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**CITY OF PITTSBURG, KANSAS**  
**COMMISSION AGENDA**  
**Tuesday, September 08, 2020**  
**5:30 PM**

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**CALL TO ORDER BY THE MAYOR:**

- a. Flag Salute Led by the Mayor
- b. Public Input
- c. Proclamation - Constitution Week - Received by Mary Gilpin

**CONSENT AGENDA:**

- a. Approval of the August 25, 2020, City Commission Meeting minutes.
- b. Consider the recommendation of the Economic Development Advisory Committee (EDAC) to forgive \$75,000 of the \$87,000 loan that was provided to TKR Management, LLC, to support the renovation of the structure located at 4th Street and the 69 Bypass to house the Riggs Chiropractic medical complex, as the value of the project exceeded \$750,000, and authorize the Mayor to sign the necessary documents on behalf of the City.
- c. Approval of the Appropriation Ordinance for the period ending September 8, 2020, subject to the release of HUD expenditures when funds are received. **ROLL CALL VOTE.**

**CONSIDER THE FOLLOWING:**

- a. 2020 AUDITING CONTRACT - Consider staff request to engage the firm of Berberich Trahan & Company P.A. for the fiscal year 2020 City audit at a cost of \$39,000. **Approve or disapprove staff request and, if approved, authorize the Mayor to sign the appropriate documents on behalf of the City.**

**NON-AGENDA REPORTS & REQUESTS:**

- a. BI-MONTHLY BUDGET REVIEW - Deputy Finance Director Larissa Bowman will provide the August 31, 2020, bi-monthly budget review. **Receive for file.**

**ADJOURNMENT**

# *Office of the Mayor*

CITY OF PITTSBURG, KANSAS

## *Proclamation*

*Whereas:* September 17<sup>th</sup>, 2020, marks the two hundred thirty-third anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

*Whereas:* It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary; and to the patriotic celebrations which will commemorate the occasion; and

*Whereas:* Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17<sup>th</sup> through 23<sup>rd</sup>, as Constitution Week.

*Now, Therefore,* I, Dawn McNay, Mayor of the City of Pittsburg, Kansas, do hereby proclaim the week of September 17<sup>th</sup> through 23<sup>rd</sup>, 2020, as

### **CONSTITUTION WEEK IN PITTSBURG**

and ask our citizens to reaffirm the ideals the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties, remembering that lost rights may never be regained.

Dated this 8<sup>th</sup> day of September, 2020.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

OFFICIAL MINUTES  
OF THE MEETING OF THE  
GOVERNING BODY OF THE  
CITY OF PITTSBURG, KANSAS  
August 25<sup>th</sup>, 2020

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A Regular Session of the Board of Commissioners was held at 5:30 p.m. on Tuesday, August 25<sup>th</sup>, 2020, in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, with Mayor Dawn McNay presiding and the following members present: Cheryl Brooks, Larry Fields, Chuck Munsell and Patrick O'Bryan.

Mayor McNay led the flag salute.

PUBLIC INPUT –

William Strenth, 1515 Hampton Road, directed questions to Mr. Vena in regard to the Silverback Landing Project.

APPROVAL OF MINUTES – On motion of Munsell, seconded by O'Bryan, the Governing Body approved the August 11<sup>th</sup>, 2020, City Commission Meeting minutes as presented. Motion carried.

APPROPRIATION ORDINANCE – On motion of Munsell, seconded by O'Bryan, the Governing Body approved the Appropriation Ordinance for the period ending August 25<sup>th</sup>, 2020, subject to the release of HUD expenditures when funds are received with the following roll call vote: Yea: Brooks, Fields, McNay, Munsell and O'Bryan. Motion carried.

SILVERBACK PROJECT UPDATE – Silverback Developer Mr. Vena began by answering the questions asked by Mr. Strenth during Public Input. Mr. Vena then provided an update on the Silverback Development Project. Mr. Vena provided information and answered questions regarding the size and available features of the proposed homes, the timing of the construction of the pool and park, the Homeowners Association, the availability of building supplies, the construction of a crash gate, the construction of sidewalks, the construction of sheds, and the concrete streets. Lori Anderson reviewed the floor plans of the model homes to be constructed and provided information on the Homeowners Association and the proposed creation of a Mom's Council for the residents of the Silverback Development. Mr. Vena indicated that construction of the homes would begin by September 15<sup>th</sup>, 2020.

FIXED ASSET POLICY – On motion of O'Bryan, seconded by Fields, the Governing Body adopted the newly created City Fixed Asset Policy. Motion carried.

ORDINANCE NO. S-1072 – On motion of O'Bryan, seconded by Munsell, the Governing Body adopted Ordinance No. S-1072, calling for a Special Election to be held on October 6, 2020, for the purpose of voting on a proposition to authorize the City of Pittsburg, Kansas, to levy a special purpose citywide retailers' sales tax in the amount of one-half of one percent (0.50%) to be levied for a term of ten (10) years, to take effect April 1, 2021, or the next available date, with the revenue therefrom to pay for the maintenance and repair of City streets, and not to exceed one hundred thousand dollars (\$100,000.00) annually to pay for a sidewalk repair matching fund for property owners, and authorized the Mayor to sign the Ordinance on behalf of the City. Motion carried.

OFFICIAL MINUTES  
OF THE MEETING OF THE  
GOVERNING BODY OF THE  
CITY OF PITTSBURG, KANSAS  
August 25<sup>th</sup>, 2020

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NON-AGENDA REPORTS & REQUESTS:

SALES TAX RECEIPTS – Deputy Finance Director Larissa Bowman announced that the City's Sales Tax receipts for June are up 2.7% over the same period last year.

CITY-WIDE CLEAN UP PROGRAM – Commissioner Munsell requested that the City-wide clean up program be re-established.

ADA CODES – Commissioner Fields suggested the City's Building Codes, including the ADA Codes, be reviewed and updated, as the current ADA Codes are 84 pages long. Commissioner O'Bryan asked if a citizen's committee would be helpful in reviewing and updating the Codes. City Manager Hall suggested a contractor's committee be engaged to review the City's Building Codes and permitting processes.

CODES AND BUILDING INSPECTORS – Commissioner Brooks inquired if additional Codes and Building Inspectors will be hired by the City. City Manager Daron Hall indicated that the processes currently used by the Codes Enforcement Officers are being reviewed. Mr. Hall stated that the City is currently in the process of hiring an additional building inspector.

ADJOURNMENT: On motion of O'Bryan, seconded by Fields, the Governing Body adjourned the meeting at 6:58 p.m. Motion carried.

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Dawn McNay, Mayor

ATTEST:

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Tammy Nagel, City Clerk



## Memorandum

**TO:** Daron Hall, City Manager

**FROM:** Blake Benson, Economic Development Director

**DATE:** September 2, 2020

**SUBJECT:** September 8, 2020 Agenda Item  
TKR Management, LLC loan forgiveness recommendation

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On November 26, 2019, the Pittsburg City Commission approved providing \$87,000 to Riggs Chiropractic to support the renovation of the long abandoned Tyrell's service station at 4<sup>th</sup> Street & the Highway 69 bypass. Drs. Tyler and Kayla Riggs announced this project would create a new medical complex for Riggs Chiropractic. As the property was purchased under the name of TKR Management, LLC, the Pittsburg City Commission approved changing the name of the recipient of the funds from Riggs Chiropractic to TKR Management, LLC, on February 25, 2020.

Of this \$87,000, \$75,000 was made forgivable contingent on the project's value exceeding \$750,000. TKR Management, LLC, provided verification that the project exceeded this value and qualified for forgiveness.

The EDAC considered this at its September 2, 2020, meeting and recommended forgiveness of the \$75,000 forgivable amount. TKR Management, LLC, is repaying the additional \$12,000.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, September 8, 2020. Action being requested is approval or denial of the EDAC recommendation and, if approved, authorize the Mayor to sign the appropriate documents.

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 8/19/2020 THRU 9/01/2020

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0321	KP&F	D	8/21/2020			000000		43,658.36
0728	ICMA	D	8/21/2020			000000		550.00
1050	KPERS	D	8/21/2020			000000		39,309.49
3079	COMMERCE BANK	D	8/26/2020			000000		25,442.75
5904	TASC	D	8/21/2020			000000		6,617.29
6415	GREAT WEST TANDEM KPERS 457	D	8/21/2020			000000		4,661.50
7290	DELTA DENTAL OF KANSAS INC	D	8/21/2020			000000		1,179.85
7290	DELTA DENTAL OF KANSAS INC	D	8/28/2020			000000		1,810.30
7877	TRUSTMARK HEALTH BENEFITS INC	D	8/20/2020			000000		10,295.06
7877	TRUSTMARK HEALTH BENEFITS INC	D	8/27/2020			000000		38,544.24
8051	AFLAC GROUP INSURANCE	D	8/24/2020			000000		2,766.92
4489	WEIS FIRE & SAFETY EQUIPMENT L	E	8/24/2020			009063		1,020.09
7567	MERIDIAN OIL & EQUIPMENT LLC	E	8/24/2020			009064		608.50
0046	ETTINGERS OFFICE SUPPLY	E	8/24/2020			009065		105.02
0055	JOHN'S SPORT CENTER, INC.	E	8/24/2020			009066		981.00
0087	FORMS ONE, LLC	E	8/24/2020			009067		412.88
0105	PITTSBURG AUTOMOTIVE	E	8/24/2020			009068		492.04
0194	KANSAS STATE TREASURER	E	8/24/2020			009069		3,975.00
0294	COPY PRODUCTS, INC.	E	8/24/2020			009070		784.99
0335	CUSTOM AWARDS, LLC	E	8/24/2020			009071		363.38
0551	A-7 AUSTIN, LTD	E	8/24/2020			009072		184.93
0577	KANSAS GAS SERVICE	E	8/24/2020			009073		1,669.70

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0627	BOETTCHER SUPPLY INC	E	8/24/2020			009074		203.37
0628	BERRY COMPANIES, INC.	E	8/24/2020			009075		97.32
0746	CDL ELECTRIC COMPANY INC	E	8/24/2020			009076		75.00
0866	AVFUEL CORPORATION	E	8/24/2020			009077		13,355.39
1733	BMI, INC	E	8/24/2020			009078		170.40
2960	PACE ANALYTICAL SERVICES LLC	E	8/24/2020			009079		5,583.00
3668	MID AMERICA PROPERTIES OF PITT	E	8/24/2020			009080		25.00
4621	JCI INDUSTRIES INC	E	8/24/2020			009081		3,672.00
5855	STERICYCLE, INC.	E	8/24/2020			009082		326.26
6577	GREENSPRO INC	E	8/24/2020			009083		208.25
6595	AMAZON.COM, INC	E	8/24/2020			009084		7,592.33
7420	AZTECA SYSTEMS, INC	E	8/24/2020			009085		40,000.00
8132	MIKE CARPINO FORD PITTSBURG IN	E	8/24/2020			009086		210.00
8187	EXELON CORPORATION	E	8/24/2020			009087		231.54
8246	BETHANY ANN BROOKS	E	8/24/2020			009088		532.00
8211	UMB BANK N.A.	E	8/27/2020			009089		48,223.99
4489	WEIS FIRE & SAFETY EQUIPMENT L	E	8/31/2020			009090		1,983.65
6528	GALE GROUP/CENGAGE	E	8/31/2020			009091		73.73
8202	PETROLEUM TRADERS CORPORATION	E	8/31/2020			009092		12,897.48
8236	NORTHGATE ASSOCIATES LLC	E	8/31/2020			009093		6,375.49
0046	ETTINGERS OFFICE SUPPLY	E	8/31/2020			009094		437.63
0054	JOPLIN SUPPLY COMPANY	E	8/31/2020			009095		1,092.22



VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0105	PITTSBURG AUTOMOTIVE	E	8/31/2020			009096		7,506.32
0112	MARRONES INC	E	8/31/2020			009097		58.16
0117	GATEHOUSE MEDIA KANSAS HOLDING	E	8/31/2020			009098		127.81
0142	HECKERT CONSTRUCTION CO INC	E	8/31/2020			009099		43,913.09
0181	INGRAM LIBRARY SERVICES	E	8/31/2020			009100		24.56
0201	SPICER-ADAMS WELDING, INC.	E	8/31/2020			009101		57.60
0345	THE VICTOR L PHILLIPS CO	E	8/31/2020			009102		3,097.88
0455	LARRY BARRETT BODY * FRAME * T	E	8/31/2020			009103		330.00
0597	CORNEJO & SONS LLC	E	8/31/2020			009104		103.73
0659	PAYNES INC	E	8/31/2020			009105		212.50
0700	NAMES AND NUMBERS	E	8/31/2020			009106		2,894.40
0746	CDL ELECTRIC COMPANY INC	E	8/31/2020			009107		5,812.50
1478	KANSASLAND TIRE #1828	E	8/31/2020			009108		16.50
1792	B&L WATERWORKS SUPPLY, LLC	E	8/31/2020			009109		6,841.57
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	8/31/2020			009110		583.50
2960	PACE ANALYTICAL SERVICES LLC	E	8/31/2020			009111		1,115.00
3802	BRENNTAG MID-SOUTH INC	E	8/31/2020			009112		2,259.00
4262	KDHE SRF	E	8/31/2020			009113		168,664.98
4307	HENRY KRAFT, INC.	E	8/31/2020			009114		149.59
4603	KANSAS GOLF AND TURF INC	E	8/31/2020			009115		1,227.02
5275	US LIME COMPANY-ST CLAIR	E	8/31/2020			009116		5,009.93
6658	DAVIS-MOORE INC	E	8/31/2020			009117		60,559.44

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6936	HAWKINS INC	E	8/31/2020			009118		3,710.73
7028	MATTHEW L. FRYE	E	8/31/2020			009119		400.00
7038	SIGNET COFFEE ROASTERS	E	8/31/2020			009120		45.50
7284	TRANSYSTEMS CORPORATION	E	8/31/2020			009121		59,860.00
7667	BRENT'S ELECTRIC, LLC	E	8/31/2020			009122		915.97
7930	SANDERSON PIPE CORPORATION	E	8/31/2020			009123		743.20
8194	BAKER TILLEY MUNICIPAL ADVISOR	E	8/31/2020			009124		2,700.00
8281	SOUTHERN B EVENTS LLC	E	8/31/2020			009125		340.00
8282	DUSTIN L PRINCE	E	8/31/2020			009126		23.00
8278	GERSON BOCANEGRA	R	8/21/2020			187472		25.00
8180	LESLEY ALEXANDRA BOCANEGRA	R	8/21/2020			187473		25.00
4263	COX COMMUNICATIONS KANSAS LLC	R	8/21/2020			187474		28.89
0375	WICHITA WATER CONDITIONING	R	8/21/2020			187475		7.00
7116	EMC INSURANCE COMPANIES	R	8/21/2020			187476		4,157.00
1108	EVERGY KANSAS CENTRAL INC	R	8/21/2020			187477		2,668.70
8254	HUNDEN STRATRGC PARTNERS INC	R	8/21/2020			187478		5,750.00
3720	KWEA	R	8/21/2020			187479		75.00
8208	MICHAEL JOHNSON	R	8/21/2020			187480		200.00
6942	MULBERRY LIMESTONE QUARRY	R	8/21/2020			187481		387.45
7480	RODGER PETRAIT	R	8/21/2020			187482		140.00
8089	JORAN STOUT-MITCHELL	R	8/21/2020			187483		120.00
6154	4 STATE MAINTENANCE SUPPLY INC	R	8/28/2020			187496		67.78

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5561	AT&T MOBILITY	R	8/28/2020			187497		131.20
8278	GERSON BOCANEGRA	R	8/28/2020			187498		25.00
1	BRENNER MORTUARY	R	8/28/2020			187499		960.00
6545	CENTER POINT INC	R	8/28/2020			187500		45.00
1108	EVERGY KANSAS CENTRAL INC	R	8/28/2020			187501		110.49
8199	PRINTER'S INK LLC	R	8/28/2020			187502		289.88
1	FARRINGTON, COLLEEN	R	8/28/2020			187503		75.00
6923	HUGO'S INDUSTRIAL SUPPLY INC	R	8/28/2020			187504		48.30
8273	MARTIN OUTDOOR ENTERPRISES INC	R	8/28/2020			187505		5,250.00
8206	PRAXAIR, INC.	R	8/28/2020			187506		2,196.14
0175	REGISTER OF DEEDS	R	8/28/2020			187507		21.00
7270	SECURITY 1ST TITLE, LLC	R	8/28/2020			187508		345.00
6730	DJB INVESTMENTS, LLC	R	8/28/2020			187509		1,350.00
5589	VERIZON WIRELESS SERVICES, LLC	R	8/28/2020			187510		232.28
1	GARCIA, RON	R	8/31/2020			187511		1,449.00

* * T O T A L S * *		NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:		28	26,180.11	0.00	26,180.11
HAND CHECKS:		0	0.00	0.00	0.00
DRAFTS:		11	174,835.76	0.00	174,835.76
EFT:		64	533,267.06	0.00	533,267.06
NON CHECKS:		0	0.00	0.00	0.00
VOID CHECKS:	0 VOID DEBITS	0.00			
	VOID CREDITS	0.00	0.00	0.00	
TOTAL ERRORS: 0					

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
			NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT		
VENDOR SET: 99	BANK: 80144	TOTALS:	103	734,282.93	0.00	734,282.93		
BANK: 80144	TOTALS:		103	734,282.93	0.00	734,282.93		
REPORT TOTALS:			103	734,282.93	0.00	734,282.93		

Passed and approved this 8<sup>th</sup> day of September, 2020.

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Dawn McNay, Mayor

ATTEST:

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Tammy Nagel, City Clerk

## Interoffice Memorandum

**TO:** Daron Hall, City Manager

**FROM:** Larissa Bowman, Deputy Director of Finance

**DATE:** August 28, 2020

**SUBJECT:** Agenda Item – Audit Contract 2020 Fiscal Year

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Attached is an engagement contract from Berberich Trahan and Company P.A. to perform auditing services for the City's fiscal year ending December 31, 2020. Action necessary will be to approve the attached 2020 auditing contract in the amount of \$39,000.

If you have any questions concerning this matter, please do not hesitate to contact me.

cc: Tammy Nagel, City Clerk



August 27, 2020

Honorable Mayor and City Commission  
City of Pittsburg, Kansas  
201 W. 4th Street, P.O. Box 688  
Pittsburg, Kansas 66762

### **The Objective and Scope of the Audit of the Financial Statements**

You have requested that we audit the City of Pittsburg, Kansas's (the City) governmental activities, business-type activities, discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and the street and highway fund as of and for the year ended December 31, 2020 which collectively comprise the basic financial statements. We will also apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America and will report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

You have informed us that you desire us to issue a report on the basic financial statements of the City as of and for the year ended December 31, 2020 conforming only to the requirements of auditing standards generally accepted in the United States of America. This reporting will not be used for purposes to comply with a requirement calling for an audit in accordance with *Government Auditing Standards*.

We will also perform the audit of the City as of December 31, 2020, so as to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the "Kansas Municipal Audit and Accounting Guide"; "Government Auditing Standards" (GAS) issued by the Comptroller General of the United States; and the provisions of the Single Audit Act, Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and U.S. Office of Management and Budget's (OMB) Compliance Supplement. Those standards, regulations, supplements, or guides require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

4301 SW Huntoon Street, Topeka, KS 66604 | t: 785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: blandcoocpa.com





Honorable Mayor and City Commission  
City of Pittsburg, Kansas  
Page 2

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that is immaterial to the financial statements. The determination of abuse is subjective; therefore, GAS does not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the City Commission (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The component unit whose financial statements you have told us are to be included as part of the City's basic financial statements is the Pittsburg Public Library.

We are responsible for the compliance audit of major programs under the Uniform Guidance, including the determination of major programs, the consideration of internal control over compliance, and reporting responsibilities.

Our report on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and circulars identified above. Our report on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts, and any state or federal grant, entitlement, or loan program questioned costs of which we become aware, consistent with requirements of the standards and regulations identified above.

#### **The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework**

Our audit will be conducted on the basis that management and when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below.
- c. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;





Honorable Mayor and City Commission  
City of Pittsburg, Kansas  
Page 3

- d. For establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
- e. For report distribution; and
- f. To provide us with:
  - (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - (2) Additional information that we may request from management for the purpose of the audit;
  - (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
  - (4) When applicable, a summary schedule of prior audit findings; and
  - (5) If applicable, responses to any findings reported on the schedule of findings and questioned costs.

As part of our audit process, we will request from management and when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit, including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that City complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse or suspected fraud or abuse affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.

Management is responsible for the preparation of the required supplementary information and supplementary information presented in relation to the financial statements as a whole in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on the RSI or supplementary information in any document that contains the supplementary information and that indicates that the auditor has reported on such RSI and supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.



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Because the audit will be performed in accordance with the Single Audit Act and the Uniform Guidance, management is responsible for (a) identifying all federal awards received and expended; (b) preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with Uniform Guidance requirements; (c) internal control over compliance; (d) compliance with federal statutes, regulations, and the terms and conditions of federal awards; (e) making us aware of significant vendor relationships where the vendor is responsible for program compliance; (f) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings and a corrective action plan; and (g) submitting the reporting package and data collection form.

The City Commission is responsible for informing us of its views about the risks of fraud or abuse within the entity, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the City.

You have informed us that you may issue public debt in the future and that you may include our report on your financial statements in the offering statement. You have further informed us that you do not intend that we be associated with the proposed offering.

We agree that our association with any proposed offering is not necessary, providing the City agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The City agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

BT&Co., P.A., 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. BT&Co., P.A., also has not performed any procedures relating to this official statement.

Because BT&Co., P.A. will rely on the City and its management and City Commission to discharge the foregoing responsibilities, the City holds harmless and releases BT&Co., P.A., its directors, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the City's management which has caused, in any respect, BT&Co., P.A.'s breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

#### **Records and Assistance**

If circumstances arise relating to the condition of the City's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the City's books and records. The City will determine that all such data, if necessary, will be so reflected. Accordingly, the City will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by City personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with Larissa Bowman, Deputy Finance Director. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.





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In connection with our audit, you have requested us to perform certain non-audit services necessary for the preparation of the financial statements, including preparing the financial statements and note disclosures, assistance with entity-wide entries, and assistance with the Federal Audit Clearinghouse submission. The GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the City, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit service to be performed. The City has agreed that Larissa Bowman, Deputy Finance Director, possesses suitable skill, knowledge, or experience and that the individual understands the non-audit services to be performed sufficiently to oversee them. Accordingly, the management of the City agrees to the following:

1. The City has designated Larissa Bowman, Deputy Finance Director, as a senior member of management, who possesses suitable skill, knowledge, and experience to oversee the services.
2. Larissa Bowman, Deputy Finance Director, will assume all management responsibilities for subject matter and scope of the non-audit services listed above.
3. The City will evaluate the adequacy and results of the services performed.
4. The City accepts responsibility for the results and ultimate use of the services.

GAS further requires we establish an understanding with the management and those charged with governance of the objectives of the non-audit service, the services to be performed, the entity's acceptance of its responsibilities, the auditors' responsibilities, and any limitations of the non-audit service. We believe this letter documents that understanding.

#### **Other Relevant Information**

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

RSM US LLP will be available to support BT&Co., P.A. by rendering services related to the performance of the engagement. If a situation occurs in connection with the proposed engagement for which we would request the services of RSM US LLP, we will notify you and obtain permission from you before giving access to your records. We will maintain supervision, control and ultimate responsibility for the performance of this engagement.

BT&Co., P.A. is independently owned and operated and assumes full responsibility for the quality of service delivered to our clients. We are responsible for our own client fee arrangements and maintenance of our client relationships.



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RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM US LLP and RSM International. RSM, the RSM logo and RSM US ALLIANCE are trademarks of RSM International Association or RSM US. The services and products provided by RSM US Alliance are proprietary to RSM US LLP.

In accordance with GAS, a copy of our most recent peer review report is enclosed for your information.

#### **Fees, Costs, and Access to Workpapers**

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Our fee estimate and completion of our work is based upon the following criteria:

- a. Anticipated cooperation from City personnel
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. In accordance with our proposal, our fee for this audit engagement, which includes out-of-pocket expenses, will be \$ 36,000 for the financial statement audit and \$ 3,000 for the Single Audit. If a Single Audit with more than one major program is required, we anticipate an additional fee of \$ 1,500 per additional major program (depending on the complexity of the program) for compliance testing and reporting. The quoted fee for the year ended December 31, 2020 will be the maximum for the work described in this letter unless the scope of the engagement is changed, the assistance which the City has agreed to furnish is not provided, or unexpected conditions are encountered. No changes will be made in the maximum agreed to amount without discussion with you regarding the proposed change. All other provisions of this letter will survive any fee adjustment. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

In accordance with our policy, a finance charge of 1% per month will be applied to balances that are over 60 days old. Payments will be applied first to the accrued finance charges and then to outstanding invoices.

In the event you terminate this engagement, you will pay the Firm for all services rendered (including deliverables and products delivered), expenses incurred and commitments made by the Firm through the effective date of termination.





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When an engagement has been suspended at the request of management [or those charged with governance] and work on that engagement has not recommenced within 120 days of the request to suspend our work, the Firm may, at its sole discretion, terminate this arrangement letter without further obligation to the City. Resumption of audit work following termination may be subject to our client acceptance procedures and, if resumed, will necessitate additional procedures not contemplated in this arrangement letter. Accordingly, the scope, timing and fee arrangement discussed in this arrangement letter will no longer apply. In order for the Firm to recommence work, a new arrangement letter would need to be mutually agreed upon and executed.

Review of audit documentation by a successor auditor or as part of due diligence will be agreed to, accounted for and billed separately.

In the event we are requested or authorized by the City or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of BT&Co., P.A.. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of BT&Co., P.A. audit personnel and at a location designated by our Firm.

You have informed us that you intend to prepare a comprehensive annual financial report (CAFR) and submit it for evaluation by the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. Our association with the CAFR is to consist of performing a review of the CAFR to insure its readiness for submission.

#### **Claim Resolution**

The City and BT&Co., P.A. agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by BT&Co., P.A. or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. BT&Co., P.A.'s liability for all claims, damages and costs of the City arising from this engagement is limited to the amount of fees paid by the City to BT&Co., P.A. for the services rendered under this arrangement letter.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.



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The City and BT&Co., P.A. both agree that any dispute over fees charged by BT&Co., P.A. to the City will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by BT&Co., P.A., each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

#### **Information Security – Miscellaneous Terms**

BT&Co., P.A. is committed to the safe and confidential treatment of the City's proprietary information. BT&Co., P.A. is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. The City agrees that it will not provide BT&Co., P.A. with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of the City's information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

BT&Co., P.A. may terminate this relationship immediately in its sole discretion if BT&Co., P.A. determines that continued performance would result in a violation of law, regulatory requirements, applicable professional standards or BT&Co., P.A.'s client acceptance or retention standards, or if the City is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the City or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

#### **Reporting**

We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the City Commission of the City. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on the City's financial statements, we will also issue the following types of reports:

- A report on the fairness of the presentation of the City's schedule of expenditures of federal awards for the year ending December 31, 2020.
- Reports on internal control related to the financial statements, and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal controls.
- Reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a material effect, as defined by Subpart F of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), on each major program.
- An accompanying schedule of findings and questioned costs.





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### Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return the enclosed copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Very truly yours,

BT&CO., P.A.

Stacey A. Hammond  
Director

SAH:tls  
Enclosures

Confirmed on behalf of the City of Pittsburg, Kansas:

\_\_\_\_\_  
City Commission

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date



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A signed copy of this arrangement letter will be forwarded to the following pursuant to *Government Auditing Standards* Amendment No. 2, "Auditor Communication."

Larissa Bowman, Deputy Finance Director



## Report on the Firm's System of Quality Control

December 4, 2017

To the Directors of  
Berberich Trahan & Co., P.A.  
and the Peer Review Committee of the Kansas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Berberich Trahan & Co., P.A. (the firm) in effect for the year ended June 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards, including compliance audits under the Single Audit Act, and an audit of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Berberich Trahan & Co., P.A. in effect for the year ended June 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Berberich Trahan & Co., P.A. has received a peer review rating of *pass*.

*Brown Smith Wallace, LLP*

Brown Smith Wallace, LLP

**City of Pittsburg, Kansas**  
**2020 Budget Recap**  
**As of August 31, 2020**  
**66.67% of Fiscal Year has passed**

Budgeted Funds	Un-Encumbered Cash Balance 1/1/2020	Revenues (1)			Expenditures			Y-T-D Net	Un-Encumbered Cash Balance 8/31/2020
		Estimated Budget 2020	Y-T-D Revenues 8/31/2020	Percent Received	Estimated Budget 2020	Y-T-D Expenses 8/31/2020	Percent Used		
General Fund	\$ 6,016,890	\$ 21,834,372	\$ 16,843,759	77.14%	\$ 22,205,340	\$ 14,821,680	66.75%	\$ 2,022,079	\$ 8,038,969
Public Library	282,411	873,208	791,628	90.66%	866,384	532,297	61.44%	259,331	541,742
Public Library Annuity	166,897	500	472	94.40%	10,000	-	0.00%	472	167,369
Special Alcohol & Drug	30,754	85,000	57,757	67.95%	102,850	69,163	67.25%	(11,406)	19,348
Special Parks & Recreation	-	85,000	57,757	67.95%	85,000	57,757	67.95%	-	-
Street & Highway	175,493	1,013,250	702,428	69.32%	1,045,837	633,727	60.60%	68,701	244,194
Street & Highway Sales Tax	966,736	1,844,714	1,466,837	79.52%	2,560,000	1,637,002	63.95%	(170,165)	796,571
Section 8 Housing	8,968	1,523,600	1,105,786	72.58%	1,525,788	1,045,058	68.49%	60,728	69,696
Revolving Loan Fund	2,505,037	1,007,363	529,584	52.57%	797,214	636,640	79.86%	(107,056)	2,397,981
Debt Service	901,542	3,668,121	3,542,902	96.59%	3,563,222	3,498,012	98.17%	44,890	946,432
Public Utilities	3,557,761	7,982,935	5,630,512	70.53%	8,408,537	6,071,221	72.20%	(440,709)	3,117,052
Stormwater	964,454	815,974	577,960	70.83%	1,011,940	925,537	91.46%	(347,577)	616,877
Totals	\$ 15,576,943	\$ 40,734,037	\$ 31,307,382	76.86%	\$ 42,182,112	\$ 29,928,094	70.95%	\$ 1,379,288	\$ 16,956,231

\*Sales Tax collections are up 2.71 %  
compared to same period in 2019