your audit. In addition, we are able to communicate relevant issues to our clients that may assist the City in complying with various state and national requirements.

We understand the scope of work as follows:

- We will perform an annual audit of the City's financial records and the expression of an opinion on the fair presentation of the City's governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in conformity with generally accepted accounting principles.
- We will also provide an "in-relation-to" opinion on the combining and individual fund statements and schedules. The audit is to be performed in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*.
- We will prepare and issue the report on the fair presentation of the financial statements in conformity with GAAP and make management recommendations for presentation to the City Council.

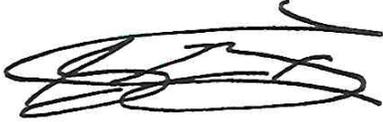
We commit to perform the audit in the specified timeline described in the request for proposal and as listed below:

Detailed Audit Plan to the City	By July 31
Draft Report for District Review	By October 1
Final Report Issued	By November 2
Final Report and Findings Presented to Council	By November 12 meeting

We believe the attached proposal meets the requirements of the City's request for proposals and we look forward to discussing this proposal with the City's staff in the near future. We are confident that Gordon CPA will meet your needs in an efficient and cost-effective manner.

This proposal and cost schedule shall be valid and binding for sixty (60) days following the proposal due date. Once again, thank you for the opportunity to present this proposal.

Cordially,

A handwritten signature in black ink, appearing to read 'Sean M. Gordon', written over a horizontal line.

Sean M. Gordon, CPA

INDEPENDENCE AND LICENSE TO PRACTICE

Independence

Gordon CPA LLC and all key professional staff assigned to the audit are independent of the City of Spring Hill as defined by generally accepted auditing standards and the U.S. Government Accountability Office's *Standards for Audit of Government Organizations, Programs, Activities and Functions* and has no conflict of interest with the City of Spring Hill.

License to Practice in Kansas

Gordon CPA LLC is properly licensed to practice in Kansas. Sean M. Gordon, CPA and assigned key professional staff are properly licensed to practice in Kansas.

FIRM PROFILE

Gordon CPA is an auditing and accounting firm based in Lawrence, Kansas. We specialize in auditing local governmental entities across the state of Kansas. Sean Gordon, CPA has spent more than 11 years auditing various cities, counties, school districts and other local governmental entities in Kansas and Missouri. Gordon CPA also provides consulting services to our clients, including regulatory and statutory research, advice on challenging accounting situations, budget and tax lid legislation guidance and various other advisory and administration services. The clients we serve tell us they appreciate the fact that our firm is locally owned and managed. Gordon CPA makes it a priority to understand the client's services and goals. Because of our quality service and vast expertise, our firm's retention of audit clients is excellent.

Our firm consists of five governmental audit staff. We will dedicate four full-time staff members and one part-time staff member to the City's audit. Our staff has extensive backgrounds in auditing post-employment benefits, general obligation bonds, investments, tax abatement programs, and KPERs pension plans.

Gordon CPA is a member of the following organizations:

1. American Institute of Certified Public Accountants
2. Kansas Society of Certified Public Accountants
3. Government Finance Officers Association
4. Government Audit Quality Center

The firm's membership in the AICPA Government Audit Quality Center promotes the importance of quality governmental audits and the value of the audits to all of our public sector clients. This membership requires the firm establish an expertise in governmental audit, the maintenance of additional levels of continuing professional education and the establishment of policies and procedures specific to the quality of the firm's governmental audit practice.

The firm receives a significant amount of continuing professional education. A substantial portion of the education is dedicated to governmental accounting and auditing as required by *Government Auditing Standards* issued by the Comptroller General of the United States. Our staff attends both internal and external training sessions. Those training sessions include annual conferences focusing on governmental accounting and auditing updates. The most recent conference included the following topics: GASB Update, Governmental Auditing Standards Update, Single Audit Update, Risk Assessment Standards and Fraud in Governmental Organizations.

For more information on our firm, please visit our website at www.cpagordon.com.

The following is a list of Gordon CPA's governmental audit clients:

City of Arkansas City, KS	City of Ottawa, KS	Baldwin City USD #348
City of Baldwin, KS	City of Pomona, KS	Eudora USD #491
City of Burlington, KS	City of Roeland Park, KS	Louisburg USD #416
City of Clay Center, KS	City of Sabetha, KS	Oskaloosa USD #341
City of Edwardsville, KS	City of Salina, KS	Prairie View USD #362
City of Elwood, KS	City of Troy, KS	Turner USD #202
City of Eudora, KS	City of Valley Center, KS	Valley Falls USD #338
City of Horton, KS	Atchison County, KS	Consolidated Fire District No. 2
City of Iola, KS	Brown County, KS	Lawrence Public Library
City of Lake Quivira, KS	Jackson County, KS	Louisburg Recreation Commission
City of Louisburg, KS	Jefferson County, KS	Spring Hill Recreation Commission
City of Mission Hills, KS	Anderson County USD #365	Tonganoxie Recreation Commission

PRIOR AUDIT EXPERIENCE AND REFERENCES

The following clients represent audits that are similar to the City:

City of Roeland Park, Kansas

Scope of Engagement: Audit of the financial statements in accordance with auditing standards generally accepted in the United States of America. The City participates in the Certificate of Excellence in Financial Reporting Program.

Year End: December 31

Principal Client Contact: Jennifer Jones-Lacy, Assistant City Administrator/Finance Director
4600 W. 51st Street
Roeland Park, KS 66205
jjoneslacy@roelandpark.org / (913)722-2600

City of Burlington, Kansas

Scope of Engagement: Audit of the financial statements in accordance with auditing standards generally accepted in the United States of America.

Year End: December 31

Principal Client Contact: Regina Kewley, City Clerk
301 Neosho
Burlington, KS 66839
rkewley@burlingtonkansas.gov / (620)364-5334

City of Arkansas City, Kansas

Scope of Engagement: Audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*.

Year End: December 31

Principal Client Contact: Kathy Cornwell, Finance Director
118 W. Central Ave.
Arkansas City, KS 67005
kcornwell@arkansascityks.gov / (620)441-4423

City of Mission Hills, Kansas

Scope of Engagement: Audit of the financial statements in accordance with auditing standards generally accepted in the United States of America.

Year End: December 31

Principal Client Contact: Jennifer Lee, Assistant City Administrator
6300 State Line Road
Mission Hills, KS 66208
jlee@missionhillks.gov / (913)362-9620

City of Ottawa, Kansas

Scope of Engagement: Audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*.

Year End: December 31

Principal Client Contact: Richard Nienstedt, City Manager
101 S. Hickory St.
Ottawa, KS 66067
rniestedt@ottawaks.gov / (785)229-3637

AUDIT APPROACH

Our firm's policies and procedures are designed to ensure that we comply with all professional standards. As these standards relate to the audit of the City of Spring Hill, we would plan our audit to comply with generally accepted auditing standards and the *Kansas Municipal Audit and Accounting Guide*.

Planning

In planning the audit of the City of Spring Hill, we would first obtain an understanding of the City's operating environment. We would conduct meetings with City staff to review the audit timeline and key dates. We would ask key personnel and members of management if they had any concerns related to the audit and if they had any recent changes in accounting principles or internal control systems. In addition to these interviews we would also obtain an understanding of the City's operating environment by a review of City policies and procedures, reading governing body meeting minutes and reviewing City ordinances that relate to the financial management of the City. In addition, we would request organizational charts, financial manuals and programs, financial statements, budgets and final trial balances for the current and prior years.

The performance of the audit would include multiple analytical reviews and analysis of the trends of the financial information over several years. This analysis would assist in identifying major areas of audit concern and begin to define our major audit objectives. Once a preliminary audit plan had been established we would meet with the City's staff to discuss the timing for our evaluation of the City's internal control systems.

Our review of the City's internal control systems provides us with information to determine the extent to which we can rely on the internal controls of the City. Our review of the internal control systems would include documenting the flow of accounting transactions throughout the City. Our review would help to identify potential deficiencies in internal controls and also assist in determining strengths in the City's internal control systems. During this time and throughout the audit, we would discuss these potential deficiencies and strengths in internal control with the City's management staff. Our assessments and open communication methods with City staff assists in our development of a meaningful management recommendation letter that management can use to implement best practices for the City.

The list of schedules and other audit workpapers to be prepared by the City would be similar to the City's previous audits.

Fieldwork

As an audit client of Gordon CPA, your audit will be in-charged and managed by our audit principal, Sean Gordon, CPA. We find that having the principal on-site during the audit allows the City to receive answers to technical questions or issues that arise.

Your audit will be staffed with at least one other auditor that will remain the same from one year to the next in order to provide efficient services and familiar faces for the City's staff.

Audit Testing

Once we have reviewed the systems, we would develop a customized audit program. The audit program would include compliance testing as well as substantive testing. We would test compliance with control procedures documented during the evaluation of the City's control systems.

Compliance testing will be completed over established control procedures to determine that the significant strengths within each control system are functioning as designed. Emphasis will be placed on controls over major areas of the audit. We will also test for compliance with applicable laws, including State statutes, regulations and governmental policies, including single audit test work.

Samples would be used as necessary to test controls using random audit sampling techniques. If the sample population does not lend itself to random sampling, a haphazard sample will be selected from the population. The sample size will vary based on the size of the population, our risk assessment, our planned reliance on the control test results, and the accuracy we determine appropriate for testing.

Substantive tests are designed to provide reasonable assurance as to the validity of the information produced by the accounting system that appears on the financial statements. The extent of the substantive testing will be determined by the results of the tests performed over the City's internal control systems. The substantive tests would include third party confirmation of financial institution accounts, grant and tax revenue, debt expenditures, and other financial statement accounts that lend themselves to confirmation. A detailed analytical review would be performed to identify unusual trends which may indicate the need for further testing. Supporting documentation evidence would be obtained and reviewed to assist in the testing of various areas of the audit. We will also evaluate management's determination of significant estimates and the significant accounting issues, including the application of new accounting principles.

Completing the Audit and Reporting

At the conclusion of fieldwork, the principal in charge of the audit will review all detailed workpapers as well as the financial statements. At this time, if conditions are discovered which lead to belief that material errors, defalcation or other irregularities exist, or if any other circumstances are encountered that require extended services, we will promptly notify the City. No extended services will be performed unless they are authorized in the contractual agreement or in an amendment to the agreement.

The final report will be reviewed by our technical, quality control reviewer during this phase.

In addition, we will review for contingencies and subsequent events, evaluate the overall audit results and reasonableness of the financial statements, issue the audit reports and the management letter that details comments and suggestions resulting from the audit and we will conduct the presentations of the audit to the governing body.

Workspace Requirements

We will need a meeting room with table and chairs for up to four auditors.

City Staff Support

City staff will be expected to document internal control procedures over major areas of the audit. City staff will also be expected to provide the necessary payroll, invoices, receipts and bank statements required for the audit.

Billing Information

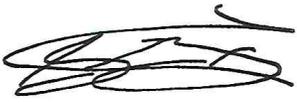
Gordon CPA LLC issues progress billings each month and the billings are payable upon presentation.

City of Spring Hill, Kansas
Request for Proposals – Auditing Services

Appendix A

Firm Guarantees

The Firm certifies it can and will provide and make available, as a minimum, all services set forth in Request For Proposal Section titled Scope of Requested Services.

Signature of Official:  _____

Name (typed): Sean Gordon, CPA

Title: Principal

Firm: Gordon CPA LLC

Date: May 27, 2020

City of Spring Hill, Kansas
Request for Proposals – Auditing Services

Appendix B

Firm Warranties

- A. Firm warrants that it is willing and able to comply with State of Kansas laws with respect to foreign (non-state of Kansas) corporations.
- B. Firm warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Firm warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City.
- D. Firm warrants that all information provided by it in connection with this proposal is true and accurate.
- E. Firm warrants that it is willing and able to agree and enter into the **“Addendum to Engagement Letter”** found in **Appendix C**. The addendum will be an integral part of any contract between the successful Firm and the City.

Signature of Official:  _____
Name (typed): Sean Gordon, CPA
Title: Principal
Firm: Gordon CPA LLC
Date: May 27, 2020

Appendix C

Addendum to Engagement Letter Agreement

Addendum to Engagement Letter Agreement dated July 1, 2020, between Gordon CPA and the City of Spring Hill, Kansas, for services for the year ended December 31, 2020.

Compliance with Laws. We shall keep fully informed of, and shall comply with, all local, state and federal ordinances, statutes, laws, codes, rules, regulations and regulations affecting our performance of the obligations contained herein (regardless of whether such requirements are specifically referred to in this letter of understanding). We shall defend, indemnify, and hold harmless the City, its elected officials, officers, employees, and agents against any claims or liability arising from or based on any violation of the same.

Indemnification. Without in any way limiting indemnification obligations that may be set forth elsewhere in this letter of understanding, we agree to defend, indemnify, and hold harmless the City, its elected officials, officers, employees, agents from all claims, damages, losses and expenses, including attorneys' fees, arising out of or resulting from the performance of our services or those services of our agents, employees or subcontractors, provided that any such claim, damage, loss or expense is caused in whole or in part by our negligent or intentional act, error or omission, or the negligent or intentional act, error or omission of our agents, employees or subcontractors in the performance of services confirmed in this letter of understanding. We shall give the City immediate written notice of any claim, suit or demand that may be subject to this provision.

Amendments. This letter of understanding may not be amended unless such amendment is in writing and signed by both parties.

Assignment. Neither this letter of understanding nor any rights or obligations hereunder shall be assigned or otherwise transferred by us without the prior written consent of the City. This letter of understanding is binding upon and fully enforceable against our successors and assigns, whether consented to or not.

Applicable Law. This letter of understanding shall be governed by, interpreted and construed in accordance with the laws of the State of Kansas.

Legal Action. Any litigation arising out of or related to this letter of understanding shall be brought only in the District Court of Johnson County, Kansas, and in no other court or location. In any such litigation, the prevailing party shall be entitled to an award on reasonable attorneys' fees and expenses incurred in the litigation.

Insurance.

- A. General. We shall secure and maintain, throughout the duration of this letter of understanding, insurance (on an occurrence basis unless otherwise agreed in writing) of such types and in at least such amounts as required herein. The City shall be named as an additional insured and loss payee for all coverages required herein except workers' compensation coverage. Coverage on policies in which the City is named an additional insured shall be primary and noncontributory. We shall provide certificates of insurance, necessary endorsements, and renewals thereof on forms approved by the City. The City shall be notified by receipt of written notice from the insurer at least 30 days before material modification or cancellation of any policy listed on the Certificate. Acceptance of the certificate of insurance that does not comply with the insurance requirements shall not operate as a waiver of our obligations hereunder. And the fact that we have obtained insurance shall not be deemed to release or diminish our liability including, without limitation, liability under the indemnity provisions of this agreement. Damages recoverable by City shall not be limited by the amount of the required insurance coverage.
- B. Notice of Claim. We, upon receiving notice of any claim in connection with this letter of understanding, shall promptly notify the City, providing full details thereof, including an estimate of the amount of loss or liability.
- C. Reduction of Policy Limits. We shall monitor and promptly notify the City of any reduction in limits of protection afforded under any policy listed in the Certificate (or otherwise required by this letter of understanding) if our limits fall below the minimum amounts required hereunder. In that event, we shall promptly reinstate the original limits of liability required hereunder and shall furnish evidence thereof to the City.
- D. Industry Ratings. We agree that our insurance carrier must:
1.
 - a. Be Licensed to do business in the State of Kansas;
 - b. Carry a Best's policyholder rating of "A" or better; and
 - c. Carry at least a Class VIII financial rating; OR
 2. Be acceptable to the City.
- E. Insurance Required. We agree to secure and maintain the following insurance:
1. Commercial General Liability. We shall maintain Commercial General Liability coverage with a minimum coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate. This shall be a combined single limit of liability as respects bodily injury, personal injury, and property damage. The coverage, written on an ISO occurrence form CG0001 or equivalent, shall apply to all services furnished to City. The policy shall include a severability of interest coverage and shall name City, its officers, employees, Mayor, City Council Members, volunteers, and agents as an additional insured with respect to the services to be performed and

provided under this Agreement. Severability of interest and naming City, its officers, employees, Mayor, City Council Members, volunteers, and agents as additional insured shall be indicated on the certificate of insurance, and shall also be provided by evidence of policy authorization or endorsement, as applicable. We agree to waive a right of recovery against City for all claims and suits against City that are the subject of such insurance, and the insurers issuing the insurance, through policy authorization or by policy endorsement, as applicable, shall waive their right of subrogation against the City. The certificate of insurance must reflect the waiver of subrogation by policy authorization or by endorsement. The policy, through endorsement, must include wording which states that the policy shall be primary and non-contributing with respect to any insurance carried by the City. The certificate of insurance must reflect that the primary and non-contributing endorsement is included as an endorsement to the policy. Prior to furnishing any services to City under this agreement, we shall furnish to City a certificate of insurance, acceptable to City, evidencing the coverage and endorsements required in this section, accompanied by evidence of the referenced policy authorizations or endorsements, as applicable. The certificate shall agree to provide City 10 day's prior written notice of any non-renewal, termination, cancellation, or material modification of the insurance coverage.

2. Comprehensive Automobile Liability. We shall maintain Automobile Liability coverage including coverage for Owned, hired and Non-owned Liability providing for all injuries to members of the public and damage to property of others arising from the use of motor vehicles on and off the Word site with these minimum limits:

Bodily Injury & Property Damage	\$1,000,000 combined single limit per Occurrence
---------------------------------	--

3. Workers' Compensation and Employer's Liability. We shall maintain Workers' Compensation coverage for all claims made under applicable state workers' compensation laws. We shall also maintain Employer's Liability coverage for claims made for injury, disease, or death of an employee which, for any reason, may not fall within the provisions of a workers' compensation law.

Workers' Compensation	Statutory Limits
-----------------------	------------------

Employers' Liability	\$500,000 each accident \$500,000 disease – policy limit \$500,000 disease – each employee
----------------------	--

4. Professional Liability Insurance. We shall maintain Professional Liability Insurance in an amount of no less than \$1,000,000 per claim and \$2,000,000 aggregate. This coverage, shall apply to actual or alleged negligent wrongful acts, errors or omissions resulting in claim(s) for damages related to the work involving the operations of Firm, and/or its subcontracted firm(s) if any are utilized in the completion of the work. If such policy is a “claims-made” form, the retroactive date must be shown and must be before the date of the Agreement or the beginning of work set forth in the Agreement. This insurance must be maintained and evidence of insurance must be provided for at least Five (5) years after termination of this Agreement. If coverage is canceled or non-renewed and not replaced with another “claims-made” policy form with a Retroactive Date prior to the Agreement effective date, Firm must purchase “extended reporting period” (tail) coverage for a minimum period representing at least Five (5) years after termination of this agreement.

Compliance with Equal Opportunity Laws, Regulations and Rules.

- A. Discrimination Prohibited. We agree to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 *et seq.*) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 *et seq.*) and shall not discriminate against any person in the performance of work under this letter of understanding because of race, religion, color, sex, disability, national origin or ancestry, or age.
- B. Solicitations. In all solicitations or advertisements for employees, we shall include the phrase “equal opportunity employer” or a similar phrase approved by the Kansas Human Rights Commission (Commission).
- C. Non-Compliance. We shall be deemed to have breached this letter of understanding and it may be cancelled, terminated or suspended, in whole or in part, by the City, if we:
 1. fail to comply with the reporting requirements of K.S.A. 44-1031 or 44-1116, and amendments thereto; or

2. are found guilty of the Kansas Act Against Discrimination or the Kansas Age Discrimination in Employment Act under a decision or order of the Commission that has become final.
- D. Flow Through Requirements. We shall include the provisions of Subsections A - C in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.
- E. Exempt Contractors. The provisions of this section are recommended but not enforceable against us if:
1. we employ fewer than four employees at all times during the term of this letter of understanding; or
 2. all of our contracts with the City cumulatively total \$5,000 or less during the fiscal year of the City pursuant to K.S.A. 44-1030(c).
- F. ADA Compliance. We also agree to comply with the American with Disabilities Act of 1990 (“ADA”), codified as amended at 42 U.S.C. §12101 *et seq.*, as well as all other federal, state, and local laws, ordinances, rules and regulations applicable to this project and to furnish any and all certification that may be required by federal, state or local governmental agencies in connection therewith.

Cash Basis and Budget Laws. We agree that the City’s right to enter into this letter of understanding is subject to the provisions of the Cash-Basis Law (K.S.A. 10-1101 *et seq.*), the Budget Law (K.S.A. 79-2935), and other laws of the State of Kansas. This letter of understanding shall be construed and interpreted in such manner as to ensure the City shall remain in conformity with such laws. The City reserves the right to unilaterally sever, modify or terminate the services confirmed in this letter of understanding at any time if, in the opinion of its legal counsel, the letter of understanding may be deemed to violate the terms of any laws of the State of Kansas.

Independent Contractor. In no event, while performing under this letter of understanding, shall we be deemed to be acting as an employee of the City; rather we shall be deemed to be an independent contractor. Nothing expressed in this letter of understanding or implied herein shall be construed as creating between us and the City the relationships of employer and employee, principal and agent, a partnership, or a joint venture.

Survivorship. Notwithstanding the termination of this letter of understanding, our obligations with respect to Indemnification, Insurance and any other terms and conditions which by their nature should survive termination, shall survive the termination of this letter of understanding.

Waiver. We agree that failure of either party to insist upon the strict performance of any of the terms or conditions of this letter of understanding or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or relinquishment for the failure of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by the waiving party.

The Gordon CPA LLC proposal dated May 27, 2020 (including all appendices and Exhibits), is attached hereto, is incorporated herein by reference, and shall control in the event there is any conflict between the terms and conditions of the engagement letter and attachment

Incorporation of Exhibits. Exhibit 1 __ (City's Request for Proposal) and Appendix D are incorporated herein by reference and are a part of this letter of understanding to the same extent as if fully set forth herein.

"FIRM"

Name: Gordon CPA LLC

By: 

Printed Name: Sean M Gordon, CPA

Capacity: Principal

Date: July 1, 2020

"CITY OF SPRING HILL, KANSAS"

By: _____
Steven M. Ellis, Mayor

ATTEST:

By: _____
Glenda Gerrity, City Clerk

APPROVED AS TO FORM:

By: _____
Frank H. Jenkins, Jr., City Attorney

APPENDIX D

Schedule of Professional Fees and Expenses
For the Audit of the 2019 Financial Statements

	<u>Number of Hours</u>	<u>Rate</u>	<u>Total Price</u>
Partners	35	\$125	\$ 4,375
Supervisory Staff	67	100	6,700
Staff	100	90	9,000
Quality Control Reviewer	5	125	<u>625</u>
Subtotal Professional Fees			<u>20,700</u>
Meals & Lodging			150
Transportation			110
Printing & Postage			<u>40</u>
Subtotal Out-of-Pocket Expenses			<u>300</u>
Total "Not To Exceed" Price for 2019 Audit			<u><u>\$ 21,000</u></u>

Maximum percentage increases for future contract years (all costs)

2019 By Contract

2020 By Contract - same fee as 2019

2021 3%

2022 3%

We do not bill our clients for telephone consultations unless considerable research time is considered necessary and is agreed upon by Gordon CPA and the City.

TEAM MEMBER PROFILES

PRINCIPAL

SEAN GORDON, CPA

EXPERIENCE

- Eleven years of experience in public accounting
- Practice focus in governmental accounting, auditing & consulting

RELEVANT EXPERIENCE WITH SIMILAR CLIENTS

- City of Arkansas City, Kansas
- City of Roeland Park, Kansas
- City of Iola, Kansas
- City of Ottawa, Kansas

EDUCATION

Bachelor of Science, Business Administration, Kansas State University

PROFESSIONAL ORGANIZATIONS

- Government Finance Officers Association
- American Institute of Certified Public Accountants
- Government Audit Quality Center
- Kansas Society of CPAs

PROFESSIONAL CERTIFICATIONS

Certified Public Accountant, Kansas

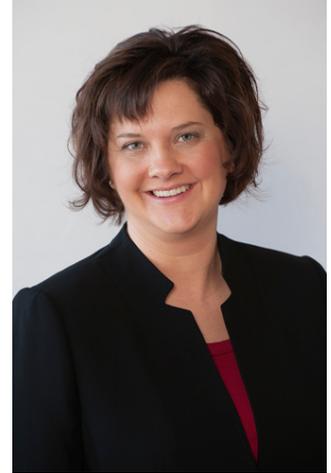


QUALITY CONTROL REVIEWER

AUDREY M. ODERMANN, CPA

EXPERIENCE

- Twenty years of experience in public accounting
- Practice focus in governmental accounting and auditing
- Leadership role as employee of largest Kansas county
 - Served on the health care cost reduction committee
 - Assisted with the development of internal audit procedures to develop efficient and effective internal control systems
 - Prepared CAFRs for several years, all of which earned the GFOA Certificate of Achievement for Excellence in Financial Reporting



RELEVANT EXPERIENCE WITH SIMILAR CLIENTS

- City of Mission Hills, Kansas
- City of Roeland Park, Kansas
- City of Ottawa, Kansas
- City of Salina, Kansas

EDUCATION

Bachelor of Science, Business Administration, North Dakota State University (Fargo, North Dakota)

PROFESSIONAL ORGANIZATIONS

- Kansas Society of Certified Public Accountants
 - Served on the Editorial Board of the Kansas Municipal Accounting and Audit Guide
- Government Finance Officers Association
- American Institute of Certified Public Accountants
- Government Audit Quality Center

PROFESSIONAL CERTIFICATIONS

Certified Public Accountant, Kansas, Missouri, and Wyoming

Exhibit 1

The City of Spring Hill, Kansas
Addendum No. 1
Request for Proposals for Auditing Services
May 13, 2020

The purpose of this addendum is to change the RFP Submission requirements to allow bidders to submit proposals electronically via email.

All proposals shall be submitted in PDF format either via e-mail to bids@springhillks.gov or by submitting a hard copy in addition to a PDF file on a thumb drive in a sealed envelope to:

City of Spring Hill, Kansas
Glenda Gerrity
C/O City Clerk's Office
P.O. Box 424
Spring Hill, KS 66083

If by mail: The outside of any envelope or package must clearly indicate "**Request for Proposals for Auditing Services**". The address of the respondent must be clearly printed on the outside of the envelope or package.

If by email: The subject line must read, "**Request for Proposals for Auditing Services**" and the name of each attachment should be included in the body of the email to ensure all intended documents were received.



City of Spring Hill, Kansas

Request for Proposals for Auditing Services

May 1, 2020

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- RFP Submission 2
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- Submission Deadline: 2
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- Interviews..... 3
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- Description of the Government 4
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- City Assistance 5
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Introduction

General Information

The City of Spring Hill, Kansas (City) is seeking proposals from qualified firms (Firm) of certified public accountants to audit its financial statements. The purpose of the audit will be to examine the financial records and supplemental information for all funds administered by the City for the fiscal year ended December 31, 2019, and annually for a minimum of two subsequent years if the contract is renewed.

RFP Submission:

All respondents shall submit (3) hard copies and an electronic (PDF) copy provided on a thumb drive to:

Glenda Gerrity
c/o City Clerk's Office
P.O. Box 424
Spring Hill, KS 66083-0424

The outside of any envelope or package must clearly indicate "Request for Proposals for Auditing Services." The name and address of the respondent must be clearly printed on the outside envelope or package.

Inquiries:

All inquiries or questions must be directed to Melanie Landis, Assistant City Administrator, 913-592-3664, or melanie.landis@springhillks.gov.

Submission Deadline:

Deadline for submission of proposals is 12:00 p.m. CST, on June 1, 2020 at City of Spring Hill Kansas, City Hall, 401 N Madison St., PO Box 424, Spring Hill, Kansas 66083.

Evaluation of Bids

Although fees and compensation will be a vital factor in the evaluation of proposals, the City is not required to choose the lowest priced bid. Evaluation and acceptance of a proposal will be based on the total package of services offered by the Firm. A committee will review each proposal based on criteria including, but not limited to, the following:

1. Experience and performance on comparable government engagements.
2. Audit approach including adequacy of proposed staffing plan for various segments of the engagement.
3. Quality control procedures, including the results of firm's external quality control reviews.

4. Quality of firm’s personnel to be assigned to the engagement and the quality of the firm’s management support personnel to be available for technical consultation.
5. Cost and type of services.
6. Completeness and organization of proposal.

Schedule

Every effort will be made to adhere to the following schedule:

Request for Proposals	May 1, 2020
Deadline for submission of proposals	June 1, 2020
Selection of finalists	June 10, 2020
Interviews (if necessary)	June 15, 2020
Recommendation to City Council	July 9, 2020

Interviews

During the evaluation process, interviews or presentations may be requested from any or all firms. The interviews or presentations will provide firms with an opportunity to answer any questions the City may have about the proposal. Not all firms may be asked to make such presentations or to be interviewed.

Scope of Requested Services

- A. Perform an annual audit of the City’s financial records as required by Kansas Statute 75-1122 and 75-1123, in accordance with generally accepted accounting standards and applicable provisions of the Kansas Municipal Audit Guide of the State of Kansas. If a single audit is required, the audit will be conducted in accordance with the standards set forth in the U.S. General Accounting Office’s Government Auditing Standards, the provisions of the Single Audit Act, the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and Audits of State and Local Governments.
- B. Prepare the financial statements and notes to the financial statements in conformity with generally accepted accounting standards. This includes application in accordance with all GASB statements. Prepare the final trial balance, maintain the City’s capital assets and depreciation, and provide final end-of-year, account-specific cash to accrual conversion journal entries appropriate for posting in the subsequent year’s records.
- C. Prepare a communication and management letter to include a statement of audit findings and recommendations that will be presented to City management and the City Council (“Governing Body”). These will include, but not be limited to, financial statements, internal controls, inefficiencies, duplications, accounting systems, and

legality of actions. The firm shall provide draft management letter comments in a timely fashion as they occur.

- D. Assist City staff in preparation of the transmittal letter, MD & A and the Statistical Section of the CAFR.
- E. The Firm shall maintain the audit working papers which will be made available for examination and use by authorized representatives of the City at any time. All working papers and reports must be retained, at the auditor's expense for a minimum of five years, unless the firm is notified in writing by the City of the need to extend the retention period. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
- F. Be available for consultation on a variety of accounting related issues as requested.

Description of the Government

A. About Spring Hill

The City of Spring Hill covers approximately 8.468 square miles in the Kansas City metropolitan area. Spring Hill is a growing community with an estimated 2018 population of 6,967. The City operates under a Mayor-Council-Administrator form of government. The City's fiscal year begins on January 1 and ends on December 31. The City has approximately 50 full time employees and 90 part time employees with an annual payroll of \$3,480,000.

The city is organized into 5 areas: Governing Body, Administration, Public Works, Police and Utilities. The 2020 adopted budget is \$19,110,770 with approximately 4,105 accounts payable and payroll checks processed annually. More detailed information on the government and its finances can be found in the City's budget document and the 2018 Audit available from the City of Spring Hill website, which is <https://www.springhillks.gov/361/Financial-Reports>.

The accounting staff within the Finance Department consists of the Assistant City Administrator, Accountant, Payroll Specialist, Accounts Payable Accounting Clerk and Utility Billing Accounting Clerk. The City uses Tyler Technologies Incode 10 Accounting software.

B. Fund Structure

Fund Type	No. of Funds
General Fund	1
Major Governmental Funds	6
Cemetery Fund	1
Enterprise Funds	2
Other Funds	21

C. Pension Plans

The City participates in the Kansas Public Employees Retirement System (KPERs) and the Kansas Police and Fireman’s Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by KSA 74-4901, et seq.

Timing of the Audit

A. Schedule for the 2019 Fiscal Year Audit

1. Detailed Audit Plan

The auditor shall provide the City a detailed audit plan and a list of all schedules to be prepared by the City by July 31, 2020.

2. Draft Reports

The Auditor shall deliver a draft of the audit report and recommendations to management available for review by October 1, 2020. The City will complete a review of the draft report as quickly as possible. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports.

3. Final Report

The final signed report and copies shall be delivered to the City by no later than November 2, 2020. The Firm will present audit results and recommendations to City Council no later than November 12, 2020.

B. In future fiscal years the audit plan shall be provided to the City by December 31 and the draft audit report delivered by May 15.

City Assistance

The City will provide the auditor with reasonable workspace, desks and chairs. The auditor shall have access to internet and reasonable copier access. The City staff will be available for questions and consultation as needed and will provide access to appropriate files. City staff will provide all requested information.

General Conditions

Compensation

All charges for this service must be included in the sealed dollar cost bid (Appendix C). The prices quoted by the successful respondent shall remain firm during the first two contract years. Prices for subsequent contract renewal periods may be negotiated based upon any added, mutually consented to services or documented changes in the cost of labor and/or materials. Any such subsequent contract renewal period prices and negotiations must be initiated prior to December 1 of the audit year for which prices are being set.

Termination

Subject to the provisions below, any contract derived from this request may be terminated by the City for any reason or for convenience upon no less than sixty (60) days advance written notice to other party. The contractor may terminate for default of the City upon sixty (60) days written notice to the City.

Upon written notice from the City, the Firm shall, at the City's option as contained in the notice: (1) immediately cease all work; or (2) meet with the City and, subject to the City's approval, determine what work shall be required of the Firm in order to bring the project to a reasonable termination in accordance with the request of the City. The Firm shall also provide to the City copies of all documents completed or partially completed at the date of termination. The Firm shall not be responsible for errors or omissions in documents that are incomplete as a result of an early termination, the Firm having been deprived of the opportunity to complete such documents and certify them.

If the City terminated for its convenience, the City shall compensate the Firm for all work completed to date of termination notice, but such compensation shall not include anticipatory profit or consequential damages, neither of which is allowed.

If the contract is terminated by the City for default of the Firm, the City shall compensate the Firm for the reasonable cost of work completed to date of its receipt of termination notice, but such compensation shall not include anticipatory profit or consequential damages, neither of which will be allowed. In case of default by the contracted institution, the City may procure the services from other sources and hold the contracted institution responsible for any excess costs occasioned or incurred thereby. The parties also retain all their rights and remedied to sue for the default, including but not limited to their rights to sue for damages, interest and attorney fees.

Disclaimer of Liability

The City or any of its agencies will not hold harmless or indemnify any respondent for any liability whatsoever.

Hold Harmless

The successful Firm shall agree to protect, defend, indemnify, and hold harmless the City of Spring Hill and its officers, commissions, employees and agent from and against any and all claims, losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character resulting from the error, omission or negligent acts of the Firm, its agents, employees or representative, in the performance of their duties under any agreement resulting from award of this proposal. The Firm further shall agree to investigate, handle, respond to, provide defenses for, and defend any such claims, even if such claim is groundless, false, or fraudulent.

Law Governing; Venue; Attorneys' Fees and Expenses

All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Kansas. The contract shall provide that any litigation arising out of or related to the contract shall be brought only in the District Court of Johnson County, Kansas, and in no other court or location. The contract shall further provide that in any such litigation, the prevailing party shall be entitled to an award on reasonable attorneys' fees and expenses incurred in the litigation.

Confidentiality of Proposal Information

Each proposal must be sealed to provide confidentiality of the information prior to submission date and time. All proposals and supporting documents become public information (Except such information that disclosed proprietary or financial information submitted in response to qualification statements) after the submission date and time, in accordance with the Kansas Open Records Act.

Conflict of Interest

The Firm certifies that to the best of his or her knowledge or belief, no elected or appointed official of the City of Spring Hill, Kansas is financially interested, directly or indirectly, in the performance of the services specified in this RFP.

Affirmative Action

Firms must comply with K.S.A. 44-1030 et. seq., the Kansas Act Against Discrimination, which: (1) precludes discrimination against any person in the performance of work under a contract because of race, religion, color, sex, national origin or ancestry; (2) requires solicitations or advertisements for employees to include the phrase, "equal opportunity employer"; and (3) allows the City to terminate their contract for default if provisions of the Act are violated.

Modifications or Changes

No agreement or understanding to modify this RFP and resulting contracts shall be binding upon the City of Spring Hill unless made in writing by the City.

Acceptance of Offer

The signed proposal shall be considered an offer on the part of the Firm. The contents of this RFP and the proposal submitted by the successful respondent may become part of any contract. Such offer shall be deemed accepted upon issuance by the city of a notice of acceptance or other contractual document. The terms and conditions, unless otherwise modified by the City of Spring Hill within this document, shall govern the submission of proposals and subsequent contracts. The City of Spring Hill reserves the right to negotiate any and all elements of this proposal.

Proposal Format

Overview of Required Material

The following material should be presented in the order specified for a Firm to be considered.

Overview of Required Material
A. Title Page
B. Table of Contents
C. Transmittal Letter
D. Technical Proposal
E. External Quality Control Review
F. Firm Guarantees and Firm Warranties (Appendices A B & C)
G. Sealed Dollar Cost Bid (Appendix D)

A. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

B. Table of Contents

C. Transmittal Letter

A signed letter of transmittal briefly stating the Firm's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty (60) days.

D. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to provide the requested services. As such, the substance of proposals will carry more weight than their form or manner of presentation. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the Firm's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 9, must be included. They represent some of the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards. The firm should also list and describe the firm's professional relationships involving the City for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the City written notice of any professional relationships entered into during the period of this agreement.

3. Permit to Practice in Kansas

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Kansas.

4. Firm Qualifications and Experience

The Firm should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. Describe the firm's personnel development program and the continuing professional education requirements. Identify specialized programs in the areas of city and municipal accounting and auditing.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Kansas. Describe their roles and provide a brief description of their professional experience, including experience in governmental auditing.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant city and municipal auditing engagements (maximum - 5) performed in the last five years.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Those governmental units that received a Certificate of Excellence in Financial Reporting should also be identified.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. Firms will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
 - b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
 - c. A list of other schedules, statements (e.g. year-end trial balance), and documentation (e.g. contracts, bank statements) you will need from the City with examples. The examples should be complete enough so that the City can determine the staffing requirements needed to complete the forms.
 - d. A description of how you would use City personnel to assist you during the audit, and an estimate of the time requirements to be placed on City staff
 - e. Sample size and the extent to which statistical sampling is to be used in the engagement
 - f. Type and extent of analytical procedures to be used in the engagement
 - g. Approach to be taken to gain and document an understanding of the City's internal control structure
 - h. Approach to be taken in determining laws and regulations that will be subject to audit test work
 - i. Approach to be taken in drawing audit samples for purposes of tests of compliance
 - j. Ability to assist the City in maintaining the GFOA Certificate of Excellence in Financial Reporting
8. The proposal should include sample formats for required reports

E. External Quality Control Review Information

The firm must submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

F. Executed Copies of Firm Guarantees and Warranties

Signed copies of the Firm's guarantees and warranties must be included in the form shown in **Appendix A and Appendix B**.

G. Sealed Dollar Cost Bid (Appendix D)

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. Any additional work agreed to between the City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid. Bids should be sealed in a separate envelope marked with the Firm's name, the title of "Dollar Cost Bid for Proposal for Auditing Services", and the date. The envelope should contain the following:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City.
- c. State the total estimated hours and hourly rate required by each staff classification and the resulting maximum annual fee.
- d. Some years may require the audit of major federal financial assistance programs. State the maximum cost for performing the additional audit procedures required. State whether the increase in cost would apply to each major program if there are more than one or if it would be a one-time increase to cover all major programs.
- e. The maximum percent of increase, for any future audits should be provided.
- f. It may become necessary from time-to-time for the City to request the auditor to render additional services to either supplement the services requested in this RFP, perform additional work as a result of specific recommendations included in any report issued on this engagement or other such work agreed to between the City and the audit firm. State if the hourly rates quoted in computing the audit fee will apply. If these fees will not apply, list the fees by classification that will apply for any additional work.

Submission of Information

- A. The proposal must be submitted by the date and in the format as outlined in this document.
- B. All proposals must be signed in ink by a duly authorized individual and all the required information must be provided.
- C. All proposals will become the property of the City and the City reserves the right to accept or reject any or all of the proposals.
- D. Information supplied in the proposal will be deemed to be correct and the City is entitled to rely on the proposal. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.
- E. There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

- F. The City of Spring Hill is a Kansas municipality governed by the Kansas Open Records Act (KORA), K.S.A. 45-215 et seq. By submitting a proposal, the Firm acknowledges that its proposal, once opened, is presumed to be an open record under the KORA. If the Firm submits information that it believes to be subject to an exemption to disclosure under the KORA, the Firm must reference the particular exemption from mandatory disclosure outlined in the KORA. The words “Confidential” or “Proprietary” are not sufficient. The City cannot guarantee the confidentiality of claimed material, however. Firms specifically waive any claims against the City related to the disclosure of any material if made pursuant to a public records request.

City of Spring Hill, Kansas
Request for Proposals – Auditing Services

Appendix A

Firm Guarantees

The Firm certifies it can and will provide and make available, as a minimum, all services set forth in Request For Proposal Section titled Scope of Requested Services.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

City of Spring Hill, Kansas
Request for Proposals – Auditing Services

Appendix B

Firm Warranties

- A. Firm warrants that it is willing and able to comply with State of Kansas laws with respect to foreign (non-state of Kansas) corporations.
- B. Firm warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Firm warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City.
- D. Firm warrants that all information provided by it in connection with this proposal is true and accurate.
- E. Firm warrants that it is willing and able to agree and enter into the **“Addendum to Engagement Letter”** found in **Appendix C**. The addendum will be an integral part of any contract between the successful Firm and the City.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

City of Spring Hill, Kansas
Request for Proposals – Auditing Services

Appendix C

Addendum to Engagement Letter Agreement

Addendum to Engagement Letter Agreement dated _____, between _____ and the City of Spring Hill, Kansas, for services for the year ended December 31, 20__:

Compliance with Laws. We shall keep fully informed of, and shall comply with, all local, state and federal ordinances, statutes, laws, codes, rules, regulations and regulations affecting our performance of the obligations contained herein (regardless of whether such requirements are specifically referred to in this letter of understanding). We shall defend, indemnify, and hold harmless the City, its elected officials, officers, employees, and agents against any claims or liability arising from or based on any violation of the same.

Indemnification. Without in any way limiting indemnification obligations that may be set forth elsewhere in this letter of understanding, we agree to defend, indemnify, and hold harmless the City, its elected officials, officers, employees, agents from all claims, damages, losses and expenses, including attorneys' fees, arising out of or resulting from the performance of our services or those services of our agents, employees or subcontractors, provided that any such claim, damage, loss or expense is caused in whole or in part by our negligent or intentional act, error or omission, or the negligent or intentional act, error or omission of our agents, employees or subcontractors in the performance of services confirmed in this letter of understanding. We shall give the City immediate written notice of any claim, suit or demand that may be subject to this provision.

Amendments. This letter of understanding may not be amended unless such amendment is in writing and signed by both parties.

Assignment. Neither this letter of understanding nor any rights or obligations hereunder shall be assigned or otherwise transferred by us without the prior written consent of the City. This letter of understanding is binding upon and fully enforceable against our successors and assigns, whether consented to or not.

Applicable Law. This letter of understanding shall be governed by, interpreted and construed in accordance with the laws of the State of Kansas.

Legal Action. Any litigation arising out of or related to this letter of understanding shall be brought only in the District Court of Johnson County, Kansas, and in no other court or location. In any such litigation, the prevailing party shall be entitled to an award on reasonable attorneys' fees and expenses incurred in the litigation.

Insurance.

- A. General. We shall secure and maintain, throughout the duration of this letter of understanding, insurance (on an occurrence basis unless otherwise agreed in writing) of such types and in at least such amounts as required herein. The City shall be named as an additional insured and loss payee for all coverages required herein except workers' compensation coverage. Coverage on policies in which the City is named an additional insured shall be primary and noncontributory. We shall provide certificates of insurance, necessary endorsements, and renewals thereof on forms approved by the City. The City shall be notified by receipt of written notice from the insurer at least 30 days before material modification or cancellation of any policy listed on the Certificate. Acceptance of the certificate of insurance that does not comply with the insurance requirements shall not operate as a waiver of our obligations hereunder. And the fact that we have obtained insurance shall not be deemed to release or diminish our liability including, without limitation, liability under the indemnity provisions of this agreement. Damages recoverable by City shall not be limited by the amount of the required insurance coverage.
- B. Notice of Claim. We, upon receiving notice of any claim in connection with this letter of understanding, shall promptly notify the City, providing full details thereof, including an estimate of the amount of loss or liability.
- C. Reduction of Policy Limits. We shall monitor and promptly notify the City of any reduction in limits of protection afforded under any policy listed in the Certificate (or otherwise required by this letter of understanding) if our limits fall below the minimum amounts required hereunder. In that event, we shall promptly reinstate the original limits of liability required hereunder and shall furnish evidence thereof to the City.
- D. Industry Ratings. We agree that our insurance carrier must:
1. a. Be Licensed to do business in the State of Kansas;
 - b. Carry a Best's policyholder rating of "A" or better; and
 - c. Carry at least a Class VIII financial rating; OR
 2. Be acceptable to the City.
- E. Insurance Required. We agree to secure and maintain the following insurance:
1. Commercial General Liability. We shall maintain Commercial General Liability coverage with a minimum coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate. This shall be a combined single limit of liability as respects bodily injury, personal injury, and property damage. The

coverage, written on an ISO occurrence form CG0001 or equivalent, shall apply to all services furnished to City. The policy shall include a severability of interest coverage and shall name City, its officers, employees, Mayor, City Council Members, volunteers, and agents as an additional insured with respect to the services to be performed and provided under this Agreement. Severability of interest and naming City, its officers, employees, Mayor, City Council Members, volunteers, and agents as additional insured shall be indicated on the certificate of insurance, and shall also be provided by evidence of policy authorization or endorsement, as applicable. We agree to waive a right of recovery against City for all claims and suits against City that are the subject of such insurance, and the insurers issuing the insurance, through policy authorization or by policy endorsement, as applicable, shall waive their right of subrogation against the City. The certificate of insurance must reflect the waiver of subrogation by policy authorization or by endorsement. The policy, through endorsement, must include wording which states that the policy shall be primary and non-contributing with respect to any insurance carried by the City. The certificate of insurance must reflect that the primary and non-contributing endorsement is included as an endorsement to the policy. Prior to furnishing any services to City under this agreement, we shall furnish to City a certificate of insurance, acceptable to City, evidencing the coverage and endorsements required in this section, accompanied by evidence of the referenced policy authorizations or endorsements, as applicable. The certificate shall agree to provide City 10 day's prior written notice of any non-renewal, termination, cancellation, or material modification of the insurance coverage.

2. Comprehensive Automobile Liability. We shall maintain Automobile Liability coverage including coverage for Owned, hired and Non-owned Liability providing for all injuries to members of the public and damage to property of others arising from the use of motor vehicles on and off the Word site with these minimum limits:

Bodily Injury & Property Damage	\$1,000,000 combined single limit per Occurrence
---------------------------------	--

3. Workers' Compensation and Employer's Liability. We shall maintain Workers' Compensation coverage for all claims made under applicable state workers' compensation laws. We shall also maintain Employer's Liability coverage for claims made for injury, disease, or death of an

employee which, for any reason, may not fall within the provisions of a workers' compensation law.

Workers' Compensation	Statutory Limits
Employers' Liability	\$500,000 each accident \$500,000 disease – policy limit \$500,000 disease – each employee

4. Professional Liability Insurance. We shall maintain Professional Liability Insurance in an amount of no less than \$1,000,000 per claim and \$2,000,000 aggregate. This coverage, shall apply to actual or alleged negligent wrongful acts, errors or omissions resulting in claim(s) for damages related to the work involving the operations of Firm, and/or its subcontracted firm(s) if any are utilized in the completion of the work. If such policy is a "claims-made" form, the retroactive date must be shown and must be before the date of the Agreement or the beginning of work set forth in the Agreement. This insurance must be maintained and evidence of insurance must be provided for at least Five (5) years after termination of this Agreement. If coverage is canceled or non-renewed and not replaced with another "claims-made" policy form with a Retroactive Date prior to the Agreement effective date, Firm must purchase "extended reporting period" (tail) coverage for a minimum period representing at least Five (5) years after termination of this agreement.

Compliance with Equal Opportunity Laws, Regulations and Rules.

- A. Discrimination Prohibited. We agree to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 *et seq.*) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 *et seq.*) and shall not discriminate against any person in the performance of work under this letter of understanding because of race, religion, color, sex, disability, national origin or ancestry, or age.
- B. Solicitations. In all solicitations or advertisements for employees, we shall include the phrase "equal opportunity employer" or a similar phrase approved by the Kansas Human Rights Commission (Commission).

- C. Non-Compliance. We shall be deemed to have breached this letter of understanding and it may be cancelled, terminated or suspended, in whole or in part, by the City, if we:
1. fail to comply with the reporting requirements of K.S.A. 44-1031 or 44-1116, and amendments thereto; or
 2. are found guilty of the Kansas Act Against Discrimination or the Kansas Age Discrimination in Employment Act under a decision or order of the Commission that has become final.
- D. Flow Through Requirements. We shall include the provisions of Subsections A - C in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.
- E. Exempt Contractors. The provisions of this section are recommended but not enforceable against us if:
1. we employ fewer than four employees at all times during the term of this letter of understanding; or
 2. all of our contracts with the City cumulatively total \$5,000 or less during the fiscal year of the City pursuant to K.S.A. 44-1030(c).
- F. ADA Compliance. We also agree to comply with the American with Disabilities Act of 1990 (“ADA”), codified as amended at 42 U.S.C. §12101 *et seq.*, as well as all other federal, state, and local laws, ordinances, rules and regulations applicable to this project and to furnish any and all certification that may be required by federal, state or local governmental agencies in connection therewith.

Cash Basis and Budget Laws. We agree that the City’s right to enter into this letter of understanding is subject to the provisions of the Cash-Basis Law (K.S.A. 10-1101 *et seq.*), the Budget Law (K.S.A. 79-2935), and other laws of the State of Kansas. This letter of understanding shall be construed and interpreted in such manner as to ensure the City shall remain in conformity with such laws. The City reserves the right to unilaterally sever, modify or terminate the services confirmed in this letter of understanding at any time if, in the opinion of its legal counsel, the letter of understanding may be deemed to violate the terms of any laws of the State of Kansas.

Independent Contractor. In no event, while performing under this letter of understanding, shall we be deemed to be acting as an employee of the City; rather we shall be deemed to be an independent contractor. Nothing expressed in this letter of understanding or implied herein shall be construed as creating between us and the City the relationships of employer and employee, principal and agent, a partnership, or a joint venture.

Survivorship. Notwithstanding the termination of this letter of understanding, our obligations with respect to Indemnification, Insurance and any other terms and conditions which by their nature should survive termination, shall survive the termination of this letter of understanding.

Waiver. We agree that failure of either party to insist upon the strict performance of any of the terms or conditions of this letter of understanding or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or relinquishment for the failure of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by the waiving party.

Incorporation of Exhibits. Exhibit __ (City's Request for Proposal) and Exhibit __ (our Proposal) are incorporated herein by reference and are a part of this letter of understanding to the same extent as if fully set forth herein.

"FIRM"

Name: _____

By: _____

Printed Name: _____

Capacity: _____

Date: _____

"CITY OF SPRING HILL, KANSAS"

By: _____
Steven M. Ellis, Mayor

ATTEST:

By: _____
Glenda Gerrity, City Clerk

APPROVED AS TO FORM:

By: _____
Frank H. Jenkins, Jr., City Attorney

City of Spring Hill, Kansas
Request for Proposals – Auditing Services

Appendix D

Schedule of Professional Fees and Expenses
For the Audit of the 2019 Financial Statements

Staff Assigned	Number of Hours	Rate	Total Price
Partners		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
Subtotal Professional Fees		\$	\$

Meals & Lodging	\$
Transportation	\$
Other (specify)	\$
Subtotal Out-of-Pocket Expenses	\$

Total “Not to exceed” price for 2019 audit \$

Maximum percentage increases for future contract years (all costs)

2019	By Contract
2020	By Contract – Same Fee as 2019
2021	_____ %
2022	_____ %

Hourly Fees for consultation (by staff level): \$ _____

Agenda Item Review Sheet

To: Mayor and City Council
From: Jim Hendershot, City Administrator and Frank Jenkins Jr., City Attorney
Date: July 2, 2020
Meeting: July 9, 2020

Formal Item: Consider adoption of Ordinance licensing of pawnbrokers and precious metal dealers.

Issue: City licensing of pawnbroker and precious metal dealers.

Background/Analysis: At the present time the City does not have any pawnbrokers or precious metal dealers operating within the City. The Kansas Pawnbrokers and Precious Metal Dealers Act (K.S.A. 16-706 et seq.) provides for regulations that require any person who desires to operate a pawnbroker or precious metal business to obtain a license.

Attached is a proposed ordinance that follows the state statutes but adds procedural provisions. As part of the preliminary process to adopt this ordinance has adopted the following:

1. April 9, 2020 – Charter Ordinance No. 38 which exempted the City from the Pawnbrokers and Precious Metal Dealers Act (“Act”).
2. June 25, 2020 – Ordinance No. 2020-08 which added regulations to the UDO for pawnbrokers and precious metal dealers in M-1 (General Industrial District).

To complete the process, the following ordinance and resolution are necessary to be adopted:

- A. Ordinance, attached hereto, that adopts the necessary regulations.
- B. Resolution that establishes an annual license fee of \$150.00 to be paid by pawnbrokers and precious metal dealers. The resolution is a separate item on the July 9, 2020, agenda.

The ordinance is identical to the Act excepting for the provisions noted in red type. They are procedural in nature excepting for the following:

- Designated Official to Approve Licenses. State law is ambiguous as to who is to approve the licenses. Section Three-8- 602(a) designates the City Clerk.
- 2-Year Residency Requirement for Applicant. State law requires an applicant to be a resident for at least 2 years prior to the application.

Note: A possible alternative exception that is used by one city in Johnson County is to change the 2-year residency requirement and add Section Four-8-603 (b)

which provides that as long as the applicant has resided for 2 years in a surrounding county (Cass County, Clay County, Platte County or Jackson County, Missouri). The ordinance could be changed to apply to other counties such as Miami or Douglas County. This exception only applies if the in-store manager is a resident of Kansas.

Recommendation: Adoption of Ordinance.

Funding and Budgeting Impact: Not applicable.

- Alternatives:**
1. Motion to adopt Ordinance No. 2020-_____ pertaining to licensing of pawnbrokers and precious metal dealers within the City.
 2. Motion to continue the ordinance pending additional information from City staff.

Attachment: Ordinance

cc: Jim Hendershot, City Administrator
Cindy Henson, Chief of Police
Glenda Gerrity, City Clerk
Nate Sutton, City Prosecutor

ORDINANCE NO. 2020-_____

ORDINANCE OF THE CITY OF SPRING HILL, KANSAS, ADOPTING PAWNBROKERS AND PRECIOUS METAL DEALERS REGULATIONS, PROVIDING FOR LICENSING THEREOF, ADDIING ARTICLE SIX TO CHAPTER VIII TO THE SPRING HILL MUNICIPAL CODE AND PROVIDING FOR PENALITIES FOR VIOLATIONS OF SAID ORDINANCE

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SPRING HILL KANSAS:

SECTION ONE: ARTICLE 6, CHAPTER VIII ADDED TO SPRING HILL MUNICIPAL CODE – PAWNBROKERS AND PRECIOUS METAL DEALERS. Article 6 titled “Pawnbrokers and Precious Metal Dealers Regulations” is hereby added to Chapter VIII of the Spring Hill Municipal Code, consisting of the following content:

- 8-601 Definitions.
- 8-602 License Required.
- 8-603 Qualifications.
- 8-604 Transfer of Ownership.
- 8-605 Contents of License.
- 8-606 Change of Business Location.
- 8-607 Records & Accounts.
- 8-608 Suspension or Revocation of License.
- 8-609 Loan Procedures.
- 8-610 Reporting, Holding Period.
- 8-611 Record Book.
- 8-612 Minors Prohibited.
- 8-613 Charges.
- 8-614 Proof of Identification, Ownership.
- 8-615 Violation-Penalty.
- 8-616 Severability.

SECTION TWO: Section 8-601 is hereby added to the Spring Hill Municipal Code (SHMC) as follows:

“8-601 DEFINITIONS. For the purpose of this article, the following words and phrases

Shall be defined as follows:

(a) Pawnbroker means any person who loans money on deposit or pledge of personal property or other valuable thing, other than intangible personal property, or who deals in the purchase of personal property on the condition of selling the same back again at a stipulated price but such terms shall not include any person operating under the supervision of the State Banking Commissioner, Credit Union Administrator or the Consumer Credit Commissioner of the state of Kansas..

(b) Person means any individual, firm, company, partnership, corporation or association of persons.

(c) Precious metal means gold, silver or platinum group metals or any used articles or other used personal property containing such metals, but shall not include coins purchased for their numismatic value rather than their metal content or ingots or other industrial residue or by-products composed of such metals purchased from manufacturing firms.”

(e) Precious metal dealer means any person who engages in the business of purchasing precious metal for the purpose of reselling such metal in any form.”

SECTION THREE. Section 8-602 is hereby added to the SHMC as follows:

“8-602 LICENSE REQUIRED.

(a) **No person shall engage or continue in business as a Pawnbroker or Precious Metal Dealer without first obtaining a license therefor. The person shall obtain such license from the City Clerk.** An application for a license shall be in writing and shall state the full name and place of residence of the applicant. If the applicant is a partnership, the application shall contain the name and place of residence of each member thereof; or, if a corporation or association, of each officer, shareholder or member thereof. The application shall include the address of the places where the business is to be conducted, the hours and days of the week during which the applicant proposes to engage in the business of pawnbroking or dealing in precious metals at each such place, and such other information as may be necessary to determine the applicant's qualifications for a license in accordance with the provisions of this article. Each applicant also shall submit with the application:

(1) A statement that the applicant is the holder of ~~a copy of~~ a valid registration certificate ~~is to be~~ issued by the Director of Revenue pursuant to K.S.A. 79-3608 for each place of business for which application for a license is made; and

(2) A detailed inventory and description of all goods, wares, merchandise, precious metals or other property held in pledge or for sale at the time of the application at each place of business stated therein, indicating whether the same was received in pledge, purchased as secondhand merchandise or precious metal purchased for resale; and

(b) The license application shall be in a form approved by the Attorney General. Each application shall be accompanied by a fee ~~of \$25.00~~ in an amount determined by the Governing Body by Resolution which shall be paid annually upon renewal of the license. All such fees received by the City Clerk shall be deposited in the City General Fund.”

SECTION FOUR Section 8-603 is hereby added to the SHMC as follows

“8-603 QUALIFICATIONS. No license or any renewal thereof shall be granted to:

- (a) Any person who is not a citizen of the United States;
- (b) Any person who has not been an actual resident of the state of Kansas for at least two (2) years immediately preceding the date of his application; **provided that corporate officers, directors and stockholders of an applicant corporation that have resided in Cass County, Clay County, Platte County and Jackson County, Missouri of the two years immediately preceding the date of application are not subject to the residency requirement of this section, provided further, each premises operated by a corporate licensee must have an in-store manager who is a resident of the state of Kansas;**
- (c) Any person who has been convicted of or has pleaded guilty to a felony under the laws of this state, or any other state, or of the United States, or shall have forfeited his bond to appear in court to answer charges for any such offense within the ten (10) years immediately prior to such person's application for a license;
- (d) Any person who has had his license revoked for cause under the provisions of this article;
- (e) Any person who is not at least twenty-one (21) years of age;
- (f) Any person who at the time of application for renewal of any

license issued under this article would not be eligible for such license upon a first application;

(g) Any person who does not own the premises for which a license is sought, unless he has a written lease therefor for at least three-fourths of the period for which the license is to be issued;

(h) Any person whose spouse would be ineligible to receive a license hereunder for any reason other than the age, citizenship and residence requirements;

(i) Any partnership, unless all of the partners shall be eligible to receive a license as an individual; and

(j) A corporation, if any officer, manager, director or stockholder would be ineligible to receive a license as an individual.”

SECTION FIVE. Section 8-604 is hereby added to the SHMC as follows:

“8-604. TRANSFER OF OWNERSHIP It shall be unlawful for any shareholder of a corporate licensee to transfer any stock in said corporation to any person who would be ineligible to receive a license as an individual, and any such transfer shall be null and void; provided, that if any such stockholder of a corporate licensee shall become deceased, and his heirs or devisees to whom said stock descends by descent and distribution or by will shall be ineligible to receive a license hereunder, then the legal representatives of said deceased stockholder's estate, his heirs and devisees shall have fourteen (14) months from the date of the death of said stockholder within which to sell said stock to a person eligible to receive a license hereunder, with such sale to be made in accordance with the provisions of the probate code and any amendments thereto. If said legal representatives, heirs and devisees shall fail, refuse or neglect to so convey said stock within the time hereinbefore prescribed, then said stock shall revert to and become the property of the corporation, for which the corporation shall pay to said legal representatives, heirs or devisees the book value of such stock. If the stock in any corporation shall be the subject of any trust heretofore or hereafter created, the trustee or trustees and the beneficiaries of each trustee and beneficiary of said trust who is twenty-one (21) years of age or older must be a person who would be eligible to receive a license, or the trustee shall be and he is hereby authorized and required, within fourteen (14) months after the effective date of the trust, to sell said stock to a person eligible to receive a license under this chapter, and he shall hold and disburse the proceeds thereof in accordance with the terms of the trust, or the license of the corporation

shall be forfeited.

During the fourteen-month periods hereinbefore mentioned, a corporation shall not be denied a license or have its license revoked if it meets all of the other requirements necessary to have a license as provided in this article.”

SECTION SIX. Section 8-605 is hereby added to the SHMC as follows:

“8-605 CONTENTS OF LICENSE.; The document or other instrument evidencing the license of a pawnbroker or precious metal dealer shall state the address at which the business is to be conducted and shall state fully the name of the licensee. If the licensee is a partnership, the license shall state the names of the members thereof and, if a corporation, the date and place of its incorporation and the names of all shareholders thereof. Such license shall be kept conspicuously posted in the place of business of the licensee and shall not be transferable or assignable. Not more than one place of business shall be maintained under the same license, but more than one license may be issued to the same licensee upon compliance with all the provisions of this chapter governing the issuance of an initial license.

SECTION SEVEN. Section 8-606 is hereby added to the SHMC as follows:

“8-606 CHANGE OF BUSINESS LOCATION Whenever a licensee shall change the place of business to another location within the City, he immediately shall give written notice thereof to the City Clerk who then shall issue a duplicate license which shall show, in addition to all of the information appearing on the old license, a record of the change of location and the date thereof, which new license shall be authority for the operation of such business under such license at such location. The licensee shall return the old license to the City Clerk as soon as the new license has been received and the change in location has taken place. No change in the place of business of a licensee to a location outside of the City shall be permitted under the same license.

SECTION EIGHT. Section 8-607 is hereby added to the SHMC as follows:

“8-607 RECORD AND ACCOUNTS, Each licensee shall keep and use in the licensee's business such books, accounts and records as will enable the City to determine whether such licensee is complying with the provisions of this chapter. The City shall have the right to examine or cause to be examined the books, accounts, records and files used by any licensee or by any other person engaged in the business of pawnbroking or dealing in precious metals, irrespective of whether such person acts or claims to act as

principal, agent or broker, or under or without authority of this article. The Chief of Police or her designated representatives of the City shall have and be given free access to all such books, accounts, papers, records, files, safes and vaults **on the licensee's place of business which are used to store such books, accounts, records and files."**

SECTION NINE. Section 18-608 is hereby added to the SHMC as follows:

"8-608 SUSPENSION OR REVOCATION OF LICENSE Any license issued under this chapter may be suspended or revoked, after due notice and public hearing, if the licensee:

- (a) Has failed to pay the annual license fee;
- (b) Has violated any provision of this article; or
- (c) Has been convicted of or has pleaded guilty to a felony under the laws of this state, or any other state, or of the United States, or shall have forfeited his bond to appear in court to answer charges for any such offense, if such conviction or plea occurred subsequent to or within the ten (10) years immediately prior to the date of the licensee's application for the license. Any license issued under this article shall be revoked, after due notice and hearing thereon, if it shall be proved at the hearing that the licensee sold any handgun to a minor.

Said hearing herein provided shall be held within thirty (30) days after notice thereof, and the alleged violation determined by written order of the City within sixty (60) days after such hearing is concluded; but no revocation or suspension or surrender of any license shall impair or affect the obligation of any preexisting lawful contract between the licensee and any borrower."

SECTION TEN. Section 8-609 is hereby added to the SHMC as follows;

"8-609 LOAN PROCEDURES Every loan made by a pawnbroker for which goods are received in pledge as security shall be evidenced by a written contract, in ink, a copy of which shall be furnished to the borrower. The loan contract shall set forth the loan period, which shall be one (1) month, the date on which the loan is due and payable and the charges, and it shall clearly inform the borrower of his right to redeem the pledge during the redemption period of two (2) months after due date. Except as otherwise provided herein, the holder of any such contract shall be presumed to be the

person entitled to redeem the pledge, and the pawnbroker shall deliver the pledge to the person presenting the contract, upon payment of the principal and charges.

Every pawnbroker shall retain in his or her possession, after the date on which the loan became due and payable, every article pledged to him for a redemption period of two (2) months. During such period, the borrower may redeem the pledged articles, upon payment of the principal and charges. It shall be unlawful for any pawnbroker to sell or transfer title or possession of any pledged property until the expiration of such period of redemption. If any pledged article is not redeemed within such redemption period, the pawnbroker shall become vested with all right, title and interest of the pledgor, or his assigns, to such pledged article, to hold and dispose of as his own property. Any other provision of law relating to the foreclosure and sale of pledges shall not be applicable to any pledge, the title to which is transferred in accordance with this section.”

SECTION ELEVEN. Section 8-610 is hereby added to the SHMC as follows:

“8-610 REPORTING, HOLDING PERIOD

(a) On or before Tuesday of each week, every pawnbroker or precious metal dealer shall report the description of all property received in pledge or purchased as a pawnbroker or precious metal dealer during the preceding calendar week, in whatever quantity received. Such report shall include all property purchased as secondhand merchandise at wholesale, secondhand merchandise taken in for sale or possessed on consignment for sale and secondhand merchandise taken in trade. No such report need be made concerning property or merchandise acquired from another pawnbroker or precious metal dealer licensed in this state in a transaction involving the purchase or other acquisition from the other pawnbroker or precious metal dealer of the other pawnbroker's or dealer's stock in trade, or a substantial part thereof in bulk, where the other pawnbroker has made the reports required by this section with respect to such property or merchandise. **Such report shall be submitted to the Chief of Police.**

(b) All reports made pursuant to this section **shall contain the following information:**

1. **Date of the purchase;**
2. **Name, date of birth, residence, and driver’s license number of the seller;**
3. **Cleary legible, detailed and accurate description of each item**

purchased. Such description shall include but shall not be limited to the following information:

- a. Type of precious metal purchased;
- b. Weight of the metal, in either pennyweight, grams or ounces,
- c. A description of any precious stones contained within the item purchased including type of stone, carat size and color,
- d. Any identifying letters, numbers, marks or writing on the item,
- e. Size of any ring purchased, and
- f. Any brand names or pattern names.

(c) Every precious metal dealer shall retain in the dealer's possession for a period of 10 days all precious metal purchased as a precious metal dealer, and such metal shall remain in the condition in which it was purchased. The 10-day period shall commence on the date the Chief of Police receives the report of its acquisition in compliance with this section. If the Chief of Police has probable cause to believe that any precious metal reported by a dealer has been stolen, the Chief of Police may give written notice to the dealer to retain such metal for an additional period of 15 days. Upon such notice, the dealer shall retain such metal in an unaltered condition for the additional 15-day day period unless the Chief of Police notifies the dealer in writing that the waiting period is terminated at an earlier time.

(d) Reports made pursuant to this section shall be available for inspection only by law enforcement officers and county and district attorneys and their employees for law enforcement purposes”.

SECTION TWELVE. Section 8-611 is hereby added to the SHMC as follows:

“8-611 RECORD BOOK.

(a) At the time of making a loan, a pawnbroker shall enter in a book kept for that purpose:

- (1) The date, duration, amount and charges of every loan made by the pawnbroker;
- (2) A full and accurate description of the property pledged; and
- (3) The name, age, residence and driver's license or other personal identification number of the pledgor.

(b) At the time of purchasing precious metal, a precious metal dealer shall enter in a book kept for that purpose:

- (1) The date of the purchase;
- (2) A full and accurate description of each item purchased, including any identifying letters, numbers or marks on the item; and
- (3) The name, age, residence and driver's license or other personal identification number of the seller.

(c) The record required by this section shall be maintained by the pawnbroker or precious metal dealer at the pawnbroker's or dealer's place of business for not less than one year following the date of the transaction.”

SECTION THIRTEEN. Section 8-612 is hereby added to the SHMC as follows:

“8-612 MINORS PROHIBITED.

- (a) No pawnbroker shall receive in pledge, or as security for any loan, transfer, service, undertaking or advantage, anything of value from any person under the age of 18 years.
- (b) No precious metal dealer shall purchase any precious metal from any person under the age of 18 years.”

SECTION FOURTEEN. Section 8-613 is hereby added to the SHMC as follows:

“8-613 CHARGES.

- (a) No pawnbroker shall contract for, charge or receive directly or indirectly on or in connection with any pawnbroker transaction any charges, whether for interest, storage, insurance, service fee, handling, compensation, consideration or expense which in the aggregate are greater than the charges provided and authorized by this chapter. Any other provisions of law relating to interest, storage and such charges shall not be applicable to any pawnbroker transaction made in accordance with this chapter.
- (b) Whenever any loan is made by a pawnbroker for which goods are received in pledge:

- (1) A charge may be added in an amount not to exceed 10% per month or 120% per annum of the amount advanced to the borrower; and
- (2) The amount of the loan shall not exceed Five Thousand Dollars (\$5,000.00).

(c) The term of any loan made under the provisions of this chapter shall be one month. Loans may be extended or renewed by the payment of the charges herein provided monthly. The charges authorized herein shall be deemed to be earned at the time the loan is made and shall not be subject to refund. On loans under this chapter, no insurance charges or any other charges of any nature whatsoever shall be permitted.”

SECTION FIFTEEN. Section 8-614 is hereby added to the SHMC as follows:

“8-614 PROOF OF IDENTIFICATION; OWNERSHIP

A precious metal dealer shall require of every person from whom the dealer purchases precious metal for resale:

- (1) Proof of identification; and
- (2) A signed statement saying that the seller is the legal owner of the precious metal or is an agent of the legal owner who is authorized to sell such metal and stating when, where and in what manner such metal was acquired by the seller.”

SECTION SIXTEEN. Section 8-615 is hereby added to the SHMC as follows:

“8-615 VIOLATION PENALTY. Any person violating any of the provisions of this Article, upon conviction, shall be punishable as provided in Section 1-1101 of the Spring Hill Municipal Code.”

SECTION SEVENTEEN. Section 8-616 is hereby added to the SHMC as follows:

“8-616 SEVERABILITY. Any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this ordinance, or any part thereof, or application thereof to any person, firm, corporation, public agency or circumstance is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this article or any part thereof.

It is hereby declared to be the legislative intent of the City Council that this ordinance would have been adopted had such unconstitutional or invalid provision, clause, sentence, paragraph, section, or part thereof, not then be included.”

SECTION EIGHTEEN. EFFECTIVE DATE. This Ordinance shall be published once in the official city newspaper and shall take effect upon the effective date of Charter Ordinance No. **XXXXX.**

PASSED BY THE CITY COUNCIL this ____ day of 2020.

APPROVED BY THE MAYOR this ____ day of 2020.

CITY OF SPRING HILL, KANSAS

By: _____
Steven M. Ellis, Mayor

Attest:

By: _____
Glenda Gerrity, City Clerk

(SEAL)

Approved as to form:

By: _____
Frank H. Jenkins, Jr. City Attorney

Agenda Item Review Sheet

To: Mayor and City Council
From: Frank Jenkins Jr., City Attorney
Date: July 2, 2020
Meeting: July 9, 2020

Formal Item: Consider adoption of resolution establishing an annual application fee for licensing of pawnbrokers and precious metal dealers.

Issue: Annual application fee for pawnbrokers and precious metal dealers.

Background/Analysis: This is companion to the ordinance that is scheduled to be adopted July 9, 2020, by the Governing Body. Section 8-602 of the Spring Hill Municipal Code provides that the annual application fee for pawnbrokers and precious metal dealers is to be established by resolution of the Governing Body.

Attached is a proposed resolution that establishes the annual fee. City Staff recommends an annual fee amount of \$150.00.

Recommendation: Adoption of Resolution

Funding and Budgeting Impact: The amount of the fee is based upon estimated City Staff time to administer the application process.

- Alternatives:**
1. Motion to adopt Resolution No. _____ establishing an annual application fee for licensing of pawnbrokers and precious metal dealers in the amount of \$150.00.
 2. Motion to continue the resolution pending additional information from City Staff.

Attachment: Resolution

cc: Jim Hendershot, City Administrator
Cindy Henson, Chief of Police
Glenda Gerrity, City Clerk
Nate Sutton, City Prosecutor

RESOLUTION NO. 2020-R-_____

A RESOLUTION ESTABLISHING ANNUAL APPPLICATION FEE FOR PAWNBROKERS AND PRECIOUS METAL DEALERS WITHIN THE CITY OF SPRING HILL, KANSAS.

WHEREAS, The City of Spring Hill has adopted Ordinnace No. _____ which added Article 6, Chapter VIII to the Spring Hill Municipal Code providing for the regulation and licensing of pawnbrokers and precious metal dealers within the City.

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

SECTION ONE: The annual licensing fee, authorized pursuant to Section 8-602 of the Municipal Code of the City of Spring Hill, shall be as follows:

Pawnbroker/Precious Metal Dealer	\$150.00	Annual
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SECTION TWO: This resolution shall be effective the 15th day of July, 2020.

ADOPTED by the Governing Body the 15th day of July, 2020.

APPROVED by the Mayor the 15th day of July, 2020.

CITY OF SPRING HILL, KANSAS

By: _____
Steven M. Ellis, Mayor

ATTEST:

By: _____
Glenda Gerrity, City Clerk

APPROVED AS TO FORM:

By: _____
Frank Jenkins, City Attorney



MEMORANDUM

TO: Governing Body
 FROM: Melanie Landis, Assistant City Administrator
 DATE: July 2, 2020
 RE: Water utility fund rate analysis

BACKGROUND

Utility funds, also called proprietary funds, are used for business like activities. The funds restrict revenue to user fees or charges related to service. These revenue sources are derived from monthly usage, monthly service fees, initial setup fees, penalty fees and system development fees (SDF’s). All expenses related to the utility fund, including operating, purchase of water, debt, capital improvement projects and equipment, are paid from these revenue sources. The City has separate funds for water and sewer.

An internal rate study is prepared annually by City staff and presented to the Council for consideration. The focus of the rate study is to identify areas of concern, determine whether the fund balances are adequate and to make a recommendation regarding current rates to the governing body. Utility rates should be based upon meeting the industry recommended end-of-year cash balance to cover three months of annual operating costs plus one year’s debt service as well as to ensure that adequate revenues are achieved to fund the upcoming annual budget and future planned projects.

DISCUSSION – WATER FUND

The Water utility served 1,794 customers in June 2020. This is 14%, or 222 connections, higher than the same time period in 2015. Within the City limits of Spring Hill, the City water district only serves approximately one-third of the properties within the city. Other water districts serving Spring Hill residents are WaterOne and Johnson County Water District No. 7.

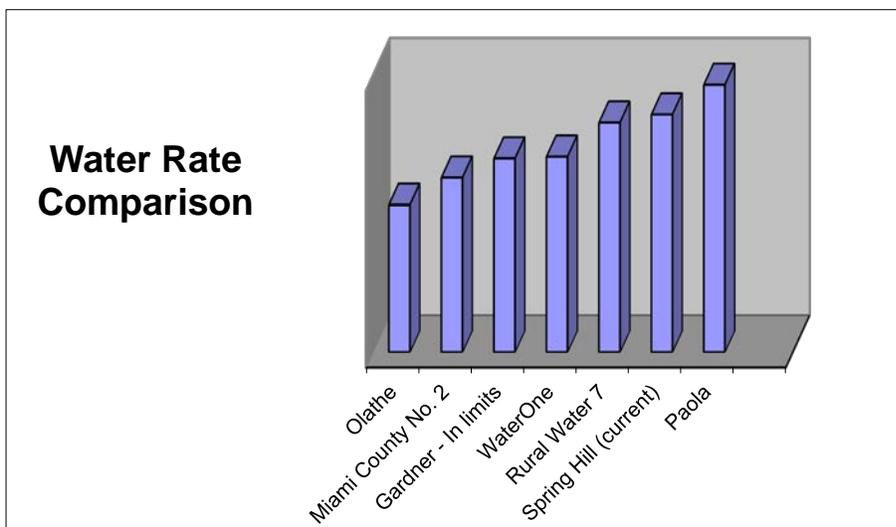
Water Rates

The most recent rate increase occurred in January of 2019 when the rates increased from \$8.34 to \$8.55 per one thousand gallons. No rate increases were implemented for 2020.

WATER RATES	Jan. 2009	Oct. 2011	Oct. 2012	Jan. 2015	Jan. 2017	Jan. 2018	Jan. 2019	Jan. 2020
per 1,000 gallons	\$6.90	\$7.25	\$7.60	\$7.87	\$8.11	\$8.34	\$8.55	\$8.55
Increase/1,000 gallons	\$0.74	\$0.35	\$0.35	\$0.27	\$0.24	\$0.23	\$0.21	\$ -
Service Charge	\$6.27	\$8.00	\$8.00	\$8.28	\$12.28	\$12.62	\$12.94	\$12.94

The following comparison provides the rates of neighboring water providers at this time.

Jurisdiction	Block Usage	Water Rates per 1,000 Gallons	Average Usage (Gallons/ Month)	Average Monthly Charge	Svc Chg (5/8" Meter Size)	Total Avg Monthly Charge
Spring Hill (current)	per 1,000 gal.	\$8.55	4,500	\$38.48	\$12.94	\$51.42
Olathe	up to 800 cubic ft next 2,200 cubic ft over 3,000 cubic ft	\$3.01 \$4.48 \$5.96	4,500	\$18.11	\$13.77	\$31.88
Gardner - In corporate limits	up to 6,000 gal 6,001 - 10,000 10,001 to 14,000 14,001 to 18,000 > 18,000 gal	\$6.21 \$6.84 \$7.14 \$7.47 \$7.81	4,500	\$27.95	\$13.95	\$41.90
Paola	per 100 gal.	\$0.73	4,500	\$32.85	\$25.00	\$57.85
Johnson Co. WaterOne	Block I Block II	\$4.24 \$5.64	4,500	\$19.08	\$23.20	\$42.28
Johnson Co. Water District No. 7	per 1,000 gal.	\$6.42	4,500	\$28.89	\$20.78	\$49.67
Miami County No. 2	up to 1,000 each addtl 1,000	\$22.00 \$4.50	4,500	\$37.75	\$0.00	\$37.75
AVERAGE				\$29.01	\$15.66	\$44.68



System Development Fees (SDF's)

System Development Fees are charged in the development of a new residential or commercial property at the time a building permit is issued and are subject to a rate structure based on size of meter installed. The SDF compensates the utility for investments required in water supply and transmission.

Below is an analysis of the Spring Hill SDF's as compared to surrounding agencies.

SYSTEM DEVELOPMENT FEES

WATER	Spring Hill	Olathe	Gardner	Johnson Cty WaterOne	Johnson Cty Water 7	Miam Co RWD2
	5/8 inch	\$2,905	\$4,451	\$4,000	\$5,000	\$7,000
1 inch	\$4,595	\$11,126	\$7,300	\$12,500	\$16,250	
1 1/2 inch	\$6,495	\$22,253	\$14,600	\$25,000	\$32,500	
2 inch	\$8,215	\$35,604	\$23,300	\$40,000	\$48,000	
3 inch	\$11,620	\$66,758	\$43,500	\$87,500	\$105,000	
4 inch	\$14,525	\$111,263	\$72,300	\$150,000	\$210,000	
6 inch	\$20,540	\$222,525	\$144,600		\$420,000	
8 inch	\$25,985	\$356,040	\$231,300		\$600,000	

Cost of Water

The City purchases its water from Miami County Rural Water District 2 and distributes through Johnson County Water District No. 7 and City water lines to our customers. The cost per thousand gallons of potable water from Miami County Rural Water District 2 is \$2.5521 for 2020. The City renegotiated its contract with RWD2 early in 2015 to reduce the overall annual maximum water use to 275,000,000 gallons annually with an annual minimum purchase of 50% or 137,500,000 gallons. The contract change reduced expenditures by approximately \$45,000 annually.

Additionally, each year the City pays an amount to the Hillsdale Area Water Cooperative, previously collected by the Kansas Water Office, equal to a determined rate times the number of gallons used in the previous year. The annual rate for 2020 estimated usage is \$.418 per thousand gallons which is a 3.2% increase from the 2019 rate of \$.405 per thousand gallons.

Capital Improvement Projects

The City has a Capital Improvement Plan (CIP) which lays out a five year plan for all City projects; however, in this rate model the capital expenses are planned for ten years giving a solid look at the cost of those improvements and including calculations for cash payments or long-term debt on those projects or equipment replacements.

Planned projects and capital purchases include:

- 2020 Design of looped water main
- 2021 Construction of looped water main; Replacement of raw water submersible pump
- 2022 Design of water main improvement and replacement of transite distribution lines
- 2023 Purchase Kubota tractor; Construction of water main improvements
- 2024 None
- 2025 Water meter replacement; Replace vehicle; Elevated water tower painting

Debt Service

The water fund has three outstanding debt issues: 1) Revolving fund loan with KDHE of \$131,585 annual principal and interest ending in 2025; 2) Loan payable to BNSF annually in the amount of \$29,600 through 2021 (principal only); and 3) Water tower maintenance general obligation bond debt of approximately \$64,000 principal and interest annually through 2025.

Financial Analysis

The financial analysis model uses five years of historical water fund revenue, expense and debt payments along with future CIP and proposed debt to determine a 10 year forecast and incorporates an annual rate increase calculation used to achieve the target fund balance for each year. As with any water utility, temperatures, rainfall and summer water restrictions play a role in customer consumption which has a direct impact on expected revenues.

Planning and prioritization of upcoming projects is necessary to avoid potential cash shortfalls in coming years. In past years, the water fund was unable to reserve system development fees due to less than sufficient cash balances. Replacement of the necessary reserve has improved over the past two years and is expected to continue to improve under the assumption that rates increase to cover expenditure increases and projects/capital purchases are as planned. Small consistent rate increases allowing for financial stability to fund expected future projects are recommended.

At this time annual revenues, including system development fees, do not cover current operating expenditures plus debt obligations and the effect is a reduction in fund balance each year. In the 10 year outlook, the effect of diminishing fund balance impacts the capability to adequately fund the necessary infrastructure improvements.

Recommendation

Based on the financial analysis and the targeted reserve balance, it is recommended that the City Council consider a 3% increase for the water fund increasing the per thousand cost to \$8.80 and the monthly service charge to \$13.33. This rate increase would become effective with the January 2021 bill).

Additionally, at the recommendation of the Council in December 2019, staff continues to place additional effort into exercises to determine whether there should be consideration given to merging with a neighboring water district. As a result, it is recommended to continue to suspend any immediate projects and non-critical expenditures until the evaluation is complete.



MEMORANDUM

TO: Governing Body
 FROM: Melanie Landis, Assistant City Administrator
 DATE: July 2, 2020
 RE: Wastewater utility fund rate analysis

BACKGROUND

Utility funds, also called proprietary funds, are used for business like activities. The funds restrict revenue to user fees or charges related to service. These revenue sources are derived from monthly usage, monthly service fees, initial setup fees, penalty fees and system development fees (SDF’s). All expenses related to the utility fund, including operating, debt, and capital improvement projects and equipment, are paid from these revenue sources.

An internal rate study is prepared annually by City staff and presented to the Council for consideration. The focus of the rate study is to identify areas of concern, determine whether the fund balances are adequate and to make a recommendation regarding current rates to the governing body. Utility rates should be based upon meeting the industry recommended end-of-year cash balance to cover three months of annual operating costs plus one year’s debt service as well as to ensure that adequate revenues are achieved to fund the upcoming annual budget and future planned projects.

DISCUSSION – WASTEWATER FUND

The Wastewater utility served 2,609 customers in June 2020. This is 24%, or 504 connections, higher than the same time period in 2015.

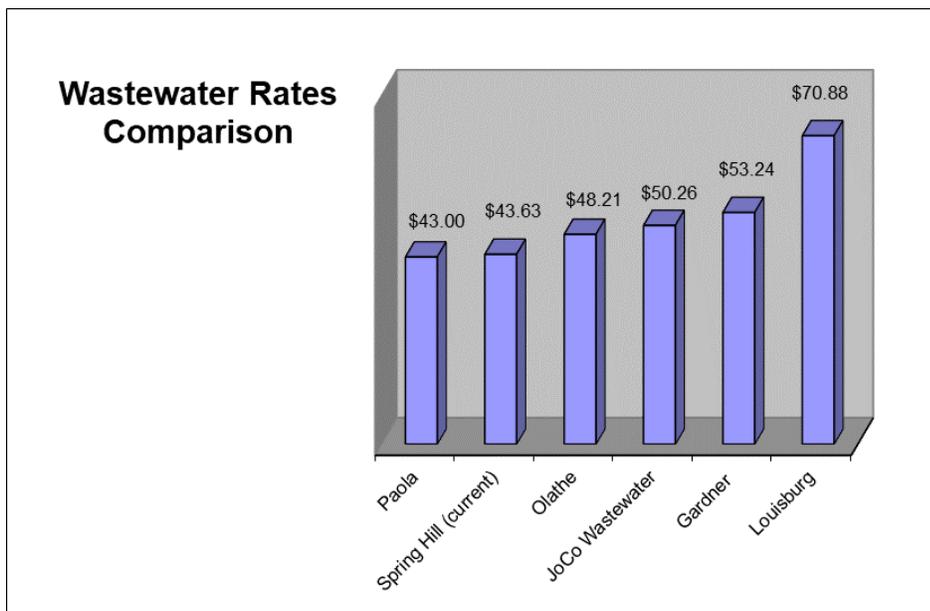
Wastewater Rates

The most recent rate increase occurred in January of 2019. Use for wastewater is billed as an amount for the first 2,000 gallons and then a rate per each 1,000 gallons beyond the first 2,000 gallons.

WASTEWATER RATES	Jan. 2011	Oct. 2012	Oct. 2014	Jan. 2015	Jan. 2017	Jan. 2018	Jan. 2019	Jan. 2020
First 2,000 gallons	\$15.15	\$15.68	\$15.90	\$16.14	\$16.14	\$16.59	\$17.00	\$17.00
Additional 1,000 gal.	\$7.75	\$8.00	\$8.10	\$8.22	\$8.22	\$8.45	\$8.65	\$8.65
Increase/1,000 gallons	\$0.25	\$0.25	\$0.10	\$0.12	\$0.00	\$0.23	\$0.20	\$ -
Service Charge	\$9.00	\$9.00	\$9.00	\$9.00	\$5.00	\$5.00	\$5.00	\$5.00

This following comparison provides the most current rates available at the time of this analysis.

Jurisdiction	Block Usage	Wastewater Rates per 1,000 Gallons	Average Usage (Gallons per Month)	Average Monthly Charge	Service Charge (5/8" Meter Size)	Total Avg Monthly Charge
Spring Hill (current)	0 -2,000 each add'l 1,000	\$17.00 \$8.65	4,500	\$38.63	\$5.00	\$43.63
Olathe	per 100 cubic ft	\$5.00	4,500	\$30.08	\$18.13	\$48.21
Gardner	per 1,000	\$8.78	4,500	\$39.51	\$13.73	\$53.24
Louisburg	per 1,000	\$9.75	4,500	\$43.88	\$27.00	\$70.88
Paola	per 100	\$0.40	4,500	\$18.00	\$25.00	\$43.00
Johnson County Wastewater	per 1,000	\$7.58	4,500	\$34.11	\$16.15	\$50.26
AVERAGE				\$34.03	\$17.50	\$51.54



System Development Fees (SDF's)

System Development Fees are charged in the development of a new residential or commercial property at the time a building permit is issued and are subject to a rate structure based on size of meter installed. The SDF compensates the utility for future cost of new or improved infrastructure supporting collection and treatment of wastewater.

Below is an analysis of the Spring Hill SDF's as compared to surrounding agencies.

SYSTEM DEVELOPMENT FEES

SEWER		Spring Hill	Olathe	Gardner	Johnson Cty Wastewater
	5/8 inch	\$5,825	\$4,968	\$5,800	\$4,968
	1 inch	\$9,210	\$12,420	\$9,300	\$9,500
	1 1/2 inch	\$13,025	\$24,840	\$18,500	
	2 inch	\$16,475	\$39,744	\$29,600	
	3 inch	\$23,300	\$74,520	\$55,500	
	4 inch	\$29,125	\$124,200	\$92,500	
	6 inch	\$41,190	\$248,400	\$184,700	
	8 inch	\$52,100	\$397,440	\$295,600	

Capital Improvement Projects

The City has a Capital Improvement Plan (CIP) which lays out a five year plan for all City projects; however, in this rate model the capital expenses are forecasted out for ten years giving a solid look at the cost of those improvements and including calculations for cash payments or long-term debt on those projects or equipment replacements.

Planned projects and capital purchases include:

- 2020 Design of lagoon rehabilitation; Wastewater improvements design and construction
- 2021 Design of flood mitigation; Construction of lagoon rehabilitation; Study of NE lift station gravity/force main relocation; Replacement of the roof on headworks building
- 2022 Construction of flood mitigation improvements; Sanitary sewer main rehabilitation; Design of NE lift station gravity/force main relocation
- 2023 Rebuild aeration blower gear box (#3); Replace sludge pump; Raise buried manholes in Blackhawk
- 2024 Rebuild aeration blower gear box (#4); Extension of catwalk #2
- 2025 Rebuild aeration blower gear box (#5)

Debt Service

The wastewater fund has multiple debt issues related to infrastructure costs. The below table shows the annual principal and interest payments, over the next five years, for the existing fund debt.

Current Debt Obligations	2020	2021	2022	2023	2024
KDHE Loan (2021)	\$294,620	\$294,620	-	-	
NSS#1 District – City at large (2033)	\$134,290	\$146,490	\$148,090	\$144,490	\$145,890
NSS#2 District – City at large (2033)	\$37,130	\$36,330	\$40,530	\$39,530	\$38,530
2007A Refunded GO (2036)	\$221,330	\$227,960	\$228,995	\$392,975	\$397,975
2012B North Lift station, Catwalk (2022)	\$64,765	\$73,400	\$71,750	-	
2013A WWTP Building Impr (2023)	\$22,400	\$21,900	\$26,400	\$25,700	
BNSF Loan (2021)	\$32,000	\$32,000	-	-	

Financial Analysis

The financial analysis model uses five years of historical sewer fund revenue, expense and debt payments along with future CIP and proposed debt to determine a 10-year forecast and incorporates an annual rate increase calculation used to achieve the target fund balance for each year.

For many years in the past, the wastewater fund was unable to reserve system development fees due to less than sufficient cash balances. Due to consistent growth in new construction, reserves began to build again in 2017 which will be used for the purpose of infrastructure improvements as the treatment plant facility ages and requires maintenance. The current financial analysis indicates a stronger cash position with adequate reserve balances for the next several years; however, consistent small rate increases to allow financial stability for increased operating and infrastructure costs are recommended.

Recommendation

Based on the financial analysis and the targeted reserve balance, it is recommended that the City Council consider a 2.5% increase for the wastewater fund increasing the first 2,000 gallons to \$17.43 and the per thousand cost to \$8.87. The monthly service charge will remain at \$5.00. This rate increase would become effective with the January 2021 bill.