

December 7, 2004

The Board of Supervisors of Shelby County, Iowa, met pursuant to law and rules of said board in regular session at 9:00 a.m. in the Supervisors Chambers of the Shelby County Courthouse with the following members present:, Richard Ferry, Vice-Chairman; Gayle Petersen and Marsha J. Carter, Clerk. Absent: Roger Schmitz, Chairman.

It was moved by Petersen, seconded by Ferry, to approve the agenda AND the following items contained in the Consent Agenda:

- A. Minutes of November 17 & 24, 2004
- B. Office Reports – None
- C. Committee Reports

AYES: Ferry, Petersen

NAYES: None

It was moved by Petersen, seconded by Ferry, to approve the Claims of November 30, 2004, as listed in the Claims Register. AYES: Ferry, Petersen

NAYES: None

Now being the time for the public hearing on the Amendment to the County Urban Renewal District, the Chairman did open the hearing. The Auditor reported that she had received no written or oral comments. It was moved by Ferry, seconded by Petersen, to close the hearing and approve the following resolution:

RESOLUTION NO. 2004-49
AMENDMENT TO THE COUNTY’S URBAN RENEWAL PLAN

TERMINATION OF URBAN RENEWAL PLAN

The date of termination of the Business Park Urban Renewal Plan is amended to June 30, 2020.

All other portions of the Urban Renewal Plan will remain as stated.

Passed and approved this 7th day of December, 2004.

AYES: Ferry, Petersen

NAYES: None

The Sheriff’s Office reported that one of the patrol cars had been wrecked and would need to be replaced, which will require a budget amendment for FY2005.

It was moved by Ferry, seconded by Petersen, to appoint Richard Kluver as the Recorder’s representative to the Compensation Board. AYES: Ferry, Petersen

NAYES: None

Frank Hermsen, New Hope Village, appeared before the Board to present their Annual Report.

It was moved by Petersen, seconded by Ferry, to authorize the Vice-Chairman to sign the 28E Agreement with the City of Harlan for Tax Increment Financing Funds. AYES: Ferry, Petersen

NAYES: None

A Tax Abatement Petition was filed with the Board. It was moved by Petersen, seconded by Ferry, to abate approximately \$1623.25 in FY2006 real estate taxes (based on FY2005 tax rates) on the property at 1911-19th St., Harlan, which has been purchased by Concerned, Inc. AYES: Ferry, Petersen

NAYES: None

It was moved by Petersen, seconded by Ferry, to repay to loan of \$125,000 from Capital to Secondary Road Fund now that the bond funds had been deposited for the sewer project. AYES: Ferry, Petersen

NAYES: None

It was moved by Petersen, seconded by Ferry, to set the date for receiving sealed bids for the cash rent of the County Farm as December 21, 2004, at 9:30 a.m. AYES: Ferry, Petersen

NAYES: None

It was moved by Petersen, seconded by Ferry, to adopt the following resolution.

**RESOLUTION NO. 2004-50
PROPOSED DISPOSAL OF COUNTY INTEREST IN REAL ESTATE**

WHEREAS, the Board of Supervisors wishes to dispose of County interest in the following described real estate:

- A. Parcel No. 834200000001 – Part of Main St lying between OL 1 & OL 4 in the Original Plat of Corley, IA.
- B. Parcel No. 834200000002 – 16' East-West Alley in Blk 2 in the Original Plat of Corley, IA.

WHEREAS, in response to solicitation of proposals, property owners wish to purchase adjoining land and combine it with their property as one taxable parcel; and

WHEREAS, disposal of the County's interest in this real estate would be by Quit Claim Deed according to County Policy; and

WHEREAS, Iowa Code Section 331.361(2) requires a public hearing on disposal of an interest in real estate;

NOW THEREFORE BE IT RESOLVED that a public hearing on this proposed disposal of County interest in real estate is set for December 21, 2004, at 9:00 a.m. in the Supervisors Chambers in the Shelby County Courthouse, and the Shelby County Auditor is directed to publish the notice of hearing.

AYES: Ferry, Petersen NAYES: None

It was moved by Petersen, seconded by Ferry, to approve the following resolution:

**RESOLUTION NO. 2004-51
SHELBY COUNTY CAPITAL ASSET POLICY (AMENDED)
(ORIGINAL DATED 9-7-2004)**

The financial reporting procedures adopted by Shelby County reflect the implementation of the Governmental Accounting Standards Board (GASB) Statement 34 which establishes new requirements for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to people who use governmental financial information such as managers, legislative officials, creditors, financial analysts, citizen groups and the general public. GASB 34 requires the following:

- Management's discussion and analysis (MD&A), which will provide an analysis of Shelby County's financial activities for a fiscal year based on currently known facts, decisions and conditions.
- Government-wide financial statement, which will display information about the government as a whole. This statement will measure and report all assets, liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting.
- Fund financial statement, which will display information about the major funds individually and the nonmajor funds in the aggregate. Financial statements will be presented using the current financial resources measurement focus and the modified accrual basis of accounting.
- Notes to the financial statements.
- Required supplementary information (other and MD&A), which will include required budgetary comparison information.

Capital Asset Capitalization

Capital assets are major assets that are used in governmental operations and that benefit more than a single fiscal period. Effective July 1, 2003, Shelby County will report the following major categories of capital assets that have an estimated life of three years or more.

- Machinery and equipment including vehicles
- Building and improvements
- Land
- Land improvements
- Infrastructure
- Construction in progress

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems.

Capital assets are to be reported at historical cost. This should include capitalized interest and ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition. The historical cost should include the cost of any subsequent additions or improvements, which could extend the expected useful life of the asset but exclude the cost of repairs or routine maintenance. Items acquired to extend the life of a previously acquired asset are not required to be inventoried but are added to the historical cost of the asset and capitalized. Maintenance costs are to be expensed rather than capitalized. The independent judgment of capital improvement versus repair or maintenance will be distinguished through a quantifiable measurement by the Shelby County Engineer on a case-by-case basis. Trade-in value, if any, should be included in an asset’s cost. Example: purchase cost + trade-in value of old asset = total cost of asset. A trade-in can be defined as exchanging an existing asset as part of an agreement to acquire a new asset. Any additional cash paid as part of such an agreement must be reported as an expenditure in the appropriate governmental fund.

Capital assets that are being depreciated will be reported net of accumulated depreciation in the statement of net assets. Depreciation expense will be reported in the statement of activities.

The capital asset thresholds for financial reporting purposes are as follows:

- | | |
|----------------------|----------|
| • Equipment | \$ 5,000 |
| • Land and buildings | \$25,000 |
| • Infrastructure | \$50,000 |

Individual assets with an initial cost of \$500 or more but less than \$5,000 will be maintained on an inventory list or video archive for public accountability and insurance purposes. The \$500 - \$5,000 internal management control will not be reflected in the financial statements.

Any donated capital assets will be reported at their estimated fair value at the time of acquisition plus ancillary charges, if any.

A physical count of Shelby County’s inventory will be done on an annual basis at the discretion of the Auditor.

Each Department Head or Elected Official shall, upon request, report to the Auditor the following information for new purchases: cost, date of purchase, estimated useful life, and location of item.

Depreciation Method for Capital Assets

Depreciation expense will be measured by the straight line depreciation method which is historical cost divided over the estimated useful life of the asset.

Formula = Historical Cost / Estimated Useful Life

A full year’s depreciation will be taken in the year of acquisition for the capital assets of machinery, equipment, vehicles, buildings and building improvements.

Land and construction in progress are not depreciated.

Estimated Useful Lives of Capital Assets

The standards for estimating the useful lives of capital assets are based on professional judgments and industry averages, therefore determined to be objectively reasonable. Shelby County will have a subsequent review of estimated useful lives of capital assets once established to reflect changes in the condition of the asset or its use.

A range approach is used as a matter of policy, with specific estimated useful lives attached to specific assets when recorded in order to facilitate depreciation and tracking.

The following ranges are proposed as guidelines in setting estimated useful lives or asset reporting:

- Machinery and Equipment 03-20 years
- Vehicles 03-15 years
- Buildings and Improvements 25-50 years
- Land Improvements 10-50 years
- Infrastructure 10-65 years

Infrastructure

Shelby County has followed the guideline developed by the Iowa County Engineers Associate (ICEA) Cost Accounting Committee and approved by the Iowa County Finance Board for GASB 34 infrastructure reporting system.

The following terms have specialized meanings within the infrastructure depreciation framework:

Construction-in-progress (CIP): Prior to completion of a project, all payments made therefore will be classified as “CIP” amounts. This means no depreciation until work is complete.

Original Cost: The total amount paid to complete the improvement. Equals the total of all partial payments and the final payment. When a project is finished, the accumulated CIP is reduced to zero and that amount is then added into the original cost category.

Estimated Life: This is an estimate of how many years the infrastructure asset will be in service. Many will end up remaining in service beyond the estimated lifetimes set. The estimated life is only a basis for calculating annual depreciation installments – not a binding prediction.

Net Book Value (NBV): If a project is incomplete, NBV equals the current CIP amount. If placed into service NBV equals the asset’s original cost minus the current accumulated depreciation.

Network: A group of assets providing particular types of service.

Sub-system: Group of assets that make up a portion of a network.

Infrastructure Class and Sub-System

Infrastructure will consist of three classes: Roadways, Bridges and Culverts, and ROW.

Roadways will consist of four sub-systems: Paved, Hard Surfaced, Gravel and Earth.

Criteria

County road infrastructure improvements should be reported if they meet all of the following criteria:

- Is expected to have a service life of at least 10 years.
 - Included bridges, grading, pavements, etc.
 - Excludes seal coats, rock replacement, pavement markings, etc.
- Is classified as construction.
 - Excludes maintenance items.

- Equals or exceeds the day labor cost limit listed in the Code of Iowa (currently \$65,000).

Recommended Lifetimes of Infrastructure

Based on the recommended values from the ICEA:

- Right-of-way not depreciated
- Bridges 40-65 years
- Culverts 40-65 years
- Grading 50 years
- Paving and surfacing 10-30 years
- Roadside construction included in grading or paving
- Traffic control and safety 25 years

Retroactive Reporting of Infrastructure Assets

Shelby County is not required to provide retroactive reporting of infrastructure assets.

Passed and approved this 7th day of December, 2004.

AYES: Ferry, Petersen NAYES: None

The Auditor presented the FY2004 Accrual Based Financial Report for Shelby County.

It was moved by Petersen, seconded by Ferry, to authorize the County Attorney to issue a Quit Claim deed from Shelby County to Joseph A. and Linda S. Stroehrer on the property they own in the SE ¼ of the SE ¼ of Section 25-79-37 to clear up any discrepancies in the chain of title. AYES: Ferry, Petersen
NAYES: None

It was moved by Petersen, seconded by Ferry, to approve the purchase of two 140H Motorgraders plus one scarifier for a total of \$168,929 from Ziegler, Des Moines. AYES: Ferry, Petersen
NAYES: None

It was moved by Petersen, seconded by Ferry, to approve the proposal of Calhoun-Burns and Associates, Inc., for design services for bridge replacement in Section 10-78-39, Bridge 89-10-110, for an amount not to exceed \$37,710 and to be paid from Farm to Market Funds. AYES: Ferry, Petersen
NAYES: None

It was moved by Petersen, seconded by Ferry, to approve the proposal of Sundquist Engineering, PC, for the preliminary survey services for bridge replacement in Section 10-78-39, Bridge 89-10-110, for an amount not to exceed \$6,625 and to be paid from Farm to Market Funds. AYES: Ferry, Petersen
NAYES: None

It was moved by Petersen, seconded by Ferry, to approve the proposal of Sundquist Engineering, PC, for design services for the grade control structure on the West Nishnabotna River, Section 21-81-37 for an amount not to exceed \$6600 and to authorize the County Engineer to sign the necessary documents. AYES: Ferry, Petersen NAYES: None

It was moved by Petersen, seconded by Ferry, to approve the annual renewal of Hopp Construction Co. for the motorgrader snow removal route with a fuel cost adjustment from \$74 to \$77.50. AYES: Ferry, Petersen NAYES: None

It was moved by Petersen, seconded by Ferry, to approve the proposal of Sundquist Engineering, PC, for design services for two grade stabilization structures in the Mill-Picayune Watershed, Sites M-11-2 and M-11-3 in Grove Township, at a cost not to exceed \$15,755 and \$15,205. AYES: Ferry, Petersen
NAYES: None

It was moved by Petersen, seconded by Ferry, to approve Project FM-CO83(36) and to sign the Title Sheet. AYES: Ferry, Petersen NAYES: None

The County Engineer gave a secondary road project update.

There being no further business appearing, the Chairman declared the meeting adjourned at 10:06 a.m.

Roger Schmitz, Chairman

ATTEST:

Marsha J. Carter
Clerk to the Board of Supervisors

NOTE: These minutes are as recorded by the Clerk to the Board of Supervisors and are subject to Board approval at the next regular meeting.