

**CITY OF STORM LAKE
LAKE IMPROVEMENT COMMISSION
CITY HALL COUNCIL CHAMBERS
MARCH 27, 2017
4:00 PM**



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

AGENDA

1. **Motion To Approve The November 28, 2016 Lake Improvement Commission Meeting Minutes**
2. **November through February Treasurer's Report**
3. **March 2017 Dredge Update**
4. **Motion To Approve Change Order Two To Dredging Contract Between City Of Storm Lake (Lake Improvement Commission) And Dredge America Executed On August 11, 2015**
5. **Independent Auditors' Report and Findings**
6. **Adjourn**

Meeting Protocol

If you wish to speak today, please:

1. To speak on an agenda item please approach the podium when that agenda item is called and upon recognition by the Mayor identify yourself by stating your name and address.
2. If your issue is not a topic on the agenda please approach the podium under the "Hear the Public" agenda item and upon recognition by the Mayor identify yourself by stating your name and address.
3. Please keep your remarks to three (3) minutes or less.
4. If you require accommodation for this meeting including but not limited to translation services, hearing assistance, or accessibility please contact the City Clerk at least four (4) hours prior to the start of the meeting.

**If you have concerns about any of the items on the consent agenda, they may be separated from the consent agenda and voted on individually.*

***Ordinances may be read at three consecutive meetings or readings may be waived and ordinances may be passed at only one or two meetings.*



Find us on Facebook <https://www.facebook.com/cityofstormlake>



Follow us on Twitter

@Storm_Lake



Find us on the Web at <http://www.stormlake.org>

Staff Summary

3/27/2017

Agenda Item # 1.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

[p \(712\) 732-8000](tel:(712)732-8000)

[f \(712\) 732-4114](tel:(712)732-4114)

REPORT TO: Lake Improvement Commission

FROM: Mayra Martinez, City Clerk

SUBJECT: **Motion To Approve The November 28, 2016 Lake Improvement Commission Meeting Minutes**

BACKGROUND: The Lake Improvement Commission typically meets monthly from March to November of each year. The Commission is required to keep minutes of their meetings and to approve those minutes.

This agenda item will approve the previous meeting minutes.

FISCAL IMPACT: There is no fiscal impact of this agenda item.

RECOMMENDATION: Approve the November 28, 2017 Lake Improvement Commission Minutes

ATTACHMENTS:

Description	Type
☐ Minutes - November 28, 2016	Minutes

LAKE IMPROVEMENT COMMISSION MEETING, CITY HALL, STORM LAKE, IOWA NOVEMBER 28, 2016 4:00 P.M.

Commission Members Present: Jim Patrick Commission Administrator and Jon Kruse (City of Storm Lake), Gary Lalone (Lake Preservation Association), Denise Jennett (City of Lakeside), Don Altena (Buena Vista County) and Sue Vossberg, Commission Secretary (City of Storm Lake). Commission Members Absent: Tom Huseman (Buena Vista County), Steve Roth (Lake Preservation Association), and Mike Porsch (City of Storm Lake).

Others Present: Jason Etnyre Public Works Director, Keri Navratil Asst. City Manager and Julie Sievers DNR

Meeting called to order by Chairman Lalone at 4:00pm.

Minutes – Moved by Commissioner Kruse to approve the October 31, 2016 Lake Improvement Commission minutes. Seconded by Commissioner Jennett. Vote: All ayes with Commissioner Huseman, Porsch, and Roth absent. Motion carried.

Treasurer's Report – Moved by Commissioner Jennett to approve the October 2016 Treasurer's Report. Seconded by Commissioner Altena. Vote: All ayes with Commissioner Huseman, Porsch and Roth absent. Motion carried.

Dredging Update – Jim Patrick discussed the meeting that was held with the DNR. Contract for next year's dredging was signed and up to 600,000 cubic yards can be dredged next year. Next year there is a possibility of the Commission leasing or renting another booster pump to help relieve some of the stress on the dredge and help with breakdowns. A change order will be required if another booster pump is added. There would need to be a change order between the LIC and Dredge America and a change order between the LIC and the DNR. Next year will be the last year of dredging and towards the end of the season there will be a meeting with the DNR to see if feasible to continue.

The dredge has been winterized and Dredge America did some repairs before they left for the season.

The dredge plan for next year will need to be approved.

DNR Update – The DNR is committed to restoring the islands. Shorty's island will be done first. Requests for bids will be going out this January with work to be done in the summer. Depending on funding the big island will be done in 2018.

FYRA will be back in the spring to discuss options with the DNR.

DNR is closing the Storm Lake office. It is not determined if Julie Sievers will be representing the DNR on the Commission next year.

Adjourn – Moved by Commissioner Kruse to adjourn the meeting at 4:13PM. Seconded by Commissioner Jennett. Vote: All ayes with Commissioner Huseman, Porsch, and Roth absent. Motion carried.

Sue Vossberg, Secretary

Staff Summary

3/27/2017

Agenda Item # 2.



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

REPORT TO: Lake Improvement Commission

FROM: Brian Oakleaf, Finance Director

SUBJECT: November through February Treasurer's Report

BACKGROUND: During the month of November, the Lake Improvement Commission had \$115,900.87 in expenses, including a \$62,950 payment to Dredge America and \$27,421.46 in repairs. Revenue equaled \$1,157.90 from a reimbursement for the spoil site.

For December, the LIC received a \$224,280.44 Grant payment and incurred \$115,327.10 in expenses. These expenses included a \$42,686.50 payment to Dredge America and \$48,004.14 in repairs.

January Grant payments of \$156,499.66 and Lake Preservation contributions of \$10,000 equaled \$166,499.66 in revenue. There were \$23,636.88 in expenses, with the bulk of that figure, \$19,515.77, spent on repairs.

Each February the LIC's insurance payment is due: \$34,346.06 for 2017 which represents a nominal increase from last year of 0.9%. The total of all expenses was \$36,646.88. Another Grant payment and allocated interest after the investment conversion equaled \$87,948 in revenue.

The November through February attachments give the commission an overview of what has occurred for revenues and expenses since the last meeting update.

FISCAL IMPACT: The previously mentioned investment conversion resulted from the LIC cash fund running a negative balance. Previous cash outs occurred in November of 2015 and June of 2016. It was necessary to cash out the \$500,000 six month Certificate of Deposit in February given the following fund balances:

November 2016	Cash (\$415,423.36)	Investments
\$504,276.29		
December 2016	Cash (\$306,470.02)	Investments
\$504,276.29		
January 2017	Cash (\$163,607.24)	Investments
\$504,276.29		
February 2017	Cash \$391,970.17	

Current Total Fund Balance: \$418,903.22

For comparison, the Total Fund Balance in March 2016 was \$815,356.68 and in \$963,603.84 in March 2015. The recommendation would be to reinvest once total fund balances approach similar levels, but it is important to note that there was only a small interest difference between the 0.55% bearing investment and the 0.25% bearing cash money market.

RECOMMENDATION: Discuss and approve the Treasurer's Reports for November 2016 through February 2017.

ATTACHMENTS:

Description	Type
❑ November Treasurer's Report	Financial Report
❑ December Treasurer's Report	Financial Report
❑ January Treasurer's Report	Financial Report
❑ February Treasurer's Report	Financial Report
❑ YTD Summary 2017	Financial Report
❑ Trial Balance February 2017	Financial Report

**Lake Improvement Commission
Treasurer's Report
November 2016**

	<u>Dredging</u>	<u>East Spoil Site</u>	<u>Future Spoil Site</u>
Beginning Balance	\$ 203,595.90	\$ -	\$ -
Income:			
Interest on Investments			
Lakeside Payment			
Hotel/Motel			
Motor Vehicle Fuel Refund (October)			
Lease Payments			
LPA Donation			
Spoil Site Repair Reimb (Reding Gravel)	1,157.90		
State Grant			
Total Income:	\$ 1,157.90	\$ -	\$ -
Expenses			
East Spoil Site			
Equipment Operations	14,428.16		
Equipment Repairs	27,421.46		
Contractual Services	1,968.50		
Supplies	7,882.65		
Dredge America	62,950.00		
Insurance			
Payroll	1,250.10		
Total Expenses	\$ 115,900.87	\$ -	\$ -
Ending Balance	\$ 88,852.93	\$ -	\$ -
Combined Fund Balance	\$ 88,852.93		

**Lake Improvement Commission
Treasurer's Report
December 2016**

	<u>Dredging</u>	<u>East Spoil Site</u>	<u>Future Spoil Site</u>
Beginning Balance	\$ 88,852.93	\$ -	\$ -
Income:			
Interest on Investments			
Lakeside Payment			
Hotel/Motel			
LPA Donation			
November Payroll Incorrectly Posted			
Insurance Reimbursement			
Kessler - Dirt			
State Grant	224,280.44		
Total Income:	\$ 224,280.44	\$ -	\$ -
Expenses			
East Spoil Site			
Equipment Operations	6,572.59		
Equipment Repairs	48,004.14		
Contractual Services	11,535.93		
Supplies	5,277.78		
Dredge America	42,686.50		
Insurance			
Payroll	1,250.16		
Total Expenses	\$ 115,327.10	\$ -	\$ -
Ending Balance	\$ 197,806.27	\$ -	\$ -
Combined Fund Balance	\$ 197,806.27		

**Lake Improvement Commission
Treasurer's Report
January 2017**

	<u>Dredging</u>	<u>East Spoil Site</u>	<u>Future Spoil Site</u>
Beginning Balance	\$ 197,806.27	\$ -	\$ -
Income:			
Interest on Investments			
Lakeside Payment			
Hotel/Motel			
LPA	10,000.00		
Lease Payments			
Misc. Revenue - Cell Phone Reimb			
State Grant	156,499.66		
Total Income:	\$ 166,499.66	\$ -	\$ -
Expenses			
East Spoil Site			
Equipment Operations	200.00		
Equipment Repairs	19,515.77		
Contractual Services	1,500.00		
Supplies	1,191.49		
Dredge America			
Insurance			
Payroll	1,229.62		
Total Expenses	\$ 23,636.88	\$ -	\$ -
Ending Balance	\$ 340,669.05	\$ -	\$ -
Combined Fund Balance	\$ 340,669.05		

**Lake Improvement Commission
Treasurer's Report
February 2017**

	<u>Dredging</u>	<u>East Spoil Site</u>	<u>Future Spoil Site</u>
Beginning Balance	\$ 340,669.05	\$ -	\$ -
Income:			
Interest on Investments	1,404.97		
Lakeside Payment			
Hotel/Motel			
LPA			
Farm Rent			
IAMU Reimbursement			
Salvage Reimbursement (Travelers)			
State Grant	86,543.03		
Total Income:	\$ 87,948.00	\$ -	\$ -
Expenses			
East Spoil Site			
Equipment Operations			
Equipment Repairs			
Contractual Services	1,029.60		
Supplies			
Future Spoil Site			
Insurance	34,346.06		
Payroll	1,271.22		
Total Expenses	\$ 36,646.88	\$ -	\$ -
Ending Balance	\$ 391,970.17	\$ -	\$ -
Combined Fund Balance	\$ 391,970.17		

Year-To-Date Summary - Expenses
FY 2017

	Budget	YTD Expenses	\$ Available
<i>Equipment Operations</i>	50,000.00	31,727.47	18,272.53
<i>Equipment Repairs</i>	50,000.00	17,372.76	32,627.24
<i>Insurance</i>	41,000.00	-	41,000.00
<i>Contractual Services</i>	750,000.00	149,777.55	600,222.45
<i>Supplies</i>	25,000.00	4,136.35	20,863.65
<i>East Spoil Site Contractual Svcs</i>	-	-	-
<i>East Spoil Site</i>	-	-	-
TOTAL	916,000.00	203,014.13	712,985.87

The fiscal year runs from July 1st through June 30th.

FY 2010-2011 Grant

Beginning Balance		1,000,000.00
Reimbursement Request #1 (Feb)	2,161.50	997,838.50
Reimbursement Request #2 (March)	26,889.57	970,948.93
Reimbursement Request #3 (April)	34,365.76	936,583.17
Reimbursement Request #4 (May)	55,738.03	880,845.14
Reimbursement Request #5 (June)	109,852.10	770,993.04
Reimbursement Request #6 (July)	79,898.47	691,094.57
Reimbursement Request #7 (Aug)	183,384.65	507,709.92
Reimbursement Request #8 (Sept.)	66,972.51	440,737.41
Reimbursement Request #9 (Oct.)	78,248.34	362,489.07
Reimbursement Request #10 (Nov.)	362,489.07	0.00

FY 2011-2012 Grant

Beginning Balance		1,000,000.00
Reimbursement Request #1 (Nov/Dec)	197,607.09	802,392.91
Reimbursement Request #2 (January)	31,410.49	770,982.42
Reimbursement Request #3 (February)	42,880.12	728,102.30
Reimbursement Request #4 (March)	31,440.57	696,661.73
Reimbursement Request #5 (April)	80,384.74	616,276.99
Reimbursement Request #6 (May)	92,772.64	523,504.35
Reimbursement Request #7 (June)	83,352.69	440,151.66
Reimbursement Request #8 (July)	40,210.95	399,940.71
Reimbursement Request #9 (August)	42,110.15	357,830.56
Reimbursement Request #10 (September)	67,118.02	290,712.54
Reimbursement Request #11 (October)	40,332.35	250,380.19
Reimbursement Request #12 (November)	202,594.69	47,785.50
Reimbursement Request #13 (December)	14,686.16	33,099.34
Reimbursement Request #14 (January)	16,886.64	16,212.70
Reimbursement Request #15 (February)	7,016.03	9,196.67
Reimbursement Request #16 (March)	9,196.67	0.00

FY 2012-2013 Grant

Beginning Balance (Grant)		1,200,000.00
Reimbursement Request #1 (March 2013)	60,728.45	1,139,271.55
Reimbursement Request #2 (April 2013)	9,031.27	1,130,240.28

Reimbursement Request #3 (May 2013)	32,925.77	1,097,314.51
Reimbursement Request #4 (June 2013)	55,585.58	1,041,728.93
Reimbursement Request #5 (July 2013)	157,450.22	884,278.71
Reimbursement Request #6 (August 2013)	39,448.80	844,829.91
Reimbursement Request #7 (September 2013)	231,121.67	613,708.24
Reimbursement Request #8 (October 2013)	117,610.78	496,097.46
Reimbursement Request #9 (November 2013)	52,262.61	443,834.85
Reimbursement Request #10 (December 2013)	46,237.17	397,597.68
Reimbursement #11 (January 2014)	27,883.57	369,714.11
Reimbursement #12 (February 2014)	26,472.86	343,241.25
Reimbursement #13 (March 2014)	3,673.45	339,567.80
Reimbursement #14 (April 2014)	13,293.21	326,274.59
Reimbursement #15 (May 2014)	20,505.57	305,769.02
Reimbursement #16 (June 2014)	27,542.26	278,226.76
Reimbursement #17 (July 2014)	45,008.37	233,218.39
Reimbursement #18 (August 2014)	29,433.00	203,785.39
Reimbursement #19 (September 2014)	24,058.02	179,727.37
Reimbursement #20 (October 2014 Expenses)	22,515.83	157,211.54
Reimbursement #21 (November 2014 Expenses)	16,184.68	141,026.86
Reimbursement #22 (December 2014 Expenses)	9,007.91	132,018.95
Reimbursement #23 (January 2015 Expenses)	2,890.04	129,128.91
Reimbursement #24 (February 2015 Expenses)	26,714.88	102,414.03
Reimbursement #25 (March & April 2015 Expenses)	15,280.80	87,133.23
Reimbursement #27 (May 2015)	25,885.00	61,248.23
Reimbursement #28 (June 2015 Expenses)	18,849.69	42,398.54
Reimbursement #29 (July & August 2015 Expenses)	41,661.10	737.44
Reimbursement #30 (September 2015)	737.44	-

FY 2013-2014 Grant

		Dredging	FYRA
Beginning Balance (Grant) - 850,000		599,210.00	250,790.00
Reimbursement Request #1 (July 2015) & FYRA Reimb		599,210.00	214,788.11
Reimbursement Request #2 (Sept & Oct 2015) & FYRA	149,261.50	449,948.50	81,190.16
Reimbursement Request #3 (Nov & Dec 2015)	14,754.15	435,194.35	81,190.16
Reimbursement Request #4 (May & June 2016)	27,654.75	407,539.60	520.62
Reimbursement Request #5 (July 2016)	41,195.25	366,344.35	520.62
Reimbursement Request #6 (August to October 2016)	224,280.44	142,063.91	520.62
Reimbursement Request #7 (November 2016 Partial)	142,063.91	-	520.62

FY 2015-2016 Grant

		Dredging
Beginning Balance (Grant) - 850,000		850,000.00
Reimbursement Request #1 (November 2016 Partial)	14,435.75	835,564.25
Reimbursement Request #2 (December 2016)	86,543.03	749,021.22
Reimbursement Request #3 (January 2017)	17,727.66	731,293.56
		731,293.56
		731,293.56
		731,293.56
		731,293.56

General Ledger

Summary Trial Balance

User: tyler.gibbins
 Printed: 03/02/2017 - 2:58PM
 Period: 08, 2017



Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 960	Lake Improvement Commission					
ASSETS						
960-0000-00-1110-0000	Cash	0.00	-163,607.24	592,224.29	36,646.88	391,970.17
960-0000-00-1150-0000	Investments	0.00	504,276.29	0.00	504,276.29	0.00
960-0000-00-1220-0000	Accounts Receivable	0.00	0.00	0.00	0.00	0.00
960-0000-00-3870-0000	Revenues YTD	0.00	0.00	0.00	0.00	0.00
Dept 9600	Dredge Operations					
960-9600-00-3870-0000	Revenues YTD	0.00	0.00	0.00	0.00	0.00
	ASSETS Totals:	0.00	340,669.05	592,224.29	540,923.17	391,970.17
LIABILITIES						
960-0000-00-2020-0000	Accounts Payable	0.00	0.00	36,646.88	36,646.88	0.00
960-0000-00-3880-0000	Expenditures YTD	0.00	0.00	0.00	0.00	0.00
Dept 9100	Transfers					
960-9100-10-6910-0000	Transfer Out	0.00	0.00	0.00	0.00	0.00
	LIABILITIES Totals:	0.00	0.00	36,646.88	36,646.88	0.00
FUND BALANCE						
960-0000-00-3860-0000	July 1 Fund Balance	0.00	-561,947.58	0.00	0.00	-561,947.58
	FUND BALANCE Totals:	0.00	-561,947.58	0.00	0.00	-561,947.58
REVENUE						
Dept 9100	Transfers					
960-9100-09-4830-0000	Transfers In	0.00	0.00	0.00	0.00	0.00
	960-9100 REVENUE Totals:	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Dept 9600	Dredge Operations					
960-9600-12-4300-0000	Interest On Investments	0.00	-74.79	0.00	1,404.97	-1,479.76
960-9600-12-4400-0000	Grant Reimbursement	0.00	-489,104.38	0.00	86,543.03	-575,647.41
960-9600-12-4794-0000	Misc Revenue	0.00	-68,316.71	0.00	0.00	-68,316.71
	960-9600 REVENUE Totals:	0.00	-557,495.88	0.00	87,948.00	-645,443.88
Dept 9700	East Spoil Site (Connell)					
960-9700-12-5092-0000	East Spoil Sight (Connell)	0.00	0.00	0.00	0.00	0.00
	960-9700 REVENUE Totals:	0.00	0.00	0.00	0.00	0.00
	REVENUE Totals:	0.00	-557,495.88	0.00	87,948.00	-645,443.88
EXPENSE						
Dept 9600	Dredge Operations					
960-9600-12-6331-0000	Equipment Operations	50,000.00	93,954.41	0.00	0.00	93,954.41
960-9600-12-6332-0000	Equipment Repairs	50,000.00	134,605.08	0.00	0.00	134,605.08
960-9600-12-6408-0000	Insurance	41,000.00	0.00	34,346.06	0.00	34,346.06
960-9600-12-6499-0000	Contractual Services	750,000.00	501,620.88	2,300.82	0.00	503,921.70
960-9600-12-6599-0000	Supplies	25,000.00	48,594.04	0.00	0.00	48,594.04
960-9600-12-6727-0000	Capital Improvements Equipment	0.00	0.00	0.00	0.00	0.00
	960-9600 EXPENSE Totals:	916,000.00	778,774.41	36,646.88	0.00	815,421.29
Dept 9700	East Spoil Site (Connell)					
960-9700-12-6499-0000	Contractual Services	0.00	0.00	0.00	0.00	0.00
960-9700-12-6599-0000	Supplies	0.00	0.00	0.00	0.00	0.00
960-9700-12-6801-0000	Principal Redemption	0.00	0.00	0.00	0.00	0.00
960-9700-12-6851-0000	Interest Payments	0.00	0.00	0.00	0.00	0.00
960-9700-12-7092-0000	East Spoil Sight (Connell)	0.00	0.00	0.00	0.00	0.00
	960-9700 EXPENSE Totals:	0.00	0.00	0.00	0.00	0.00
	EXPENSE Totals:	916,000.00	778,774.41	36,646.88	0.00	815,421.29
	Fund 960 Totals:	-916,000.00	0.00	665,518.05	665,518.05	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
	Report Totals:	-916,000.00	0.00	665,518.05	665,518.05	0.00

Staff Summary

3/27/2017

Agenda Item # 3.



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

REPORT TO: Lake Improvement Commission

FROM: Jason Etnyre, Public Works Director

SUBJECT: **March 2017 Dredge Update**

BACKGROUND: The dredge spoil site is ready for dredging. The pipe was moved to the south and approximately 600 feet of pipe is extended out into the north cell and is supported by telephone poles. Hopefully by supporting the pipe with poles this will keep the pipe from settling into the mud and will allow the mud to flow east easier. During the winter PW staff drilled several holes (around 50) through the ice in the north cell and the deepest water that was located was around 5 foot of depth. The crossover structure installed in 2016 was choked with dead cattails and reeds this spring. Due to the nature of construction materials used, this will be an ongoing problem in the springtime but after plants start growing along the edge of the cell it should cease. I started returning water to the lake from the south cell on March 20th. I would anticipate this process to take about a week and the south cell will be as low as it can be.

Olsen Welding (with assistance from a crane company) is welding on the work boat. Dredge America crew intended on doing this repair but when they attempted this spring they were only burning holes in the hull. Olsen is installing a 4'X12' piece of sheet steel onto the hull. (Estimated repair cost of around \$5,000 depending on time for this repair to be completed)

Loos Service has their installation contractor in town installing the new dredge-to-booster communications system. This new system will also be compatible with the additional booster that Dredge America is bringing to Storm Lake. (Cost of this repair will be approximately \$40,000)

Dredge America still has repairs to make on the spuds of the dredge but cannot do this without a crane on the scene. Raveling will bring their crane in to place the work boat, Dredge America's booster, and the dredge back into the water. The crane service will hold the dredge for this welding repair to be made by Dredge

America.

PW staff will assist Dredge America with placing the pipe back into the lake and will also be potentially digging the line from the lake to the spoil site where it occasionally leaks in the campground. This pipe leaked at the beginning of the season last year but within a shift of dredging had sealed itself for the season.

FISCAL IMPACT:

RECOMMENDATION: Commission accept the report.

Staff Summary

3/27/2017

Agenda Item # 4.



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

REPORT TO: Lake Improvement Commission

FROM: James H. Patrick, City Manager

SUBJECT: **Motion To Approve Change Order Two To Dredging Contract Between City Of Storm Lake (Lake Improvement Commission) And Dredge America Executed On August 11, 2015**

BACKGROUND: This amendment address the rental of an additional booster pump from Dredge America for the 2017 dredging season. The additional booster pump will be added to the current pipeline system in order to help increase production and reduce overall wear and stress on the LIC's equipment. The rental rates for the floating booster pump will be \$39,500 per month for the booster pump, floating platform, and felx hose.

The LIC will be responsible for providing a crane for both mobilization and demobilization. Trucking costs will be the responsibility of Dredge America provided the booster is used for more than six (6) months. If used less than six months, the trucking cost will be split 50/50.

Dredging crews will assemble and maintain the booster at no additional cost. The LIC will provide fuel to the booster plant for the duration of the project. LIC will not incur costs associated with Change Order #1 for downtime if the reson for downtime is failure of the booster pump.

Approximate completion date of the dredging shall be December 31st, 2017.

Dredge America shall dredge an amount not to exceed 1,298,840 cubic yards from areas 15, 16, 17, and 18.

IDNR has reviewed the contract and has approved the Change Order as well as included the cost into the funding for dredging.

FISCAL IMPACT:

\$39,500 per month increase on the Dredge America contract.
Cost of the crane to set the booster and remove the booster.

RECOMMENDATION:

LIC pass a motion to approve Change Order #2 to the Dredge Contract between the LIC and Dredge America.

Staff Summary

3/27/2017

Agenda Item # 5.



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

REPORT TO: Lake Improvement Commission

FROM: Brian Oakleaf, Finance Director

SUBJECT: **Independent Auditors' Report and Findings**

BACKGROUND: Winther Stave & Co. of Spencer Iowa has completed and submitted an Independent Auditors' Report with Financial Statements and Schedule of Findings. There were no matters of noncompliance or instances contrary to Statutory Reporting noted. The report will be submitted for publication and forwarded to the Office of Auditor of State.

FISCAL IMPACT: There will be an audit filing fee of \$100 and an additional cost for publication.

RECOMMENDATION: Accept the Auditors' Report.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Publication	Backup Material
<input type="checkbox"/> Communication with Those Charged with Governance	Backup Material

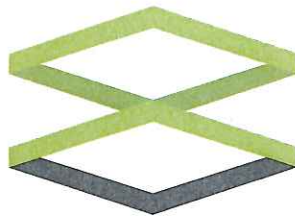
NEWS RELEASE

An audit report on Lake Improvements Commission has been released. For the year ended June 30, 2016, receipts totaled \$513,423, compared to \$330,097 for fiscal 2015. The increase was primarily the result of increased state grants. For the year ended June 30, 2016, disbursements totaled \$773,401, compared to \$507,660 for fiscal 2015.

Due to the results described above, the Commissions' cash balance decreased \$259,978 from \$821,925 at June 30, 2015 to \$561,947 at June 30, 2016.

A copy of the audit report is available for review in the office of the City Clerk of Storm Lake, Iowa, in the Office of Auditor of State, and on the auditor of State's website at <https://auditor.iowa.gov/audit-reports>.

**LAKE IMPROVEMENTS COMMISSION
COMMUNICATION WITH THOSE
CHARGED WITH GOVERNANCE
JUNE 30, 2016**



WINTHER STAVE & CO | LLP™
Certified Public Accountants

1316 West 18th Street
P.O. Box 175
Spencer, Iowa 51301-0175
Phone 712-262-3117
FAX 712-262-3159

www.winther-stave.com

1004 21st Street #4
P.O. Box 187
Milford, Iowa 51351-0187
Phone 712-338-2488
FAX 712-338-2510

Board of Directors
Lake Improvements Commission
Storm Lake, IA 50588

We have audited the financial statements of Lake Improvements Commission (Commission) for the year ended June 30, 2016, and have issued our report thereon dated February 23, 2017. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 20, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. However, we believe there are no sensitive estimates affecting the Commission's financial statements prepared on the basis of cash receipts and disbursements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is a commitment, disclosed in Note 6.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 23, 2017.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

Management's Discussion and Analysis, which accompanies the financial statement, 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.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Lake Improvements Commission and is not intended to be and should not be used by anyone other than these specified parties.

Wintner, Stave & Co., LLP

February 23, 2017
Spencer, Iowa