

NOTICE AND CALL OF PUBLIC MEETING

GOVERNMENTAL BODY: THE CITY COUNCIL OF CRESCO, IOWA

DATE OF MEETING: JULY 20, 2015

TIME AND PLACE OF MEETING: 7:00 P.M. AT CRESCO CITY HALL

PUBLIC NOTICE IS HEREBY GIVEN THAT THE ABOVE MENTIONED GOVERNMENTAL BODY WILL MEET AT THE DATE, TIME AND PLACE SET OUT ABOVE. THE TENTATIVE AGENDA FOR SAID MEETING IS AS FOLLOWS:

ROLL CALL: CARMAN, BOUSKA, McGEE, McCARVILLE, LOVELESS

ACT ON THE CONSENT AGENDA: All items listed under the consent agenda will be enacted by one motion. There will be no separate discussion of these items unless a request is made prior to the time council votes on the motion.

1. Approval of the Agenda
2. Approval of the Claims
3. Approval of Minutes from July 6, 2015
4. Approval of Excavator's License for TLC Excavating

STAFF REPORTS: There may be action taken on each of the items listed below.

1. Public Works
2. Police
3. Administration
4. Committee Updates

BUSINESS: There may be action taken on each of the items listed below.

1. Scott Geno of Terry-Durn and Dale Andera of Bob's Electric to Discuss LED Street Lighting
2. Alex Fortune to Discuss Theatre Marquee Restoration
3. Request from Robin Lepa for Sewer Credit
4. Resolution Authorizing the Mayor to Enter into an Agreement with Hogan-Hansen, PC to Perform Auditing Services
5. Discussion on Proposed One-Way Streets and Increased Parking Spaces Downtown

COMMENTS FROM AUDIENCE:

ADJOURN:

THIS NOTICE IS GIVEN AT THE DIRECTION OF THE MAYOR PURSUANT TO CHAPTER 28A, CODE OF IOWA AND THE LOCAL RULES OF SAID GOVERNMENTAL BODY. POSTED JULY 17, 2015.

Excavator License – TLC Excavating – we are waiting for the insurance company to send the proof of insurance. They have verbally verified they have coverage but we said it won't be officially approved until we have written proof.

LED Street Lights – We budgeted \$150,000 of LOST money to pay to replace 31 cement poles with LED fixtures and wiring. This was for Hwy 9 and the cement poles downtown. Scott is a representative from Terry-Durn to explain some options.

Theatre Marquee – Alex will discuss the progress regarding the marquee and other Theatre upgrades.

Sewer Credit Request – Please read the enclosed letter. The City has never granted a credit for filling swimming pools. We get several calls every summer requesting credits and we have always denied them. Alternatives are to install a yard meter at their cost with a monthly minimum water fee or pay the Fire Department to fill it. If you do decide to grant a credit, the amount should only be \$43.05 based on the past 12 month average instead of the entire sewer charge of \$130.44 as she requested. This will also set a precedence that will have to be followed in the future.

Audit Agreement – Please review the enclosed agreement for the audit this year. We pay \$12,000 per year for the audit. This agreement explains how the audit is conducted and what they are testing so that you understand what you are paying for.

One-Ways and Diagonal Parking – surveys were sent out to adjacent property owners for input on their thoughts. Results will be shared on the survey.

Michelle

The Cresco City Council met July 6, 2015, at 7:00 pm at City Hall. Council Members Carman, Bouska, McGee and McCarville were present. Loveless arrived at 7:05 pm. No council members were absent.

Carman made the motion to approve the consent agenda which included approval of the: agenda; claims; minutes of the June 15, 2015 meeting; minutes of the June 23, 2015 special meeting; street closing on July 25, 2015 for North Elm Street for Super Saturday Sales; pay request #5 from Skyline Construction for the 3rd Street West Reconstruction Project for \$254,889.22. Bouska seconded and it passed all ayes.

Public Works Director Rod Freidhof reported (a) Skyline Construction was awarded the excavation contract for excavator and backhoe work at the last meeting. In appreciation of getting the contract, they lowered their backhoe rate by \$8.50/hour to match what Mehmert had bid. Skyline's excavator rate was \$12/hour less than Mehmert's; (b) they have been fixing concrete from watermain breaks and repairing some curbs this week; (c) the watermain was tapped by the small water tower which will enable us to build the shed for the controls; (d) some issues due to the high flow occurred at the sewer plant after the heavy rains in June; (e) sewer plant also had issues with the UV system which has now been resolved; (f) continuing to chip seal; (g) coring out of Yankee will be done July 7th; (h) new dump truck was not driving right so they are fixing some problems in the front end; (i) street department purchased the used vac truck that we were looking at; (j) the train enclosure will be put up so they can start working on the train; (k) air conditioners have been installed and are working good at the Theatre; (l) four bike racks were installed; (m) there is a small section of 6 inch sewer between Pine Place and 2nd Street West that has had a lot of problems in the past. When we had the heavy rain, Ron discovered a lot of water in the manhole coming from that section so we know it is letting a lot of infiltration of ground water into the sanitary sewer system. Rod was wondering if we should replace the 240 feet plus a manhole. It should cost about \$20,000 and we could use part of our Skyline credit of \$30,000.

Police Chief Ruroden submitted the monthly police report. He reported the fair week and the 4th of July weekend were relatively quiet with no major incidences to report.

City Clerk Girolamo reported (a) Fire Department added Josh Tupy as a new member; (b) Vicki Tribon informed the City of Cresco that Minnesota will be bringing the bike trail from Harmony to the Iowa border. They are working on grants from the State of Minnesota. She has informed Wayne Mashek and Jason Passmore so the bike trail committee is aware of it and hopes to work with them; (c) sale flags will be put up for "Super Saturday Sales" between July 23rd and July 26th; (d) yearend financial statements were submitted which reflect a 1.2 million dollar profit because many projects did not get done last year including the Granger Road project. Last year looks really good but will be really bad this year.

McCarville reported that the Airport Commission met and discussed the land rental agreement that will come due this fall. They are also reviewing the hangar rent agreements. The hangar repair has been done and they are still waiting to hear about the grant application. They need to do some painting as well.

McCarville reported the 150th Celebration planning is going good. The committees are all working on their own and reporting to the Executive Committee. They will meet with the Fairboard in August to discuss options for location of the entertainment. All committees are working on budgets to submit for approval.

Bouska reported the Housing Task Force met and reported the number of portouts is down. She has requested them to prepare a list of all the different programs with all their requirements and what they fund.

Bouska reported on the Library Board meeting where they reported the state funding will remain the same for this year. The movie "Dirt" will play this week. There is a new

unaccompanied child policy so young children need to be supervised. Carmen explained the GASB rules regarding the Library Foundation funds to be included in the City's Audited Financial Statements.

Mayor Bohle opened the public hearing on proposed plans, specifications, form of contract, and estimate of cost of construction of 2015 Highway 9 watermain improvements. There were no oral or written comments and the hearing was closed. Daren Sikkink of WHKS presented the two bids: Mehmert Tiling \$171,129.18 and Skyline Construction \$171,971.06. WHKS reviewed the bids and recommended awarding the contract to the low bidder, Mehmert Tiling. The completion date is October 31, 2015. McCarville made the motion to approve the resolution approving the contract and bond to Mehmert Tiling for construction of the 2015 Highway 9 watermain improvements. Carman seconded and it passed all ayes.

Sikkink also reported that WHKS will be doing a walk-through of the Granger Road with Skyline in the next couple of weeks. Hopefully that will get completed soon.

Loveless made the motion to approve the recommendation of the Cresco Tourism Advisory Committee and grant awards of: \$500 for the annual Fine Arts Show; \$600 for National Night Out 2015; \$1,000 Iowa Wrestling Hall of Fame mural project. The request from the Historical Society was tabled until they identify the sound system they need. Carman seconded and it passed all ayes.

McGee made the motion to approve the resolution converting 3rd Street West to no parking allowed and authorizing no parking signs to be installed. Bouska seconded and it passed all ayes.

A request to remove the stop signs on Electric Avenue and York Street and install one on Cambridge and York Street was discussed. Rod will check with Howard County on the removal since that is in the County. There are already two stop signs close to Cambridge so the request for another one was denied. The flow of traffic will be monitored as new houses are built in the Webster addition.

Requests for slow children at play signs to be installed on 8th Avenue East and 9th Street East were discussed. A traffic study done a year ago on 8th Avenue East revealed the average speed was about 21 mph which is under the speed limit. The fastest recorded speed was 28 mph and the slowest was 11 mph. Consensus was that almost every block in town has children and we can't put signs up on every block. Council expressed concern regarding the speed of traffic on 12th Avenue. The police were encouraged to keep patrolling it and to issue more tickets for excessive speeds.

Council discussed the Theatre. Some tuckpointing needs to be done on the exterior so estimates will be requested. Riehle Decorating suggested repainting all of the interior of the Theatre when the east wall is repaired. The estimated cost to repair the wall, rebuild the decorative designs and paint the interior for \$50,000. This would entail closing the Theatre for approximately 2-3 weeks in January for all of the work to be done. Loveless made the motion to contract with Riehle Decorating to repair the wall and paint the interior. Carman seconded and it passed all ayes.

Discussion was held on the proposal to change North and South Park Place and 2nd Avenue West to one-ways and diagonal parking. Rod attended the Retail Committee and they were in favor of the changes as long as parking increased. The proposed changes would increase parking spots from 46 to 89. Council had concerns regarding diagonal on one side and parallel on the other side of the one ways. By changing the angle of parking, they think this would alleviate the problems but would lose a few parking spots. A survey will be sent to the neighboring businesses on the three streets to get a feeling for what their opinions are and then it will be discussed again.

Rod inquired whether Council wanted him to work on an ordinance to deal with solar. Rod and Amy will review other Cities' ordinances and will draft an ordinance.

The nuisance committee will meet this week to discuss the proposed changes to the nuisance ordinance.

Mayor asked if there were any comments from the audience. Jason Passmore thanked the City Street Department for installing the bike racks. T-shirts are available for the 150th Celebration for \$16 so email Jason or the marketing committee. Super Saturday Sales is replacing the Ridiculous Day and will be held on a Saturday. There should be many vendors with food and merchandise so hopefully there will be a good turnout. The Prairie Springs Recreation Trail did meet last week and are hoping to connect to the Minnesota bike trail. The Flight Breakfast is Sunday, August 2, 2015 and still need many volunteers. Family Fun Night is 4-8 pm Friday July 10th in Kessel Park. The Chamber 3-person best shot golf tournament is August 12th on a Wednesday night.

Loveless inquired about the sidewalk and awning repair on the old Warner Building that Steve Stone purchased. Bohle reported that contractors have been hired and the work is supposed to get done this week. The deadline for the nuisance abatement is July 21, 2015.

Carman moved to adjourn at 8:15 pm. McGee seconded and it passed all ayes. The next regular Cresco City Council meeting will be at 7:00 pm on July 20, 2015 at Cresco City Hall.

Mayor Mark Bohle

City Clerk Michelle Girolamo

Following is a list of claims approved for payment:

| | | |
|---------------------|---------------|-----------|
| 21st CENT FOX | Movie rent | 250.00 |
| ALLIANT | Elect | 14,393.67 |
| ANDERLIK, MILDRED | Dep app | 63.57 |
| BAKER&TAYLOR | Lib books | 925.66 |
| BARCO MUNICI | Supp | 687.51 |
| BITUMINOUS MAT | Oil | 15,173.21 |
| BLACK HILLS | Nat gas | 1,004.20 |
| BLACKBURN, JOAN | Reimb supp | 119.47 |
| BOB'S ELECTRIC | Srvc | 60.87 |
| BODENSTEINER IMP | Srvc | 1,066.18 |
| BROWN SUPP | Supp | 1,064.18 |
| CANOE RIDGE KENNELS | Srvc | 82.50 |
| CARD CENTER | Equip,Postage | 921.05 |
| CARDMEMBER | Lib DVDs | 73.67 |
| CARQUEST | Supp | 9.98 |
| CITY LAUNDERING | Srvc | 559.51 |
| CITY OF CRESCO | Util | 1,244.93 |
| CPU | Supp | 23.48 |
| CREATIVE PROD | Supp | 74.11 |
| CRESCO FIRE SAFETY | Srvc | 606.50 |
| CRESCO HTG&VENT | Equip | 10,616.50 |
| CRESCO SHOPPER | Advert | 610.70 |
| CRESCO TPD | Advert | 345.09 |
| CROELL REDI-MIX | Supp | 1,645.50 |
| CULLIGAN | Srvc | 251.28 |
| DALCO | Supp | 416.79 |
| DENNER, JUSTIN | Dep app | 57.77 |
| FAREWAY | Supp | 19.95 |
| FELD FIRE | Supp | 146.58 |
| FERRIE, CORY | Dep app | 80.00 |
| FIT RUNNING CLUB | Tour grant | 1,000.00 |
| FOLEY'S CONST | Equip,srvc | 5,627.71 |
| FOLLEN, PATRICK | Dep ref/app | 80.00 |
| GALLS | Unif | 317.81 |
| GIBBONS, SEAN | Dep app | 80.00 |
| GOSCH'S | Srvc | 2,590.20 |
| HARTZELL, MARA | Dep app | 80.00 |
| HAWKEYE SAN | Srvc | 176.57 |
| HEIT, DUANE | Dep app | 45.71 |
| HELPING SRVC | Yrly contrib | 1,250.00 |
| HOLSTROM JEWELERS | 150th supp | 1,295.36 |
| HOWARD CO | Shared LEC | 5,010.98 |
| HYDRITE CHEMICAL | Supp | 3,628.20 |
| IA MUNICIPAL | Dues | 939.33 |
| IA DEPT TRANSP | Oil | 964.00 |
| IA LEAGUE CITIES | Dues | 1,823.00 |
| JOHN DEERE FIN | Supp,unif | 1,880.38 |
| JOHNSON, KELCIE | Dep ref/app | 80.00 |
| KOENIGS, ALEX | Dep app | 47.44 |
| KUHN, JAMES | Dep app | 61.06 |

| | | |
|-------------------|--------------|------------|
| KWIK TRIP | Gas | 3,810.93 |
| LARSON, KELLY | Dep app | 80.00 |
| LIEDER, CECILIA | Dep ref/app | 80.00 |
| LIONSGATE | Movie rent | 879.06 |
| LT MECHANICAL | Srv | 759.30 |
| MAILEY, STEVEN | Dep app | 73.66 |
| MARCO | Lease | 495.00 |
| MENNE, RICHARD | Dep ref | 80.00 |
| MERCHANT SRVCS | Fee | 162.09 |
| METRO SWIM | Supp | 166.50 |
| MIDWEST RADAR | Maint | 320.00 |
| MILLER, RONALD | Dep app | 45.71 |
| MRACEK PLBG,HTG | Srvc | 90.95 |
| NISLEY, DAVID | Dep ref/app | 80.00 |
| NORMAN, BRADY | Trng | 30.00 |
| NE IA COMM | Yrly contrib | 2,901.00 |
| NE IA MOTORS | Srvc | 23.89 |
| NE IA TASK FORCE | Dues | 550.00 |
| NE IA TELEPHONE | Equip | 2,449.90 |
| NORTHERN SAFETY | Unif | 640.26 |
| ND SCHOOL | Tour grant | 500.00 |
| O'HENRY'S | Srvc | 620.22 |
| OHRTMAN, RICK | Dep app | 73.90 |
| PARAMOUNT PICT | Movie rent | 250.00 |
| PAYROLL | | 145,131.71 |
| PEPSI-COLA | Concess | 894.64 |
| POOL TECH | Supp | 134.29 |
| POSTMASTER | Postage | 455.52 |
| POWERS, KIP | Dep app | 76.25 |
| PRINCIPAL LIFE | Insur | 89.64 |
| PUSH PEDAL PULL | Supp | 322.50 |
| REGIONAL HEALTH | Srvc | 178.20 |
| RICOH | Supp | 123.83 |
| RISE SEA URCHINS | Movie rent | 659.00 |
| SAFEGUARD PROP | Dep ref/app | 80.00 |
| SAM'S CLUB | Supp,concess | 1,514.21 |
| SCHOLBROCK MASON | Srvc | 2,930.00 |
| SIGNS & DESIGNS | Supp | 1,125.00 |
| SKYLINE CONST | Pay#5 GrRd | 254,889.22 |
| SMOLDERING BOWL | Dep app | 44.68 |
| SONY PICTURES | Movie rent | 250.00 |
| SPAHN & ROSE | Supp | 104.21 |
| SQUARE TRANS | Fee | 11.95 |
| STOREY KEN | Supp | 1,078.84 |
| TECHNICOLOR | Supp | 5.06 |
| TRANS-IA EQUIP | VacTruck | 35,000.00 |
| TUNE, CHUCK | Dep ref | 80.00 |
| UNIVERSAL STUDIOS | Movie rent | 250.00 |
| WALT DISNEY | Movie rent | 1,362.56 |
| WALTON, TIMOTHY | Srvc | 1,072.45 |
| WARNER BROS | Movie rent | 500.00 |

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|--------------------|---------|----------|
| WATERBECK, KARI | Dep app | 80.00 |
| WILGENBUSCH, DAVID | Dep app | 79.31 |
| WILTGEN CONST | Rock | 2,713.11 |
| WINDRIDGE IMP | Supp | 24.96 |
| WINDSTREAM | Phone | 1,046.27 |
| YOERGER, ALYSHA | Dep app | 80.00 |
| ZEE MEDICAL | Supp | 358.08 |

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|-------------------------|------------|
| GENERAL | 133,234.44 |
| HOTEL/MOTEL | 1,500.00 |
| LOST PROJECT | 36,937.62 |
| FIRE STATION BLDG | 200.25 |
| MEDIACOM | 498.71 |
| STREET TRUST | 37.24 |
| DRUG DOG | 136.22 |
| CRESCO COMM FIRE | 8,891.03 |
| ROAD USE | 65,365.66 |
| EMPLOYEE BEN | 1,782.21 |
| STREET ASSESS | 254,889.22 |
| FITNESS CTR TRUST | 1,667.24 |
| 150TH CELEBRAT | 1,515.36 |
| WATER FUND | 21,357.05 |
| WATER DEPOSIT | 1,709.06 |
| SEWER | 17,093.94 |
| CAP IMPROVE | 491.15 |
| YARDWASTE | 173.62 |
| EXPENDITURES | 547,480.02 |
| Revenues 6/16 to 7/6/15 | 199,224.58 |

\$ 50.00

No. 175

Excavators License

July 20, 2015

To Whom It May Concern:

That in consideration of FIFTY DOLLARS

License is hereby granted to TLC Excavating for the purpose
of excavating in the municipality of CRESCO, IOWA, County of HOWARD.

This License to be in force from July 20, 2015 to December 31, 2015

PROVIDED that said Excavator attentively observes all limitations and restrictions
to be found in Chapter 124 Code of Ordinances, City of Cresco, Iowa, relating to
Excavator's License made by the Council of said municipality.

Attest: _____
Clerk

Mayor

July 16,2015

Robin Lepa
332 1st Ave E.
Cresco, IA 52136
acct # 3048002

I am requesting an adjustment on my sewer bill of \$130.44. I have a 16' x 48" deep swimming pool. After filling the first time, it was very uneven so we drained it and refilled it again. Each fill is 5991 gallons so I'm being charged for sewer of 11,982 gallons. I understand being charged the water but not sewer. When we drained it, it went into be grass.

Thank You for your consideration.

Robin Lepa

ACCOUNT NUMBER 3048002 STATUS Active
NAME ROBIN LEPA (319)240-6146
PROPERTY 332 1ST AVE E

SV SERIAL # MULTIPLIER DIGITS INS DATE SERV DATE LOCATION NOTE

SE 35337272 1.00000 6
WA 35337272 1.00000 6 10001 DI 49.62 +

| BILL DATE | SERV | READ DATE | PRES | PREV | BILL CONS | CHARGE | |
|------------|------|------------|--------|--------|-----------|--------|----------|
| 7/01/2015 | SE | 6/19/2015 | 282450 | 265287 | 17163 | 130.44 | 33.02 + |
| 6/01/2015 | SE | 5/20/2015 | 265287 | 258671 | 6616 | 49.62 | 33.77 + |
| 5/01/2015 | SE | 4/20/2015 | 258671 | 254269 | 4402 | 33.02 | 30.23 + |
| 4/01/2015 | SE | 3/20/2015 | 254269 | 249767 | 4502 | 33.77 | 40.39 + |
| 3/01/2015 | SE | 2/20/2015 | 249767 | 245737 | 4030 | 30.23 | 38.60 + |
| 2/01/2015 | SE | 1/20/2015 | 245737 | 240352 | 5385 | 40.39 | 29.53 + |
| 1/01/2015 | SE | 12/19/2014 | 240352 | 235205 | 5147 | 38.60 | 33.29 + |
| 12/01/2014 | SE | 11/20/2014 | 235205 | 231268 | 3937 | 29.53 | 35.54 + |
| 11/01/2014 | SE | 10/20/2014 | 231268 | 226830 | 4438 | 33.29 | 87.84 + |
| 10/01/2014 | SE | 9/19/2014 | 226830 | 222092 | 4738 | 35.54 | 37.42 + |
| 9/01/2014 | SE | 8/20/2014 | 222092 | 210380 | 11712 | 87.84 | 87.80 + |
| 8/01/2014 | SE | 7/21/2014 | 210380 | 205391 | 4989 | 37.42 | 537.05 * |
| 7/01/2014 | SE | 6/20/2014 | 205391 | 193685 | 11706 | 87.80 | |

Prior 12 months

BILL DATE SERV DMD ACTUAL DMD BILLED MULT DMD TOTAL CHARGE
.....
0.000

| BILL DATE | SERV | READ DATE | PRES | PREV/DMD | MULT | CONS | LST YR | PCT CHNG | |
|------------|------|------------|--------|----------|-------|-------|--------|----------|--|
| 7/01/2015 | SE | 6/19/2015 | 282450 | 265287 | 17163 | 11706 | 46.62 | 537.05 ÷ | |
| 6/01/2015 | SE | 5/20/2015 | 265287 | 258671 | 6616 | 4930 | 34.20 | 12. = | |
| 5/01/2015 | SE | 4/20/2015 | 258671 | 254269 | 4402 | 6223 | 29.26- | 44.75 * | |
| 4/01/2015 | SE | 3/20/2015 | 254269 | 249767 | 4502 | 9448 | 52.35- | 44.75 + | |
| 3/01/2015 | SE | 2/20/2015 | 249767 | 245737 | 4030 | 6347 | 36.51- | 87.80 = | |
| 2/01/2015 | SE | 1/20/2015 | 245737 | 240352 | 5385 | 5358 | .50 | | |
| 1/01/2015 | SE | 12/19/2014 | 240352 | 235205 | 5147 | 5262 | 2.19- | | |
| 12/01/2014 | SE | 11/20/2014 | 235205 | 231268 | 3937 | 4878 | 19.29- | 43.05 =* | |
| 11/01/2014 | SE | 10/20/2014 | 231268 | 226830 | 4438 | 4814 | 7.81- | | |
| 10/01/2014 | SE | 9/19/2014 | 226830 | 222092 | 4738 | 4614 | 2.69 | | |
| 9/01/2014 | SE | 8/20/2014 | 222092 | 210380 | 11712 | 7653 | 53.04 | | |
| 8/01/2014 | SE | 7/21/2014 | 210380 | 205391 | 4989 | 5986 | 16.66- | | |
| 7/01/2014 | SE | 6/20/2014 | 205391 | 193685 | 11706 | | | | |

0002 Based on Avg

| BILL DATE | SERV | READ DATE | PRES | PREV | MULT | CHARGE | LST YR | PCT CHNG | |
|------------|------|------------|--------|--------|--------|--------|--------|----------|--|
| 7/01/2015 | SE | 6/19/2015 | 282450 | 265287 | 130.44 | 87.80 | 48.56 | | |
| 6/01/2015 | SE | 5/20/2015 | 265287 | 258671 | 49.62 | 35.00 | 41.77 | | |
| 5/01/2015 | SE | 4/20/2015 | 258671 | 254269 | 33.02 | 44.18 | 25.26- | | |
| 4/01/2015 | SE | 3/20/2015 | 254269 | 249767 | 33.77 | 67.08 | 49.66- | | |
| 3/01/2015 | SE | 2/20/2015 | 249767 | 245737 | 30.23 | 45.06 | 32.91- | | |
| 2/01/2015 | SE | 1/20/2015 | 245737 | 240352 | 40.39 | 38.04 | 6.18 | | |
| 1/01/2015 | SE | 12/19/2014 | 240352 | 235205 | 38.60 | 37.36 | 3.32 | | |
| 12/01/2014 | SE | 11/20/2014 | 235205 | 231268 | 29.53 | 34.63 | 14.73- | | |

Based on her calculation

5 991. ÷
1 000. ×
7.60 =
45.53 *

RESOLUTION NUMBER _____

RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH HOGAN – HANSEN, PC TO PERFORM AUDITING SERVICES

WHEREAS, the City of Cresco is required to perform annual audits in accordance with Section 11.6, Code of Iowa; and

WHEREAS, the City of Cresco sent out Request for Proposals to audit fiscal years ending June 30, 2013, 2014 and 2015; and

WHEREAS, Hogan – Hansen, PC was selected to perform the audits for the three fiscal years for a fee of \$12,000 per year.

NOW, THEREFORE, BE IT RESOLVED THAT the Mayor is authorized and directed to sign the Agreement with Hogan – Hansen, PC of Mason City, Iowa.

Council Person _____ moved the adoption of the foregoing Resolution and Council Person _____ seconded said Motion. Following discussion, a roll call vote was requested by Mayor and said roll call resulted as follows:

Ayes: _____

Nays: _____

Absent: _____

Thereupon, the Mayor declared said Resolution duly passed and announced that the Agreement between the City of Cresco and Hogan – Hansen, PC is approved and that the Mayor is authorized to execute the contract on behalf of the City of Cresco.

PASSED AND APPROVED THIS 20TH DAY OF JULY, 2015.

BY: _____
Mayor Mark Bohle

ATTEST: _____
City Clerk Michelle Girolamo

HOGAN • HANSEN

A Professional Corporation

Certified Public Accountants and Consultants

July 8, 2015

Honorable Mayor, Members of the City Council
Michelle Girolamo, Administrator/Clerk
City of Cresco
130 North Park Place
Cresco, IA 52136

We are pleased to confirm our understanding of the services we are to provide the City of Cresco for the year ending June 30, 2015. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Cresco as of and for the year ending June 30, 2015. Other information, such as management's discussion and analysis (MD&A), budgetary comparison schedules and GASB-required supplementary pension and OBEB schedules, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied to the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We have also been engaged to report on supplementary information that accompanies the City of Cresco's financial statements. The supplementary information will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements taken as a whole.

Our responsibility for the other information contained in the audited financial statements does not extend beyond the financial information identified in the report. We have no responsibility for determining whether such other information is properly stated.

Honorable Mayor, Members of the City Council
Michelle Girolamo, Administrator/Clerk
City of Cresco
July 8, 2015
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Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with the cash basis of accounting and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. Our audit of your annual financial statements will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and, accordingly, will include tests of the accounting records and other auditing procedures as we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are to be other than unmodified, the reasons will be discussed with you. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements and grants, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City of Cresco is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory or contractual requirements.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance on detecting abuse.

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Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests by correspondence with selected individuals, funding sources, creditors and financial institutions. At the conclusion of our audit, we will require certain written representations from you about the financial statements; compliance with laws, regulations, contracts and grant agreements; and other responsibilities required by auditing standards generally accepted in the United States of America.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*. In addition, we will also notify management and those charged with governance of any ways that we believe management practices can be improved.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Cresco's compliance with the provisions of applicable laws, regulations, contracts, agreements and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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Management Responsibilities

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements and related notes prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements and related notes. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. We may also prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts.

You are responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting; for making all management decisions and performing all management functions; for designating a management-level individual with suitable skill, knowledge or experience to oversee any nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

In the process of performing the audit engagement, we may perform nonattest services, such as preparing depreciation schedules, performing certain computations and preparing proposed journal entries. These nonattest services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to any nonattest services we provide.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts and grant agreements; for the selection and application of accounting principles; and for the preparation and fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Cresco and the respective changes in financial position in conformity with the cash basis of accounting and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring the accuracy and completeness of the information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

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Your responsibilities also include adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that 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.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving (1) management, (2) employees who have significant roles in internal control and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements or abuse that we may report. You agree to indemnify us for any damages, including attorney fees, caused in whole or in part, by your failure to fulfill these responsibilities.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with the cash basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the cash basis of accounting; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with the cash basis of accounting; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us, previous financial audits, attestation engagements or performance audits related to the objectives discussed in the Audit Objective section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements or performance audits, or other engagements. The City is also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

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Other Terms and Conditions

Any disputes you initiate concerning the services provided by us in connection with this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally. Should the dispute ultimately result in litigation, it will be settled in the appropriate Iowa District Court for our county.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

If you intend to reproduce or publish these financial statements, or any portion thereof, and make reference to our firm name in connection therewith, you agree to provide us with proofs for our approval.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Assistance to be supplied by your personnel, including the preparation of schedules and analysis of accounts, has been discussed and coordinated with you. Timely completion of this work will facilitate achieving the best audit performance with a minimum of time.

As a member of the American Institute of Certified Public Accountants (AICPA), our firm must submit itself to a peer review by independent, outside personnel, approved by the AICPA, once every three years. The review team will not be from the state of Iowa, will not be affiliated with or have had its most recent peer review conducted by our firm and will not disclose any of the information obtained in the review process. The client files selected for review will be on a random basis and will be chosen by the review team. It is our mutual understanding that the review team has permission to examine your files should they be selected for examination.

In accordance with *Government Auditing Standards*, we have enclosed a copy of our most recent peer review report.

In addition, we may be requested to make certain workpapers available to a cognizant or grantor agency pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of Hogan - Hansen personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to your cognizant or grantor agency. The cognizant or grantor agency may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies. The audit documentation for this engagement will be retained for a minimum of five years after the report release date.

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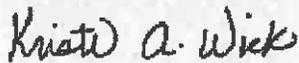
Our fees are based on the proposal accepted by you for the years ending June 30, 2013 through 2015. Based on that agreement, the maximum fee for the year ended June 30, 2015 is expected to be \$12,000. However, if we encounter significant difficulties in completing your audit or conditions change from those that currently exist, we will discuss it with you and the impact that it will have on your fees, if any. Payment for services is due upon receipt of our invoice. Payments not received within 45 days of the invoice date will be subject to a finance charge of 1.6% per month (19.2% per year).

Kristi Wick is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

If the above terms are acceptable to you and the services outlined are in accordance with your requirements, sign below, return in the enclosed envelope and retain the copy for your files.

We appreciate the opportunity to serve you. If you have any questions regarding any of the above, please contact us.

Sincerely,



Kristi A. Wick, CPA

KAW:sb
Encs

The services described in the foregoing letter are in accordance with our requirements. The terms described in the letter are acceptable to us and are hereby agreed to.

CITY OF CRESCO

Date 7-20-15

By _____

SYSTEM REVIEW REPORT

July 17, 2014

To the Shareholders
Hogan-Hansen, A Professional Corporation
and the Peer Review Committee of the Iowa Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Hogan-Hansen, A Professional Corporation (the firm) in effect for the year ended March 31, 2014. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and an audit of an employee benefit plan.

In our opinion, the system of quality control for the accounting and auditing practice of Hogan-Hansen, A Professional Corporation in effect for the year ended March 31, 2014, 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*. Hogan-Hansen, A Professional Corporation has received a peer review rating of *pass*.

Respectfully submitted,

Lewis, Kisch & Associates, Ltd.