

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: Delbert Hull, Chairman; Roger Schmitz, Vice-Chairman; James Burmeister; and Marsha J. Carter, Clerk.

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

- A. Minutes of September 7, 2010
- B. Office Reports – None
- C. Committee Reports

AYES: Hull, Schmitz, Burmeister NAYES: None

It was moved by Burmeister, seconded by Schmitz, to approve the Claims of September 21, 2010, and place the listing on file in the Auditor’s Office. AYES: Hull, Schmitz, Burmeister NAYES: None

It was moved by Burmeister, seconded by Schmitz, to designate the Auditor’s Office to compile the results from each polling site for the canvass and to certify them to each affected entity. AYES: Hull, Schmitz, Burmeister NAYES: None

This being the day set by law for the board to canvass the returns of the Elk Horn-Kimballton Community School Revenue Purpose Statement Election held on September 14, 2010, the Board certified the results on the following question:

SHALL THE FOLLOWING PUBLIC MEASURE BE ADOPTED:

SUMMARY: To adopt the revenue purpose statement to authorize the expenditure of revenues from the State of Iowa secure an advanced vision for education fund received by the Elk Horn-Kimballton Community School District.

YES	54
NO	1

The Board declared this measure as passed.

It was moved by Schmitz, seconded by Burmeister, to eliminate “Emergency Leave” and to allow employees to use Sick Leave to care for immediate family members as set out in the Employee Information Handbook. AYES: Hull, Schmitz, Burmeister
NAYES: None

It was moved by Burmeister, seconded by Schmitz, to allow employees to donate accrued vacation days to another employee, who has exhausted all paid time off due to an illness/injury or caring for a member of his/her immediate family, as set out in the Employee Information Handbook. AYES: Hull, Schmitz, Burmeister NAYES: None

It was moved by Burmeister, seconded by Schmitz, to approve the following resolution:

RESOLUTION NO. 2010-16
SHELBY COUNTY CAPITAL ASSET POLICY (AMENDED)
(ORIGINAL DATED 9-7-2004)
(AMENDED 12-7-2004)

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.

Effective July 1, 2009 Shelby County will report intangible assets. Intangible assets are defined as set out in GASB51.

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
- Intangible assets \$100,000 (\$1,000,000 retroactively between FY1981 & FY2009)

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.

Intangible Assets

Intangible assets will be reported based on an amortization schedule as set out in GASB51.

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
- Intangible assets 03+ 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 amortized over 3+ years
- 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 21st day of September, 2010.

AYES: Hull, Schmitz, Burmeister NAYES: None

It was moved by Burmeister, seconded by Schmitz, to approve the FY2010 Case Management Actual Cost Report for submission to IME at the State level, as recommended by Lonnie Maguire, Community Services Director. AYES: Hull, Schmitz, Burmeister NAYES: None

Warren Andrew, Andrew Tuckpointing, appeared before the Board to discuss the necessary masonry repair for the Courthouse.

Dan Ahart, the County Engineer, was available to update the Board on activities of the county road crews and the status of current maintenance and construction projects.

This being the time and place as advertised for the opening of bids for Shelby County Project L-308040—73-83, the Board proceeded to open and read the bids as follows: Clark Construction, Whiting, IA \$46,810.50; Nelson/Rock, Onawa, IA \$77,186.00; Gus Construction, Casey, IA \$83,565.00. It was moved by Schmitz, seconded by Burmeister, to accept the bid of Clark Construction, Whiting, IA for \$46,810.50 and authorize the Chairman to sign all contract documents and authorize the Auditor to issue warrants for progress payments as recommended by the County Engineer. AYES: Hull, Schmitz, Burmeister NAYES: None

There being no further business appearing, the Chairman declared the meeting adjourned at 10:31 a.m.

Delbert Hull, 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.