

LYON COUNTY AUDITORS OFFICE
December 27, 2016

ROCK RAPIDS, IOWA

Chairman Randy Bosch convened the adjourned session with Peters, Bosch, Behrens, Koedam, and Michael present. Motion carried assumes unanimous vote unless otherwise stated.

The minutes of the December 12, 2016 meeting were reviewed. Motion made by Behrens to approve minutes, seconded by Peters. Motion carried.

Hugh Lively with RIDES was not present at the scheduled time.

Barbara Magnuson was present to ask the Board for an abatement of \$1,086 off of her 2016/2017 taxes. Magnuson has worked with the County Assessor Marilee Schleusner and FSA maps to verify areas that would have changed valuations had they been presented before the 2015 deadline. It was discussed that when the Board abated a portion of taxes for Sandy Thompson the Board did so as they were under the impression that it was an isolated incident and there was an error in the way land was assessed. They are now aware that this was not the case and feel they cannot make any other abatements. The increases in taxes are generated by increases in valuation due to the addition of new CSR2 rates. These rates are determined and set by the State and the County is required to use the new rates. After much discussion the Board denied the request for abatement.

The Board certified the 2017/2018 valuations. Motion by Michael, second by Koedam to approve the valuations. Motion carried.

Lyon County EMA Arden Kopischke presented the HAZ-MAT Agreement with Sioux City. It is a 10 year agreement that includes 4 trainings a year. Fiscal years 17/18 & 18/19 will use the 2015 census at \$.90/capita; FY's 19/20 & 20/21 will use the 2015 census at \$.95/capita; FY's 21/22 through 25/26 will use the 2020 census at \$1.00 per capita; and FY 26/27 will use the 2025 census at \$1.00/capita. The County has held an agreement with Sioux City since 1998 for HAZ-MAT situations. Motion by Peters, second by Behrens to approve and have Chairman sign agreement. Motion carried.

Auditor Smit requested that the Board decide whether or not employee health insurance rates will increase for 17/18 as these amounts are used for budgeting and need to be determined. The Board discussed increasing the amount either by reaching the full percentage of change allowable or by a dollar amount within the allowable range. Auditor Smit will check with Gina Sypersma, IBC consultant, regarding the legal limits regarding increasing the amounts and the percentages that go with those limits. This topic will be put on the January 3rd meeting agenda.

Due to the business takeover of Novartis by Elanco, the County can decide whether or not it wishes to continue to fulfill the TIF agreements originally agreed to with Novartis. The County will be approving an indemnification agreement which will hold Lyon County harmless for any payments made to Novartis in regards to these agreements. Motion by Michael, second by Koedam

to approve and have Chairman sign the indemnification agreement. Motion carried.

Chairman Bosch introduced Resolution 2016-43 Consent to Assign TIF agreements to Elanco from Novartis. This consent confirms that TIF development agreement payments should now be paid to Elanco.

RESOLUTION 2016-43

Resolution Consenting to Assignment of Development Agreements and Tax Increment Payments

WHEREAS, Lyon County, Iowa (the "County"), pursuant to and in strict compliance with all laws applicable to the County, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Lyon County 2002 Novartis Economic Development District (the "Urban Renewal Area"); and

WHEREAS, this Board has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa (the "Urban Renewal Tax Revenue Fund"), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the County for the payment of the principal and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, the County previously authorized and entered into a development agreement dated March 10, 2003 (the "2003 Agreement") with Novartis Animal Vaccines, Inc. (the "Original Company"), pursuant to which the Original Company agreed to undertake the construction and operation of a horse feedlot and facility and the County agreed to provide tax increment payments (the "2003 Payments") to the Original Company; and

WHEREAS, the Original Company was succeeded under the Agreement by Novartis Animal Health US, Inc. (the "Successor Company"); and

WHEREAS, the County previously authorized and entered into a second development agreement dated November 8, 2010 (the "2010 Agreement") with the Successor Company, pursuant to which the Successor Company agreed to undertake certain improvements to their property and private business facilities and the County agreed to provide tax increment payments (the "2010 Payments") to the Successor Company; and

WHEREAS, under the 2003 Agreement and the 2010 Agreement (collectively hereinafter the "Agreements"), the assignment of rights and responsibilities thereunder were made subject to prior consent of the contracting parties; and

WHEREAS, it has been proposed that all rights and interests of the Successor Company, including the rights to receive the 2003 Payments and the 2010 Payments (collectively hereinafter the "Payments"), under the Agreements be assigned to and assumed by Elanco U.S. Inc. ("Elanco"); and

WHEREAS, Elanco has caused to be prepared a certain Indemnification Agreement (the "Indemnification Agreement") dated December 27, 2016 in favor of the County with respect to providing consent to the Assignment of the Agreements to Elanco; and

WHEREAS, it is now necessary for the County to provide consent to the assignment and assumption of the Agreement to and by Elanco;

NOW, THEREFORE, It Is Resolved by the Board of Supervisors of Lyon County, Iowa, as follows:

Section 1. Subject to Elanco's satisfactory execution and delivery of the Indemnification Agreement, the County hereby consents to the assignment of the Agreement and the rights to receive the Payments to Elanco. Elanco shall be considered to have fully assumed all rights and responsibilities of the Successor Company under the Agreement from and after the effective date of this Resolution. The Chairperson and County Auditor are hereby authorized and directed to negotiate, execute and deliver such documents as they, with the advice of bond counsel, may deem to be necessary to carry out the provisions of this Resolution, including the Indemnification Agreement.

Section 2. The Original Company and the Successor Company are hereby released from all remaining duties to be performed under the Agreement, and all remaining communications and Payments to be made with respect to the Agreement shall exclusively be directed to Elanco. Elanco shall in all ways be substituted into the Agreement on the same terms and basis as the Original Company and the Successor Company.

Section 3. Nothing contemplated herein shall be interpreted as interfering with the division of incremental property tax revenues and the Payments to be funded therefrom as contemplated in the Agreement regardless of the future recipient of such Payments.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved this December 27, 2016.

/s/ Randy Bosch, Chairman

ATTEST:/s/ Jen Smit, Auditor

Motion by Koedam, second by Michael to approve and have Chairman sign Resolution 2016-43. Rollcall vote: District 1 support, District 2 support, District 3 support, District 4 support, and District 5 support. Motion carried.

Chairman Bosch introduced Resolution 2016-41 Reporting Policy and Resolution 2016-42 Conflict of Interest. These policies are both additional requirements with the procurement policy approved Dec. 12, 2016.

**RESOLUTION 2016-41
REPORTING POLICY**

PURPOSE

The purpose of this Reporting Policy is to ensure that Lyon County complies with Code of Federal Regulations, 2 CFR, Section 200.113 that requires reporting of violations of federal criminal law involving fraud, bribery, or gratuity potentially affecting a federal grant.

POLICY

Lyon County departments and/or employees are required to disclose, in writing and in a timely manner, all violations of federal criminal law involving fraud, bribery, or gratuity potentially affecting a federal award. This requirement applies to violations involving Lyon County, its employees, and any sub-recipients of a federal grant.

If a Lyon County department or employee learns of a violation of federal criminal law involving fraud, bribery, or gratuity potentially affecting a federal grant, the department or employee must report the violation to the Lyon County Auditor (designated Lyon County contact). Reportable violations include not only those violations concerning Lyon County or its employees, but also include violations relating to sub-recipients of award monies.

The Lyon County Auditor is responsible for reporting the violation to the relevant federal agency in writing and in a timely manner.

Passed and adopted this 27th day of December, 2016.

/s/ Randy Bosch, Chairperson

ATTEST:/s/Jen Smit, Auditor

Motion by Behrens, second by Peters to approve and have Chairman sign Resolution 2016-41. Motion carried.

**RESOLUTION 2016-42
CONFLICT OF INTEREST POLICY**

A RESOLUTION of Lyon County, Iowa Adopting a Conflict of Interest Policy for Officers, Employees, and Agents.

PURPOSE

The purpose of this Code of Conduct is to ensure the efficient, fair, and professional administration of federal grant funds in compliance with 2 CFR; Part 200.112; 24 CRR, and other applicable federal and state standards, regulations, and laws.

APPLICATION

This Code of Conduct applies to all officers, employees, or agents of Lyon County engaged in the award or administration of contracts supported by federal grant funds.

REQUIREMENTS

No officer, employee, or agent of Lyon County shall participate in the selection, award, or administration of a contract supported by federal grant funds, if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- a. The employee, officer, or agent;
- b. Any member of his/her immediate family;

- c. His/her partner; or
- d. An organization which employs, or is about to employ any of the above; has a financial or other interest in the firm selected for award.

Lyon County officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or subcontractors.

REMEDIES

To the extent permitted by federal, state, or local laws or regulations, violation of these standards may cause penalties, sanctions, or other disciplinary actions to be taken against Lyon County's officers, employees, or agents.

Passed and adopted this 27th day of December, 2016.

/s/ Randy Bosch, Chairperson

ATTEST:/s/Jen Smit, Auditor

Motion by Peters, second by Koedam to approve and sign Resolution 2016-42.
Motion carried.

The Board looked at estimates from Intek and ServPro regarding mold remediation on the 3rd floor. The quotes were: ServPro \$8,000 and Intek \$5,069.78. Motion by Peters, second by Behrens to approve and sign contract with Intek for mold remediation services for 3rd floor. Motion carried. Auditor Smit asked for approval to pay for these services out of the Dept. 55 mural budget designation for 16/17. The Board agreed that is where the payments should come from.

The Board discussed different payment options for the HVAC project. The Board would like to use Dept. 55 dollars and are interested in seeing a 5 year financing plan from Baker Group. By financing through Baker Group, this would leave more dollars in the Dept. 55 budget to use for other projects. The Board approved to budget \$250,000 per year for upcoming 4 years (17/18, 18/19, 19/20, and 20/21) in Dept. 55 to pay for project. It was also discussed and approved to budget \$300,000 in Dept. 55 for a new Rock Rapids Secondary Road shop in 17/18. The bonding project for roads/bridges was also discussed. Besides a debt service levy, the Board believes the other possible revenue sources for paying the bond would be: Dept.55 funds, TIF dollars from the Lyon County Economic Development Area (Casino TIF), 10 cent gas tax dollars, and rural service levy dollars. Speer Financial will be here January 9th to discuss the bonding options more thoroughly. If the Board wishes to continue the debt service levy into 17/18 a pre-levy authorization resolution will need to be approved before the end of January.

Supervisor correspondence: Peters-YES mtg.; Behrens-NWIA Care Connections;

Handwritten claim dated 12-13-2016 in the amount of \$18,760.43 was reviewed and approved. Check sequence #125545.

Wellmark BlueCross BlueShield 12/3/16-12/9/16 Claims 18760.43

Grand Total 18760.43

Health Insurance Fund 18,760.43

Conservation claims dated 12-13-2016 in the amount of \$9,623.20 were reviewed and approved. Check sequence #125546-125573.

Alliance Communications	LPRR Telephone, LD & Inte	75.00
Campbell Supply	Boots, antifreeze, supplies	329.27
Kyle Ciesielski	Reimb:Dist Meetings	20.00
Cooperative Energy Company	61.59 G Gasahol	125.72
Cooperative Farmers Elevator	Adhesive and Ground Break	176.98
Dakota Supply Group	Hydrant, Curb bx, Lakevie	579.43
Dave's Bulk Service	Diesel/Gasohol	1525.80
Denny's Sanitation Inc.	Monthly Garbage	176.00
Hiller Lumber	2x4's	21.00
IACCBE c/o Tama CCB	Winterfest Regs 3	380.00
Leuthold Plumbing/Heating Inc	Replaced Hydrant -Lakevie	206.00
Lyon & Sioux Rural Water	20,000 G Water	129.25
Lyon Rural Electric Coop	LPRR Electric	951.33
Menards	Blinds for Kyle's House	363.92
Oak Street Station	Tires	879.00
Emily Ostrander	Reimb: EE Supplies, cellphn	155.00
Premier Communications	Office Phone, LD, Internet	88.53
Richarz Repair LLC	Repair tree spade axle/pa	1141.12
Rock Rapids Machine & Welding	Tubing	63.72
Rock Valley Rent All	Rent Mini Excavator	150.00
Justin Smith	Reimb: District Mtgs	20.00
Stensland Gravel Co.	Pea Gravel - East Shelter	1328.39
Sturdevant's Auto Parts	Sparkplugs	2.29
Sunshine Foods	EE Supplies	13.28
Town & Country Implement	Fuel Filter, plug, oil	213.66
US Bank - Purchase Card Purcha	Craig Meals&Hotel,EE supplies	297.63
Craig A. VanOtterloo	Reimb: District Mtg	10.00
Verizon Wireless	Wireless Phone	200.88
Grand Total		9623.20

General Basic Fund 8,294.81

General Basic Sub Fund 1,328.39

Payroll dated 12-15-2016 was reviewed and approved.

Payroll Warrant Register in the amount of \$67,995.52 is listed by fund.

General Basic Fund 9,517.73

Rural Service Basic Fund 19,121.28

Secondary Road Fund 39,356.51

Payroll Disbursement Register in the amount of \$35,601.70 is listed by Fund.

General Basic Fund 4,275.51

General Supplemental Fund 4,086.00

Rural Services Basic Fund 9,253.87

Secondary Road Fund 17,986.32

Payroll dated 12-16-2016 was reviewed and approved. This is a correction to an error in ambulance payroll.

Payroll Warrant Register in the amount of \$822.26 is listed by Fund.

General Basic Fund 822.26

Payroll Disbursement Register in the amount of \$0.00 was reviewed and approved.

Handwritten claim dated 12-16-2016 in the amount of \$60.00 was reviewed and approved. Check sequence #125576. Original check for \$90 was voided, only two registrants now.

Iowa State University Registra ACE Registration 12/20/16 60.00

General Basic Fund 60.00

Veteran Affairs claims dated 12-16-2016 in the amount of \$458.47 were reviewed and approved. Check sequence #125577-125586.

Jerry M. Baatz	Mileage (20) Dec Mtg	10.00
Doon Press	Advertising	32.00
Focus Newspaper	Advertising	84.00
Doug Hilbrands	Mileage (30) Dec Mtg	15.00
KLQL - FM / Alpha Media USA	Veterans Day Radio Ad.	150.00
Little Rock Free Lance	Advertising	20.00
Lyon County News	Advertising	24.60
New Century Press	Advertising	48.00
Premier Communications	Office Phone	73.17
US Bank	Email Encryption 11/26-12	1.70
Grand Total		458.47

General Basic Fund 458.47

Handwritten claim dated 12-20-2016 in the amount of \$17,170.24 was reviewed and approved. Check sequence #125587.

Wellmark BlueCross BlueShield 12/10/16-12/16/16 Claims 17170.24

Health Insurance Fund 17,170.24

Claims dated 12-27-2016 in the amount of \$190,779.38 were reviewed and approved. Check sequence #125588-125677.

A & B Business Solutions	12/21-1/20/17 Copier Cont	604.27
AB Excavation Inc. Alan Brugge	tile repair, 6" crossing	1300.00
Henry M. Adkins & Son Inc. Ele	2017 Annual Maint/Licenses	8080.00
Advanced Systems, Inc.	9/22-12/21/16 Color 204/.	74.28
Alliant Energy	GE/LR shops	715.38
AT & T	E911 Monthly 712-233-0016	41.46
Amy Borman	Supplies,Candy,Pop Amb	48.81
Campbell Supply	Repair to County Road Sig	11.97
Christensen Bros. Inc.	L-(64W)--73-60 Est #3	28605.00
City of Doon	1st Half FY2017 Library A	4064.50
City of George	utilities, 1st half 17 libr.	6326.25

City of Inwood	1st Half FY2017 Library A	7317.00
City of Larchwood Attn: Librar	1st Half FY2017 Library A	7353.00
City of Little Rock	1st Half FY2017 Library A	4058.00
City of Rock Rapids Attn: Libr	1st Half FY2017 Library A	9664.00
Class C Solutions Group	shop supplies	170.99
DGR Engineering	Bridge Topo Surveys	1499.94
District III Treasurer's Assn.	FY16/2017 District III du	25.00
Dollar General-Regions 410526	Wipes for HF Christmas Pr	3.00
Doon Press	Brd Min, ordinance, ad, report	673.86
Connie Douglass	Nov Cell Phone Reimb	15.00
Darren Dubbelde	Mileage (40) Brd of Adj	40.00
Electronic Engineering	New Antenna/Siren speaker/ UPS battery repl, Maint 911	2108.83
Electronic Engineering	Repair MicroWayLink 1 st pay	33800.79
Farm Girl Customs	Large Star/Graphics Sit.R	175.00
Frontier	Dec 911 Recurring	129.95
Frontier Bank	2 Snow Removals	135.00
George EMS	EMS CEU certificates	210.00
George Office Products	Office supplies	210.06
Greatland	2016 1095 reporting progr	79.00
Heather Heimensen	12/8/16 Mileage (46) Sibl	23.00
Hillyard / Sioux Falls	Custodial supplies	965.09
I Wireless	12/16-01/15/17 Cell Phone	86.61
ISAA c/o Wayne Schwickerath	2017 Annual Dues	650.00
Jack's Uniforms & Equipment	Uniforms 60-1, spike system	584.84
JCL Solutions-Janitors Closet	Provisions in Jail/TT & G	363.21
Dale Kollis	Mileage (40) Brd of Adj	40.00
David Korthals	Mileage (40) Brd of Adj	40.00
Larchwood EMS	8/10/16 NCC Football Inju	55.00
Lester Rescue Squad	9/23/16 Comm.College/Meye	75.00
Little Rock EMS	NCC EMS Certificates	145.00
Lyon County Engineer	2016 Reimb hrs LVM Enviro	2811.34
Lyon Rural Electric Coop	utilities - Lester/LR shop	444.22
Mail Services. LLC	January Renewals/postage	376.43
Matheson Tri-Gas Inc	Oxygen	140.10
MD Products & Solutions, Inc.	mud guard #56	117.30
Jan Meester	12/9/16 Translating at Ja	100.00
MidAmerican Energy	Inwood/Alvord shops	334.61
Modern Gas Company	325 gal LP gas	318.18
Joel Moser	Mileage (1402) 7/1-12/31/16	701.00
MSAB Inc. Crystal Plaza One	XRY License Renew 2/17-2/	2995.00
Myrl & Roy's Paving Inc.	11.88 tons RR ballast	151.47
Colette Nath	Town Work/Appraising 13 M	62.22
National Appraisal Guides NADA	2017 Title & Registration	186.00
New Century Press	Envelopes, brd min, vacancies	643.73
PCC, Inc. Physician's Claim Co	Nov Amb Billing	1518.97
Pitney Bowes Global Financial	Postage Meter Lease 9/30-	370.59
Prahm Construction Inc.	L-(12W)--73-60 Est #11	2004.73
Rapid Auto Repair Michael D. K	Repl Blower Motor, brake pads	459.50
Rock Rapids Ace Hardware	Cleaning supplies, batteries	75.08
Sanford Health	hearing tests	878.64
Sanford Rock Rapids Hospital	Oct PHEP Ebola Grant Exer	793.02
Sanford USD Medical Center	5 RN Transfers 8.64	216.00
Marilee Schleusner	2016 NonTax Mileage Allow	171.80
Sturdevant's Auto Parts	Tow Rope for patrol cars	28.23
Sunshine Foods	Treats for Kids XTree Dec	44.25
Superior Garage Door Inc	Fix Garage Door #2 Cable	225.00

TASER International	35 Cartridges for Trainin	817.26
Pamela R. Tille	2016 mileage allow,dist mtg	193.56
Trane	Dec Generator Maint	331.93
Triple V Farms Glenn VandeVegt	Fill Well	255.50
Turner Marketing Consulting	Website software rent 201	1200.00
US Bank Equipment Finance	12/9-1/9/17 Ricoh Copier	161.98
Van't Hul Repair	labor/parts lathe pin,snowplow	248.50
Verizon Business	acct 4512330	5.05
Verizon Wireless	12/7/16-1/6/17 Cell Phone	551.93
Visser Bros Plbg & Htg	labor RR shop heater,ignitor	303.67
Wellmark BlueCross BlueShield	12/17/16-12/23/16 Claims	41344.73
Dennis Winkowitsch	Mileage (32) Brd of Adj	32.00
Ziegler Inc.	seals,coolant,hose #64,labor Filters, batteries	8597.77
Grand Total		190779.38

General Basic Fund	22,562.74
General Basic Sub Fund	1,200.00
Rural Services Basic Fund	42,669.84
Economic Development Fund	86.61
Secondary Road Fund	46,098.56
Surcharge on E911	35,660.32
Co. Assessor Agency Fund	1,077.58
Health Insurance Fund	41,423.73

There being no further business there was a motion by Michael, seconded by Peters to adjourn. Motion carried.

ATTEST

County Auditor

APPROVED

Chairman