

AGENDA
COUNCIL WORKSHOP
February 6, 2020
5:30 P.M.

(1) Review GovHR Study.

(2) Review council meeting agenda.

AGENDA
CITY COUNCIL MEETING
February 6, 2020
500 N. 20th Street
6:30 P.M.

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call.
4. Mayor's Correspondence:
5. Citizen's Request.
6. Consent Agenda.
 - Minutes of the Goal Setting Session meeting of January 15, 2020;
 - Minutes of the Council Workshop & regular City Council meeting of January 16, 2020;
 - Minutes of the Safety Committee meeting of January 21, 2020;
 - Minutes of the Special Budget Meeting of January 23, 2020;
 - Cash Receipts and Treasurer's Report for December 2019;
 - Resolution approving an Urban Revitalization Tax Exemption for the following homeowners be approved: Donald & Jeanine Lohr, 423 Belknap Place, accessory building; John & Cathy Johnson, 925 S. 16th Street, addition;
 - Resolution approving a Liquor License for Keokuk Spirits, 1013 Main Street, effective March 1, 2020 – Class E Liquor License with Sunday Sales;
 - Resolution approving a Liquor License for Beef, Bread & Brew, 2601 Main Street, effective March 1, 2020 – Class C Liquor License with Sunday Sales;
 - Resolution approving a Liquor License for Hy-Vee Inc. Chamber Dueling Pianos, 810 Main Street, effective March 18, 2020 – term of 5-days with a Class C Liquor License;
 - Motion to pay bills and transfers listed in Register No.'s 5121-5124;
7. Consider resolution setting a public hearing on a request to amend Title 20, Section 20.40.020(20(A)(i) of the Keokuk Municipal Code.
8. Consider resolution setting a public hearing on the proposed fiscal year 2021 property tax levy.
9. Consider resolution accepting the Annual Financial Audit report for fiscal year ending June 30, 2019.
10. Consider resolution approving agreement with Keokuk Community School District regarding Joyce Park under Chapter 28E of the Code of Iowa
11. Consider resolution approving agreement with BNSF Railroad for preliminary engineering services.
12. Consider resolution awarding contract for construction of sewer drying bed.
13. Motion to approve the purchase of a Bucket Truck for the Bridge Department.

14. Motion to approve a Special Events Permit for Lennie Etter for the Keokuk Fireworks Display for Saturday, July 4, 2020 at Rand Park & River Road.
15. Boards & Commissions.
16. Staff Reports:
17. Closed Session to discuss the possible purchase of real estate under code section 21.5(j) To discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property.
18. Close session to discuss Union Contract Negotiations under Iowa Code Section 20.17.3 where Negotiating sessions, strategy meetings of public employers, mediation, and the deliberative process of arbitrators shall be exempt from the provisions of chapter 21.
19. New Business:
20. Adjourn meeting.

**Minutes
City of Keokuk
Goal Setting Session
Wednesday, January 15, 5:00pm
Keokuk Public Library Round Room, 210 N. 5th Street
Keokuk, IA. 52632**

The City of Keokuk held a goal setting session on Wednesday, January 15, 2020 in the round room of the Keokuk Public Library. The following elected persons were in attendance: Tom Richardson, Linda Altheide, Steve Andrews, Susan Dunek, Mike Greenwald, Roger Bryant, Devon Dade, Mike O'Connor and John Helenthal. Others present were Bob Weis, Robert Helenthal, Jean Ludwig, Cole O'Donnell, Pam Broomhall, Gabe Rose, Joyce Glasscock and Gary Johnson.

Elizabeth Hanson of Midwest Municipal Consulting conducted a goal setting session. She will compile a report of the results and make them available at a future date.

The session adjourned at 8:35 p.m.

MEETING MINUTES
COUNCIL WORKSHOP
January 16, 2020
5:30pm

Present: O'Connor, Altheide, Dade, Andrews, Greenwald, Bryant,

Absent: Payne, Dunek, Helenthal (entered meeting @ 5:50 p.m.)

Staff Present: O'Donnell, Ludwig, Bousselot, Broomhall, Pietscher, R. Helenthal (entered meeting @ 5:55 p.m.).

- 1) Heard from the following groups requesting support from Hotel/Motel funds:
Keokuk Economic Development Corporation represented by Andrea Rogers requested \$60,000.
Keokuk Art Center represented by Tom Seabold requested \$7,140.
Main Street Keokuk, Inc. represented by Joyce Glasscock and Josh Kirchner requested \$22,500. They also requested \$10,000 for **Façade Grants**, an increase of \$2,500.
Keokuk Community Fine Arts Council represented by Chuck Pietscher requested \$12,100.
- 2) Reviewed the agenda for the council meeting.
- 3) Adjourned at 6:05 p.m.

MINUTES
CITY COUNCIL MEETING
January 16, 2020
500 N. 20th Street
6:30 P.M.

The City Council of the City of Keokuk met in regular session on January 16, 2020 at 500 N. 20th Street. Mayor Thomas L. Richardson called the meeting to order at 6:30 p.m. There were seven council members present, two absent. Mike O'Connor, Linda Altheide, Devon Dade, John Helenthal, Steve Andrews, Michael Greenwald and Roger Bryant were present. Ron Payne and Susan Dunek were absent. Staff in attendance: City Administrator Cole O'Donnell, City Clerk Jean Ludwig, Public Works Director Mark Bousselot, Community Development Director Pam Broomhall and Sewer Department Manager Robert Helenthal.

MAYOR'S CORRESPONDENCE: Recognized Mark Vogel upon his retirement for over 29 years of service with the Keokuk Fire Department. Thanked Public Works Director Mark Bousselot for his service to the city and wished him well in his new job at Fort Madison.

Motion made by Helenthal, second by O'Connor to approve the agenda, including the consent agenda. (7) AYES, (0) NAYS. Motion carried.

- Minutes of the Council Workshop & regular City Council meeting of January 2, 2020;
- **RESOLUTION NO. 5-20:** Approving an Urban Revitalization Tax Exemption for the following homeowners be approved: Richard Aicher, 10 Sunrise Ridge Lane, accessory building; Andrew Skibba, 28 Greenbrier Ct., accessory building; Glen Meyers, 917 N. 11th Street, accessory building; David Downey, 1328 High St., rehabilitation/remodel; Jeffrey Williams, 510 Hickory Terrace, garage addition; Daniel & Lori Otte, 2417 Belknap Blvd., accessory building; John Helwig, 1825 Park Ln., attached garage and family room addition; Georgette Galbreath, 1627 Carroll Street, single family dwelling (manufactured home), Roger Rossi, 1713 Franklin Street, accessory building, Marvin Alberts, 1918 Palean, accessory building;
- Motion to pay bills and transfers listed in Register No.'s 5118-5120;

Mayor Richardson opened the public hearing at 6:33 p.m. for the sale of City owned real estate located at 629 Main Street. A public hearing notice was published in the Daily Gate City on January 9, 2020.

COMMENTS: Community Development Broomhall explained the bid and development proposal. Virginia Henson and Danny Rittenhouse also spoke on development of property.

There being no further comments, Mayor Richardson closed the public hearing at 6:36 p.m.

Motion made by Greenwald, second by Bryant to approve the following proposed **RESOLUTION NO. 6-20:** "A RESOLUTION APPROVING THE SALE OF CITY OWNED REAL ESTATE LOCATED AT 629 MAIN STREET." (7) AYES, (0) NAYS. Motion carried.

Motion made by O'Connor, second by Dade to approve the following proposed **RESOLUTION NO. 7-20**: "A RESOLUTION APPROVING THE PROMOTION OF SERGEANT ZETH BAUM TO CAPTAIN OF THE KEOKUK POLICE DEPARTMENT." (7) AYES, (0) NAYS. Motion carried.

Motion made by Helenthal, second by Altheide to approve the following proposed **RESOLUTION NO. 8-20**: "A RESOLUTION DESIGNATING DEPOSITORIES FOR CITY MONIES AND CITY FUNDS NOT TO EXCEED THE SUM OF \$ 8,000,000.00 PER FINANCIAL INSTITUTION." (7) AYES, (0) NAYS. Motion carried.

Motion made by O'Connor, second by Helenthal to approve the following proposed **RESOLUTION NO. 9-20**: "A RESOLUTION DESIGNATING THE DAILY GATE CITY AS A NEWSPAPER OF GENERAL CIRCULATION FOR PUBLICATION OF OFFICIAL NOTICES." (7) AYES, (0) NAYS. Motion carried.

Motion made by Greenwald, second by Helenthal to approve the following proposed **RESOLUTION NO. 10-20**: "A RESOLUTION APPROVING A STREETLIGHT AT HICKORY TERRACE." (7) AYES, (0) NAYS. Motion carried.

Motion made by Helenthal, second by Bryant to approve the following proposed **RESOLUTION NO. 11-20**: "A RESOLUTION APPROVING IMPROVEMENTS TO THE JOYCE PARK PARKING LOT LIGHTING." (7) AYES, (0) NAYS.

Motion made by Helenthal, second by Altheide to approve the following proposed **RESOLUTION NO. 12-20**: "A RESOLUTION APPROVING ALLIANT ENERGY TO INSTALL THREE PHASE POWER TO THE WINDSOR HEIGHTS LIFT STATION." (7) AYES, (0) NAYS. Motion carried.

Motion made by Bryant, second by Altheide to approve the following proposed **RESOLUTION NO. 13-20**: "A RESOLUTION APPROVING ADDITIONAL MOLD REMOVAL AT THE SID CENTER." (7) AYES, (0) NAYS. Motion carried.

Motion made by Helenthal, second by Bryant to approve the following proposed **RESOLUTION NO. 14-20**: "A RESOLUTION ISSUING A CERTIFICATE OF COMPLETION FOR THE SOUTH 13TH MILL & FILL PROJECT." (7) AYES, (0) NAYS. Motion carried.

Motion made by Helenthal, second by O'Connor to approve the following proposed **RESOLUTION NO. 15-20**: "A RESOLUTION ISSUING A CERTIFICATE OF COMPLETION FOR THE SOUTH 16TH, 17TH, & 21ST AND BANK STREET MILL & FILL PROJECT." (7) AYES, (0) NAYS. Motion carried.

Motion made by O'Connor, second by Greenwald to approve the following proposed **RESOLUTION NO. 16-20**: "A RESOLUTION APPROVING THE PURCHASE OF EQUIPMENT FOR THE KEOKUK AQUATIC CENTER." (7) AYES, (0) NAYS. Motion carried.

Motion made by Helenthal, second by Altheide to approve the following proposed **RESOLUTION NO. 17-20**: "A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A ONE YEAR AGREEMENT FOR ENGINEERING SERVICES AT THE NORTH LANDFILL." (7) AYES, (0) NAYS. Motion carried.

Motion made by O'Connor, second by Helenthal to approve the following proposed **RESOLUTION NO. 18-20**: "A RESOLUTION ISSUING A CERTIFICATE OF COMPLETION FOR THE KEOKUK MUNICIPAL AIRPORT OBSTRUCTION REMOVAL PROJECT." (7) AYES, (0) NAYS. Motion carried.

Motion made by Helenthal, second by Bryant to approve the following proposed **RESOLUTION 19-20**: "A RESOLUTION AUTORIZING THE MAYOR TO EXECUTE TASK ORDER #1 FOR LAND ACQUISITION SERVICES AT THE KEOKUK MUNICIPAL AIRPORT." (7) AYES, (0) NAYS. Motion carried.

Motion made by O'Connor, second by Bryant to approve the following proposed **RESOLUTION NO. 20-20**: "A RESOLUTION APPROVING A SEPARATION AGREEMENT WITH KENNETH THOMAS." (7) AYES, (0) NAYS. Motion carried.

Motion made by O'Connor, second by Helenthal to approve the funding request for the Keokuk Walldogs Community Mural Arts from the Hotel/Motel Discretionary line item. (7) AYES, (0) NAYS. Motion carried.

Motion made by Bryant, second by Helenthal to assign zoning amendment request to the Planning Commission. (7) AYES, (0) NAYS. Motion carried.

BOARDS & COMMISSIONS. A vacancy (plumber) now exists on the Building & Housing Advisory Board as Steve Andrews resigned when he was elected as Ward 4 Councilman.

Second report on nominations: Airport Commission-Donza Worden, term to expire 10/20/25. Library Board of Trustees – Robin Davis, term to expire 07/01/24. A final vote will take place at the February 6th meeting.

STAFF REPORTS: Bousselot asked the council to consider increasing the Joyce Park Commission from three to five members and have the same volunteers be on the Tumelty Park Commission.

O'Donnell reported on the following: Brownfield Grant property negotiations, barge demolition, search for a Public Works Director, wage & salary study and union negotiations. Set a budget meeting for January 23rd at 5:00 p.m. location to be determined.

There being no further business, Mayor Richardson adjourned the meeting at 7:17 p.m.

**MINUTES
CITY OF KEOKUK
SAFETY COMMITTEE MEETING
Tuesday, January 21, 2020
8:30AM**

Meeting called to order at 8:30 am.

In Attendance: Ludwig, Ketterer, Weirather, Schmitt, Weis, O'Donnell, Reiter, Bryant, Johnson

Ludwig read the minutes from the December meeting. No corrections or additions were noted. Motion to approve by Weirather, second by Ketterer. Approved.

OLD BUSINESS:

O'Donnell said there has been no progress on the Silica policy. He may assign it to the new Public Works Director when they are hired.

Have SCC work on a Job Hazard Analysis when Silica is complete.

Sanitation Dept. building security system with PerMar is in place.

Reiter said he does not have anything to report on the pool pit cover.

Ludwig put memos in department managers mailboxes about reporting incidents to Company Nurse – even minor injuries that could become bigger issues.

NEW BUSINESS:

No near misses reported that need attention.

There was one Company Nurse Report made since the last meeting. Currently, it is only a report.

Safety Training for January was Chain Saw Safety and Cold Stress.

Ludwig will work out a schedule with the fire chief for CPR training.

Ketterer said they are cleaning up the excess material that was reported as a tripping hazard at the car barn.

Discussed the new ice grips to be worn over boots/shoes that were distributed to employees. There was positive and negative feedback. Guys on the recycle trucks said they lose the grip surface quickly. There would be a different set of problems with the cleated ones. Extra sets of the current model will be ordered so we have a good supply.

SET THE DATE for the next meeting: Tuesday, February 25, 2019 at 8:30am in the conference room at city offices.

MOTION TO ADJOURN by Schmitt, second by Weirather. Meeting adjourned at 8:40am.

**MINUTES
SPECIAL MEETING
January 23, 2020
500 N. 20th STREET
5:00pm**

Present: O'Connor, Altheide, Payne, Dade, Helenthal Andrews, Greenwald, Bryant

Absent: Dunek

Staff Present: O'Donnell, Ludwig

Department Managers from Housing, Building/Zoning, Fire, Police, Street, Sewer Maintenance, Bridge, Park, Cemetery, Sanitation and Animal Control presented budget requests. City Administrator O'Donnell presented the Public Works and Airport Department budgets, along with projected revenues. Discussion took place throughout the presentations.

Meeting adjourned at 7:48 p.m.

**CASH RECEIPTS FOR THE MONTH OF
DECEMBER, 2019**

General Fund	\$	2,355,024.13
Road Use Tax	\$	85,432.09
Employee Benefit Totals	\$	31,984.27
Emergency Tax Levy Fund Total	\$	1,079.45
Sales Tax Infrastructure	\$	203,730.92
Tax Increment Financing Total	\$	6,515.34
Economic Development Total	\$	91,729.44
Park Maint & Improvement Reserve Total	\$	125.00
Library Trust Funds Total	\$	4,091.81
Debt Service Total	\$	503,177.89
Capital Project Total	\$	400,000.00
Roquette Building	\$	237,227.08
Non-Expendable Trust Fund Total	\$	10,154.07
WPC Maint. & Operation Total	\$	329,052.02
WPC Reserve Total	\$	92,873.87
Sewer Maintenance Reserve Total	\$	104,266.97
Sewer Improvement Reserve Total	\$	382,876.50
Solid Waste Fund Total	\$	62,146.44
Municipal BridgeTotal	\$	4,017.50
Internal Service Fund Total	\$	87,127.69
TOTAL	\$	4,992,632.48

TREASURER'S REPORT
CALENDAR 12/2019, FISCAL 6/2020

HOL FUND#	TITLE	LAST REPORT ON HAND	EXPENSES	REVENUE	BALANCE
001	GENERAL	45,478.98	662,577.79	2,355,024.13	1,737,923.25
110	ROAD USE TAX	2,185,873.54	506,725.38	85,432.09	1,764,580.25
112	EMPLOYEE BENEFITS	2,305,213.85	1,336,631.00	31,984.27	1,000,567.12
119	EMERGENCY TAX LEVY FUND	60,123.34	.00	1,079.45	61,202.79
121	SALES TAX - HUMAN DEV	58,931.79	58,503.50	20,373.10	20,801.39
122	SALES TAX - INFRASTRUCT	508,745.86	234,015.00	81,492.36	356,223.22
123	50% SALES TAX-PROP TAX	201,745.68	292,519.00	101,865.46	11,092.14
125	TAX INCREMENT FINANCING	644,009.00	566,631.50	6,515.34	83,892.84
160	ECONOMIC DEVELOPMENT	111,863.71-	2,938.74	91,729.44	23,073.01-
182	SWIM POOL RESERVE	1,070.00	.00	.00	1,070.00
183	GRAND THEATRE RESERVE	1,051.17	.00	.00	1,051.17
184	MARY E TOLMIE FUND	81,873.04	.00	.00	81,873.04
185	PARK MAINT & IMPROV RES	316,994.08	.00	125.00	317,119.08
186	LIBRARY TRUST FUNDS	50,623.92	255.96	4,091.81	54,459.77
187	PUBLIC WORKS EQUIP RESE	12,800.78	.00	.00	12,800.78
200	DEBT SERVICE	674,209.25	500.00	503,177.89	1,176,887.14
301	CAPITAL PROJECTS	635,202.89-	27,230.52	400,000.00	262,433.41-
302	RIVERFRONT BARGE PROJEC	317,613.17	.00	.00	317,613.17
303	ROQUETTE BUILDING	270,307.13	380,633.40	237,227.08	126,900.81
304	CAPITAL PROJECT	1,233.00	112.50	.00	1,120.50
500	NON-EXPENDABLE TRUST FU	479,007.49	.00	10,154.07	489,161.56
610	WPC MAINT & OPERATION	4,250,556.28	962,711.14	329,052.02	3,615,313.53
611	WATER POL CONTROL RESER	92,856.53-	.00	92,873.87	17.34
612	SEWER MAINTENANCE RESER	104,266.97-	.00	104,266.97	.00
613	WATER POL CONTR CAP PRO	.00	.00	.00	.00
614	SEWER IMPROVEMENT RESER	3,374,079.80-	66,879.86	382,876.50	3,058,083.16-
617	CDBG SWR POINT REPAIR P	1,157,219.40	.00	.00	1,157,219.40
670	SOLID WASTE FUND	154,939.24	54,302.35	62,146.44	162,783.33
671	SOL WAS EQUIP REPLACE R	.00	.00	.00	.00
672	CAP PROJ-REMEDIATION ACTIO	.00	.00	.00	.00
690	MUNICIPAL BRIDGE	2,858,488.50	18,335.09	4,017.50	2,844,170.91
810	INTERNAL SERVICE FUND	29,369.31-	51,140.01	87,127.69	6,618.37
	Report Total	12,290,469.28	5,222,642.74	4,992,632.48	12,058,873.32

RESOLUTION NO.

WHEREAS, The City Council of the City of Keokuk has adopted provisions for Urban Revitalization Tax Exemption and;

WHEREAS, Applications have been submitted;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA, THAT:

An Urban Revitalization Tax Exemption for the following homeowners be approved:

- Donald & Jeanine Lohr, 423 Belknap Place
- John & Cathy Johnson, 925 S. 16th Street

Passed and Approved this 6th day of February, 2020.

Thomas L. Richardson, Mayor

Attest: _____
Jean Ludwig, City Clerk

December 26, 2019

Honorable Mayor, City of Keokuk
P. O. Box 400
Keokuk, IA 52632

Honorable Mayor:

Please accept this application for urban revitalization tax exemption (as adopted by City Ordinance No. 1716) for my improvement project located at 925 South 16th Street.

As per the guidelines set forth in Section 404, of the Iowa Code, which deals with applying for an exemption, please find in the succeeding paragraphs the following information:

- Nature of the improvement
- Cost of the improvement
- Estimated date of completion
- Tenants that occupied the owner's building on the April 1, 2001
- Elected exemption as prescribed by ordinance

My project is (describe in detail): **Accessory building**

The estimated cost of the completed project is \$29,000.00 and it will be completed on, Jan 3, 2020.

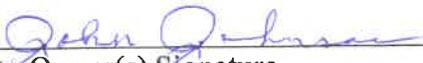
The tenants that now occupy the property are the same tenants that occupied the property on April 1, 2001, or I am the owner-occupant, or:

Because my building is a new building, there were no tenants occupying my building on April 1, 2001.

Upon approval of my application for tax exempt status, the exemption schedule as specified in Section 404.3, subsection 3: ".....qualified real estate is eligible to receive a one-hundred percent exemption from taxation on the actual value added by the improvements. The exemption is for a period of three years."

I hope you find this application acceptable. Please let me know if you need additional information.

Sincerely,



Property Owner(s) Signature

APPLICATION FOR URBAN REVITALIZATION EXEMPTION

Pursuant to the provisions of Iowa Code Chapter 404 and Ordinance 1716 of the City of Keokuk, application is made for an Urban Revitalization Tax Exemption. This application to be filed with the City of Keokuk by February 1, of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation.

Property Owner Name: **Donald & Jeanine Lohr**

Property Owner Address: **424 Belknap Place**

Address of Residential Property Claimed for Exemption: **424 Belknap Place**

All qualified real estate is eligible to receive a one-hundred percent exemption from taxation on the actual value added by improvements. The exemption is for three years.

1. If applicable, describe in detail the new construction for which an exemption is claimed:
Addition
2. If applicable, describe in detail the reconstruction of existing buildings or structures:
3. Was prior approval given by the City Council for this exemption?
Yes: (by Res. No. _____) No:
4. Estimated costs of the improvements? **\$18,000.00**
5. Estimated or actual date of completion? **September 2019**
6. Please provide the names of tenants that occupied the building on April 1, 2001. See Iowa Code Section 404.6 with regard to relocation expenses of tenants. **DONALD + JEANINE LOHR**

I hereby swear that the information presented on this application and all attached supporting documents are true, correct and complete.

Donald Lohr Property Owner Date 1/11/20
Signature of Applicant Title

FOR ASSESSOR USE ONLY

I have examined this application for urban revitalization tax exemption and hereby certify \$ _____ of the 20__ final taxable value qualifies for urban revitalization tax exemption.

Assessor Signature Date

December 26, 2019

Honorable Mayor, City of Keokuk
P. O. Box 400
Keokuk, IA 52632

Honorable Mayor:

Please accept this application for urban revitalization tax exemption (as adopted by City Ordinance No. 1716) for my improvement project located at 424 Belknap Place.

As per the guidelines set forth in Section 404, of the Iowa Code, which deals with applying for an exemption, please find in the succeeding paragraphs the following information:

- Nature of the improvement
- Cost of the improvement
- Estimated date of completion
- Tenants that occupied the owner's building on the April 1, 2001
- Elected exemption as prescribed by ordinance

My project is (describe in detail): **Addition**

The estimated cost of the completed project is \$18,000.00 and it will be completed on, _____.

The tenants that now occupy the property are the same tenants that occupied the property on April 1, 2001, or I am the owner-occupant, or:

Because my building is a new building, there were no tenants occupying my building on April 1, 2001.

Upon approval of my application for tax exempt status, the exemption schedule as specified in Section 404.3, subsection 3: ".....qualified real estate is eligible to receive a one-hundred percent exemption from taxation on the actual value added by the improvements. The exemption is for a period of three years."

I hope you find this application acceptable. Please let me know if you need additional information.

Sincerely,



Property Owner(s) Signature

RESOLUTION NO.

WHEREAS, Application has been made by Credit Bureau of Keokuk, Inc. for a Class E Liquor License with Sunday Sales for Keokuk Spirits, 1013 Main Street; **AND**

WHEREAS, Iowa Code Chapter 123 and Section 4.16.030 of the Keokuk Municipal Code require that the City Council conduct a formal investigation into the good moral character of the applicant; **AND**

WHEREAS, such an investigation has been conducted.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA:

THAT, Credit Bureau of Keokuk, Inc. has been found to be of good moral character and meets the requirements of Section 123.40 of the Code of Iowa; and that the Class E Liquor License with Sunday Sales for Keokuk Spirits, 1013 Main Street, effective March 1, 2020 be approved and endorsed to the Iowa Alcoholic Beverage Division.

Passed this 6th day of February, 2020.

CITY OF KEOKUK, LEE COUNTY, IOWA

By: _____
THOMAS L. RICHARDSON, MAYOR

ATTEST: _____
JEAN LUDWIG, CITY CLERK

RESOLUTION NO.

WHEREAS, Application has been made by D & M Schwarz, Inc. for a Class C Liquor License with Sunday Sales for Beef, Bread & Brew, 2601 Main Street; **AND**

WHEREAS, Iowa Code Chapter 123 and Section 4.16.030 of the Keokuk Municipal Code require that the City Council conduct a formal investigation into the good moral character of the applicant; **AND**

WHEREAS, such an investigation has been conducted.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA:

THAT, D & M Schwarz, Inc. has been found to be of good moral character and meets the requirements of Section 123.40 of the Code of Iowa; and that the Class C Liquor License with Sunday Sales for Beef, Bread & Brew, 2601 Main Street, effective March 1, 2020 be approved and endorsed to the Iowa Alcoholic Beverage Division.

Passed this 6th day of February, 2020.

CITY OF KEOKUK, LEE COUNTY, IOWA

By: _____
THOMAS L. RICHARDSON, MAYOR

ATTEST: _____
JEAN LUDWIG, CITY CLERK

RESOLUTION NO.

WHEREAS, Application has been made by Hy-Vee, Inc. for a Class C Liquor License for Hy-Vee Chamber Dueling Pianos, 810 Main Street; **AND**

WHEREAS, Iowa Code Chapter 123 and Section 4.16.030 of the Keokuk Municipal Code require that the City Council conduct a formal investigation into the good moral character of the applicant; **AND**

WHEREAS, such an investigation has been conducted.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA:

THAT, Hy-Vee, Inc. has been found to be of good moral character and meets the requirements of Section 123.40 of the Code of Iowa; and that the Class C Liquor License for Hy-Vee Chamber Dueling Pianos, 810 Main Street, effective March 18, 2020 (term of 5-days) be approved and endorsed to the Iowa Alcoholic Beverage Division.

Passed this 6th day of February, 2020.

CITY OF KEOKUK, LEE COUNTY, IOWA

By: _____
THOMAS L. RICHARDSON, MAYOR

ATTEST: _____
JEAN LUDWIG, CITY CLERK

PAYMENT OF THE FOLLOWING CLAIMS FOR THE CITY ARE APPROVED AND CLAIMS FOR THE LIBRARY AND AIRPORT ARE ACKNOWLEDGED FOR THE PURPOSE OF PAYING THE SEMI-MONTHLY BILLS FOR THE COUNCIL MEETING OF FEBRUARY 6, 2020.

REGISTER NO. 5121

AMI PIPE & SUPPLY	SUPPLIES	\$ 319.60
BEARING HEADQUARTERS CO.	PARTS	\$ 891.26
BINNS & STEVENS EXPLOSIVES,INC	LIQUID CALCIUM	\$ 2,542.50
KEOKUK MUNICIPAL WATER WORKS	POOL WATER SAMPLES	\$ 30.00
GATE CITY PUBLISHING	PUBLICATIONS	\$ 669.39
PANTHER UNIFORMS, INC	FIRE DEPT SUPPLIES/MATERIALS	\$ 344.50
JIM BAIER, INC	2020 JEEP GRAND CHEROKEE	\$ 28,621.75
KEOKUK HOMESTORE	SUPPLIES	\$ 88.14
RIVER CITY PARTS, INC.	PARTS	\$ 111.20
HEADCO MACHINE WORKS	WASTE MIXER	\$ 1,460.50
KERR FABRICATORS, INC.	PARTS/SUPPLIES	\$ 58.20
SHERWIN-WILLIAMS CO.	SUPPLIES/PAINT	\$ 786.60
J & S ELECTRONICS BUSINESS,INC	LABOR/REPAIRS	\$ 601.39
S. J. SMITH WELDING SUPPLY	TANK RENTAL	\$ 52.50
IDEAL READY MIX COMPANY, INC	CONCRETE/CONCRETE SAND	\$ 4,676.42
HICKEY CONTRACTING COMPANY	OAKLAND CEMETERY PHASE 2	\$ 71,142.00
KEYSTONE LABORATORIES, INC.	TEST SAMPLES	\$ 200.00
ELECTRONIC APPLICATIONS CO.INC	PD CAR SUPPLIES/PARTS	\$ 3,351.27
PITNEY BOWES INC	POSTAGE METER INK	\$ 237.98
BAKER & TAYLOR BOOKS	BOOKS KEOKUK PUBLIC LIBRARY	\$ 1,658.90
ALLIANT	ELECTRIC BILL	\$ 35,347.13
THE CARDBOARD BOX	UPS CHARGES	\$ 188.25
ENVIRONMENT RESOURCE ASSOCIATE	LAB SUPPLIES-WPC	\$ 336.32
HACH COMPANY	LAB SUPPLIES	\$ 272.93
CENTURY LINK	SERVICE	\$ 1,057.92
GREAT RIVER REGIONAL WASTE	INTEGRATED WASTE SERVICES	\$ 8,856.25
PILOT GROVE SAVINGS BANK	RENT	\$ 3,500.00
LEE COUNTY RECORDER/REGISTRAR	DOCUMENT RECORDING	\$ 44.00
LINDNER AVIATION, INC.	AIRPORT MANAGER/MAINT	\$ 4,492.23
TRUCK REPAIR, INC	PARTS	\$ 105.72
DEMCO, INC	SUPPLIES KEOKUK PUBLIC LIBRARY	\$ 651.68
IOWA DEPT. OF PUBLIC SAFETY	TERMINAL BILLING	\$ 300.00
SHOEMAKER & HAALAND	PROFESSIONAL SERVICES	\$ 2,592.25
MODJESKI & MASTERS, INC.	BRIDGE INSPECTION	\$ 725.00
VAN METER INDUSTRIAL	PARTS/SUPPLIES	\$ 117.73
RESERVE ACCOUNT	REFILL POSTAGE	\$ 500.00
DIAMOND CONSTRUCTION COMPANY	COLD PATCH	\$ 862.50
SOUTHEASTERN COMMUNITY COLLEGE	CLASSES	\$ 658.00
HUFFMAN MACHINE & WELDING, INC	SUPPLIES/PARTS	\$ 163.50
GABE ROSE	REIMBURSEMENT	\$ 20.01
VEENSTRA & KIMM, INC.	PROFESSIONAL SERVICES	\$ 97,363.49

REGISTER NO. 5122

HILL PRINTING	CITY ENVELOPES	\$ 252.72
HY-VEE, INC.	SUPPLIES	\$ 30.00
MSKI	HOTEL/MOTEL SUPPORT	\$ 5,000.00
IOWA DIVISION OF LABOR SERVICE	BOILER INSPECTION	\$ 285.00
QUAD CITY TESTING LAB., INC.	ANNUAL INSPECTIONS	\$ 1,852.00
PER MAR SECURITY SERVICES	BURGLAR INSTALL/SECURITY	\$ 1,331.75
NBS CALIBRATIONS	LAB SUPPLIES @ WPC	\$ 170.00
NORTH CENTRAL LABORATORIES	LAB SUPPLIES	\$ 611.28
YOUNGGREN SHOES	WORK BOOTS	\$ 220.00
KNAPHEIDE TRUCK EQ CENTER	PARTS	\$ 1,156.29
MPH INDUSTRIES, INC	MOUNTING HARDWARE PD TRUCK	\$ 1,777.98
NIEMANN FOODS, INC./ACE	SUPPLIES	\$ 771.85
RANDY WINN	REIMB.HEALTH INSURANCE PREMIUM	\$ 335.00
IOWA PRISON INDUSTRIES	SIGNS	\$ 387.59
CHEMSEARCH	SUPPLIES	\$ 389.85
IOWA MUNICIPAL FINANCE OFFICER	MEMBERSHIP DUES	\$ 100.00
FASTENAL COMPANY	PARTS/SUPPLIES	\$ 296.08
JERRY EWERS SECRETARY-	MEMBERSHIP DUES 2020	\$ 100.00
JAMES K. NEFF	LABOR/MATERIAL	\$ 9,889.32
USA BLUE BOOK	WPC SUPPLIES	\$ 614.49
KEOKUK FARM & HOME SUPPLY	SUPPLIES	\$ 1,623.83
DOUBLE A" GLASS L.L.C. "	LABOR/MATERIALS	\$ 6,467.00
REECE'S HEATING & AIR	LABOR/MATERIALS/SERVICE CALL	\$ 4,289.50
XEROX CORPORATION	LEASE AGREEMENT	\$ 299.90
WAL-MART COMMUNITY/GECRB	LIBRARY SUPPLIES	\$ 368.97
TOTAL SOLUTIONS, INC.	OFFSITE BACKUP/SERVER	\$ 588.56
PETROLEUM MARKETERS MANAGEMENT	INS.FUEL TANKS-AIRPORT	\$ 1,846.00
CRSC/R.A.D. IMAGING P.C.	MEDICAL SERVICES	\$ 1.60
DISCOUNT TIRE & SERVICE	TIRES	\$ 784.00
POLYDYNE, INC.	POLYMER - WPC	\$ 4,666.24
IA STATE UNIVERSITY	FIRE RE-CERTIFICATION	\$ 100.00
LEE COUNTY NARCOTICS	JAG PROGRAM FY2019	\$ 2,832.00
SYNCB/AMAZON	LIBRARY SUPPLIES	\$ 301.39
SCHIMBERG CO.	PARTS/MATERIALS SEWER DEPT	\$ 279.96
EMC NATIONAL LIFE COMPANY	INSURANCE PREMIUM	\$ 1,180.53
EAGLE ENGRAVING, INC.	FIREGROUND ID TAGS/FREIGHT	\$ 29.00
IOWA PARKS & RECREATION ASSOC.	CLASSES	\$ 455.00
MEDIACOM	SERVICE	\$ 408.54
COMPASS MINERALS AMERICA	SNOW REMOVAL SUPPLIES	\$ 9,115.26
LCL FARMS INC.	BIO SOLID TRUCKING/SPREADING	\$ 17,000.00
MUNICIPAL EMERGENCY SERVICES	SUPPLIES/MATERIALS/EQUIPMENT	\$ 4,486.00
GARY L. PFEIFERLING	POLICE VEHICLE CLEANING	\$ 440.00
UNITED STATES PLASTIC CORP.	PARTS/SUPPLIES	\$ 154.28
IOWA NARCOTICS OFFICERS ASSOC.	MEMBERSHIP	\$ 275.00
IMI EQUIPMENT, LLC	PARTS	\$ 85.09

REGISTER NO. 5123

LEXISNEXIS RISK SOLUTIONS	LEASE AGREEMENT	\$ 130.46
VISA	CARD SERVICES	\$ 1,610.84
RELIABLE PEST SOLUTIONS	SERVICE KEOKUK PUBLIC LIBRARY	\$ 29.80
HEMPEN INDUSTRIAL SERVICES,INC	LEACHATE HAULING	\$ 33,600.00
MISSOURI MUNICIPAL LEAGUE	ONLINE ADVERTISING	\$ 90.00
EMERGENCY APPARATUS	LABOR/MATERIAL FIRE TRUCK	\$ 4,296.38
NSI LAB SOLUTIONS	LAB SUPPLIES	\$ 418.00
DRAKE-SCRUGGS EQUIPMENT, INC.	ROAD SERVICE/LABOR	\$ 915.00
CARD SERVICES	CARD SERVICES	\$ 416.14
KEOKUK VETERINARY HOSPITAL	ANIMAL SERVICES	\$ 257.00
THOMAS M. JONES JR.	MOW/TRIM @ PUBLIC LIBRARY	\$ 1,390.00
MACQUEEN EQUIPMENT, INC.	PARTS/FREIGHT	\$ 92.89
TWO RIVERS VETERINARY CENTER	ANIMAL SERVICES	\$ 449.25
INTERSTATE ALL BATTERY CENTER	BATTERIES	\$ 54.00
KLINGNER & ASSOCIATES, P.C.	PROFESSIONAL SERVICES	\$ 1,050.00
INTERSTATE BATTERIES OF	BATTERIES	\$ 618.75
VERIZON WIRELESS	CELLULAR SERVICE	\$ 122.11
POLICE LEGAL SCIENCES,INC.	RENEW LEGAL UPDATE TRAINING	\$ 2,760.00
BESTDRIVE BRAHLER'S	PARTS/LABOR	\$ 3,860.38
WINDSTREAM	SERVICE	\$ 918.29
JERRY HERR	REIMBURSE GRAND PURCHASE	\$ 213.99
OUR IOWA	LIBRARY SUBSCRIPTION	\$ 34.98
DARKSIDE TINT & GRAPHIX	DECAL	\$ 20.00
KURANDA USA	ANIMAL SHELTER SUPPLIES	\$ 137.97
BRICKER EXCAVATING	BARGE DEMOLITION PAY #1	\$ 204,300.00
RNJ'S DISTRIBUTION INC.	WATER + FUEL SURCHARGE	\$ 37.00
FIRE DEPT TRAINING NETWORK	ANNUAL MEMBERSHIP	\$ 300.00
LIBERTY UTILITIES MIDSTATES	SERVICE	\$ 3,013.12
DOUG SEABOLD	REIMB. TOOL ALLOWANCE	\$ 107.00
DIANNE STANLEY	MONTHLY MANAGER FEE @ GRAND	\$ 476.03
INTERSTATE BILLING SERVICE,INC	LABOR	\$ 141.50
LYNCH DALLAS, PC.	PROFESSIONAL SERVICES	\$ 2,063.50
JEFFREY JOE HERR	CLEAN/SECURE VARIOUS PROPERTY	\$ 1,505.00
IOWA COMMUNITIES ASSURANCE	INSURANCE	\$ 25.00
WHITAKER TOOLS	PARTS	\$ 42.97
RICOH USA, INC.	KEOKUK PUBLIC LIBRARY	\$ 40.65
VISA	CARD SERVICES	\$ 2,220.47
ALL WEATHER COURTS, INC.	5TH STREET PICKLEBALL	\$ 40,000.00
KEOKUK MILLS, LLC	TARGETED JOBS TAX CREDIT	\$ 2,860.74
NATIONAL FILTER MEDIA	PARTS	\$ 2,405.69
FP MAILING SOLUTIONS	LIBRARY POSTAGE METER	\$ 33.05
MT. PLEASANT CORRECTIONAL FAC	INMATE SERVICES	\$ 590.00
RICOH USA, INC.	KEOKUK PUBLIC LIBRARY	\$ 127.74
JOHNSON CONTROLS	FIRE ALARM SERVICE EXCHANGE ST	\$ 2,117.00
DOUG EWING PHOTO	REPLACE FIRE ITEM	\$ 150.00

REGISTER NO. 5124

KEOKUK BROADCASTING, INC.	ADVERTISING	\$ 299.70
ANSELL HEALTHCARE PRODUCTS LLC	WPC SUPPLIES	\$ 310.80
JIM WOLFF	PLASTER/PAINT @ GRAND THEATER	\$ 1,359.00
DEMCO SOFTWARE	ANNUAL LIBRARY CHARGE	\$ 607.48
JAMES F. DENNIS LAW FIRM	PROFESSIONAL SERVICES	\$ 5,512.50
ADVANCED SYSTEMS, INC	LASERFICHE SOFTWARE/SUPPORT	\$ 950.00
JOSEPH FIERCE	GRAND THEATER JANITORIAL	\$ 306.00
STEVEN R LONG	CITY HALL JANITORIAL SERVICE	\$ 450.00
JEREMIAH BOLLIN	CLEAN VARIOUS PROPERTIES	\$ 925.00
CARL'S LOCKS & KEYS	SERVICE CALL/REKEY	\$ 122.50
SCHICKEDANZ CONSTRUCTION	SEI DEVELOPMENT CENTER PAY 7	\$ 285,538.71
IOWA ONE CALL	IOWA ONE CALL CHARGES	\$ 157.60
ALLYSON CHURCH	REIMBURSE TRAVEL	\$ 196.27
RADISSON HOTEL & CONFERENCE	TRAINING	\$ 156.76
MIDWEST PREMIUM CONTRACTORS	LABOR/REPAIRS @ AIRPORT	\$ 133.75
WEAPON SYSTEMS TRAINING	TRAINING	\$ 495.00
MIDWEST MUNICIPAL CONSULTING	GOAL SETTING SESSION	\$ 2,369.19
THE UNIVERSITY OF IOWA	FIELD TRAINING CERTIFICATION	\$ 425.00
BLUEALLY TECHNOLOGY SOLUTIONS,	POLICE DEPT EQUIPMENT	\$ 883.30
LEAGUE OF MINNESOTA CITIES	ONLINE JOB ADVERTISING	\$ 241.50

\$ 977,130.61



COUNCIL ACTION FORM

Date: February 4, 2020

Presented By: Broomhall

Subject: Set public hearing amendment Title 20 Agenda Item: _____

Description:

A public hearing is required pursuant to Iowa Code 414.4 on proposed amendments to zoning code.

A petition was received to amend Title 20, Zoning, Section 20.40.020(20)(A)(i) to allow tool, die, gauge and machine shops within a C-2, General Commercial district to employ up to 25 persons on a single shift.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES NO CIP Project Number: _____

RESOLUTION NO.

**A RESOLUTION SETTING THE TIME AND PLACE TO CONDUCT A PUBLIC
HEARING ON A REQUEST TO AMEND TITLE 20, SECTION
20.40.020(20)(A)(i) OF THE KEOKUK MUNICIPAL CODE**

WHEREAS, a petition has been received to amend Title 20, Zoning, Section 20.40.020(20)(A)(i) to allow tool, die, gauge and machine shops within a C-2, General Commercial district to employ up to 25 persons on a single shift, not including persons whose principal duties are off the premises.

WHEREAS, a public hearing shall be conducted by the City Council of the City of Keokuk on proposed amendments to the Keokuk Zoning Code pursuant to Iowa Code 414.4 and Keokuk Municipal Code Section 20.88.010.

**NOW THEREFORE, BE IT HEREBY RESOVLED, BY THE CITY COUNCIL
OF THE CITY OF KEOKUK, IOWA**

That a Public Hearing on the proposed amendment to Section 20.40.020(20)(A)(i) be scheduled for 6:30 p.m., Thursday, February 20, 2020 at the Keokuk Community School District Administrator Offices, 500 N. 20th Street, and further that the attached public notice of the time and place of said public hearing shall be given by publication in the Daily Gate City, a local paper of general circulation, as required by the Code of Iowa.

Passed and Approved this 6th day of February, 2020.

Thomas L. Richardson, Mayor

Attest: _____
Jean Ludwig, City Clerk



COUNCIL ACTION FORM

Date: February 6, 2020

Presented By: O'Donnell

Subject: Setting Public Hearing on Tax Levy Agenda Item: _____

Description:

In accordance with Iowa Code, the city must hold a public hearing on the proposed FY 2021 property tax levy prior to the public hearing and adoption of the FY 2021 budget. To insure proper time for additional comments, this hearing must be set for February 20, 2020 at 6:30 PM.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES NO CIP Project Number: _____

RESOLUTION NO. _____

**A RESOLUTION SETTING PUBLIC HEARING ON THE PROPOSED
FISCAL YEAR 2021 PROPERTY TAX LEVY**

WHEREAS, the City of Keokuk, Iowa has calculated a proposed property tax levy for Fiscal Year 2021 budget; and

WHEREAS, prior to approving said levy, a public hearing must be held to receive comments.

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA, a public hearing shall be held on February 20, 2020 at 6:30 PM in the Keokuk Community Schools Board Room, 500 N 20th St, Keokuk, Iowa.

BE IT FURTHER RESOLVED that the City clerk shall publish notice of said public hearing in a newspaper of general circulation.

PASSED, APPROVED, AND ADOPTED this 6th day of February, 2020.

Mayor –Thomas L. Richardson

ATTEST: _____
Jean Ludwig, City Clerk

CITY NAME Keokuk	NOTICE OF PUBLIC HEARING -PROPOSED PROPERTY TAX LEVY Fiscal Year July 1, 2020 - June 30, 2021	CITY CODE 56-533
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The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

Meeting Date: 2/20/2020	Meeting Time: 6:30 PM	Meeting Location: 500 N 20th St, Keokuk
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At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy.

After adoption of the proposed tax levy, the Council will publish notice and hold a hearing on the proposed city budget.

City Web Site (if available): 0	City Telephone Number: -
---	------------------------------------

Iowa Department of Management	Current Year Certified Property Tax 2019/2020	Budget Year Effective Property Tax 2020/2021**	Budget Year Proposed Maximum Property Tax 2020/2021	Annual % CHG
Regular Taxable Valuation	1 319,521,978	318,036,265	318,036,265	
Tax Levies:				
Regular General	2 \$2,588,128	\$2,588,128	\$2,576,094	
Contract for Use of Bridge	3 \$0	\$0	\$0	
Opr & Maint Publicly Owned Transit	4 \$8,000	\$8,000	\$8,000	
Rent, Ins. Maint. Of Non-Owned Civ. Ctr.	5 \$0	\$0	\$0	
Opr & Maint of City-Owned Civic Center	6 \$0	\$0	\$0	
Planning a Sanitary Disposal Project	7 \$0	\$0	\$0	
Liability, Property & Self-Insurance Costs	8 \$148,000	\$148,000	\$150,000	
Support of Local Emer. Mgmt. Commission	9 \$0	\$0	\$0	
Emergency	10 \$86,271	\$86,271	\$85,870	
Police & Fire Retirement	11 \$599,955	\$599,955	\$643,109	
FICA & IPERS	12 \$271,127	\$271,127	\$307,282	
Other Employee Benefits	13 \$1,594,614	\$1,594,614	\$1,788,534	
*Total 384.15A Maximum Tax Levy	14 \$5,296,095	\$5,296,095	\$5,558,889	4.96%
Calculated 384.15A Maximum Tax Rate	15 \$16.57506	\$16.65249	\$17.47878	

Explanation of significant increases in the budget:

Increase due to additional costs in Police & Fire Retirement, FICA & IPERS, and Other Employee Benefits

If applicable, the above notice also available online at:

www.cityofkeokuk.org
--

*Total city tax rate will also include voted general fund levy, debt service levy, and capital improvement reserve levy

**Budget year effective property tax rate is the rate that would be assessed for these levies if the dollars requested is not changed in the coming budget year



COUNCIL ACTION FORM

Date: 2-06-2020

Presented By: Ludwig

Subject: Annual Financial Audit Agenda Item: _____

Description:

Annual Financial Audit for fiscal year ending June 30, 2019

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES NO CIP Project Number: _____

RESOLUTION NO.

**A RESOLUTION ACCEPTING THE ANNUAL FINANCIAL AUDIT
REPORT FOR FISCAL YEAR ENDING JUNE 30, 2019**

WHEREAS, the City of Keokuk, Iowa is required to conduct an annual financial audit; and

WHEREAS, the accounting firm of Anderson, Larkin & Co has completed said audit for Fiscal Year Ending June 30, 2019.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK IOWA, THAT the City Council has reviewed and now accepts the Annual Financial Audit for Fiscal Year Ending June 30, 2019.

PASSED, APPROVED, AND ADOPTED this 6th day of February, 2020.

Thomas L. Richardson, Mayor

ATTEST: _____
Jean Ludwig, City Clerk

CITY OF KEOKUK, IOWA

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2019

CITY OF KEOKUK, IOWA

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CITY OF KEOKUK, IOWA

OFFICIALS
JUNE 30, 2019

<u>Name</u>	(Before January 2019) <u>Title</u>	<u>Term Expires</u>
Tom Richardson	Mayor	December 31, 2019
Susan Dunek	Mayor Pro Tem	December 31, 2019
Devon Dade	Council Member – At Large	December 31, 2021
John Helenthal	Council Member – At Large	December 31, 2019
Michael O'Connor	Council Member – Ward 1	December 31, 2021
Michael Moore	Council Member – Ward 2	December 31, 2019
Ron Payne	Council Member – Ward 3	December 31, 2021
Larry Mortimer	Council Member – Ward 4	December 31, 2019
Michael Greenwald	Council Member – Ward 5	December 31, 2021
Roger Bryant	Council Member – Ward 6	December 31, 2019
Susan Dunek	Council Member – Ward 7	December 31, 2021
Cole O'Donnell	City Administrator	Indefinite
Jean Ludwig	City Clerk	Indefinite
James F. Dennis	Attorney	Indefinite
David Hinton	Chief of Police	Indefinite
Gabe Rose	Fire Chief	Indefinite

<u>Name</u>	(After January 2019) <u>Title</u>	<u>Term Expires</u>
Tom Richardson	Mayor	December 31, 2019
Susan Dunek	Mayor Pro Tem	December 31, 2021
Devon Dade	Council Member – At Large	December 31, 2021
John Helenthal	Council Member – At Large	December 31, 2019
Michael O'Connor	Council Member – Ward 1	December 31, 2021
Michael Moore	Council Member – Ward 2	December 31, 2019
Ron Payne	Council Member – Ward 3	December 31, 2021
Larry Mortimer	Council Member – Ward 4	December 31, 2019
Michael Greenwald	Council Member – Ward 5	December 31, 2021
Roger Bryant	Council Member – Ward 6	December 31, 2019
Susan Dunek	Council Member – Ward 7	December 31, 2021
Cole O'Donnell	City Administrator	Indefinite
Jean Ludwig	City Clerk	Indefinite
James F. Dennis	Attorney	Indefinite
David Hinton	Chief of Police	Indefinite
Gabe Rose	Fire Chief	Indefinite



ANDERSON, LARKIN & CO. P.C.
Certified Public Accountants
"Your Success Is Our Business."

Kenneth E. Crosser, CPA
April D. Crosser, CPA
Michael J. Podliska, CPA
Alexander T. Barr, CPA

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of the City Council of
the City of Keokuk, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Keokuk, Iowa as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Government Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
Major Governmental Funds:	
General	Unmodified
Road Use Tax	Unmodified
Local Option Sales Tax	Unmodified
Employee Benefits	Unmodified
Urban Renewal TIF	Unmodified
Debt Service	Unmodified
Capital Projects	Unmodified
Major Enterprises Funds:	
Sewer	Unmodified
Bridge	Unmodified
Solid Waste	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include the financial data for the City's legally separate component units. Accounting principles applicable to the cash basis of accounting require the financial data for those component units be reported with the financial data of the City's primary government unless the City also issued financial statements for the financial reporting entity which include the financial data for its component units. The City has not issued such reporting entity financial statements. The amounts by which this departure would affect the receipts, disbursements and cash balances of the aggregate discretely presented component units has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Keokuk, Iowa as of June 30, 2019, or the changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Keokuk, Iowa, as of June 30, 2019, and the respective changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Keokuk, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the three years ended June 30, 2018 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The financial statements for the seven years ended June 30, 2015 (which are not presented herein) were audited by other auditors. The other auditors expressed unmodified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The supplementary information included in Schedules 1 through 4, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The other information, Management's Discussion and Analysis on pages 5 through 10, the Budgetary Comparison Information on pages 31 through 33, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions for the Iowa Public Employees' Retirement System on pages 34 through 38, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions for the Municipal Fire and Police Retirement System of Iowa on pages 39 through 43, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2019, on our consideration of the City of Keokuk, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Keokuk, Iowa's internal control over financial reporting and compliance.

ANDERSON, LARKIN & CO., P.C.

Anderson, Larkin & Co., P.C.

Ottumwa, Iowa
December 26, 2019

CITY OF KEOKUK, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

The City of Keokuk, Iowa provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2019. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2019 FINANCIAL HIGHLIGHTS

- Receipts from the City's governmental activities increased 10.09% or \$1,373,733 from fiscal year 2018 to fiscal 2019. The increase in receipts is primarily a result of an increase in proceeds from debt.
- Disbursements of the City's governmental activities decreased 14.95% or \$2,132,679 from fiscal 2018 to fiscal 2019. The increase in disbursements was primarily the result of less expenditures for capital projects, general government, and culture and recreation during the current year.
- The City's total cash basis net position increased \$774,423 from June 30, 2018 to June 30, 2019. Of this amount, the cash basis net position of the governmental activities increased \$2,849,888 and the cash basis net position of the business-type activities decreased by \$2,075,465.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

The Government-wide Financial Statement consists of a Cash Basis Statement of Activities and Net Position. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services and business-type activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operation in more detail than the government-wide statement by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Other Information further explains and supports the financial statements with a comparison of the City's budget for the year and the City's proportionate share of the net pension liabilities and related contributions.

Supplementary Information provides detailed information about the non-major governmental funds and the City's indebtedness.

Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

Government-wide Financial Statement

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Cash Basis Statement of Activities and Net Position reports information that helps answer this question.

The Cash Basis Statement of Activities and Net Position presents the City's cash basis net position. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Cash Basis Statement of Activities and Net Position is divided into two kinds of activities:

- **Governmental Activities** include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities.
- **Business-type Activities** include the sewer, bridge and solid waste funds. These activities are financed primarily by user charges.

Fund Financial Statements

The City has two kinds of funds:

- 1) **Governmental funds** account for most of the City's basic services. These focus on how money flows into and out of those funds, and the balances at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Road Use Tax, Local Option Sales Tax, Urban Renewal Tax Increment Financing (TIF) and Employee Benefits, 3) the Debt Service Fund, 4) the Capital Projects Funds and 5) Permanent Funds. The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The required financial statement for governmental funds includes a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.
- 2) **Proprietary funds** account for the City's Enterprise Funds. Enterprise Funds are used to report business-type activities. The City maintains the Enterprise Funds to provide separate information for the sewer, bridge, and solid waste funds, considered to be major funds of the City. The required financial statement for proprietary funds includes a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from a year ago, increased from \$12,413,296 to \$13,187,719. The analysis that follows focuses on the changes in cash basis net position of governmental activities.

Changes in Cash Basis Net Position of Governmental Activities

	Year Ended June 30,	
	<u>2019</u>	<u>2018</u>
Receipts:		
Program receipts:		
Charges for service	\$ 316,176	\$ 354,429
Operating grants, contributions and restricted interest	3,402,197	3,272,421
Capital grants, contributions and restricted interest	-	200,711
General receipts:		
Property tax	4,769,360	4,584,033
Local option sales tax	1,128,062	1,314,780
Tax increment financing	1,277,043	1,276,160
Utility excise tax and replacement tax	964,714	915,422
Riverboat gaming tax	398,931	395,279
Hotel/Motel tax	216,062	287,302
Unrestricted interest on investments	78,936	103,500
Bond proceeds	1,800,000	-
Other general receipts	<u>635,086</u>	<u>908,797</u>
Total receipts	<u>14,986,567</u>	<u>13,612,834</u>
Disbursements:		
Public safety	5,125,895	5,621,547
Public works	1,664,847	1,747,734
Culture and recreation	1,517,644	1,955,421
Community and economic development	754,655	865,396
General government	1,088,622	1,468,963
Debt service	1,617,005	1,628,070
Capital projects	<u>368,011</u>	<u>982,227</u>
Total disbursements	<u>12,136,679</u>	<u>14,269,358</u>
Change in cash basis net position	2,849,888	(656,524)
Cash basis net position beginning of year	<u>5,515,416</u>	<u>6,171,940</u>
Cash basis net position end of year	\$ <u>8,365,304</u>	\$ <u>5,515,416</u>

The City's total receipts for governmental activities increased 10.09% or \$1,373,733. The total cost (disbursements) of all programs and services decreased by \$2,132,679 or 14.95%. The increase in receipts is primarily a result of an increase in proceeds from bonds during the current year. The decrease in disbursements was primarily the result of less expenditures for capital projects, general government, and culture and recreation during the current year.

The cost of all governmental activities this year was \$12,136,679 compared to \$14,269,358 last year. However, as shown in the Statement of Activities and Net Position on page 12, the amount that our taxpayers ultimately financed for these activities through City taxes was \$8,418,306 because some of the cost was paid by those directly benefited from the programs \$316,176 or by other governments and organizations that subsidized certain programs with grants and contributions \$3,402,197.

Changes in Cash Basis Net Position of Business-Type Activities

	Year Ended June 30,	
	<u>2019</u>	<u>2018</u>
Receipts:		
Program receipts:		
Charges for service:		
Sewer	\$ 4,430,377	\$ 4,147,656
Bridge	233,581	261,023
Solid waste	793,883	696,892
General receipts:		
Miscellaneous	<u>634,201</u>	<u>83,980</u>
Total receipts	<u>6,092,042</u>	<u>5,189,551</u>
Disbursements:		
Sewer	6,421,234	4,277,065
Bridge	517,602	320,437
Solid waste	<u>793,605</u>	<u>778,365</u>
Total disbursements	<u>7,732,441</u>	<u>5,375,867</u>
Other financing uses	<u>(435,066)</u>	<u>5,322</u>
Change in cash basis net position	(2,075,465)	(180,994)
Cash basis net position beginning of year	<u>6,897,880</u>	<u>7,078,874</u>
Cash basis net position end of year	\$ <u>4,822,415</u>	\$ <u>6,897,880</u>

Total business-type activities receipts for the fiscal year increased \$902,941 or 17.40%. The increase in receipts was primarily the result of an increase in solid waste, sewer, and miscellaneous receipts during the current year.

Total business-type activities disbursements increased \$2,356,574 or 43.84% from the prior year. This resulted primarily from a increase in disbursements by the Sewer Fund.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

The City uses fund accounting to ensure and demonstrate compliance with finance – related legal requirements. The focus of the City's funds is to provide information on near-term inflows, outflows and cash balances of spendable resources. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

- The General Fund is the chief operating fund of the City. The cash balance increased by \$829,412 from the prior year to \$1,769,685 due to a decrease in public safety, culture and recreation, and general government disbursements in the current year.
- The Road Use Tax Fund (RUTF) cash balance increased by \$466,876 to \$2,133,854, due to a decrease in public works expenditures.
- The Local Option Sales Tax cash balance decreased by \$1,938 to \$291,406. This was due to a decrease in other city tax receipts during the current year.
- The Employee Benefits Fund increased from \$805,678 to \$967,646 due to an increase in property tax.
- The Urban Renewal TIF Fund decreased from \$52,305 to \$50,172 due to a decrease in debt service disbursements.
- The Debt Service Fund increased from \$450,729 to \$500,959, due to an increase in receipts during the current year.
- The Capital Projects Fund increased from \$840,810 to \$2,254,799, due to capital projects disbursements decreasing.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The Sewer Fund cash balance decreased \$3,805,043 to \$1,923,085, due to an increase in operating disbursements.
- The Bridge Fund cash balance decreased \$3,039,876 to \$2,845,472, due to an increase in operating disbursements.
- The Solid Waste Fund cash balance decreased \$134,060 to \$53,858, due to an increase in operating disbursements during the current year.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearings for all funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund-type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Over the course of the year, the City amended its operating budget. The amendment was approved on June 6, 2019, and resulted in an increase in budgeted revenues and a decrease in budgeted operating disbursements of \$1,458,475 and \$9,970,821. The City exceeded the amounts budgeted in the community and economic development, general government, and debt service functions for the year ended June 30, 2019.

DEBT ADMINISTRATION

At June 30, 2019, the City had \$26,437,776 in bonds and other long-term debt outstanding, compared to \$26,715,776 last year as shown below.

	<u>Outstanding Debt at Year End</u>	
	June 30,	
	<u>2019</u>	<u>2018</u>
General obligation bonds/notes	\$ 15,445,000	\$ 14,955,000
Revenue notes	<u>10,992,776</u>	<u>11,760,776</u>
Total	\$ <u>26,437,776</u>	\$ <u>26,715,776</u>

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City’s corporate limits. The City’s outstanding general obligation and Tax Increment Financing (TIF) debt of \$15,445,000 is below its constitutional debt limit of \$28,852,775. Additional information about the City’s long-term debt is presented in Note 3 to the financial statements.

More detailed information about the City’s long-term liabilities is presented in Note 3 to the financial statements. It is important to note that all revenues derived from Keokuk Senior Housing TIF are directed toward internal debt service and bank debt for the industrial development project is being serviced from TIF revenues from that project.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The City of Keokuk, Iowa’s elected and appointed officials and citizens considered many factors when setting the fiscal year 2019 budget, tax rates and fees charged for various City activities. One of those factors is the economy. The Lee County unemployment rate now stands at 3.7 % versus 4.5% a year ago. This compares with the State’s unemployment rate of 2.4% and the national rate of 3.7%.

The continued poor economy, high unemployment regionally, the increased cost of public pensions and a rollback on commercial property taxable valuation has caused the City to continue to experience cuts in revenues resulting in decreased operating revenues for the City especially in general fund departmental operations. There is also concern regarding future property tax revenues resulting from State legislation which could overhaul the property tax system. Changes are currently in effect and will significantly impact the City in future years.

EXCLUDED COMPONENT UNITS

Keokuk Municipal Waterworks (Waterworks) is a component unit of the City of Keokuk, Iowa. Waterworks and the City of Keokuk, Iowa are considered separate legal entities. Waterworks meets the component unit definition because the City Council appoints the Board of Trustees of Waterworks. However, since Waterworks operates under the accrual method of accounting and the City of Keokuk, Iowa operates under the cash method of accounting, this component unit has not been presented in the accompanying financial statements. The financial statements of Waterworks are available at Waterworks’ office, 20 North 4th Street, Keokuk, Iowa.

Keokuk Public Library Foundation (Foundation) is a component unit of the City of Keokuk, Iowa. The Foundation, a separate legal entity, exists for the purpose of attracting funds to benefit the Public Library which serves the Keokuk area and to disburse those funds in a manner which will benefit the Library. The Foundation meets the definition of a component unit since it raises funds on behalf of the Library. The financial statements of the Foundation have not been audited, so this component unit has not been presented in the accompanying financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Administrator at 601 Main Street, 3rd Floor, Keokuk, Iowa 52632 or telephone at 319-524-2050.

BASIC FINANCIAL STATEMENTS

CITY OF KEOKUK, IOWA

CASH BASIS STATEMENT OF ACTIVITIES AND NET POSITION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs:	Program Receipts			
	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>
Governmental activities:				
Public safety	\$ 5,125,895	\$ 41,828	\$ 67,968	\$ -
Public works	1,664,847	84,413	1,392,876	-
Culture and recreation	1,517,644	54,164	26,390	-
Community and economic development	754,655	-	496,134	-
General government	1,088,622	135,771	1,418,829	-
Debt service	1,617,005	-	-	-
Capital projects	368,011	-	-	-
Total governmental activities	12,136,679	316,176	3,402,197	-
Business-type activities:				
Sewer	6,421,234	1,430,377	-	-
Bridge	517,602	233,581	-	-
Solid waste	793,605	793,883	-	-
Total business-type activities	7,732,441	5,457,841	-	-
Total	\$ 19,869,120	\$ 5,774,017	\$ 3,402,197	\$ -
General receipts:				
Property and other city tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Utility excise tax				
Riverboat gaming tax				
Hotel/Motel tax				
Grants and contributions not restricted to specific purposes				
Unrestricted investment earnings				
Sale of capital assets				
Bond proceeds				
Miscellaneous				
Transfers				
Total general receipts				
Change in cash basis net position				
Cash basis net position beginning of year				
Cash basis net position end of year				
<u>Cash Basis Net Position</u>				
Restricted:				
Nonexpendable:				
Cemetery perpetual care				
Expendable:				
Capital projects				
Debt service				
Local option sales tax				
Employee benefits				
Streets				
Urban renewal purposes				
Other purposes				
Unrestricted				
Total cash basis net position				

Net (Disbursements) Receipts and
Changes in Cash Basis Net Position

Governmental Activities	Business-Type Activities	Total
\$ (5,016,099)	\$ -	\$ (5,016,099)
(187,558)	-	(187,558)
(1,437,090)	-	(1,437,090)
(258,521)	-	(258,521)
465,978	-	465,978
(1,617,005)	-	(1,617,005)
(368,011)	-	(368,011)
<u>(8,418,306)</u>	<u>-</u>	<u>(8,418,306)</u>
-	(1,990,857)	(1,990,857)
-	(284,021)	(284,021)
-	278	278
<u>-</u>	<u>(2,274,600)</u>	<u>(2,274,600)</u>
<u>(8,418,306)</u>	<u>(2,274,600)</u>	<u>(10,692,906)</u>
4,136,442	-	4,136,442
632,918	-	632,918
1,277,043	-	1,277,043
1,128,062	-	1,128,062
964,714	-	964,714
398,931	-	398,931
216,062	-	216,062
200,000	-	200,000
78,936	68,475	147,411
20	-	20
1,800,000	-	1,800,000
-	565,726	565,726
<u>435,066</u>	<u>(435,066)</u>	<u>-</u>
<u>11,268,194</u>	<u>199,135</u>	<u>11,467,329</u>
2,849,888	(2,075,465)	774,423
<u>5,515,416</u>	<u>6,897,880</u>	<u>12,413,296</u>
\$ <u>8,365,304</u>	\$ <u>4,822,415</u>	\$ <u>13,187,719</u>
\$ 478,185	\$ -	\$ 478,185
2,254,799	-	2,254,799
500,959	122,100	623,059
291,406	-	291,406
967,646	-	967,646
2,133,854	-	2,133,854
50,172	-	50,172
12,952	-	12,952
<u>1,675,331</u>	<u>4,700,315</u>	<u>6,375,646</u>
\$ <u>8,365,304</u>	\$ <u>4,822,415</u>	\$ <u>13,187,719</u>

CITY OF KEOKUK, IOWA

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCES
GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue				
	General	Road Use Tax	Local Option Sales Tax	Employee Benefits	Urban Renewal TIF
RECEIPTS:					
Property tax	\$ 2,286,287	\$ -	\$ -	\$ 1,777,114	\$ -
Tax increment financing	-	-	-	-	1,277,043
Other city tax	1,032,353	-	1,128,062	387,838	-
Licenses and permits	135,234	-	-	-	-
Use of money and property	78,920	-	-	16	-
Intergovernmental	350,594	1,392,876	-	-	-
Charges for service	109,967	-	-	-	-
Miscellaneous	1,445,396	-	-	-	-
Total receipts	5,438,751	1,392,876	1,128,062	2,164,968	1,277,043
DISBURSEMENTS:					
Operating:					
Public safety	5,125,895	-	-	-	-
Public works	718,847	946,000	-	-	-
Culture and recreation	1,517,644	-	-	-	-
Community and economic development	214,417	-	-	-	-
General government	1,088,622	-	-	-	-
Debt service	-	-	-	-	9,260
Capital projects	-	-	-	-	-
Total disbursements	8,665,425	946,000	-	-	9,260
Excess (deficiency) of receipts over (under) disbursements	(3,226,674)	446,876	1,128,062	2,164,968	1,267,783
Other financing sources (uses):					
Sale of capital assets	20	-	-	-	-
Capital loan note proceeds	-	-	-	-	-
Transfers in	3,828,000	-	-	-	-
Transfers out	228,066	-	(1,130,000)	(2,003,000)	(1,269,916)
Total other financing sources (uses)	4,056,086	-	(1,130,000)	(2,003,000)	(1,269,916)
Change in cash balances	829,412	446,876	(1,938)	161,968	(2,133)
CASH BALANCES - Beginning of year	940,273	1,686,978	293,344	805,678	52,305
CASH BALANCES - End of year	\$ 1,769,685	\$ 2,133,854	\$ 291,406	\$ 967,646	\$ 50,172
Cash Basis Fund Balances					
Nonspendable - Cemetery perpetual care	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:					
Debt service	-	-	-	-	-
Local option sales tax	-	-	291,406	-	-
Employee benefits	-	-	-	967,646	-
Streets	-	2,133,854	-	-	-
Urban renewal purposes	-	-	-	-	50,172
Capital projects	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned	1,769,685	-	-	-	-
Total cash basis fund balances	\$ 1,769,685	\$ 2,133,854	\$ 291,406	\$ 967,646	\$ 50,172

See Notes to Financial Statements

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental</u>	<u>Total</u>
\$ 632,918	\$ -	\$ 73,041	\$ 4,769,360
-	-	-	1,277,043
101,211	-	97,485	2,746,949
-	-	-	135,234
-	-	-	78,936
13,930	-	415,670	2,173,070
-	-	-	109,967
-	-	15,526	1,460,922
<u>748,059</u>	<u>-</u>	<u>601,722</u>	<u>12,751,481</u>
-	-	-	5,125,895
-	-	-	1,664,847
-	-	-	1,517,644
-	-	540,238	754,655
-	-	-	1,088,622
1,607,745	-	-	1,617,005
-	368,011	-	368,011
<u>1,607,745</u>	<u>368,011</u>	<u>540,238</u>	<u>12,136,679</u>
<u>(859,686)</u>	<u>(368,011)</u>	<u>61,484</u>	<u>614,802</u>
-	-	-	20
1,800,000	-	-	1,800,000
909,916	1,782,000	-	6,519,916
(1,800,000)	-	(110,000)	(6,084,850)
<u>909,916</u>	<u>1,782,000</u>	<u>(110,000)</u>	<u>2,235,086</u>
50,230	1,413,989	(48,516)	2,849,888
<u>450,729</u>	<u>840,810</u>	<u>445,299</u>	<u>5,515,416</u>
\$ <u>500,959</u>	\$ <u>2,254,799</u>	\$ <u>396,783</u>	\$ <u>8,365,304</u>
\$ -	\$ -	\$ 478,185	\$ 478,185
500,959	-	-	500,959
-	-	-	291,406
-	-	-	967,646
-	-	-	2,133,854
-	-	-	50,172
-	2,254,799	-	2,254,799
-	-	12,952	12,952
-	-	(94,354)	1,675,331
\$ <u>500,959</u>	\$ <u>2,254,799</u>	\$ <u>396,783</u>	\$ <u>8,365,304</u>

CITY OF KEOKUK, IOWA

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
PROPRIETARY FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>Sewer</u>	<u>Bridge</u>	<u>Solid Waste</u>	<u>Total</u>
<u>Operating receipts:</u>				
Charges for service	\$ 4,427,787	\$ 233,581	\$ 793,883	\$ 5,455,251
<u>Operating disbursements:</u>				
Business-type activities	4,888,778	517,602	793,605	6,199,985
Excess (deficiency) of operating receipts over (under) operating disbursements	(460,991)	(284,021)	278	(744,734)
<u>Non-operating receipts (disbursements):</u>				
Interest on investments	73	68,402	-	68,475
Licenses and permits	2,590	-	-	2,590
Miscellaneous	543,892	21,215	619	565,726
Capital projects	(645,456)	-	-	(645,456)
Debt service	(887,000)	-	-	(887,000)
Total non-operating receipts (disbursements)	(985,901)	89,617	619	(895,665)
Excess (deficit) of receipts over (under) disbursements	(1,446,892)	(194,404)	897	(1,640,399)
Transfers in	1,782,000	-	-	1,782,000
Transfers out	(2,217,066)	-	-	(2,217,066)
Change in cash balances	(1,881,958)	(194,404)	897	(2,075,465)
<u>CASH BALANCES</u> - Beginning of year	3,805,043	3,039,876	52,961	6,897,880
<u>CASH BALANCES</u> - End of year	\$ 1,923,085	\$ 2,845,472	\$ 53,858	\$ 4,822,415
<u>Cash Basis Fund Balances</u>				
Restricted for debt service	\$ -	\$ -	\$ 122,100	\$ 122,100
Unrestricted	1,923,085	2,845,472	(68,242)	4,700,315
Total cash basis fund balances	\$ 1,923,085	\$ 2,845,472	\$ 53,858	\$ 4,822,415

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Keokuk, Iowa is a political subdivision of the State of Iowa located in Lee County. It was first incorporated in 1847 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, culture and recreation, community and economic development, and general government services. The City also provides solid waste removal and sewer utilities for its citizens.

A. Reporting Entity

Except as discussed below, for financial reporting purposes, the City of Keokuk, Iowa has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

These financial statements present the City of Keokuk, Iowa (the primary government).

Excluded Component Units

Keokuk Municipal Waterworks (Waterworks) is a component unit of the City of Keokuk, Iowa. Waterworks and the City of Keokuk, Iowa are considered separate legal entities. Waterworks meets the component unit definition because the City Council appoints the Board of Trustees of Waterworks. However, since Waterworks operates under the accrual basis of accounting and the City of Keokuk, Iowa operates under the cash basis of accounting, this component unit has not been presented in the accompanying financial statements. The financial statements of Waterworks are available at Waterworks' office, 20 North 4th Street, Keokuk, Iowa.

Keokuk Public Library Foundation (Foundation) is a component unit of the City of Keokuk, Iowa. The Foundation, a separate legal entity, exists for the purpose of attracting funds to benefit the Public Library which serves the Keokuk area and to disburse those funds in a manner which will benefit the Library. The Foundation meets the definition of a component unit since it raises funds on behalf of the Library. The financial statements of the Foundation have not been audited, so this component unit has not been presented in the accompanying financial statements.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Keokuk Economic Development Corporation and Great River Regional Waste Authority. See note 13 for further information.

B. Basis of Presentation

Government-wide Financial Statement – The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

CITY OF KEOKUK, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary net position. Net position is reported in the following categories/components:

Nonexpendable restricted net position is subject to externally imposed stipulations which require the cash balance to be maintained permanently by the City, including the City's Permanent funds.

Expendable restricted net position results when constraints placed on the use of cash balances are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrate the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts from general and emergency levies and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue –

The Road Use Tax Fund is used to account for road use tax allocation from the State of Iowa to be used for road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the revenues from the tax authorized by referendum and is used for property tax relief, infrastructure, parks and recreation services.

The Employee Benefits Fund is used to account for property tax and other receipts to be used for the payment of the City's governmental fund employee benefits.

The Urban Renewal TIF Fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

The Debt Service Fund is used to account for property tax and other receipts to be used for the payment of interest and principal on the City's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The City reports the following major proprietary funds:

The Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

The Bridge Fund accounts for the operation and maintenance of the City's bridge.

The Solid Waste Fund accounts for the operation and maintenance of the City's solid waste system.

C. Measurement Focus and Basis of Accounting

The City of Keokuk, Iowa maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net positions available to finance the program. It is the City's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Governmental Cash Basis Fund Balances:

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2019, disbursements exceeded the amounts budgeted in the community and economic development, general government, and debt service functions.

CITY OF KEOKUK, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: CASH AND POOLED INVESTMENTS

The City's deposits in banks at June 30, 2019 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2019, the City held the following investments:

<u>Type</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Maturity</u>
United States Treasury Note	\$ 500,000	\$ 514,219	2/15/2021
United States Treasury Note	<u>1,016,875</u>	<u>1,398,125</u>	2/15/2041
Total	\$ <u>1,516,875</u>	\$ <u>1,912,344</u>	

At June 30, 2019, the City invested the cemetery perpetual care trust in the following investments. The carrying amount at June 30, 2019 was \$465,796.

<u>Type</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 21,611
Fixed income funds	199,806
Equity funds	<u>244,379</u>
Total	\$ <u>465,796</u>

The City uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The recurring fair values of the investments listed above were determined using quoted market prices. (Level 1 inputs).

In addition, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$1,030,131 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

Interest rate risk – The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City.

Credit risk – The City's investment in the Iowa Public Agency Investment Trust is unrated.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3: BONDS AND NOTES PAYABLE

A summary of the City's June 30, 2019 general obligation, revenue bond and urban renewal indebtedness is as follows:

Year Ending	Revenue Notes		General Obligation and Refunding Capital Loan Notes	
	Principal	Interest	Principal	Interest
June 30,				
2020	\$ 193,000	\$ 95,887	\$ 895,000	\$ 246,073
2021	703,000	89,649	905,000	234,585
2022	714,000	83,289	905,000	218,827
2023	724,000	76,750	935,000	202,217
2024	736,000	70,064	920,000	184,582
2025 – 2029	3,853,000	244,242	3,960,000	656,001
2030 - 2034	3,569,776	64,225	975,000	347,303
2035 - 2039	-	-	1,300,000	130,301
Total	\$ <u>10,992,776</u>	\$ <u>724,106</u>	\$ <u>10,795,000</u>	\$ <u>2,219,889</u>

Year Ending	Urban Renewal TIF Bonds		Total	
	Principal	Interest	Principal	Interest
June 30,				
2020	\$ 450,000	\$ 94,600	\$ 2,038,000	\$ 436,560
2021	450,000	88,850	2,058,000	413,084
2022	450,000	82,600	2,069,000	384,716
2023	475,000	74,475	2,134,000	353,442
2024	175,000	66,650	1,831,000	321,296
2025 – 2029	1,850,000	203,500	9,663,000	1,103,743
2030 – 2034	800,000	58,600	5,344,776	470,128
2035 – 2039	-	-	1,300,000	130,301
Total	\$ <u>4,650,000</u>	\$ <u>669,275</u>	\$ <u>26,437,776</u>	\$ <u>3,613,270</u>

Urban Renewal Tax Increment Financing Revenue Bonds

The City issued \$7,380,000 of urban renewal tax increment financing (TIF) revenue bonds in May 2013 for the purpose of defraying a portion of the costs of various construction and refurbishing projects within the urban renewal district. The bonds are payable solely from the TIF receipts generated by increased property values in the City's urban renewal district and credited to the Special Revenue, Urban Renewal Tax Increment Fund in accordance with Chapter 403.19 of the Code of Iowa. TIF receipts are generally projected to produce 100% of the debt service requirements over the life of the bonds. The proceeds of the urban renewal tax increment financing revenue bonds shall be expended only for purposes which are consistent with the plans of the City's urban renewal area. The bonds are not a general obligation of the City. However, the debt is subject to the constitutional debt limitation of the City. Total principal and interest remaining on the bonds is \$5,319,275, payable through June 2034. For the current year, interest paid and total TIF receipts were \$98,975 and \$1,277,043, respectively.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 3: BONDS AND NOTES PAYABLE (Continued)

Revenue Notes

The City has pledged future solid waste customer receipts, net of specified operating disbursements, to repay \$765,000 in solid waste revenue notes issued in April 2008. The notes are payable solely from solid waste customer net receipts and are payable through 2019. For the current year, principal and interest paid and total customer net receipts were \$88,349 and \$5,028, respectively.

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$16,622,182 in sewer revenue notes issued between January 2010 and June 2018. The notes are payable solely from sewer customer net receipts and are payable through 2034. The total principal and interest remaining to be paid on the notes is \$11,716,882. For the current year, principal and interest paid and total customer net receipts were \$841,503 and \$(460,991), respectively.

The resolutions providing for the issuance of the revenue notes include the following provisions:

- a) The notes will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- b) A Solid Waste Enterprise Revenue Debt Service Reserve Fund of \$122,100 shall be maintained and used solely for the purpose of paying principal of and interest on the Note and Parity Obligations as the same shall become due and payable.
- c) Solid Waste Net Revenues must be sufficient to produce and maintain net revenues at a level not less than 130% of the principal and interest requirements of the fiscal year.
- d) Sewer Net Revenues must be sufficient to produce and maintain net revenues at a level not less than 110% of the principal and interest requirements of the fiscal year.
- e) Sufficient monthly transfers shall be made to separate solid waste revenue bond sinking accounts for the purpose of making the bond principal and interest payments when due.

NOTE 4: PENSION PLAN – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

Plan Description – IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except for members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4: PENSION PLAN – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (Continued)

Pension Benefits (Continued)

Protection occupation members may retire at normal retirement age, which is generally age 55. The formula used to calculate a protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of service but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2019, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll for the total rate of 15.73%. Protection occupation members contributed 6.81% of covered payroll and the City contributed 10.21% of covered payroll, for a total rate of 17.02%.

The City's contributions to IPERS for the year ended June 30, 2019 totaled \$265,205.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the City reported a liability of \$2,238,379 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the IPERS relative to the contributions of all IPERS participating employers. At June 30, 2018, the City's proportion was .036805%, which was a decrease of .003621% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019 the City's pension expense, deferred outflows of resources and deferred inflows of resources totaled \$289,094, \$651,193 and \$283,743, respectively.

There were no non-employer contributing entities to IPERS.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 4: PENSION PLAN – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25% to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actual experience study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0 %	6.01 %
International equity	15.0	6.48
Global smart beta equity	3.00	6.23
Core plus fixed income	27.0	1.97
Public credit	3.5	3.93
Public real assets	7.0	2.91
Cash	1.0	(0.25)
Private equity	11.0	10.81
Private real assets	7.5	4.14
Private credit	3.0	3.11
Total	<u>100.0</u> %	

Discount Rate – The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate.

	1% Decrease <u>(6.0%)</u>	Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
City's proportionate share of the net pension liability:	\$ 3,951,734	\$ 2,328,383	\$ 966,633

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 4: PENSION PLAN – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (Continued)

IPERS' Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

NOTE 5: PENSION PLAN – MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA (MFPRSI)

Plan Description – MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City of Keokuk, Iowa are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite #201, West Des Moines, Iowa 50266 or at www.mfprsi.org.

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – Members with 4 or more years of service are entitled to pension benefits beginning at age 55. Full service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (i.e., 22 years). Members with less than 4 years of service are entitled to a refund of their contribution only, with interest, for the period of employment.

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66% of the member's average final compensation. Members who perform more than 22 years of service receive an additional 2% of the member's average final compensation for each additional year of service, up to a maximum of 8 years. Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen, plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50% surviving spouse benefit.

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. When electing to participate in DROP, the member signs a contract stating the member will retire at the end of the selected DROP period. During the DROP period, the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

Disability and Death Benefits – Disability benefits may be either accidental or ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60% of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50% of the member's average final compensation, for those with 5 or more years of service or the member's service retirement benefit calculation amount and 25% of average final compensation for those with less than 5 years of service.

Death benefits are similar to disability benefits. Benefits for accidental death are 50% of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary death benefits consist of a pension equal to 40% of the average final compensation of the member plus an additional amount for each child, or a lump-sum distribution to the designated beneficiary equal to 50% of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

Benefits are increased annually in accordance with Chapter 411.6 of the Code of Iowa, which provides a standard formula for the increases.

The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 5: PENSION PLAN – MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA (MFPRSI) (Continued)

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2019.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1% of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa, the City's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 26.02% for the year ended June 30, 2019.

The City's contributions to MFPRSI for the year ended June 30, 2019 was \$603,963.

If approved by the State Legislature, state appropriation may further reduce the City's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa, therefore, is considered to be a nonemployer contributing entity in accordance with the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2019.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the City reported a liability of \$4,604,545 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the MFPRSI relative to the contributions of all MFPRSI participating employers. At June 30, 2018, the City's proportion was .0078512% which was a decrease of .0004638% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City's pension expense, deferred outflows of resources and deferred inflows of resources totaled \$705,040, \$1,681,726 and \$980,173, respectively.

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3%
Salary increases	4.5% to 15%, including inflation
Investment rate of return	7.5%, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 through June 30, 2017.

Postretirement mortality rates were based on the RP-2014 Blue Collar Combined Healthy Annuitant Table with males set-forward two years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50% Scale BB in 2017.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 5: PENSION PLAN – MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA (MFPRSI) (Continued)

The long-term expected rate of return on MFPRSI investments was determined using a building-block method in which best-estimate ranges of expected future real rates (i.e., expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap	5.5 %
Small Cap	5.8
International large cap	7.3
Emerging markets	9.0
Emerging markets debt	6.3
Private non-core real estate	8.0
Master limited partnerships	9.0
Private equity	9.0
Core plus fixed income	3.3
Private core real estate	6.0
Tactical asset allocation	6.4

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed contributions will be made at 9.40% of covered payroll and the City's contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the MFPRSI's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on MFPRSI's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.5%) than the current rate.

	1% Decrease <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
City's proportionate share of the net pension liability	\$ 7,799,484	\$ 4,674,644	\$ 2,087,381

MFPRSI's Fiduciary Net Position – Detailed information about MFPRSI's fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI's website at www.mfprsi.org.

NOTE 6: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City operates a single-employer health benefit plan which provides medical, prescription drug, dental, and vision benefits for employees, retirees and their spouses. There are 146 active and 2 retired members in the plan. Retired participants must be age 55 or older at retirement. The medical, prescription drug, dental and vision benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for coverage as active employees.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$525 for single coverage, \$1,226 for employee/spouse coverage, \$1,205 for employee/child coverage and \$1,468 for family coverage. For the year ended June 30, 2019, the City contributed \$1,399,597 and plan members eligible for benefits contributed \$144,251 to the plan. At June 30, 2019, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by the City and are eligible to participate in the group health, dental and vision plans are eligible to continue benefits upon retirement. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy.

NOTE 7: COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death, or normal retirement. Upon retirement each employee is entitled to 100% of his accumulated sick leave up to a maximum of 71 days or 568 hours. City management employees may accumulate a maximum of 90 days or 720 hours. The fire department employees are entitled to 900 hours of accumulated sick leave due to their longer average work week. Fire and police administration employees are entitled to 720 hours of accumulated sick leave. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation and sick leave payable to employees at June 30, 2019, primarily relating to the General Fund, is as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	\$ 445,024
Sick leave	<u>401,894</u>
Total	\$ <u>846,918</u>

This liability has been computed based on rates of pay in effect at June 30, 2019.

NOTE 8: REVOLVING LOAN FUND

The City has entered into an agreement with Southeast Iowa Regional Planning Commission (SEIRPC) to establish a revolving loan fund for commercial business growth and to assist in new business development. The City received a matching grant of \$99,000 from the United States Department of Agriculture – Rural Business Enterprise Grant. The City transferred \$100,000 in fiscal year 2007 to SEIRPC, which administers and manages the revolving loan fund. At June 30, 2019, these loans to businesses had outstanding balances totaling \$86,869. At June 30, 2019, SEIRPC held cash of \$79,304 for the City, which represents loan repayments received from participating businesses that is available to fund future commercial business growth loans.

NOTE 9: OPERATING LEASES – LESSOR

The City leases land to Crown Castle in Tolmie Park. The lease has a term of five years and expires in December 2020, with the option to renew for eight additional five-year periods. Rental income for the year ended June 30, 2019 totaled \$18,251. Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ 18,251
2021	<u>9,126</u>
	\$ <u>27,377</u>

The City leases hangar space to individuals on a month-to-month basis. Rental income for the year ended June 30, 2019 totaled \$27,780.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10: RELATED PARTY TRANSACTIONS

Keokuk Municipal Waterworks pays the City on an annual basis in lieu of taxes. This amounted to \$200,000 for the year ended June 30, 2019.

NOTE 11: RISK MANAGEMENT

The City is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 778 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to risk pool. The City's contributions to the Pool for the year ended June 30, 2019 were \$132,487.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of the risk-sharing protection provided by the City's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the City's risk-sharing certificate, or in the event that a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The City also carries commercial insurance purchased from other insurers for coverage associated with workmen's compensation and various types of liability insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 12: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2019 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Urban Renewal TIF	\$ <u>909,916</u>
General	Employee Benefits	2,003,000
	Emergency	85,000
	10% Lost	160,000
	40% Lost	200,000
	50% Lost	770,000
	TIF	360,000
	Sewer	<u>250,000</u>
		\$ <u>3,828,000</u>
Capital Projects	Sewer	\$ <u>1,782,000</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

NOTE 13: JOINTLY GOVERNED ORGANIZATION

The City is a participant in Great River Regional Waste Authority, a political subdivision pursuant to the Code of Iowa Chapter 28E. The purpose of the agreement is to provide area governments with solid waste disposal sources. The City currently provides one member of the five member board. The City paid \$40 in fees in fiscal year June 30, 2019. Great River Regional Waste Authority's audited financial statements are available at City Hall.

NOTE 14: CASH BASIS FUND BALANCES

The detail of the governmental fund cash basis fund balances for the year ended June 30, 2019 is as follows:

	<u>General</u>	<u>Road Use</u>	<u>Local Option Sales Tax</u>	<u>Employee Benefits</u>	<u>Urban Renewal TIF</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor</u>	<u>Total</u>
Nonspendable for cemetery:									
Perpetual care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 478,185	\$ 478,185
Restricted for:									
Streets	-	2,133,854	-	-	-	-	-	-	2,133,854
Employee benefits	-	-	-	967,646	-	-	-	-	967,646
Urban renewal projects	-	-	-	-	50,172	-	-	-	50,172
Debt service	-	-	-	-	-	500,959	-	-	500,959
Local option sales tax	-	-	291,406	-	-	-	-	-	291,406
Capital projects	-	-	-	-	-	-	2,254,799	-	2,254,799
Other purposes	-	-	-	-	-	-	-	12,952	12,952
Unassigned	<u>1,769,685</u>	-	-	-	-	-	-	<u>(94,354)</u>	<u>1,675,331</u>
Total	\$ <u>1,769,685</u>	\$ <u>2,133,854</u>	\$ <u>291,406</u>	\$ <u>967,646</u>	\$ <u>50,172</u>	\$ <u>500,959</u>	\$ <u>2,254,799</u>	\$ <u>396,783</u>	\$ <u>8,365,304</u>

CITY OF KEOKUK, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15: TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2019, the City abated \$17,812 of property tax under the urban renewal and economic development projects.

NOTE 16: COMMITMENTS

The City entered into construction contracts totaling \$27,161,219 during fiscal year 2019 for a various projects. Subsequent to June 30, 2019, change orders totaling \$210,685 were approved by the City, for a total contract price of \$27,371,964. Payments totaling \$2,069,870 were made on the contracts during fiscal year 2019.

NOTE 17: DEFICIT BALANCE

The Special Revenue, Economic Development Fund had a deficit balance of \$94,354 at June 30, 2019. The deficit balance was a result of disbursements exceeding receipts within the fund. The deficit will be eliminated upon receipt of funding in fiscal year 2020.

OTHER INFORMATION

CITY OF KEOKUK, IOWA

**BUDGETARY COMPARISON SCHEDULE
OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN BALANCES -
BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS
OTHER INFORMATION
YEAR ENDED JUNE 30, 2019**

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>	<u>Total</u>
<u>RECEIPTS:</u>			
Property tax	\$ 4,769,360	\$ -	\$ 4,769,360
Tax increment financing collections	1,277,043	-	1,277,043
Other city taxes	2,746,949	-	2,746,949
Use of money and property	135,234	68,475	203,709
License and permits	78,936	2,590	81,526
Intergovernmental	2,173,070	-	2,173,070
Charges for service	109,967	5,455,251	5,565,218
Miscellaneous	<u>1,460,922</u>	<u>565,726</u>	<u>2,026,648</u>
Total receipts	<u>12,751,481</u>	<u>6,092,042</u>	<u>18,843,523</u>
<u>DISBURSEMENTS:</u>			
Public safety	5,125,895	-	5,125,895
Public works	1,664,847	-	1,664,847
Culture and recreation	1,517,644	-	1,517,644
Community and economic development	754,655	-	754,655
General government	1,088,622	-	1,088,622
Debt service	1,617,005	-	1,617,005
Capital projects	368,011	-	368,011
Business-type	-	7,732,441	7,732,441
Total disbursements	<u>12,136,679</u>	<u>7,732,441</u>	<u>19,869,120</u>
Excess (deficiency) of receipts over (under) disbursements	614,802	(1,640,399)	(1,025,597)
Other financing sources (uses), net	<u>2,235,086</u>	<u>(435,066)</u>	<u>1,800,020</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	2,849,888	(2,075,465)	774,423
<u>BALANCES</u> - Beginning of year	<u>5,515,416</u>	<u>6,897,880</u>	<u>12,413,296</u>
<u>BALANCES</u> - End of year	\$ <u>8,365,304</u>	\$ <u>4,822,415</u>	\$ <u>13,187,719</u>

	Budgeted Amounts		Final to Total Variance
	<u>Original</u>	<u>Final</u>	
\$	4,712,918	\$ 4,712,918	\$ 56,442
	1,269,916	1,269,916	7,127
	3,142,403	2,635,121	111,828
	189,400	203,400	309
	150,600	152,050	(70,524)
	3,649,012	4,080,212	(1,907,142)
	5,969,600	5,907,100	(341,882)
	197,000	1,778,607	248,041
	<u>19,280,849</u>	<u>20,739,324</u>	<u>(1,895,801)</u>
	5,613,936	5,799,550	673,655
	1,834,506	2,068,075	403,228
	1,542,994	1,653,898	136,254
	129,716	267,875	(486,780)
	803,783	1,063,324	(25,298)
	1,603,246	1,613,246	(3,759)
	2,477,500	3,483,860	3,115,849
	<u>21,144,636</u>	<u>9,229,668</u>	<u>1,497,227</u>
	<u>35,150,317</u>	<u>25,179,496</u>	<u>5,310,376</u>
	(15,869,468)	(4,440,172)	3,414,575
	<u>15,750,000</u>	<u>2,258,173</u>	<u>(458,153)</u>
	(119,468)	(2,181,999)	2,956,422
	<u>11,808,084</u>	<u>13,254,546</u>	<u>(841,250)</u>
\$	<u>11,688,616</u>	\$ <u>11,072,547</u>	\$ <u>2,115,172</u>

CITY OF KEOKUK, IOWA

NOTES TO OTHER INFORMATION – BUDGETARY REPORTING

JUNE 30, 2019

The budgetary comparison is presented in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds, the Permanent Funds and the Enterprise Funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment decreased budgeted disbursements by \$9,970,821. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2019, disbursements exceeded the amounts budgeted in the general government, community and economic development, and debt service functions.

CITY OF KEOKUK, IOWA

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST FIVE YEARS*

OTHER INFORMATION

	<u>2019</u>		<u>2018</u>
City's proportion of the net pension liability	0.036805 %		0.040426 %
City's proportionate share of the net pension liability	\$ 2,328,379	\$	2,668,822
City's covered payroll	\$ 2,809,000	\$	2,990,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	82.89% %		89.26 %
IPERS' net position as a percentage of the total pension liability	83.62% %		82.21 %

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
	0.039442 %	0.039040 %	0.039435 %
\$	2,458,194	\$ 1,940,871	\$ 1,596,000
\$	2,803,000	\$ 2,688,000	\$ 2,632,000
	87.89 %	72.21 %	60.64 %
	81.82 %	85.19 %	87.61 %

CITY OF KEOKUK, IOWA

SCHEDULE OF CITY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS

OTHER INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 265,205	\$ 246,948	\$ 267,065
Contributions in relation to the statutorily required contribution	<u>(265,205)</u>	<u>(246,948)</u>	<u>(267,065)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City's covered payroll	\$ 2,809,000	\$ 2,765,000	\$ 2,990,000
Contributions as a percentage of covered payroll	9.44 %	8.93 %	8.93 %

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 250,318	\$ 240,000	\$ 235,000	\$ 220,000	\$ 205,000	\$ 185,000	\$ 183,000
<u>(250,318)</u>	<u>(240,000)</u>	<u>(235,000)</u>	<u>(220,000)</u>	<u>(205,000)</u>	<u>(185,000)</u>	<u>(183,000)</u>
\$ <u> -</u>						
\$ 2,803,000	\$ 2,688,000	\$ 2,632,000	\$ 2,537,000	\$ 2,540,000	\$ 2,662,000	\$ 2,752,000
8.93 %	8.93 %	8.93 %	8.67 %	8.07 %	6.95 %	6.65 %

CITY OF KEOKUK, IOWA

NOTES TO OTHER INFORMATION – IPERS PENSION LIABILITY

YEAR ENDED JUNE 30, 2019

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes of assumptions:

The 2018 implemented the following refinements as a result of the demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00 percent to 2.60 percent.
- Decreased the assumed rate of interest on member accounts from 3.75 percent to 3.50 percent per year.
- Decreased the discount rate from 7.50 percent to 7.00 percent.
- Decreased the wage growth assumption from 4.00 percent to 3.25 percent.
- Decreased the payroll growth assumption from 4.00 percent to 3.25 percent.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

CITY OF KEOKUK, IOWA

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
FOR THE LAST FIVE YEARS*

OTHER INFORMATION

	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	0.0078512 %	0.008315 %
City's proportionate share of the net pension liability	\$ 4,604,545	\$ 5,198,813
City's covered payroll	\$ 2,321,150	\$ 2,335,291
City's proportionate share of the net pension liability as a percentage of its covered payroll	198.37 %	222.62 %
Plan fiduciary net position as a percentage of the total pension liability	81.07 %	80.60 %

* The amounts presented for each fiscal year were determined as of June 30.

Note: GASB Statement No. 68 requires ten years of information to be presented in the table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
	0.008186 %	0.81868 %	0.809408 %
\$	3,807,187	\$ 3,846,278	\$ 2,934,000
\$	2,196,017	\$ 2,147,000	\$ 2,058,000
	173.37 %	179.15 %	142.57 %
	78.20 %	83.40 %	86.27 %

CITY OF KEOKUK, IOWA

SCHEDULE OF CITY'S CONTRIBUTIONS
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
FOR THE LAST TEN YEARS

OTHER INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 603,963	\$ 586,028	\$ 605,074
Contributions in relation to the statutorily required contribution	<u>(603,963)</u>	<u>(586,028)</u>	<u>(605,074)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City's covered payroll	\$ 2,321,150	\$ 2,282,036	\$ 2,335,291
Contributions as a percentage of covered payroll	26.02 %	25.68 %	25.91 %

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	609,834	\$ 653,000	\$ 620,000	\$ 522,000	\$ 485,000	\$ 397,000	\$ 346,000
	<u>(609,834)</u>	<u>(653,000)</u>	<u>(620,000)</u>	<u>(522,000)</u>	<u>(485,000)</u>	<u>(397,000)</u>	<u>(346,000)</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	2,196,017	\$ 2,147,000	\$ 2,058,000	\$ 1,998,000	\$ 1,959,000	\$ 1,995,000	\$ 2,035,000
	27.77 %	30.41 %	30.12 %	26.12 %	24.76 %	19.90 %	17.00 %

CITY OF KEOKUK, IOWA

NOTES TO OTHER INFORMATION – MFPRSI PENSION LIABILITY

YEAR ENDED JUNE 30, 2019

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions:

The 2018 valuation changed mortality rates based on RP 2014 Blue Collar Healthy Annuitant table with male set-forward two years and disabled set-forward three years (male rates only), with generational project of future mortality improvements with 50% of Scale BB beginning in 2017.

The 2017 valuation added five years projection of future mortality improvement with Scale BB.

The 2016 valuation changed postretirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with no projection of future mortality improvement.

The 2015 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.

The 2014 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

SUPPLEMENTARY INFORMATION

CITY OF KEOKUK, IOWA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>Special Revenue</u>		<u>Permanent</u>	<u>Total</u>
	<u>Economic Development</u>	<u>Emergency Tax Levy</u>	<u>Cemetery Perpetual Care</u>	
RECEIPTS:				
Property tax	\$ -	\$ 73,041	\$ -	\$ 73,041
Other city taxes	84,134	13,351	-	97,485
Intergovernmental	412,000	3,670	-	415,670
Miscellaneous	-	-	15,526	15,526
Total receipts	<u>496,134</u>	<u>90,062</u>	<u>15,526</u>	<u>601,722</u>
DISBURSEMENTS:				
Community and economic development	<u>540,238</u>	-	-	<u>540,238</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(44,104)</u>	<u>90,062</u>	<u>15,526</u>	<u>61,484</u>
Other financing uses:				
Transfers out	<u>(25,000)</u>	<u>(85,000)</u>	-	<u>(110,000)</u>
Change in cash balances	(69,104)	5,062	15,526	(48,516)
<u>CASH BALANCES</u> - Beginning of year	<u>(25,250)</u>	<u>7,890</u>	<u>462,659</u>	<u>445,299</u>
<u>CASH BALANCES</u> - End of year	\$ <u>(94,354)</u>	\$ <u>12,952</u>	\$ <u>478,185</u>	\$ <u>396,783</u>
<u>Cash Basis Fund Balances</u>				
Nonspendable	\$ -	\$ -	\$ 478,185	\$ 478,185
Restricted	-	12,952	-	12,952
Unassigned	<u>(94,354)</u>	-	-	<u>(94,354)</u>
Total cash basis fund balances	\$ <u>(94,354)</u>	\$ <u>12,952</u>	\$ <u>478,185</u>	\$ <u>396,783</u>

CITY OF KEOKUK, IOWA

SCHEDULE OF INDEBTEDNESS
YEAR ENDED JUNE 30, 2019

<u>Obligation</u>	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>	<u>Balance Beginning of Year</u>
General obligation notes:				
Capital loan notes	November 19, 2012	0.70-2.50%	\$ 2,300,000	\$ 1,220,000
Refunding capital loan notes	May 1, 2013	0.60-2.00%	2,410,000	2,010,000
Refunding capital loan notes	June 8, 2016	2.00-2.50%	3,155,000	2,670,000
Refunding capital loan notes	June 8, 2016	2.00-2.50%	4,515,000	3,955,000
Capital loan notes	June 6, 2019	3.69-4.00%	1,800,000	-
Urban renewal bonds	May 1, 2013	0.60-2.00%	3,330,000	2,100,000
Urban renewal bonds	May 1, 2013	1.00-3.00%	<u>4,050,000</u>	<u>3,000,000</u>
Total			<u>21,560,000</u>	<u>14,955,000</u>
Revenue notes:				
Solid waste revenue capital loan notes	April 24, 2008	3.94%	765,000	85,000
Sewer revenue capital loan notes	January 20, 2010	3.00%	3,889,000	1,882,000
Sewer revenue capital loan notes	December 20, 2013	1.75%	5,578,000	4,106,000
Sewer revenue capital loan notes	June 5, 2015	1.75%	<u>7,155,182</u>	<u>5,687,776</u>
Total			<u>17,387,182</u>	<u>11,760,776</u>
Total of all debt			\$ <u>38,947,182</u>	\$ <u>26,715,776</u>

SCHEDULE 2

<u>Issued During Year</u>	<u>Redeemed/ Cancelled During Year</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>	<u>Interest Due and Unpaid</u>
\$ -	\$ 75,000	\$ 1,145,000	\$ 24,273	\$ -
-	220,000	1,790,000	31,335	-
-	240,000	2,430,000	56,223	-
-	325,000	3,630,000	82,440	-
1,800,000	-	1,800,000	-	-
-	250,000	1,850,000	32,875	-
-	200,000	2,800,000	66,100	-
<u>1,800,000</u>	<u>1,310,000</u>	<u>15,445,000</u>	<u>293,246</u>	<u>-</u>
-	85,000	-	3,349	-
-	119,000	1,763,000	56,460	-
-	232,000	3,874,000	45,166	-
-	332,000	5,355,776	56,877	-
<u>-</u>	<u>768,000</u>	<u>10,992,776</u>	<u>161,852</u>	<u>-</u>
\$ <u>1,800,000</u>	\$ <u>2,078,000</u>	\$ <u>26,437,776</u>	\$ <u>455,098</u>	\$ <u>-</u>

CITY OF KEOKUK, IOWA
BOND AND NOTE MATURITIES
YEAR ENDED JUNE 30, 2019

General Obligation Bonds/Notes

Year Ending June 30,	<u>Capital Loan Notes</u>				<u>Refunding Capital Loan Notes</u>					
	<u>Issued November 19, 2012</u>		<u>Issued June 6, 2019</u>		<u>Issued May 1, 2013</u>		<u>Issued June 8, 2016</u>		<u>Issued June 8, 2016</u>	
	<u>Interest Rate</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amount</u>
2020	1.10%	75,000	3.69%	-	1.10%	250,000	2.00%	235,000	2.00%	335,000
2021	1.35%	75,000	3.69%	-	1.30%	265,000	2.00%	235,000	2.00%	330,000
2022	1.35%	80,000	3.69%	-	1.50%	250,000	2.00%	235,000	2.00%	340,000
2023	1.70%	80,000	3.69%	-	1.70%	275,000	2.00%	230,000	2.00%	350,000
2024	1.70%	80,000	3.69%	-	1.85%	250,000	2.00%	225,000	2.00%	365,000
2025	1.20%	85,000	3.69%	-	2.00%	250,000	2.00%	220,000	2.00%	365,000
2026	1.20%	85,000	3.69%	-	2.00%	250,000	2.25%	215,000	2.25%	370,000
2027	2.10%	90,000	3.69%	10,000	-	-	2.00%	210,000	2.00%	380,000
2028	2.10%	90,000	3.69%	15,000	-	-	2.10%	210,000	2.10%	390,000
2029	2.30%	95,000	3.69%	20,000	-	-	2.50%	205,000	2.50%	405,000
2030	2.35%	100,000	3.69%	30,000	-	-	2.50%	210,000	-	-
2031	2.45%	105,000	3.69%	35,000	-	-	-	-	-	-
2032	2.50%	105,000	3.69%	40,000	-	-	-	-	-	-
2033	-	-	3.69%	50,000	-	-	-	-	-	-
2034	-	-	3.74%	300,000	-	-	-	-	-	-
2035	-	-	3.85%	310,000	-	-	-	-	-	-
2036	-	-	3.90%	320,000	-	-	-	-	-	-
2037	-	-	3.94%	330,000	-	-	-	-	-	-
2038	-	-	4.00%	340,000	-	-	-	-	-	-
Total		\$ 1,145,000		\$ 1,800,000		\$ 1,790,000		\$ 2,430,000		\$ 3,630,000

Urban Renewal Bonds				
Issued May 1, 2013		Issued May 1, 2013		
Interest Rate	Amount	Interest Rate	Amount	Total
1.10%	250,000	1.50%	200,000	1,345,000
1.30%	250,000	1.50%	200,000	1,355,000
1.50%	275,000	2.00%	200,000	1,380,000
1.70%	225,000	2.00%	200,000	1,360,000
1.85%	300,000	2.00%	200,000	1,420,000
2.00%	275,000	2.00%	200,000	1,395,000
2.00%	275,000	2.20%	200,000	1,395,000
-	-	2.35%	200,000	890,000
-	-	2.45%	200,000	905,000
-	-	2.55%	200,000	925,000
-	-	2.70%	200,000	540,000
-	-	2.80%	200,000	340,000
-	-	3.00%	200,000	345,000
-	-	3.00%	200,000	250,000
-	-	-	-	300,000
-	-	-	-	310,000
-	-	-	-	320,000
-	-	-	-	330,000
-	-	-	-	340,000
	<u>\$ 1,850,000</u>		<u>\$ 2,800,000</u>	<u>\$ 15,445,000</u>

CITY OF KEOKUK, IOWA

BOND AND NOTE MATURITIES
YEAR ENDED JUNE 30, 2019

Sewer Revenue Capital Loan Notes							
Year Ending June 30,	Issued January 20, 2010		Issued December 20, 2013		Issued June 5, 2015		Total
	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount	
2020	3.00%	123,000	1.75%	235,000	1.75%	335,000	693,000
2021	3.00%	126,000	1.75%	238,000	1.75%	339,000	703,000
2022	3.00%	131,000	1.75%	241,000	1.75%	342,000	714,000
2023	3.00%	135,000	1.75%	244,000	1.75%	345,000	724,000
2024	3.00%	139,000	1.75%	248,000	1.75%	349,000	736,000
2025	3.00%	144,000	1.75%	252,000	1.75%	352,000	748,000
2026	3.00%	148,000	1.75%	254,000	1.75%	356,000	758,000
2027	3.00%	153,000	1.75%	258,000	1.75%	359,000	770,000
2028	3.00%	158,000	1.75%	261,000	1.75%	363,000	782,000
2029	3.00%	163,000	1.75%	265,000	1.75%	367,000	795,000
2030	3.00%	169,000	1.75%	268,000	1.75%	370,000	807,000
2031	3.00%	174,000	1.75%	272,000	1.75%	374,000	820,000
2032		-	1.75%	276,000	1.75%	377,000	653,000
2033		-	1.75%	279,000	1.75%	365,000	644,000
2034		-	1.75%	283,000	1.75%	362,776	645,776
Total		\$ 1,763,000		\$ 3,874,000		\$ 5,355,776	\$ 10,992,776

CITY OF KEOKUK, IOWA

SCHEDULE OF RECEIPTS BY SOURCE AND DISBURSEMENTS BY FUNCTION -
ALL GOVERNMENTAL FUNDS

FOR THE LAST TEN YEARS

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>
<u>RECEIPTS:</u>							
Property tax	\$ 4,769,360	\$	4,584,033	\$	4,342,566	\$	4,285,973
Tax increment financing	1,277,043		1,276,160		1,080,317		831,826
Other city tax	2,746,949		3,082,193		3,201,258		3,085,227
Use of money and property	135,234		142,359		154,831		238,483
Licenses and permits	78,936		103,500		89,220		171,002
Intergovernmental	2,173,070		2,512,746		2,263,827		2,143,687
Charges for service	109,967		125,700		136,685		111,812
Miscellaneous	<u>1,460,922</u>		<u>1,060,678</u>		<u>1,142,047</u>		<u>1,003,132</u>
Total	\$ <u>12,751,481</u>	\$	<u>12,887,369</u>	\$	<u>12,410,751</u>	\$	<u>11,871,142</u>
<u>DISBURSEMENTS:</u>							
Public safety	\$ 5,125,895	\$	5,621,547	\$	5,106,066	\$	4,540,975
Public works	1,664,847		1,747,734		1,747,234		1,640,975
Culture and recreation	1,517,644		1,955,421		1,604,799		1,316,719
Community and economic development	754,655		865,396		666,048		242,748
General government	1,088,622		1,468,963		1,401,869		1,245,057
Debt service	1,617,005		1,628,070		1,672,955		4,762,076
Capital projects	<u>368,011</u>		<u>982,227</u>		<u>453,353</u>		<u>143,317</u>
Total	\$ <u>12,136,679</u>	\$	<u>14,269,358</u>	\$	<u>12,652,324</u>	\$	<u>13,891,867</u>

SCHEDULE 4

	<u>2015</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>
\$	4,563,921	\$	4,192,222	\$	4,049,068	\$	3,832,718	\$	3,768,516	\$	3,533,012
	1,444,299		1,475,276		1,524,770		1,573,868		1,466,359		1,384,357
	2,949,695		2,501,875		2,505,805		2,703,582		2,504,157		2,502,081
	123,663		91,338		137,508		117,145		141,003		154,553
	130,274		133,055		148,821		138,043		193,719		139,211
	3,664,508		1,812,070		5,484,072		2,084,405		2,584,132		2,400,299
	209,129		251,948		230,424		320,194		220,583		210,197
	173,863		1,136,841		342,430		127,099		122,979		186,685
\$	<u>13,259,352</u>	\$	<u>11,594,625</u>	\$	<u>14,422,898</u>	\$	<u>10,897,054</u>	\$	<u>11,001,448</u>	\$	<u>10,510,395</u>
\$	4,554,654	\$	4,449,148	\$	4,316,334	\$	4,413,059	\$	4,565,371	\$	4,611,053
	1,747,198		2,145,775		1,716,978		1,500,390		1,720,183		1,858,150
	1,356,187		1,389,520		1,313,819		1,265,330		1,315,959		1,382,831
	700,083		384,175		352,134		153,374		473,589		445,286
	585,476		597,592		576,226		594,634		539,907		560,719
	2,005,454		1,955,098		3,937,346		1,757,380		7,418,290		2,148,587
	2,998,715		3,450,778		6,777,796		716,900		2,174,428		3,189,899
\$	<u>13,947,767</u>	\$	<u>14,372,086</u>	\$	<u>18,990,633</u>	\$	<u>10,401,067</u>	\$	<u>18,207,727</u>	\$	<u>14,196,525</u>



ANDERSON, LARKIN & CO. P.C.
Certified Public Accountants
"Your Success Is Our Business."

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of the City Council of the City of Keokuk, Iowa:

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Keokuk, Iowa, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Keokuk, Iowa's basic financial statements and have issued our report thereon dated December 26, 2019. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles. We expressed adverse opinions on the aggregate discretely presented component units.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Keokuk, Iowa's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Keokuk, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Keokuk, Iowa's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings as item II-A-19 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Keokuk, Iowa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part III of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2019 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The City of Keokuk, Iowa's Response to Findings

The City of Keokuk, Iowa's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City of Keokuk, Iowa's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Keokuk, Iowa during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

ANDERSON, LARKIN & CO., P.C.

Anderson, Larkin & Co., P.C.

Ottumwa, Iowa
December 26, 2019

CITY OF KEOKUK, IOWA

SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2019

Part I: Summary of the Independent Auditor's Results

- a) An unmodified opinion was issued on the primary government financial statements, except for the aggregate discretely presented component units which were issued adverse opinions, which were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles.
- b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- c) The audit did not disclose any non-compliance which is material to the financial statements.

Part II: Findings Related to the Financial Statements

Internal Control Deficiencies:

II-A-19 Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the City's financial statements.

Condition – Management has not separated incompatible activities of personnel, thereby creating risks related to the safeguarding of cash and the accuracy of the financial statements.

Cause – The City has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the City's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – The City should review its control activities to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

Response – The City will continue to review operating procedures and segregate employee duties to the extent financially feasible to maximize internal control.

Conclusion – Response accepted.

Part III: Other Findings Related to Required Statutory Reporting

III-A-19 Certified Budget – Disbursements during the year ended June 30, 2019 exceeded the amounts budgeted in the community and economic development, general government and debt service functions. Chapter 384.20 of the Code of Iowa states in part that monies may not be expended or encumbered except under an annual or continuing appropriation. In addition, it was noted that the budget was amended on June 6, 2019.

Recommendation – The budget should have been amended on or before May 31 of the applicable fiscal year in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – The budget will be amended in the future, if applicable, on or before May 31.

Conclusion – Response accepted.

CITY OF KEOKUK, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2019

Part III: Other Findings Related to Required Statutory Reporting (Continued)

III-B-19 Questionable Disbursements – No disbursements were noted that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

III-C-19 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

III-D-19 Business Transactions – No business transactions between the City and City officials or employees were noted.

III-E-19 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

III-F-19 City Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

III-G-19 Deposits and Investments – We noted no instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy.

III-H-19 Revenue Bonds and Notes – As of June 30, 2019, the City was not in compliance with the funding and payment provisions of the solid waste and sewer revenue note resolutions. The City did not meet the covenant of maintaining solid waste net revenues at a level not less than 130% of the principal and interest requirements of the fiscal year. The City's fiscal year 2019 net solid waste operating solid waste receipts of \$278 were less than 130% of the \$88,349 of solid waste revenue notes principal and interest due during fiscal year 2019. In addition, the City did not meet the covenant of maintaining sewer net revenues at a level not less than 110% of the principal and interest requirements of the fiscal year. The City's fiscal year 2019 sewer net operating receipts of \$(460,691) were less than 110% of the \$841,503 of sewer revenue notes principal and interest due during fiscal year 2019.

Recommendation – The City should establish rates at a level sufficient to produce net receipts to comply with the note provisions.

Response –The City will continue to analyze and adjust rates as necessary.

Conclusion – Response accepted.

III-I-19 Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

III-J-19 Financial Condition – The Special Revenue, Economic Development Fund had a deficit balance of \$94,354 at June 30, 2019.

Recommendation – The City should investigate alternatives to eliminate this deficit in order to return this fund to a sound financial position.

Response –The deficit was due to disbursements incurred prior to receipt of funding. The deficit will be eliminated in subsequent fiscal years.

Conclusion – Response accepted.

III-K-19 Tax Increment Financing (TIF) – Chapter 403.19 of the Code of Iowa provides a municipality may certify loans, advances, indebtedness and bonds (indebtedness) to the County Auditor which qualify for reimbursement from incremental property tax. The County Auditor provides for the division of property tax to repay the certified indebtedness and provides available incremental property tax in subsequent fiscal years without further certification by the City until the amount of certified indebtedness is paid. No instances of noncompliance were noted.



COUNCIL ACTION FORM

Date: February 6, 2020

Presented By: O'Donnell

Subject: Joyce Park 28E Agenda Item: _____

Description:

Keokuk Community School District has had a 28E agreement with the city relating to the exclusive use of the baseball diamond, softball diamond, practice facility and concession stand at Joyce Park. The modified agreement updates several items. First, KCSD assumes care and responsibility for the irrigation systems for the ball fields. In exchange, KCSD will no longer be charged \$1,000/year for exclusive use and will no longer be required to contribute a portion of the concession revenue. The City will remain responsible for care of the parking lot, Rotary Drive, and certain grass areas outside of the ball fields.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES NO CIP Project Number: _____

RESOLUTION NO. _____

A RESOLUTION APPROVING AGREEMENT WITH KEOKUK COMMUNITY SCHOOL DISTRICT UNDER CHAPTER 28E OF THE CODE OF IOWA

WHEREAS, the Keokuk Community School District is a school corporation organized and existing under the laws of the State of Iowa, and is a Public Agency as defined in Iowa Code Chapter 28E; and

WHEREAS, the City of Keokuk, Iowa is a municipal corporation recognized and existing under the laws of the State of Iowa, and is a Public Agency as defined in Iowa Code Chapter 28E; and

WHEREAS, the City of Keokuk, Iowa owns real property locally known as Joyce Park, on which rests a Baseball Complex with adjoining concession bathrooms, maintenance building, and practice facility, in addition to roads and parking facilities; and

WHEREAS, these facilities and their maintenance have long been the subject of a previous Agreement between the City of Keokuk, Iowa and the Keokuk Community School District, under Chapter 28E, and that agreement no longer reflects the current needs of the parties; and

WHEREAS, the Keokuk Community School District desires to utilize the abovementioned Complex and adjoining facilities and both parties desire to coordinate upkeep and maintenance of these facilities; and

WHEREAS, public agencies may enter into an agreement for joint or cooperative action pursuant to Iowa Code Chapter 28E; and

WHEREAS, the Keokuk Community School District and the City of Keokuk, Iowa find that such joint or cooperative action with respect to the use of Joyce Park and its facilities will be to their mutual advantage and further believe that an agreement pursuant to Iowa Code Chapter 28E should be entered into for this purpose and is otherwise correct and proper.

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA, that it approves the agreement with the Keokuk Community School District under Chapter 28E of the Code of Iowa.

PASSED, APPROVED, AND ADOPTED this 6th day of February, 2020.

Mayor – Thomas L. Richardson

ATTEST: _____
Jean Ludwig, City Clerk

**JOYCE PARK 28E AGREEMENT
BETWEEN THE CITY OF KEOKUK, IOWA AND THE KEOKUK PUBLIC SCHOOL DISTRICT
FOR USE AND UPKEEP OF JOYCE PARK FACILITIES**

THIS AGREEMENT is made and entered into this ___ day of _____, 2020, by and between the CITY OF KEOKUK, IOWA (hereinafter the "City") and the KEOKUK PUBLIC SCHOOL DISTRICT (hereinafter the "District").

WHEREAS, the District is a school corporation organized and existing under the laws of the State of Iowa, and is a Public Agency as defined in Iowa Code Chapter 28E; and

WHEREAS, the City is a municipal corporation recognized and existing under the laws of the State of Iowa, and is a Public Agency as defined in Iowa Code Chapter 28E; and

WHEREAS, the City owns real property locally known as Joyce Park, on which rests a Baseball Complex with adjoining concession bathrooms, maintenance building, and practice facility, in addition to roads and parking facilities; and

WHEREAS, these facilities and their maintenance have long been the subject of a previous Agreement between the City and the District, under Chapter 28E, and that agreement no longer reflects the current needs of the parties; and

WHEREAS, the District desires to utilize the abovementioned Complex and adjoining facilities and both parties desire to coordinate upkeep and maintenance of these facilities; and

WHEREAS, public agencies may enter into an agreement for joint or cooperative action pursuant to Iowa Code Chapter 28E; and

WHEREAS, the District and the City find that such joint or cooperative action with respect to the use of Joyce Park and its facilities will be to their mutual advantage and further believe that an agreement pursuant to Iowa Code Chapter 28E should be entered into for this purpose and is otherwise correct and proper.

NOW, THEREFORE, in recognition of the above, and in consideration of the mutual promises set forth below, and pursuant to Iowa Code Chapter 28E, the parties do hereby agree as follows:

Section 1. Description of the Premises. The real property owned by the City, which contains that property commonly known as Joyce Park, and the Baseball Complex and adjoining facilities, public streets, and parking located at **3574 Highway 218**, in the City of Keokuk, Lee County, Iowa, and generally depicted on Exhibit A (see attached). Hereafter, the real property described in this section shall be referred to as the "Premises."

Section 2. Duties of the Parties.

- a. Building repair of concession/bathroom and maintenance building will be responsibility of the City of Keokuk.
- b. Ground repair, as it pertains to any land outside of existing concrete sidewalks bordering said baseball field, (marked in red on Exhibit A), will be the responsibility of the City.
- c. Repairs to the road and parking lot will be the sole responsibility of the City.
- d. Concession equipment, and the Practice Facility equipment will be the responsibility of the District including maintenance, costs repair, and replacement.
- e. Turf management costs will be the responsibility and sole financial obligation of the District.
- f. The District will be responsible for the fuel and equipment needed for maintenance of said field.
- g. The sprinkler system, and costs related to upkeep, maintenance, and usage of such is the responsibility of the District.
- h. The District is responsible for refuse, refuse collection, and associated costs.
- i. The District is responsible for electrical costs associated with the lighting of said baseball field, scoreboard, concession/maintenance/bathroom building, and Practice Facility.
- j. The City is responsible for electricity needed for the lighting utilized on Rotary Road, as well as the parking lot area.
- k. Keokuk School District is responsible for pest and rodent preventive treatments.
- l. Bathroom maintenance, and janitorial concerns, including those located within the Practice Facility, will be the responsibility of the District.
- m. The District shall be solely responsible for the maintenance and upkeep of the Announcers Booth and the District is responsible, if deemed necessary, of all sound equipment and scoreboard equipment.

Section 6. Governance. No separate legal or administrative entity or joint board shall be created by this Agreement. The District Superintendent or designee shall be designated as the administrator of the Agreement for purposes of Iowa Code Chapter 28E.

Section 7. Property. It is not contemplated that any real or personal property will be acquired for the purpose of carrying out the terms of this Agreement.

Section 8. Liability Insurance. Throughout the duration of this Agreement, the City and the District shall each carry, at their own expense, liability insurance for protection from any liability arising out of any accident or other occurrence causing any injury and/or damage to any person or property upon the Premises due directly or indirectly to the use or occupancy thereof by the insured. Each party shall be furnished with a certificate of insurance evidencing the required insurance upon request.

Section 9. Indemnification. To the extent permitted by law, the City and the District each agree to defend, indemnify, and hold harmless the other party, and the other party's directors, officers, employees, and agents, from and against any and all claims, liabilities, damages, losses, costs, and expenses, including reasonable attorney fees, to the extent arising from the acts or omissions of the indemnifying party under this Agreement.

Section 10. Parties' Relationship. The relationship between the parties is that of independent contract. Neither of the parties, nor their employees or agents, have the authority to act for or on behalf of the other party unless specifically agreed to in writing.

Section 11. Compliance with Laws. Each party agrees to comply with all applicable federal, state, and local laws and regulations in connection with the performance of its obligations under this Agreement.

Section 12. Entire Agreement. This Agreement supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between the parties relating to the subject matter addressed herein.

Section 13. Amendments.

This Agreement may be amended by the parties at any time by the adoption of a written amendment by the Board of Directors of the District, and the City Council.

Section 14. Headings.

The headings or captions in this Agreement are for convenience of reference only and shall not be used to interpret or construe its provisions.

Section 15. Non-Waiver.

No delay or failure by either party to exercise any right or remedy under this Agreement shall constitute a waiver of that or any other right or remedy, unless otherwise expressly agreed to in writing.

Section 16. Governing Law and Forum.

This Agreement shall be construed in accordance with and be governed by the laws of the State of Iowa, and the proper forum for any disputes shall be at the Lee County District Court at Keokuk.

Section 17. Severability.

If any provision of this Agreement shall be declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect.

Section 18. Adoption.

Each party represents and warrants that it has duly authorized the adoption of this Agreement in accordance with applicable law.

Section 19. Assignment.

Neither party may assign this Agreement or subcontract any of the duties in whole or in part, without the written agreement of the other party.

Section 20. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 21. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same instrument.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their respective officers pursuant to full authority granted as of the date first above written.

FOR THE CITY OF KEOKUK

FOR THE KEOKUK PUBLIC SCHOOL
DISTRICT

Dated this _____ Day of 20____.

Dated this _____ Day of 20____.

By: _____
Thomas L. Richardson, Mayor

By: _____
[Name]
School Board President



COUNCIL ACTION FORM

Date: February 6, 2020

Presented By: O'Donnell

Subject: 3rd Party Review Agreement Agenda Item: _____

Description:

The BNSF Railroad has determined that the review of the railroad crossing portion of the Storm Water Diversion Tunnel will require third party review. In order for the Railroad to engage a third party to perform the review, they first need the City to sign an agreement indicating the City will compensate the Railroad for the third party review expenses. They have established a \$30,000 deposit requirement for this project with any extra cost to be compensated later. If they do not incur cost up to \$30,000, they will refund the difference.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: 614-8019-6407 Title: Engineering

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Sewer Reserves (SRF Loan) _____

Departments:

Sewer _____

Is this item in the CIP? YES NO CIP Project Number: _____

RESOLUTION NO. _____

**A RESOLUTION APPROVING AGREEMENT WITH BNSF RAILROAD
FOR PRELIMINARY ENGINEERING SERVICES**

WHEREAS, BNSF owns and operates a line of railroad in and through the City of Keokuk, Iowa; and

WHEREAS, the City of Keokuk, Iowa has stated its intention to proceed initially with a project to construct an outfall structure within BNSF right-of-way; and

WHEREAS, the City of Keokuk, Iowa has requested that BNSF perform certain engineering services with respect to its railroad facilities located at or near the Project site to facilitate the City of Keokuk, Iowa evaluation of the feasibility of proceeding with the Project; and

WHEREAS, BNSF is agreeable to performing the Work, subject to the terms and conditions of attached agreement.

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA, that it approves the agreement with the BNSF railroad for preliminary engineering services.

PASSED, APPROVED, AND ADOPTED this 6th day of February, 2020.

Mayor –Thomas L. Richardson

ATTEST: _____
Jean Ludwig, City Clerk

PRELIMINARY ENGINEERING SERVICES AGREEMENT

**BNSF File No.: BF10016261
Mile Post 178.5
Line Segment 14
Hannibal Subdivision**

This Agreement ("**Agreement**"), is executed to be effective as of _____ ("**Effective Date**"), by and between BNSF RAILWAY COMPANY, a Delaware corporation ("**BNSF**") and the CITY OF KEOKUK, a political subdivision of the State of Iowa ("**Agency**").

RECITALS

WHEREAS, BNSF owns and operates a line of railroad in and through the City of Keokuk;

WHEREAS, Agency has stated its intention to proceed initially with a project to construct an outfall structure within BNSF right-of-way (**the "Project"**);

WHEREAS, Agency has requested that BNSF perform certain engineering services with respect to its railroad facilities located at or near the Project site to facilitate Agency's evaluation of the feasibility of proceeding with the Project (**the "Work"**);

WHEREAS, BNSF is agreeable to performing the Work, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Scope of Work.

As used herein, the term "**Work**" includes all work performed by BNSF pursuant to this Agreement, whether performed by BNSF employees or by BNSF's sub-contractors, including, but not necessarily limited to, on-site visits, preliminary engineering services, developing cost estimates for construction of the Project, and reviewing and/or providing comments preliminary layouts or other designs, plans, and/or documents in connection with the Project.

2. Payment and Deposit for Work.

Agency authorizes BNSF to proceed with the Work relating to the Project. Agency shall pay and reimburse BNSF for all actual costs and expenses that BNSF incurs in performing the Work (including any applicable taxes, such as applicable sales and use taxes, business and occupation taxes, and similar taxes). BNSF estimated Cost for Work on this Project will not exceed thirty thousand dollars and NO/100 (\$30,000) (**“Estimated Cost”**). On the Effective Date of this Agreement, Agency will tender to BNSF a deposit in the amount of the Estimated Cost (**the “Deposit”**). BNSF will apply the Deposit to its actual costs and expenses of labor, supplies, and material incurred for or in connection with BNSF’s performance of the Work, including without limitation, direct and indirect labor additives, delivery charges, and BNSF’s additives and overhead, as such are in effect on the date BNSF prepares its estimates or final billing (**“Actual Costs”**). If the Deposit is insufficient to pay for BNSF’s Actual Costs, BNSF will notify Agency of the estimated or actual shortfall and Agency within (30) thirty days of such notice shall pay that additional amount to BNSF. BNSF is not required to proceed with the Work until the additional payment for the Work is received. If the Deposit and any additional payment for the Work exceeds BNSF’s Actual Costs, BNSF will refund the overage after the Work is performed, at the Agency’s election.

3. Scope of Agreement

The Parties acknowledge that by entering into this Agreement, neither BNSF nor Agency agree to participate in the construction of the Project. If Agency elects to proceed with the Project after the Work is performed, BNSF and Agency agree to enter into negotiations for construction of the Project and other activities.

Notwithstanding anything to the contrary in this Agreement, BNSF’s review, approval, and/or other participation in the Project or any element thereof, including the Work performed by BNSF or its contractors hereunder, is expressly limited, and intended and understood by the parties to be in furtherance of BNSF’s railroad purposes, and not in furtherance of Agency’s purposes in undertaking the Project. All of the Work performed hereunder is intended for use in the evaluation of the impact of the Project on BNSF’s railroad and the costs to Agency associated therewith. The Work is provided in consideration of the subjective standards of BNSF for its railroad purposes only, and shall in no way be construed or deemed to be a condition or direction to Agency, or an opinion or approval that the plans and specifications or any work intended or completed on the Project is appropriate for any other purpose including highway purposes, is structurally sound, or that such plans, specifications, or intended or completed work meet applicable standards, regulations, laws, statutes, local ordinances, and/or building codes. No benefits to Agency or any third party are provided, intended or implied herein. Agency shall at all times be solely responsible for the adequacy and compliance of all design elements of the Project for highway and other public purposes, and shall waive and release BNSF for any and all claims which may or could result from the Work performed hereunder, and if applicable to the fullest extent permitted by law, indemnity and hold BNSF harmless for the same.

4. Disclaimer

BNSF GIVES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, QUALITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR ANY OTHER MATTER, OF THE WORK PERFORMED PURSUANT TO THIS AGREEMENT OR ANY REPORT OR OTHER DELIVERABLE WHICH BNSF MAY FURNISH TO AGENCY PURSUANT TO THIS AGREEMENT. BNSF SHALL BE IN NO WAY RESPONSIBLE FOR THE PROPER RELIANCE UPON, INTERPRETATION OF, OR OTHER USE OF THE WORK BY AGENCY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

BNSF Railway Company

By: _____

Name: _____

Manager Public Projects

CITY OF KEOKUK, IOWA

By: _____

Name: _____

Title: _____



COUNCIL ACTION FORM

Date: O'Donnell

Presented By: O'Donnell

Subject: Drying Bed Project Bid Agenda Item: _____

Description:

The Sewer Department is in need of a new drying bed for material removed through the vac truck. Staff solicited bids for the project and one bid was received from Keokuk Contractors in the amount of \$38,500. Budget for the project is \$100,000.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: 614-8015-6790 Title: Capital Improvement Sewer

Amount Budgeted: \$100,000

Actual Cost: \$38,500

Under/Over: \$61,500 UNDER

Funding Sources:

Sewer Charges

Departments:

Sewer

Is this item in the CIP? YES NO CIP Project Number: _____

RESOLUTION NO. _____

**A RESOLUTION AWARDED CONTRACT FOR CONSTRUCTION OF
SEWER DRYING BED**

WHEREAS, the City of Keokuk, Iowa desires to construct a sewer material drying bed; and

WHEREAS, the City of Keokuk, Iowa advertised for bids for said drying bed; and

WHEREAS, ONE BID WAS RECEIVED FROM Keokuk Contractors of Keokuk, Iowa in the amount of \$38,500.

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA, that it awards the contract for construction of a sewer drying bed to Keokuk Contractors, of Keokuk, Iowa in the amount of \$38,500.

PASSED, APPROVED, AND ADOPTED this 6th day of February, 2020.

Mayor –Thomas L. Richardson

ATTEST: _____
Jean Ludwig, City Clerk

Keokuk Contractors, Inc.
 853 Johnson Street Road
 Keokuk, IA 52632
 319-524-7343
 Waste Drying Bed

Line Items	Bid Items	Unit	Bid Quantity	Actual Quantity	Unit Cost	Total Cost
1	Class 10 Excavation	Ton	60	x	\$31.00	\$1,860.00
2	PCC Pad w / Retaining Wall	CY	48	x	\$462.00	\$22,176.00
3	PCC Apron	SY	50	x	\$125.00	\$6,250.00
4	Modified Sub-Base	Ton	71	x	\$22.00	\$1,562.00
5	SW - 406 Storm Sewer Manhole (see Bid Letter)	EA	1	x	\$5,000.00	\$5,000.00
6	8" SDR 35 Pipe	LF	10	x	\$38.00	\$380.00
7	6" Pipe Bolland (3', 4' below 4' above grade)	EA	2	x	\$636.00	\$1,272.00
Bid Total						\$38,500.00


 Officer _____
 Date 1/24/2020



COUNCIL ACTION FORM

Date: February 6, 2020

Presented By: O'Donnell

Subject: Bridge Department Bucket Truck Agenda Item: _____

Description:

The Bridge Department's bucket truck has failed inspection and the cost to bring the truck up to operational status exceeds the value of the truck. A replacement truck requires rail gear to allow inspections of the rail bridge. A 2013 F550 with 45,975 miles has been found and is being transported to Kansas City. The agreement allows us to inspect the truck before purchase with no cost. Purchase price, with transport, is \$66,500. The truck is certified until November 2020. As this truck is similar to the Public Works bucket truck, we will be advertising the Public Works truck for sale and using the Bridge Department truck and Street Department forestry truck across all departments as needed. We expect the sale price of Public Works truck to be \$45,000.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: 690-8050-6710 Title: Bridge Capital Equipment

Amount Budgeted: \$75,000

Actual Cost: \$66,500

Under/Over: \$8,500 Under

Funding Sources:

Bridge Department Reserves _____

Departments:

Bridge Department _____

Is this item in the CIP? YES NO CIP Project Number: _____

Midway Freightliner, Inc.

801 Marion City Road -- Palmyra, Missouri 63461

573.769.3100 -- Fax: 573.769.0295

(Midway Salesperson: Gary Keller)

Midway BO# 20157806

Date Printed: 01/27/2020

Purchaser	Title To	Lien To
City of Keokuk Robert Weis 601 Main Street Keokuk, IA 52632 319.795.7249 (Mobile) rweis@cityofkeokuk.org	City of Keokuk 601 Main Street Keokuk, IA 52632	

Purchases							
Qty	Year	Make	Model	Color	Type	N/U	Unit Price
1	2013	Ford	F 550	White	Aerial	Used	66,500.00
VIN: 1FDUF5GT1DEB06989				Stock#:	Mileage: 45975		

Additional Equipment
RENTAL FLEET UNIT WITH RAILGEAR UNDER CHASSIS

Options	Deal Summary				
UNIT SOLD AS IS CONDITION WITHOUT WARRANTY. UNIT WILL HAVE CURRENT BUCKET LIFT INSPECTION AND RAIL GEAR INSPECTION COMPLETED	<table> <tr> <td>Total Purchase Price</td> <td>66,500.00</td> </tr> <tr> <td>Balance Due</td> <td>66,500.00</td> </tr> </table> <p>Terms: UNIT TO BE INSPECTED BEFORE PURCHASE BY CITY OF KEOKUK PERSONEL BEFORE PURCHASE</p>	Total Purchase Price	66,500.00	Balance Due	66,500.00
Total Purchase Price	66,500.00				
Balance Due	66,500.00				

DISCLAIMER OF WARRANTIES

ALL WARRANTIES, IF ANY, BY A MANUFACTURER OR A SUPPLIER ARE THEIRS, NOT DEALER'S, AND THE MANUFACTURER OR SUPPLIER SHALL BE SOLELY LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES. EXCEPT TO THE EXTENT PROHIBITED BY APPLICABLE LAW AND SUBJECT TO SUCH LAW, AND EXCEPT TO THE EXTENT OF ANY MANUFACTURER'S OR SUPPLIER'S WARRANTIES, THE VEHICLE DESCRIBED ON THIS ORDER IS BEING SOLD BY DEALER AS IS, WHERE IS, AND WITH ALL FAULTS. EXCEPT TO THE EXTENT PROHIBITED BY APPLICABLE LAW AND SUBJECT TO SUCH LAW, DEALER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EITHER EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OBLIGATION WITH RESPECT TO THE VEHICLE AFTER ITS DELIVERY TO PURCHASER, WHETHER BASED ON CONTRACT, NEGLIGENCE, STRICT TORT OR OTHERWISE. WITHOUT LIMITING THE FOREGOING, IN THE CASE OF A USED VEHICLE, DEALER MAKES NO WARRANTY OR REPRESENTATION AS TO THE ACCURACY OF THE ODOMETER READING, EITHER EXPRESS OR IMPLIED, EXCEPT THAT SAID ODOMETER READING HAS NOT BEEN ALTERED BY DEALER, AND DEALER HAS NO KNOWLEDGE THAT IT WAS ALTERED OR DISCONNECTED PRIOR TO THE TIME THE VEHICLE CAME INTO DEALER'S POSSESSION. PURCHASER UNDERSTANDS THAT DEALER HAS NO CONTROL OVER WHAT MAY HAVE BEEN DONE TO THE ODOMETER BY PREVIOUS OWNERS AND THAT DEALER HAS NO WAY TO ASCERTAIN THE CORRECTNESS OF THE ODOMETER READING. DEALER SHALL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR SPECIAL OR CONSEQUENTIAL DAMAGES SUCH AS, BUT NOT LIMITED TO, DAMAGES FOR PERSONAL INJURY, LOSS OF USE OF THE VEHICLE, DAMAGE OR LOSS OF OTHER PROPERTY, LOSS OF PROFITS OR REVENUE, LOSS OF TIME OR INCONVENIENCE AND ANY COMMERCIAL LOSS. DEALER'S EMPLOYEES' ORAL STATEMENTS DO NOT CONSTITUTE WARRANTIES, SHALL NOT BE RELIED UPON BY THE PURCHASER AND ARE NOT PART OF THIS ORDER.

DEFINITIONS. As used herein (a) "Dealer" means Midway Freightliner, Inc., to whom this Order is addressed and who shall become a party hereto by its acceptance hereof; and (b) "Purchaser" means the party executing this Order as such.

PROVISIONS APPLICABLE ON SALES OF NEW VEHICLE

1. PRICE REVISION: In the event the price to Dealer of the series and body type ordered by Purchaser is changed by the manufacturer prior to delivery to Purchaser of the vehicle ordered by Purchaser, Dealer has the right to accordingly change the cash delivered price to Purchaser, provided that if Purchaser does not agree with such price change, Purchaser may cancel this Order, in which event if a used vehicle has been traded-in as a part of the consideration for the vehicle purchased by Purchaser such traded-in vehicle shall be returned to Purchaser upon payment of a reasonable charge for repairs (if any) or, if such traded-in vehicle has been previously sold by Dealer, the amount received therefor less a selling commission of 15% and any expenses (for insuring, reconditioning or advertising such vehicle for sale) shall be returned to Purchaser.

2. DESIGN CHANGES: The manufacturer has reserved the right to change the design of any new truck, chassis, accessories or parts thereof at any time without notice and without obligation to make the same or any similar change upon any truck, chassis, accessories or parts thereof previously purchased by or shipped to Dealer or being manufactured or sold in accordance with Dealer's orders. Correspondingly, in the event of any such change by manufacturer, Dealer shall have no obligation to Purchaser to make the same or any similar change in any truck chassis, accessories or parts thereof covered by this Order either before or subsequent to delivery thereof to Purchaser.

3. NO PRINCIPAL/AGENT RELATIONSHIP: It is understood that there is no relationship of principal and agent between Dealer and manufacturer and that Dealer is not authorized to act, or attempt to act, or represent itself, directly or by implication, as agent of the manufacturer, or in any manner assume or create, or attempt to assume or create, any obligation on behalf of or in the name of the manufacturer.

4. ADEQUATE ASSURANCE: Should Purchaser, after Dealer's request that it do so, fail to demonstrate to Dealer's satisfaction that it can obtain a loan to fund its vehicle purchase, or that it otherwise has sufficient funds available to pay for the vehicle(s) being ordered hereunder, then Dealer, by written notice to Purchaser, may terminate this contract without any liability or further obligation to Purchaser other than to return Purchaser's deposit, if any.

PROVISIONS APPLICABLE ON SALES OF ALL VEHICLES

5. NOTIFY DEALER WITHIN 20 DAYS: Purchaser shall give notice to Dealer of any breach of contract applicable to the goods within twenty (20) days of the time he discovers or should have discovered the said breach or Purchaser shall be barred from any remedy for the breach. Purchaser shall thereafter return the goods to Dealer, or anyone designated by Dealer, within twenty (20) days after the notice of breach to allow Dealer the opportunity to cure the breach or Purchaser shall be barred from any remedy for the breach.

6. REAPPRAISAL OF TRADED-IN VEHICLE: If a vehicle has been traded-in as a part of the consideration for the vehicle ordered by Purchaser hereunder and such vehicle is not delivered to Dealer until delivery to Purchaser of the vehicle purchased by Purchaser, such traded-in vehicle shall be reappraised at that time and such reappraisal value shall determine the allowance made for such vehicle. If such reappraised value is lower than the original allowance therefor shown on the face of this Order, Purchaser may, if dissatisfied therewith, cancel this Order, provided, however, that such right to cancel is exercised prior to delivery of the vehicle ordered hereunder to the Purchaser and surrender of the traded-in vehicle to Dealer. All equipment (including tires) as appraised on Purchaser's trade-in will remain, and Purchaser represents and warrants that the only existing material defects to its trade-in have been disclosed on a schedule attached hereto.

7. PURCHASER'S WARRANTY OF TITLE: Purchaser warrants that the traded in vehicle is his property free and clear of all liens and encumbrances (except as otherwise noted on this Order) and that he will deliver a certificate of title (duly assigned to Dealer) thereto promptly; and Purchaser shall be responsible for any costs, expenses, losses, or damages occasioned by any failure to do so.

8. FAILURE OR REFUSAL TO ACCEPT DELIVERY: Unless this Order shall have been canceled by Purchaser under and in accordance with the provisions of paragraphs "1" or "6" above, Dealer shall have the right, upon failure or refusal of Purchaser to accept delivery of the vehicle ordered and to comply with the terms of this Order, to retain as liquidated damages any cash deposit made by Purchaser, and, in the event a vehicle has been traded-in as a part of the consideration for the vehicle ordered by Purchaser hereunder to sell such traded-in vehicle and reimburse itself out of the proceeds of such sale for such expenses and losses as Dealer may incur or suffer as a result of such failure or refusal by Purchaser. In the event Purchaser has not placed a deposit, or if Dealer determines, in its sole and absolute discretion, that the amount of any such deposit does not reasonably approximate its actual damages, then Dealer, in addition to all rights and remedies provided for herein, may proceed with any and all additional rights and remedies afforded by law or equity for breach by Purchaser.

9. FAILURE OR DELAY OF DELIVERY: Dealer shall not be liable for failure to deliver or delay in delivery of the vehicle, accessories, or other parts thereof covered by this Order where such failure or delay is due, in whole or in part, to any cause other than the gross negligence of Dealer.

10. TAX:(a) Being a Missouri dealer, Dealer will not and is not required to collect tax on this Missouri transaction; (b) Purchaser will be responsible for and pay any applicable tax to the appropriate jurisdiction(s) on its purchase and will provide Dealer with proof of payment of tax or an appropriate exemption certificate; (c) should Dealer be questioned or audited by a taxing authority regarding tax owed due to this transaction (e.g. sales, use, excise, etc.), Purchaser will assist Dealer by providing records showing tax was paid or the transaction was exempt, and if requested execute any document or release as required by the appropriate jurisdiction(s) thus allowing Dealer obtain transaction information from the appropriate jurisdiction(s), and (d) Purchaser will indemnify and hold Dealer harmless from and against any such tax liability (e.g. sales, use, excise, etc.), including penalties and interest, which is owed by the purchaser.

11. SIX MONTHS RULE/FEDERAL EXCISE TAXES: If an owner of a taxable truck or tractor installs or has installed any part or accessory on the vehicle, and such installation occurs within six months after the date the vehicle is first placed in service, 12% Federal excise tax will be imposed on the price of the parts and accessories, including labor, so installed. Federal Excise Tax does not apply if the part is a replacement, repair part, or if the aggregate price of all parts and accessories including installation does not exceed \$1,000.00.

12. NO RELIANCE ON ODOMETER READING: Before purchasing this vehicle, Purchaser had the option of a physical inspection. Purchaser did not rely in any way on the odometer reading of the vehicle as a condition of, or subject of, this purchase and Purchaser agrees that no representations have been made by Dealer concerning mileage.

13. OVERRIDING PROVISIONS FOR CERTAIN USED VEHICLES: Only with respect to used vehicles with a gross vehicle weight of less than 8,500 pounds, a curb weight of less than 6,000 pounds, and a frontal area of less than 46 square feet, the information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in this contract of sale.

14. GOVERNING LAW; EXCLUSIVE JURISDICTION IN MISSOURI; FACSIMILE SIGNATURES: This contract is executed and entered into in the State of Missouri and shall be governed in all respects by the laws of the State of Missouri (without regard to any so-called "borrowing provisions"). The parties agree that any action relating to this contract, or arising out of the transaction(s) contemplated hereby shall be brought solely in the federal or state courts within the State of Missouri and not in the courts of any other state or jurisdiction. Each party hereby waives the right to a jury trial and waives the right to request a change of venue. Facsimile signatures on this document shall be deemed to be original signatures for the purpose of creating a binding contract.

15. REFERRAL FEES/REBATES: Dealer may pay referral fees in connection with the sale. The stated price of the vehicle may include a rebate from the Manufacturer to Dealer and/or tax may be applicable.

16. ENTIRE AGREEMENT: This Order supersedes all prior negotiations among Dealer and Purchaser and contains the entire understanding among them with respect to the vehicle described herein..

I hereby agree to purchase the above described vehicle under the terms and conditions hereof, that this Order cancels and supersedes any prior agreement and, as of the above date, comprises the entire agreement relating to this sale, and that this Order shall not become binding until accepted by a manager of Dealer. I understand that there are no warranties, expressed or implied, on this sale except as may be specifically provided for in writing or except as may be specifically required by applicable law. Furthermore, I agree that I am not relying on Dealer's skill or judgement to select or furnish a vehicle suitable for any particular purpose and understand that there are no implied warranties including warranties of merchantability and fitness for a particular use, except as may be specifically required by applicable law.

				City Administrator	01/27/2020
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SM Init	Midway Manager's Signature	Date	Purchaser's Signature	Purchaser's Title	Date
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THIS ORDER IS NOT VALID UNLESS SIGNED AND ACCEPTED BY DEALER (BO# 20157806 Page 2 of 2)

Make It Yours
KEOKUK
I O W A

**SPECIAL EVENTS APPLICATION &
HOLD HARMLESS AGREEMENT**

Please complete all sections of this application. An incomplete application will be returned to applicant. Once all required documentation and signatures are received, only then will it be considered by the City Administrator, Police Chief, Fire Chief and Public Works Director for final approval. Application must be submitted at least **30 days** prior to the date of the event.

Some permits for events may require additional time for approval
(For example: Parades requiring use of a state highway)

PLEASE RETURN TO: Keokuk Municipal Building to the Attention of the City Administrator

1. **APPLICANT INFORMATION**

Applicant: Lennie Etter

Name/Event: Keokuk Firework Display

Coordinator: _____

Mailing Address: 811 Franklin Street, Keokuk, Ia 52632

Daytime Phone #: (309)221-0798 Evening Phone #: (319)524-2365

Email Address: unclelennie46@gmail.com

2. **EVENT INFORMATION**

Type of Event:
Class B Fireworks Display

Days/Dates of Event:
Saturday July 4th

Time(s) of Event: (Include Set Up/Tear Down Time)
7:00am till 12:00 pm

Event Location:
Rand Park and River Road

Will event require an alcohol license or require modification of an existing license? _____ Yes No

3. **REQUEST INFORMATION (Check All Applicable Lines)**

If you are requesting the closing of a city street, a lane must be maintained for emergency vehicles at all times.

- Temporarily park in a "No Parking" area (specify location :)
- Temporarily close a street for a block party (specify street :) River Road
- Temporarily install structure in street right-of-way
- Permanently install structure in street right-of-way
- Use of City Park (specify park :) Rand Park
- Parade (attach map of route and indicate streets to be closed)
- Walk/Run (attach map of route and indicate streets to be closed)
- Banner (specify location :)
- Tent(s) to be used – over 400 sq ft or canopies over 1,000 sq ft
- Fireworks (specify location :) Rand Park & River Road
- Other (please specify :)

4. **ITEMS REQUESTED FROM THE CITY OF KEOKUK (\$25 rental fee required per item requested)**

- Street barricades 16th Street & 18th Street
- Emergency "No Parking" Signs
- Other (please specify :)

5. **SOUND SYSTEMS**

NOTE: You must comply with the City of Keokuk Code of Ordinances and any requirements attached to this permit.

Duration of event: 30 minutes to 45 minutes

Please indicate if the following will be used:

- | | |
|---|---|
| <input type="checkbox"/> Amplified Sound/Speaker System | <input type="checkbox"/> Recorded Music |
| <input type="checkbox"/> Public Address System | <input type="checkbox"/> Live Music |

DEPARTMENT APPROVALS

The request has been reviewed by the undersigned and recommended for approval with the condition as noted:

POLICE DEPARTMENT

Signature: _____ Date: _____

Recommended Conditions: _____

FIRE DEPARTMENT

Signature: _____ Date: _____

Recommended Conditions: _____

PUBLIC WORKS DEPARTMENT

Signature: _____ Date: _____

Recommended Conditions: _____

OTHER

Signature: _____ Date: _____

Recommended Conditions: _____

CITY ADMINISTRATOR APPROVAL (City Council Approval)

City Administrator Signature Date Approved: _____ Denied: _____

CONDITIONS IMPOSED: _____

Date of City Council Approval (if required): _____

Please Draw a Map of Event Area or Attach a Drawing to the Application

The request has been reviewed by the undersigned and recommended for approval with the condition as noted:

POLICE DEPARTMENT

Signature: _____

Date: _____

Recommended Conditions: _____

FIRE DEPARTMENT

Signature: _____

Date: _____

Recommended Conditions: _____

PUBLIC WORKS DEPARTMENT

Signature: _____

Date: _____

Recommended Conditions: _____

OTHER

Signature: _____

Date: _____

Recommended Conditions: _____

City Administrator Signature: _____

Date: _____

Approved: _____

Date: _____

CONDITIONS IMPOSED: _____

Date of City Council Approval (if required): _____

6. **SANITATION**

Applicant is responsible for the clean-up of the event area immediately following the event, including trash removal from the site.

Will additional restrooms be brought to the site? _____ Yes No _____ If yes, how many? _____

Please name the individual, organization, or contractor responsible for clean-up and trash removal:

Contact Person: Lennie Etter

Address: 811 FRanklin St. Keokuk, Ia 52632

Daytime Phone: (309)221-0798

Evening Phone: (319)524-2365

7. **SECURITY**

Certified personnel are required by the Chief of Police at the applicant's expense for all events requiring an alcohol license. At a minimum, 2 police officers certified in the State of Iowa will be required, no exceptions.

What type of security will be provided?

_____ Number of Off-Duty Police Officers

Names:

8. **INSURANCE**

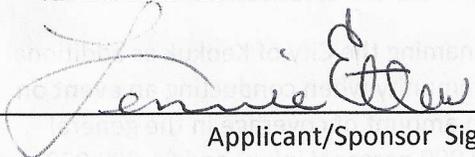
Applicant shall obtain and maintain a general liability insurance policy naming the City of Keokuk as additional insured using form IL7305 so as not to waive Owner's Governmental Immunity when conducting an event on **public property**. For **events** requiring an **alcohol license**, the minimum amount of coverage in the general liability insurance policy shall be \$2,000,000 general aggregate, \$1,000,000 personal injury and \$1,000,000 each occurrence. For all other **events** held on **public property**, the minimum amount of coverage for the general liability insurance policy will be \$500,000. This application will not be considered by the City of Keokuk until the proper insurance certificate is submitted and approved by the City Administrator.

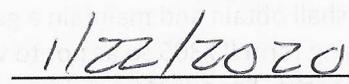
_____ Certificate of Insurance provided and accepted Certificate of Insurance not required

9. **AGREEMENT**

In consideration of the City of Keokuk, Iowa, granting permission for the activity described above, the undersigned indemnifies and holds harmless the City of Keokuk, Iowa, its employees, representatives and agents against all claims, liabilities, losses or damage for personal injury and/or property damage or any other damage whatsoever on account of the activity described above and/or deviation from normal City regulations in the area. The undersigned further agrees to indemnify and hold harmless the City of Keokuk, Iowa, its employees, representatives and agents against any loss, injury, death or damage to person or property and against all claims, demands, fines, suits, actions, proceedings, orders, decrees and judgments of any kind or nature and from and against any and all costs and expenses including reasonable attorney fees which at any time may be suffered or sustained by the undersigned or by any person who may, at any time, be using or occupying or visiting the premises of the undersigned or the above-referenced public property or be in, on or about the same, when such loss, injury, death or damage shall be caused by or in any way result from or rising out of any act, omission or negligence of any of the undersigned or any occupant, visitor, or user of any portion of the premises or shall result from or be caused by any other matters or things whether the same kind, as, or of a different kind that the matters or things above set forth. The undersigned hereby waives all claims against the city for damages to the building or improvements that are now adjacent to said public property or hereafter built or placed on the premises adjacent to said property or in, on or about the premises and for injuries to persons or property in or about the premises, from any cause arising at any time during the activity described above. The undersigned further agrees to comply with all the rules, regulations, terms and conditions established by the City of Keokuk, Iowa.

THE UNDERSIGNED HAS READ AND FULLY UNDERSTANDS THIS DOCUMENT, INCLUDING THE FACT IT IS RELEASING AND WAIVING CERTAIN POTENTIAL RIGHTS, AND VOLUNTARILY AND FREELY AGREES TO THE TERMS AND CONDITIONS AS SET FORTH HEREIN.


Applicant/Sponsor Signature


Date



TO: Mayor and Council
FROM: Cole S. O'Donnell
DATE: February 6, 2020
RE: Committee Vacancies and Terms Expiring

COUNCIL APPOINTMENTS:

BUILDING & HOUSING ADVISORY BOARD

(3 YEAR TERM)

VACANCY (PLUMBER) Term to expire 09/19/2022

Architectural Design Review

2 yr. term

Mary Dennis Term Expired 06/19/2011
Vacancy Term Expired 06/19/2015- DECLINED
Vacancy Term Expired 06/19/2015- DECLINED
Vacancy Term Expired 06/19/2016- DECLINED

Grand Theater Commission

3 yr. term

VACANCY Term to expire 11/05/2020

Veterans Memorial Commission

5 yr. term

Vacancy Term Expired 06/01/2016

MAYORAL APPOINTMENTS:

Historic Preservation Commission

3 yr. term

Vacancy Term to expire 09/19/2020
Vacancy Term to expire 09/19/2020
Dan Winn Term expired 09/19/2019
Michael Greenwald Term expired 09/19/2019
Callie Peterson Term expired 09/19/2019



TO: Mayor and Council
FROM: Cole S. O'Donnell
DATE: February 6, 2020
RE: Committee Nominations

Final Report on Nominations (vote required):

Airport Commission

6 yr. Term

Donza Worden Term to expire 10/20/2025

Library Board of Trustees

6 yr. Term

Robin Davis Term to expire 07/01/2024





TO: Mayor and City Council
FROM: Cole S. O'Donnell
DATE: February 3, 2020
RE: Administrator's Report

1. **Brownfield Grant:** Finally, a breakthrough! Legal counsel was able to propose the condemnation option to the owner's representative and they agreed. This means that we will receive the property at very little to no direct cost and the city will be released from liability relating to the current contamination. The process requires an appraisal and I ordered this to be completed ASAP.
2. **Barge:** The barge has been moved off site and Bricker has been given a bill of sale. The contract requires that the salvage site be restored to prior condition, which will require grading and seeding. Since this is not the right time for that, we will withhold 5% of the contract for retainage until the work is complete.
3. **PWD Position:** The Position Review Committee met last week to work out the restructuring of the Public Works Department. As part of the six-month trial, Jason and John will be in charge of projects within Public Works. Sewer and Airport will have the most projects, so John will be assigned to manage one department's projects and Jason the other. They will work jointly on FEMA and split other projects. Department managers will be reporting directly to me for operations. The Committee also requested that Jason and John enroll in project management courses to gain more knowledge on the subject.
4. **FEMA:** We have been working with FEMA on getting projects and reimbursements approved. There are four projects on the Iowa side and one on the Illinois side (rail bridge abutment repair). With submittal of bridge inspection reports, I expect the abutment fix and mitigation to be authorized to move forward. In a related matter, staff continues to work with the Army Corp of Engineers on levy repairs, including a new degradation spot.
5. **Union Negotiations:** First meetings with police, WPC, and general units are this week. Update at the meeting.
6. **Projects:**
 - a. **Windsor Heights Lift Station:** Project is to be bid this month. We will approve bids and award contract on March 5th.
 - b. **Landfill Leachate Control:** Met with engineer where Robert asked about not having aerator and heater, so long as, Sewer Department can pump the lagoon on a daily basis. This would require a vac truck but could save tens of thousands on the construction. The engineer was going to work up cost estimates based on the plan and run it by DNR.