

Resolution # 61

A RESOLUTION AUTHORIZING THE CITY OF PAWNEE ROCK , KANSAS, THROUGH ITS CITY COUNCIL, TO RATIFY AND AFFIRM THE REPAYMENT OF A LOAN FROM THE PAWNEE ROCK FIREMAN'S RELIEF ASSOCIATION.

WHEREAS, managing public money is a major job for city council members; and,

WHEREAS, the volunteer firefighters of this city perform an important and sometimes dangerous task; and,

WHEREAS, the Fireman's Relief Association for the city of Pawnee Rock is not an agency of the city but rather is an agency of state government and is controlled by state statutes,

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

That the council hereby approves the recommendation by the city attorney, with advice from the city's auditing staff, to repay a loan from the Pawnee Rock Firefighters Relief Association fund of \$3,500.00. The loan is repaid under the following facts set forth with the approval of this existing City Council:

1. On July 10, 2006, with all city council members present, none of whom currently serves in city government, the Pawnee Rock City Council discussed and unanimously approved a loan from the Pawnee Rock Fireman's Relief Association (hereafter FRA) to the City for \$3,500.00 to assist in the purchase of a 1977 Seagraves Fire Truck from the Hays, Kansas, fire department. The loan was to be repaid with "minimal interest."
2. No contract for a loan, or any loan document with any terms, has been found in city archives or the records of the city clerk's office of that time.
3. No contract or loan documentation with any terms was produced by the Treasurer of the Pawnee Rock FRA in spite of repeated requests for such production.
4. It is clear from city records that a check for \$3,500 was written by the FRA treasurer and deposited in city funds. It is clear, also, that the truck was purchased.
5. Not to repay this loan would seriously jeopardize the annual transfer of funds from the State Insurance Commissioner's office to the separately maintained account of

the Pawnee Rock FRA. This in turn, adversely affects the important public policy functions of a city's FRA, and especially this city's FRA and the public purpose it serves.

6. The fire chief of Pawnee Rock has made inquiry of the key employee at the Insurance Commissioner's office, and is told that if such loan is repaid without interest they will resume payments of the city's annual payments to the FRA. If the loan is not repaid, the Commissioner's Office will continue to hold all such payments to the local FRA.

7. The city attorney has made inquiry of the city's auditor and determined that the amount, \$3,500, has been carried since 2006 as a payable on the books, and the auditor has no problem with the repayment to the Pawnee Rock FRA.


8. The Pawnee Rock volunteer fire chief is the new treasurer of the Pawnee Rock FRA and is, or shortly will be, bonded as required by law.

9. It is in the public interest of the citizen's of Pawnee Rock to have a viable and functioning Fireman's Relief Association fund that pays for insurance and certain administrative costs of maintaining a volunteer fire department. This public interest would be enhanced if the loan is repaid.

BE IT FURTHER RESOLVED that, upon formal approval of the City Council in open session, the City Clerk shall issue a check for \$3,500 to the Pawnee Rock Fireman's Relief Association.


BE IT FURTHER RESOLVED that this resolution shall be attached to and remain with the minutes of the City Council where such formal approval takes place.

ADOPTED this 5 day of October, 2007.



Tim Parret, Mayor

Attest:



Jennifer Ball, City Clerk