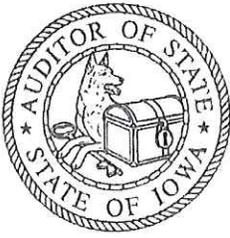


Agenda  
City of Elk Run Heights  
Special Council Meeting June 30, 2020 - 6:00 p.m.  
Located at Eddis Winstead Council Chambers

**Join Zoom Meeting:**  
<https://zoom.us/j/91804373722>  
Meeting ID: 918 0437 3722  
**Dial by your phone:**  
312 626 6799  
Meeting ID: 918 0437 3722

1. Call to order
2. Pledge of Allegiance
3. Roll call
4. Approval of the June 30, 2020 Agenda
5. Council to enter into closed session pursuant to Iowa Code Chapter 21.5(1)(c) to discuss strategy with counsel in matters that are presently in litigation or where litigation is eminent where its disclosure would be likely to prejudice or disadvantage the position of the governmental body in that litigation. The Mayor will be excluded pursuant to Iowa Code Section 21.5(4): where a “member’s attendance at the closed session creates a conflict of interest for the member [of the governmental body] due to the specific reason announced as justification for holding the closed session.”
6. Action following closed section if warranted
7. Approval for The Office of State Auditors to perform the FY20 annual exam costing in the range \$6,100 to \$6,500
8. Resolution 3022 authorizing the payment of bills and transfer
9. Adjournment



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

Rob Sand  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

June 12, 2020

City of Elk Run Heights  
5042 Lafayette Road  
NULL  
Elk Run Heights, IA 50707-1399

2<sup>nd</sup> Request

Dear City Officials:

Pursuant to Chapter 11.6 of the Code of Iowa, cities with populations of less than two thousand with \$1 million or more in budgeted expenditures **in two consecutive years** are required to have an **annual examination**. According to our records, your City is required to have an annual examination for the fiscal year ended June 30, 2020. The City may choose to have a financial audit in lieu of the annual examination.

Since your City is required to have an annual examination for the year ending June 30, 2020, we wish to confirm your intentions. Please complete the form below and return this letter to the Office of Auditor of State, 321 E. 12<sup>th</sup> Street, 2<sup>nd</sup> Floor, Des Moines, Iowa 50319 **or** e-mail this completed letter to [dana.davis@aos.iowa.gov](mailto:dana.davis@aos.iowa.gov) no later than **May 29, 2020**.

If the City engages the Office of Auditor of State to perform the required annual examination, the request for proposal (RFP) process is not required. However, if your City intends to contract with a private CPA firm, Chapter 11.6(2)(a) of the Code of Iowa requires cities to use a written RFP process to engage a CPA firm to perform the City's required annual examination. A sample examination RFP form is available on the Auditor of State's website at <https://www.auditor.iowa.gov/city-exams>. Thank you for your assistance and consideration in this matter.

Sincerely,

Rob Sand  
Auditor of State

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**City of Elk Run Heights**

Name of City

Name/Title of Person Responding/Telephone Number

Email Address

\_\_\_\_\_ We would like to have the Office of Auditor of State perform our annual examination for fiscal year 2020. Please contact us to discuss scheduling and cost of our annual examination.

\_\_\_\_\_ We have not made a decision, but we would like to have a representative of your Office contact us to discuss your services for fiscal year 2020.

\_\_\_\_\_ Thank you, but we have, or will be, contracting with a private CPA firm for fiscal year 2020.  
(Name of Firm, if known): \_\_\_\_\_

\_\_\_\_\_ We plan on having a financial audit in lieu of the annual examination.  
(Name of Firm, if known): \_\_\_\_\_

Other comments/questions: \_\_\_\_\_



**OFFICE OF AUDITOR OF STATE**

STATE OF IOWA

State Capitol Building

Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand  
Auditor of State

June 22, 2020

Julie Eastman, City Clerk  
City of Elk Run Heights  
5042 Lafayette Rd.  
Elk Run Heights, Iowa 50707

Dear Ms. Eastman:

You have requested an estimate of the cost of an annual examination for the operations of the City of Elk Run Heights for the year ending June 30, 2020. This letter will provide the estimate, as well as a number of reasons why this office could furnish valuable assistance and services to your City.

Our practice consists entirely of governmental audits and examinations. Therefore, we possess a broad knowledge of practices and procedures utilized in other governmental units. This experience will be used to assist the City by proposing alternative practices or procedures, where appropriate, which may be more effective or cost-efficient than those presently used by the City.

We will tailor the scope of our examination procedures according to the strengths in the system of internal controls existing at the City. The results of our procedures and our recommendations, if any, will be communicated to applicable City officials in a report. Our evaluation procedures should provide management with some excellent suggestions for improving operating procedures.

We are very aware of the need to be cost efficient in our engagement and equitably bill for our services. Our fees are based upon the time spent on an engagement at hourly rates estimated to range from \$58.50 to \$99.00 per hour, depending on the level of experience and training of the individual assigned. We also bill for out-of-pocket expenses, at cost, and for the statutory filing fee. It is our practice to submit for payment one bill upon completion and release of the examination report. We anticipate performing fieldwork for the annual examination in September 2020. Report preparation and office review will be performed with delivery of an e-mailed copy of the final report by March 31, 2021.

While these hourly rates may change from year to year, any changes in the hourly rates will not affect the total fees proposed by year.

Based upon the information available, we estimate the cost to perform the annual examination for the year ending June 30, 2020, will range from \$6,100 to \$6,500, except as specifically agreed by the City of Elk Run Heights and the Office of Auditor of State. This estimate does not include the required filing fee of \$175 as provided for under Iowa Code section 11.5, subsection 10.

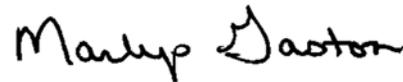
The actual bill may vary depending on the actual number of hours required to complete the work, although any assistance provided by City personnel would help reduce the final cost.

In addition to providing examination services to the City of Elk Run Heights, you may request we perform additional services not addressed in this proposal. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. The Office of Auditor of State is actively involved throughout the year in providing technical guidance, assistance and training to government officials, employees and auditors. Our experience in these areas and our extensive local government auditing experience would be used to assist the City of Elk Run Heights, both currently and in subsequent years, in operating as efficiently and as effectively as possible.

We recognize the City may be able to contract for this examination at a lower fee. However, as previously stated, we believe the Office of Auditor of State is the leading authority to help assure the proper conduct of City affairs, which is the ultimate obligation of all City officials. We would fulfill our joint responsibilities in the most cost-effective manner possible.

We look forward to the opportunity to continue to provide our services to the City of Elk Run Heights. Please feel free to contact me or Ernie Ruben if we can provide any additional information.

Sincerely,



Marlys K. Gaston, CPA  
Deputy Auditor of State

MKG/dld

ACCEPTANCE:

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**RESOLUTION 3022**

A RESOLUTION OF THE CITY COUNCIL OF ELK RUN HEIGHTS, IA THAT  
THE FOLLOWING BILLS BE PAID AND TRANSFERS ARE HEREBY ALLOWED

**PREPAYS**

DRAFT	IPERS	RETIREMENT	1,508.12
DRAFT	IOWA DEPT OF REV	WET	2,047.26
	5551 TREASUERER OF STATE	SALES TAX	846.00
	5552 COLONIAL LIFE	LIFE INSURANCE	79.94
	5553 AVESIS	VISION INSURANCE	4.98
	5554 FRICKSON BROS	HYDRANT VALVES	4,625.00
	5555 ICAP	TORT LIABILITY INSURANCE	16,506.89
	5556 MEDIACOM	PHONE SERVICE	87.42
	5557 MAS PROFESSIONAL	ENGINEER SERVICES	88,500.00
	5558 P&K MIDWEST	SNOW BLOWER ATTACHMENT	11,500.00
	5559 RICOH	COPIER CONTRACT	73.10
		<b>TOTAL PREPAYS:</b>	<b>125,778.71</b>

**PASSED AND APPROVED BY THE COUNCIL OF THE CITY OF ELK RUN HEIGHTS, IOWA ON THIS  
30TH DAY OF JUNE 2020**

**ATTEST:**

\_\_\_\_\_  
**Kristi Lundy, Mayor**

\_\_\_\_\_  
**Julie Eastman, City Clerk**