

THE CITY OF  
**Cresco**  
I O W A

130 N. Park Place Cresco, IA 52136

(563) 547-3101 FAX (563) 547-4525

www.cityofcresco.com

April 5, 2016

NAME  
ADDRESS  
Cresco, IA 52136

Dear NAME:

The City of Cresco is amending its current Urban Revitalization Plan. In the process of amending the plan, I discovered that an error was made when we calculated the tax abatement on your property. I am pleased to report that working with Attorney Overberg, the Assessor and the Council we are able to correct the error and get you the proper tax abatement that you are entitled to.

In 2010, I had consulted with Ahlers & Cooney, the law firm that wrote up the Cresco Urban Revitalization Plan, to determine how to handle a late application. The general rule is that applications are due by February 1<sup>st</sup> of the year following completion of the project. They advised me that the Council could still accept the late application, if the applicant wrote a letter requesting consideration, and the council, by resolution, approved the late application. However, the first year would be lost because the application was not timely filed. They drafted a sample resolution and I followed that procedure for the next six years.

I was reviewing the new plan and noticed verbage in the new plan stating that as long as an applicant applied within two years of the original due date, then they were eligible for the full exemption schedule. When I questioned the Attorney on this, he informed me that after 2010 their firm was helping another city with this same issue and went to the State Legislature for clarification. The Legislature confirmed this two year exception but the Attorney never notified me of their new interpretation of the code.

Therefore, the City of Cresco is granting you the "first year" exemption of 75% of the \$75,000 value that we had originally disallowed because we thought it was not eligible. This will be added to the end of your exemption schedule by the Assessor. Please see the enclosed resolution. Unfortunately, the tax abatement does not show on your property tax statement so you will not see it clearly. You may need to talk to the Assessor's office if you have specific questions on your assessed and taxable values that your property tax statement shows.

I apologize for the error that was made but hopefully receiving the tax abatement later is better than not at all. I understand this may cause some confusion so please stop in and talk to me about this if it does not make sense.

Sincerely,

Michelle Girolamo  
City Clerk

*Sample to be mailed  
to each property owner*

RESOLUTION NO. 041601

RESOLUTION AMENDING RESOLUTION NO. 121001  
UNDER CRESCO URBAN REVITALIZATION AREA  
(Phillip & Jamie Fisk)

WHEREAS, the City previously adopted Resolution No. 121001, allowing a partial property tax exemption for the improvement project submitted by Phillip & Jamie Fisk (“Owners”) under the Cresco Urban Revitalization Plan; and

WHEREAS, the improvement project was completed by December 31, 2009 and so January 1, 2010 was the first exemption year; and

WHEREAS, the initial Application was not filed by February 1, 2010, but was filed within two years of the original February 1, 2010 filing deadline; and

WHEREAS, under these circumstances Iowa Code Section 404.4 provides that the exemption is allowed for the total number of years in the then existing exemption schedule (5 years), with the exemption beginning for assessment year 2011; and

WHEREAS, the previously adopted Resolution No. 121001 incorrectly shortened the exemption period and therefore this Resolution No. 041601 amends Resolution No. 121001 to the extent it is inconsistent with this Resolution No. 041601.

NOW, THEREFORE, BE IT RESOLVED that the previously approved Application remains approved but the exemption schedule is replaced as follows:

The Application for exemption is approved for the total number of years available in the exemption schedule in effect when the application was approved, which is five years:

<u>Date of Assessment</u>	<u>Year</u>	<u>Eligible Expenses</u>	<u>Percentage of Abatement</u>	<u>Date taxes to be exempted</u>
1/1/2011	1	\$75,000	75%	9/2012 and 3/2013
1/1/2012	2	\$75,000	50%	9/2013 and 3/2014
1/1/2013	3	\$75,000	25%	9/2014 and 3/2015
1/1/2014	4	\$75,000	25%	9/2015 and 3/2016
1/1/2016	5	\$75,000	75%	9/2017 and 3/2018

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF CRESCO, IOWA

ATTEST:

\_\_\_\_\_  
Mayor Mark Bohle

\_\_\_\_\_  
City Clerk Michelle Girolamo

RESOLUTION NO. 041602

**RESOLUTION AMENDING RESOLUTION NO. 101101  
UNDER CRESCO URBAN REVITALIZATION AREA  
(Julie Drtina & David Hagen)**

WHEREAS, the City previously adopted Resolution No. 101101, allowing a partial property tax exemption for the improvement project submitted by Julie Drtina & David Hagen (“Owners”) under the Cresco Urban Revitalization Plan; and

WHEREAS, the improvement project was completed by December 31, 2010 and so January 1, 2011 was the first exemption year; and

WHEREAS, the initial Application was not filed by February 1, 2011, but was filed within two years of the original February 1, 2011 filing deadline; and

WHEREAS, under these circumstances Iowa Code Section 404.4 provides that the exemption is allowed for the total number of years in the then existing exemption schedule (5 years), with the exemption beginning for assessment year 2012; and

WHEREAS, the previously adopted Resolution No. 101101 incorrectly shortened the exemption period and therefore this Resolution No. 041602 amends Resolution No. 101101 to the extent it is inconsistent with this Resolution No. 041602.

NOW, THEREFORE, BE IT RESOLVED that the previously approved Application remains approved but the exemption schedule is replaced as follows:

The Application for exemption is approved for the total number of years available in the exemption schedule in effect when the application was approved, which is five years:

<u>Date of Assessment</u>	<u>Year</u>	<u>Eligible Expenses</u>	<u>Percentage of Abatement</u>	<u>Date taxes to be exempted</u>
1/1/2012	1	\$75,000	75%	9/2013 and 3/2014
1/1/2013	2	\$75,000	50%	9/2014 and 3/2015
1/1/2014	3	\$75,000	25%	9/2015 and 3/2016
1/1/2015	4	\$75,000	25%	9/2016 and 3/2017
1/1/2016	5	\$75,000	75%	9/2017 and 3/2018

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF CRESCO, IOWA

ATTEST:

\_\_\_\_\_  
Mayor Mark Bohle

\_\_\_\_\_  
City Clerk Michelle Girolamo

RESOLUTION NO. 041603

RESOLUTION AMENDING RESOLUTION NO. 101102  
UNDER CRESCO URBAN REVITALIZATION AREA  
(Dennis & Tanya Riehle)

WHEREAS, the City previously adopted Resolution No. 101102, allowing a partial property tax exemption for the improvement project submitted by Dennis & Tanya Riehle ("Owners") under the Cresco Urban Revitalization Plan; and

WHEREAS, the improvement project was completed by December 31, 2010 and so January 1, 2011 was the first exemption year; and

WHEREAS, the initial Application was not filed by February 1, 2011, but was filed within two years of the original February 1, 2011 filing deadline; and

WHEREAS, under these circumstances Iowa Code Section 404.4 provides that the exemption is allowed for the total number of years in the then existing exemption schedule (5 years), with the exemption beginning for assessment year 2012; and

WHEREAS, the previously adopted Resolution No. 101102 incorrectly shortened the exemption period and therefore this Resolution No. 041603 amends Resolution No. 101102 to the extent it is inconsistent with this Resolution No. 041603.

NOW, THEREFORE, BE IT RESOLVED that the previously approved Application remains approved but the exemption schedule is replaced as follows:

The Application for exemption is approved for the total number of years available in the exemption schedule in effect when the application was approved, which is five years:

<u>Date of Assessment</u>	<u>Year</u>	<u>Eligible Expenses</u>	<u>Percentage of Abatement</u>	<u>Date taxes to be exempted</u>
1/1/2012	1	\$75,000	75%	9/2013 and 3/2014
1/1/2013	2	\$75,000	50%	9/2014 and 3/2015
1/1/2014	3	\$75,000	25%	9/2015 and 3/2016
1/1/2015	4	\$75,000	25%	9/2016 and 3/2017
1/1/2016	5	\$75,000	75%	9/2017 and 3/2018

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF CRESCO, IOWA

ATTEST:

\_\_\_\_\_  
Mayor Mark Bohle

\_\_\_\_\_  
City Clerk Michelle Girolamo

RESOLUTION NO. 041604

RESOLUTION AMENDING RESOLUTION NO. 051203  
UNDER CRESCO URBAN REVITALIZATION AREA  
(Shawn & Cathy Saltou)

WHEREAS, the City previously adopted Resolution No. 051203, allowing a partial property tax exemption for the improvement project submitted by Shawn & Cathy Saltou ("Owners") under the Cresco Urban Revitalization Plan; and

WHEREAS, the improvement project was completed by June 1, 2011 and so January 1, 2012 was the first exemption year; and

WHEREAS, the initial Application was not filed by February 1, 2012, but was filed within two years of the original February 1, 2012 filing deadline; and

WHEREAS, under these circumstances Iowa Code Section 404.4 provides that the exemption is allowed for the total number of years in the then existing exemption schedule (5 years), with the exemption beginning for assessment year 2013; and

WHEREAS, the previously adopted Resolution No. 051203 incorrectly shortened the exemption period and therefore this Resolution No. 041604 amends Resolution No. 051203 to the extent it is inconsistent with this Resolution No. 041604.

NOW, THEREFORE, BE IT RESOLVED that the previously approved Application remains approved but the exemption schedule is replaced as follows:

The Application for exemption is approved for the total number of years available in the exemption schedule in effect when the application was approved, which is five years:

<u>Date of Assessment</u>	<u>Year</u>	<u>Eligible Expenses</u>	<u>Percentage of Abatement</u>	<u>Date taxes to be exempted</u>
1/1/2013	1	\$75,000	75%	9/2014 and 3/2015
1/1/2014	2	\$75,000	50%	9/2015 and 3/2016
1/1/2015	3	\$75,000	25%	9/2016 and 3/2017
1/1/2016	4	\$75,000	25%	9/2017 and 3/2018
1/1/2017	5	\$75,000	75%	9/2018 and 3/2019

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF CRESCO, IOWA

ATTEST:

\_\_\_\_\_  
Mayor Mark Bohle

\_\_\_\_\_  
City Clerk Michelle Girolamo

RESOLUTION NO. 041605

**RESOLUTION AMENDING RESOLUTION NO. 051207  
UNDER CRESCO URBAN REVITALIZATION AREA  
(Arthur & Jean Kuhn)**

WHEREAS, the City previously adopted Resolution No. 051207, allowing a partial property tax exemption for the improvement project submitted by Arthur & Jean Kuhn (“Owners”) under the Cresco Urban Revitalization Plan; and

WHEREAS, the improvement project was completed by November 20, 2011 and so January 1, 2012 was the first exemption year; and

WHEREAS, the initial Application was not filed by February 1, 2012, but was filed within two years of the original February 1, 2012 filing deadline; and

WHEREAS, under these circumstances Iowa Code Section 404.4 provides that the exemption is allowed for the total number of years in the then existing exemption schedule (5 years), with the exemption beginning for assessment year 2013; and

WHEREAS, the previously adopted Resolution No. 051207 incorrectly shortened the exemption period and therefore this Resolution No. 041605 amends Resolution No. 051207 to the extent it is inconsistent with this Resolution No. 041605.

NOW, THEREFORE, BE IT RESOLVED that the previously approved Application remains approved but the exemption schedule is replaced as follows:

The Application for exemption is approved for the total number of years available in the exemption schedule in effect when the application was approved, which is five years:

<u>Date of Assessment</u>	<u>Year</u>	<u>Eligible Expenses</u>	<u>Percentage of Abatement</u>	<u>Date taxes to be exempted</u>
1/1/2013	1	\$75,000	75%	9/2014 and 3/2015
1/1/2014	2	\$75,000	50%	9/2015 and 3/2016
1/1/2015	3	\$75,000	25%	9/2016 and 3/2017
1/1/2016	4	\$75,000	25%	9/2017 and 3/2018
1/1/2017	5	\$75,000	75%	9/2018 and 3/2019

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF CRESCO, IOWA

ATTEST:

\_\_\_\_\_  
Mayor Mark Bohle

\_\_\_\_\_  
City Clerk Michelle Girolamo

RESOLUTION NO. 041606

**RESOLUTION AMENDING RESOLUTION NO. 021501  
UNDER CRESCO URBAN REVITALIZATION AREA  
(Gordon & Patricia Koehler)**

WHEREAS, the City previously adopted Resolution No. 021501, allowing a partial property tax exemption for the improvement project submitted by Gordon & Patricia Koehler (“Owners”) under the Cresco Urban Revitalization Plan; and

WHEREAS, the improvement project was completed by December 31, 2013 and so January 1, 2014 was the first exemption year; and

WHEREAS, the initial Application was not filed by February 1, 2014, but was filed within two years of the original February 1, 2014 filing deadline; and

WHEREAS, under these circumstances Iowa Code Section 404.4 provides that the exemption is allowed for the total number of years in the then existing exemption schedule (5 years), with the exemption beginning for assessment year 2015; and

WHEREAS, the previously adopted Resolution No. 021501 incorrectly shortened the exemption period and therefore this Resolution No. 041606 amends Resolution No. 021501 to the extent it is inconsistent with this Resolution No. 041606.

NOW, THEREFORE, BE IT RESOLVED that the previously approved Application remains approved but the exemption schedule is replaced as follows:

The Application for exemption is approved for the total number of years available in the exemption schedule in effect when the application was approved, which is five years:

<u>Date of Assessment</u>	<u>Year</u>	<u>Eligible Expenses</u>	<u>Percentage of Abatement</u>	<u>Date taxes to be exempted</u>
1/1/2015	1	\$75,000	75%	9/2016 and 3/2017
1/1/2016	2	\$75,000	50%	9/2017 and 3/2018
1/1/2017	3	\$75,000	25%	9/2018 and 3/2019
1/1/2018	4	\$75,000	25%	9/2019 and 3/2020
1/1/2019	5	\$75,000	75%	9/2020 and 3/2021

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF CRESCO, IOWA

ATTEST:

\_\_\_\_\_  
Mayor Mark Bohle

\_\_\_\_\_  
City Clerk Michelle Girolamo

ORDINANCE NO. 458

AN ORDINANCE REPEALING ORDINANCE NO. 375 DESIGNATING THE  
EVANS HOME ASSISTED LIVING URBAN REVITALIZATION AREA IN  
THE CITY OF CRESCO, IOWA

WHEREAS, Chapter 404 of the Code of Iowa, authorizes cities by ordinance to designate revitalization areas if such areas meet the criteria of Chapter 404 and if the City completes the procedural requirements of Chapter 404; and

WHEREAS, pursuant to Chapter 404 of the Code of Iowa, the Council did adopt an urban revitalization plan for the City of Cresco, Iowa by Resolution No. 040408 on April 19, 2004; and

WHEREAS, pursuant to Chapter 404 of the Code of Iowa, the Council did designate the Evans Home Assisted Living Urban Revitalization Area by Ordinance No. 375 on May 17, 2004; and

WHEREAS, the City desires to repeal Ordinance No. 375 under Iowa Code Section 404.7 to confirm that the Evans Home Assisted Living Urban Revitalization Area no longer exists.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRESCO, STATE OF IOWA, THAT:

Section 1. Ordinance No. 375 is hereby repealed and the Evans Home Assisted Living Urban Revitalization Plan and Area no longer exist. A copy of the Ordinance No. 375 is attached and marked Exhibit 1 and is available for review at City Hall.

Section 2. This ordinance shall be in effect after its final passage, approval and publication as provided by law.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Read First Time: March 7, 2016

Read Second Time: March 21, 2016

Read Third Time: \_\_\_\_\_, 2016

PASSED AND APPROVED: \_\_\_\_\_, 2016.

I, \_\_\_\_\_, City Clerk of the City of Cresco, State of Iowa, hereby certify that the above and foregoing is a true copy of Ordinance No. \_\_\_\_\_ passed and approved by the City Council of the City at a meeting held \_\_\_\_\_, 2016, signed by the Mayor on \_\_\_\_\_, 2016, and published in the Times Plain Dealer on \_\_\_\_\_, 2016.

\_\_\_\_\_  
City Clerk, City of Cresco, State of Iowa

(SEAL)

01216288-1\10349-088

# Exhibit 1

ORDINANCE NO. 375

## AN ORDINANCE DESIGNATING THE EVANS HOME ASSISTED LIVING REVITALIZATION AREA IN THE CITY OF CRESCO, IOWA

WHEREAS, Chapter 404 of the Code of Iowa, the "Act", authorizes cities by ordinance to designate revitalization areas if such areas meet the criteria of the Act and if the City completes the procedural requirements of the Act; and

WHEREAS, pursuant to the Act, this Council did, by resolution, adopt an urban revitalization plan for the City of Cresco, Iowa, said area having been heretofore designated on April 19, 2004.

WHEREAS, the area so designated has heretofore been found to meet the criteria of Section I of the Act; and

WHEREAS, the revitalization of the area so described will enhance the rehabilitation and redevelopment of the area resulting in the improvement of public health, safety and welfare of the residents of the City; and

WHEREAS, pursuant to the Act, the City has caused to be prepared and adopted a plan for the revitalization of the area; and

WHEREAS, pursuant to the provisions of the Act, the City has held a public hearing on the proposed plan for said revitalization area; and

WHEREAS, notice of the public hearing was published at least 30 days prior to the date of the hearing and notice by ordinary mail was sent to the last known address of the owners of record within the revitalization area as well as to the "occupants" of the addresses located within the proposed area; and

WHEREAS, more than 30 days have passed from the first hearing and no petitions or requests have been made requesting a second public hearing; and

WHEREAS, pursuant to the provisions of the statute, the City has adopted the proposed plan for said revitalization area on April 19, 2004;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRESCO, IOWA:

Section 1. That in accordance with Chapter 404 of the Code of Iowa, and in consideration of the restrictions set forth in the preamble hereof, the area described as:

Lots 8, 9, 10, 11 and 12, Block 3, McHughes Addition,  
Cresco, Iowa.

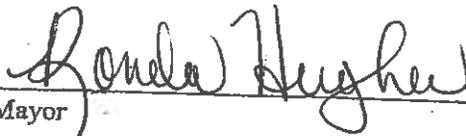
be and the same is hereby designated as a revitalization area under the Act, which shall be known as the Evans Home Assisted Living Revitalization Area of the City of Cresco, Iowa.

Section 2. That all ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed to the extent of such conflict.

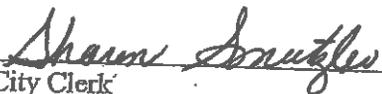
Section 3. That if any section, provision or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 4. This ordinance shall be in effect after its final passage, approval and publication as provided by law.

PASSED AND APPROVED this 17<sup>th</sup> day of May, 2004.

  
\_\_\_\_\_  
Mayor

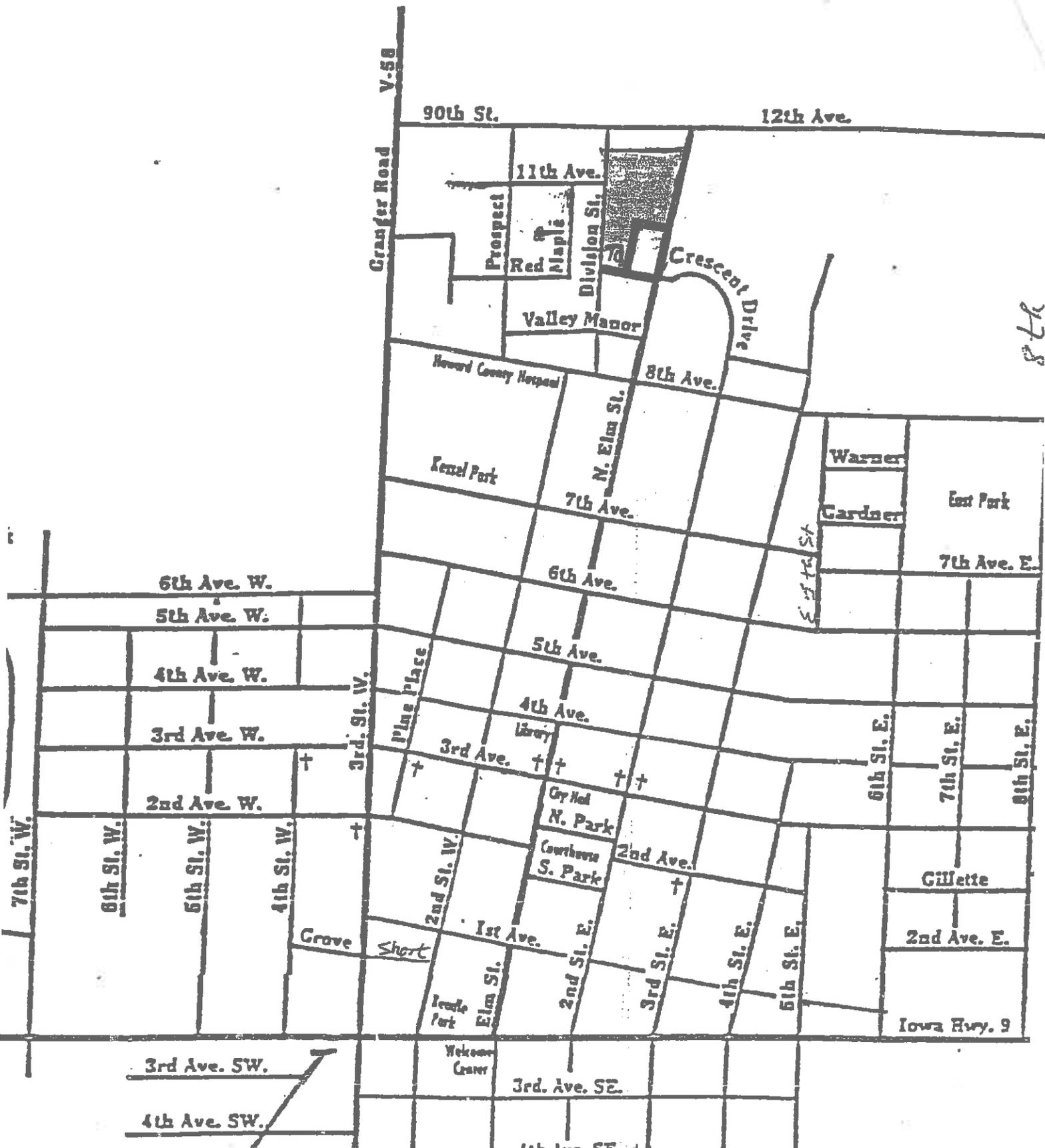
ATTEST:

  
\_\_\_\_\_  
City Clerk

DLILLEBOW068(211\10349.068

EVANS HOME ASSISTED LIVING  
REVITALIZATION AREA

Exhibit



**RESOLUTION NO. 041607**

**RESOLUTION RELEASING COMMITTED FUND BALANCES  
FOR SPECIAL REVENUE FUNDS (GASB 54)**

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, requiring, among other things, all state and local governmental entities to adopt a Resolution committing fund balance resources for general funds and special revenue funds; and

WHEREAS, the City of Cresco by Resolution No. 061505 committed \$40,000 of fund balance resources for Fire Turnout Gear on June 15, 2015; and

WHEREAS, the Cresco Community Fire Department was awarded a Firefighters Assistance Grant Award for Operations and Safety in the amount of \$85,143 to purchase Fire Turnout Gear; and

WHEREAS, the committed funds are no longer needed for Fire Turnout Gear the \$40,000 should be transferred back to the Local Option Sales Fund #022 for general city projects; and

WHEREAS, it is the intent of the City of Cresco City Council to adopt this resolution to release the committed fund balance resources of the special revenue fund in accordance with Generally Accepted Accounting Principles (GAAP) and GASB 54.

NOW, THEREFORE, BE IT RESOLVED by the City of Cresco City Council that it releases the committed fund balance:

Fund 188 Fire Equipment Trust \$40,000  
Purpose: Fire Dept Turnout Gear

PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.

\_\_\_\_\_  
Mayor Mark Bohle

ATTEST: \_\_\_\_\_  
City Clerk Michelle Girolamo

City of Cresco  
 Analysis of Bond Proceeds  
 \$2,950,000 GO Capital Loan Notes, Series 2014

6/2 & 7/8/2014            2,950,000 Bond Proceeds  
                                   7/8/2014            13,910 Net Premium & Underwriter's Discount  
                                   **2,963,910 Net Proceeds Received**

6/16-12/1/14            (35,092) Bond Fees (Piper Jaffray, Ahlers & Cooney, Standard & Poors)  
                                   **2,928,818 Net Bond Remaining**

2/3/14 - 1/4/16            (289,155) WHKS - Engineering  
 9/3/14-12/16/15        (2,370,242) Skyline Construction  
 9/9/15-12/7/15        (8,613) Ahlers & Cooney - Legal Fees  
 misc                        (1,396) Misc (Notices, Postage, Signage)  
                                   (2,669,407) Total Granger Road Project Expenses  
                                   **259,411 Bond Proceeds Remaining**

<u>Reasons for Excess Bond Proceeds</u>	
165,416	Contingency at bond closing (I had requested \$138,134 = 5% of project)
45,000	Change Order (Liquidated Damages for late completion)
40,315	Actual Cost under bid (Quantity Adjustments)
17,942	Engineers overestimated cost of engineering/legal/miscellaneous
<u>792</u>	Issuance Costs overestimated
269,465	

Eligible Projects to be paid from excess Bond Proceeds:

9/9/15-12/21/15            33,000 WHKS - Engineering (Hwy 9 Watermain Project)  
 9/9/15-est May 16        171,311 Mehmert (Hwy 9 Watermain Project)  
                                   **204,311 Total Hwy 9 Watermain Project**

est Apr-Jun 2016        46,000 Watermain Loop - near Harvey's/old Campsite

est June 2016            9,100 Street Light Replacement Project (Total Estimated Cost is \$150,000)

**0 Bond Proceeds Remaining**

## Overlay of parking lots (ASPHALT)

### Parking Lot at S Park Place & 2<sup>nd</sup> St E (Old Culligan Lot)

Budget quote for whole lot including the part Burke Auction owns. Which I obtained late last fall (2015)  
If Burke Auction decides to piggy-back with the City of Cresco on this project they would pay for their portion separately.

Blacktop Services \$47,250 total project Did not break down separately for me.  
Heartland Asphalt \$37,000 total project City Portion \$23,000 Burke Auction \$14,000

With Heartland Asphalt having the lower quote I had them re-evaluate and give me a more solid number this spring.

Total Project \$36,223.40 City Portion \$22,715.00 Burke Auction \$13,508.40

I have discussed this with Burke Auction and they will let me know if they are going to proceed before we get started. It WILL NOT change our price if they decide not to. The City will also be repairing the sidewalk and driveway approach, we will make these repairs ourselves and I anticipate that to take place soon. The contractor wants that work completed before they arrive.

### Theater Parking Lot

Quotes from last fall

Blacktop Services \$70,150

Heartland Asphalt \$50,969.25

Heartland Asphalt and I re-evaluated this spring and discovered some parts that needed to be cored out and add an asphalt patch creating a 5 inch overlay in some areas of the parking lot. This additional work did raise the price. We did alleviate some of that cost by doing some of the work ourselves. The portion we did ourselves is already complete. Heartland will have some additional work when they arrive. I would also like to address the approaches on 2<sup>nd</sup> Ave W ourselves if time permits. They are not as bad as the approach at the Old Culligan Lot. We also have a small area at that Foley Chiropractic can do, I am also waiting for his response.

Re-evaluated price \$63,507.50 total project City Portion \$62,176.25 Foley Chiropractic \$1331.25  
Please see my attachments: The area shaded in black is where the additional work is taking place.

Thanks,  
Rod

**Culligan Parking Approach & Sidewalk**

**Approximately 21yds of concrete @ \$120.00/yard = \$2520.00  
City will supply all labor**

**Theater Parking Approach & Sidewalk**

**Approximately 17.5yds of concrete @ \$120.00/yard = \$2100.00  
City will supply all labor**

# PROPOSAL / CONTRACT

## HEARTLAND ASPHALT, INC.

2601 S. FEDERAL AVE.  
 MASON CITY, IA 50401  
 (641) 424-1733 FAX (641) 424-0334  
 TOLL FREE 1-800-728-7903 [www.HeartlandAsphalt.com](http://www.HeartlandAsphalt.com)

Job No.  
 Date **March 24, 2016**  
 Sheet No.  
 P. O. #: 0

**OWNER:**

Name: <b>City of Cresco</b>	
Street: <b>130 North Park Place</b>	
City: <b>Cresco</b>	
State: <b>IA.</b>	Zip: <b>52136</b>
Phone: <b>0</b>	Fax: <b>0</b>

**WORK TO BE PERFORMED AT:**

Cresco Parking Lots	
Street: 0	
City: Cresco	State: IA.
Contact Person: <b>Rod Friedhof</b>	
Home Phone or Other: <b>641-330-2270</b>	
E-Mail Address: <b>pwd@iowatelecom.net</b>	

Heartland Asphalt Inc. (Contractor) proposes to furnish the following described work, labor, materials and/or equipment in connection with construction or improvements as specified below. Subbase must be received to within + 0.05 ft and must be stable enough to carry a loaded tandem truck without rutting.

**DESCRIPTION OF WORK: (AREA 1-THEATRE LOT)**

- 1.) Grind existing pavement to match parking lot entrances with new Asphalt mat
- 2.) Core out 3 inches of rock in patch areas (rock placed by city), Install 3 inch asphalt patching prior to overlay
- 3.) Furnish and Install 2 inch asphalt overlay
- 4.) Furnish and Install 2 inch asphalt overlay on private property

**AREA 1: (Theatre Lot)**

1.)	Mill Butt Joints to Match Existing Entrances	677 s.y. @	\$	4.90 / s.y. =	\$ 3,317.30
2.)	Furnish and Install 3" Asphalt Patching	531 s.y. @	\$	27.25 / s.y. =	\$ 14,469.75
3.)	Furnish and Install 2" Asphalt Overlay	4,168 s.y. @	\$	10.65 / s.y. =	\$ 44,389.20
4.)	Furnish and Install 2" Asphalt Overlay-Private Property	125 s.y. @	\$	10.65 / s.y. =	\$ 1,331.25
<b>TOTAL COST \$</b>					<b>63,507.50</b>

**DESCRIPTION OF WORK: (AREA 2-Old Culligan Lot)**

- 1.) Add rock to Existing base to build up grade for drainage.
- 2.) Fine Grade rock base Prior to Asphalt Overlay
- 3.) Furnish and Install 3 inch Asphalt Mat

**AREA 2: (Old Culligan Lot)**

1.)	Add Rock to bring existing base up to grade	85 ton @	\$	25.00 / ton =	\$ 2,125.00
2.)	Furnish and Install 3" Asphalt Mat	1,160 s.y. @	\$	17.75 / s.y. =	\$ 20,590.00
<b>TOTAL COST \$</b>					<b>22,715.00</b>

**AREA 2: (Old Culligan Lot+Private portion of lot)**

1.)	Add Rock to bring existing base up to grade	172 ton @	\$	22.50 / ton =	\$ 3,870.00
2.)	Furnish and Install 3" Asphalt Mat	1,949 s.y. @	\$	16.60 / s.y. =	\$ 32,353.40
<b>\$</b>					<b>36,223.40</b>

**NOTE: Final Cost will be based on actual quantity Furnished and Installed**  
**Owner shall furnish a tax exemption certificate upon award of contract**  
**Bonds and Dues are NOT Included**

All material is guaranteed to be specified, and the above work to be performed in accordance with the drawings and specifications submitted for the above work and completed in a substantial workmanlike manner for the sum of:

Dollars

with payments made as follows: **Net upon completion of work unless otherwise noted.**  
**1 1/2 % per month interest on Balance Past Due.**

Any alteration or revision from the above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and any other insurance upon above work.

Note: Proposal is for work to be done in 2016 Construction Season ONLY and may be withdrawn by us if not accepted within **30** days!!!

**Heartland Asphalt Inc**

Date: **March 24, 2016**

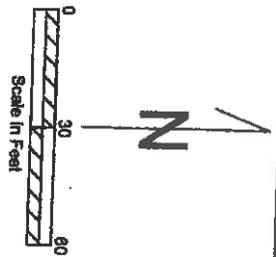
By: Bryce Ogea Project Manager  
 Bryce Ogea title

**ACCEPTANCE OF PROPOSAL**

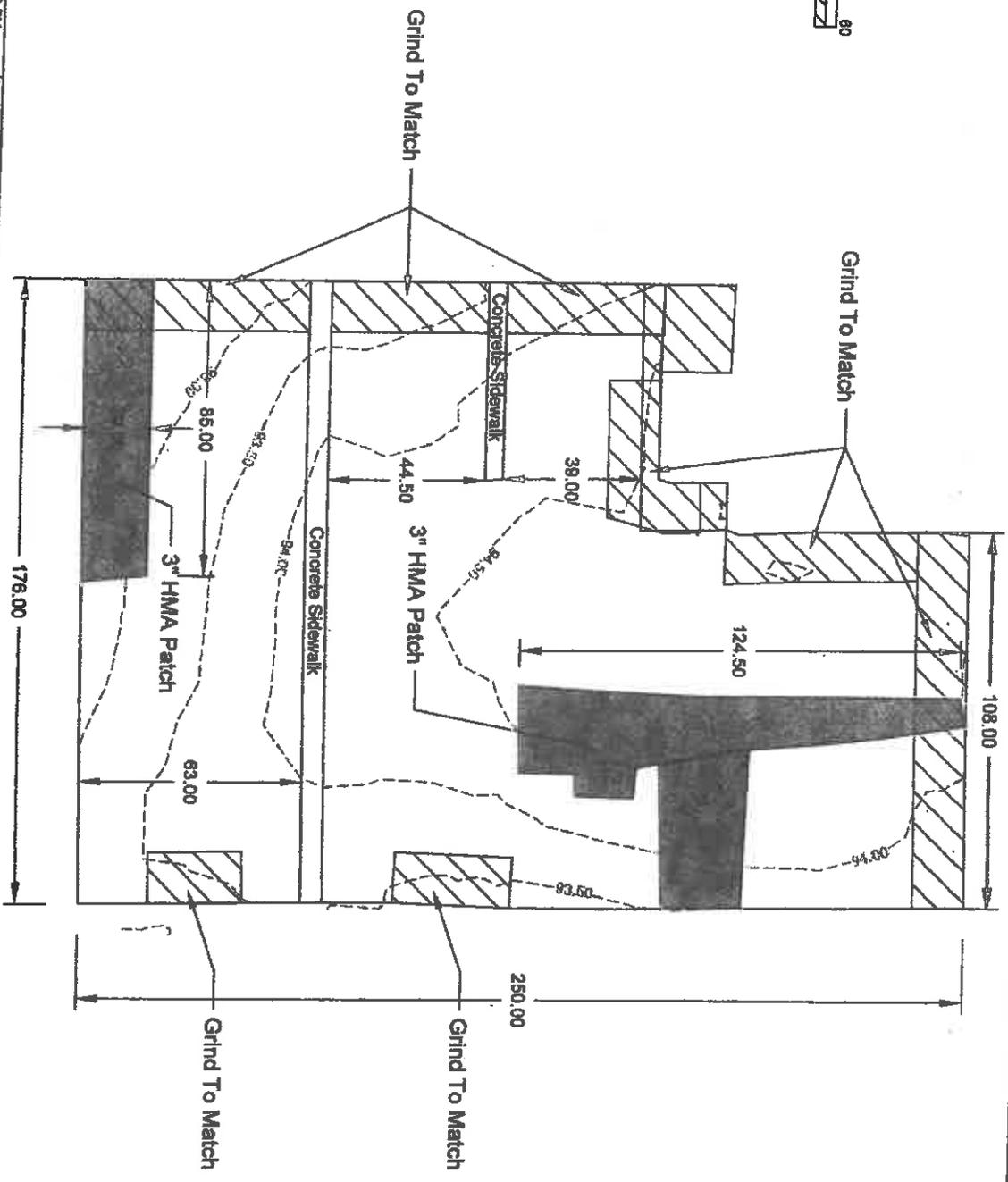
The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.  
 Payment will be made as outlined above.

Date: \_\_\_\_\_

Signature \_\_\_\_\_  
 Signature \_\_\_\_\_



Patch  
 Mill



DRAWN BY: kic	APPROVED BY:	REVISIONS:		PROJECT	SHEET NAME	SHEET NO.
DATE: 03/01/2016	PROJECT #:					
FIELD BOOK: X	DWG. NAME:		201 S. FEDERAL AVE MASON CITY, IOWA 50450 Phone: 562-2241725 Fax: 562-452-0288	Cresco Theatre Lot	2" overlay	1 of 1

RESOLUTION NUMBER \_\_\_\_\_

RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER  
INTO A CONTRACT WITH HEARTLAND ASPHALT, INC. FOR PARKING  
LOT OVERLAY

Council member \_\_\_\_\_ moved the adoption of the foregoing  
Resolution Authorizing the Mayor and City Clerk to enter into a CONTRACT WITH  
HEARTLAND ASPHALT, INC. FOR PARKING LOT OVERLAY. Council member  
\_\_\_\_\_ seconded said motion. A roll call vote was requested by the Mayor and  
said roll call vote resulted as follows:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Thereupon, the Mayor declared said Resolution duly passed and announced that  
the Proposal/Contract dated March 24, 2016, between the City of Cresco and Heartland  
Asphalt, Inc. is approved and that the Mayor and City Clerk are authorized to execute the  
agreement on behalf of the City of Cresco.

PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.

BY: \_\_\_\_\_

Mayor Mark Bohle

ATTEST: \_\_\_\_\_

City Clerk Michelle Girolamo

RESOLUTION NUMBER \_\_\_\_\_

RESOLUTION ACCEPTING PUBLIC IMPROVEMENTS ON THE CRESCO  
THEATRE & OPERA HOUSE

WHEREAS, on August 13, 2015, the City of Cresco, Iowa, entered into a contract with Riehle Decorating of Cresco, Iowa, to decorate surfaces above the main floor of the Cresco Theatre & Opera House including the east wall, ceiling and main fields on remaining walls in the Theatre; and

WHEREAS, the City agreed to pay \$50,000 for such work as detailed in the contract; and

WHEREAS, it was agreed that the ceiling tile would be inspected and any needed replacing it would be charged by time and material in addition to the contract; and

WHEREAS, it was determined that all of the ceiling tile and plaster needed to be removed and new sheetrock installed on the ceiling so an agreement was signed on January 13, 2016. Riehle Decorating also recommended painting all of the interior Theatre since so much new construction was necessary and also changing the color scheme to highlight the ornate decorations in the walls and ceiling; and

WHEREAS, Riehle Decorating billed the ceiling improvements per time and materials required for the additional work but donated gold leaf painting and other painting if the cost was more than an additional \$50,000; and

WHEREAS, the actual cost of painting and improvements did cost more than \$50,000 they billed only \$50,000 to the City of Cresco for the additional work done beyond the original contract.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Cresco, Iowa that the improvements are hereby accepted as having been fully completed in accordance with the plans, specifications and contract. The total contract cost of the improvements payable under said contract including additional items is hereby determined to be \$100,000.

Council member \_\_\_\_\_ moved the adoption of the foregoing Resolution accepting public improvements on the Cresco Theatre and Opera House. Council member \_\_\_\_\_ seconded said motion. A roll call vote was requested by the Mayor and said roll call vote resulted as follows:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Thereupon, the Mayor declared said Resolution duly passed and announced that the Cresco Theatre & Opera House Improvements are accepted.

PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.

\_\_\_\_\_  
Mark Bohle, Mayor

ATTEST: \_\_\_\_\_  
Michelle Girolamo, City Clerk

# HOGAN • HANSEN

*A Professional Corporation*

Certified Public Accountants and Consultants

To the Honorable Mayor  
and Members of the City Council  
City of Cresco  
Cresco, Iowa

We have audited the financial statements of the City of Cresco for the year ended June 30, 2015, and have issued our report thereon dated February 19, 2016. Professional standards require that we provide you with the following information related to our audit.

## **Our Responsibilities Under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards**

Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the cash basis of accounting as described in Note 1 to the financial statements. Our audit of the financial statements does not relieve you or others within management of your responsibilities.

As part of our audit, we considered the internal control of the City of Cresco. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City of Cresco's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our responsibility for the other information included in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. Other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information will not be subjected to the auditing procedures applied in the audit of the basic financial statements, and we have no responsibility for determining whether such other information is properly stated.

## **Significant Audit Findings**

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Cresco are described in Note 1 to the financial statements. As described in Note 4 to the financial statements, the City of Cresco implemented GASB No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, during fiscal year 2015. The revised requirements for state and local governments which provide their employees with pension benefits include additional note disclosures and other information. In addition, GASB No. 68 requires a state or local government employer to disclose its collective net pension liability, collective pension expense and collective deferred outflows of resources and collective deferred inflows of resources related to pensions. The application of other existing policies was not changed during the year. We noted no transactions entered into by the City of Cresco during the year for which there is a lack of authoritative guidance or consensus. We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of commitments is based on contracts approved prior to, but not completed as of June 30, 2015. We have evaluated the key factors and assumptions used to develop the estimate of commitments in determining it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no audit adjustments identified as a result of audit procedures. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

To the Honorable Mayor  
and Members of the City Council  
City of Cresco  
Page 3

***Management Representations***

We have requested certain representations from management that are included in the management representation letter.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

In connection with our audit, we issued a separate report on certain internal control related matters which included two material weaknesses related to Theater segregation of duties and Fitness Center procedures. That report also included our recommendations for improvements in internal controls over these areas.

***Other Information in Documents Containing Audited Financial Statements***

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with the cash basis of accounting, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year during the audit engagement. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Mayor, members of the City Council and management of the City of Cresco and is not intended to be and should not be used by anyone other than these specified parties.

*HOGAN - HANSEN*

HOGAN - HANSEN

Mason City, Iowa  
February 19, 2016

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# HOGAN ♦ HANSEN

*A Professional Corporation*

Certified Public Accountants and Consultants

## News Release

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FOR RELEASE: March 23, 2016

Hogan - Hansen, A Professional Corporation, today released an audit report on the City of Cresco, Iowa.

The City's receipts from governmental activities totaled \$7,178,424 for the year ended June 30, 2015, a 76% increase from the prior year. The receipts included \$1,874,800 in property tax, \$1,263,082 from charges for service, \$572,779 from operating grants, contributions and restricted interest, \$460,893 from local option sales tax, \$10,492 from unrestricted investment earnings, \$2,920,000 from note proceeds and \$76,378 from other general receipts. Receipts from business-type activities were \$1,376,670.

Disbursements for governmental activities for the year ended June 30, 2015 totaled \$6,321,703, a 51% increase from the prior year, and included \$1,334,858 for public works, \$1,161,029 for culture and recreation and \$2,189,200 for capital projects. Disbursements for business-type activities totaled \$992,456.

The significant increase in receipts and disbursements is primarily due to issuing long-term debt in the current year and completing capital projects.

A copy of the audit report is available for review in the City Clerk's office, in the office of the Auditor of State and the Auditor of State's website at <http://auditor.iowa.gov/reports/index.html>.