

February 26, 2025

Board members present for regular session at 9:00 a.m. were: Baier, Christoffersen, Hoadley, Walker, and Wedemeyer.

Also present: Mandy Berg and Nick Rasmussen. Mandy Billings – KSOM, and Jennifer Nichols – Atlantic News Telegraph joined via conference phone.

All motions were approved unanimously unless noted otherwise.

APPROVAL OF AGENDA: Moved by Hoadley and seconded by Christoffersen to approve the agenda as posted. Approved.

CLAIMS: Moved by Walker and seconded by Christoffersen to approve the following claims:

AUXIANT	HRA INS TRUST CLAIMS	\$2,566.38
	GRAND TOTAL	\$2,566.38
8500- ADAIR COUNTY INS TRUST		\$2,566.38
	GRAND TOTAL	\$2,566.38

Approved.

MANURE MANAGEMENT PLANS: Moved by Wedemeyer and seconded by Walker to acknowledge receipt of the manure management plan updates from Rockin' G Ranch, Jame Zelleweger, and Steve Kralik. Approved.

AUDITOR: Sign ISAC Insurance Renewal Documents – Moved by Hoadley and seconded by Walker to sign all the insurance renewal documents. Approved. **Access Systems IT Assessment** – Auditor Berg stated that Access Systems would still like to perform the IT assessment and could do so without getting all of our passwords for our current IT system. The Board and Berg discussed whether this was still a road we wanted to go down. It was decided to hold off on the assessment for now as Berg would like to talk with other departments about how we'd like to proceed.

Resolution SBITA Agreement – Moved by Wedemeyer and seconded by Hoadley to approve **Resolution #2025-14** – Adair County Subscription Based Information Technology Agreements Policy. GASB Statement No. 96, "Subscription Based Information Technology Agreements" (SBITA), is effective beginning July 1, 2022. (FY2023). GASB 96 requires a right-to-use subscription assets and corresponding subscription liability to be recorded. For counties reporting on the accrual basis of accounting, the cumulative effect, if any, may require a restatement of beginning net position, fund balance, or fund net position (as applicable). This means SBITA in existence on June 30, 2022 will need to be reported as the beginning balance (July 1, 2022) for SBITA of FY2023. A Subscription Based Information Technology Agreements is an intangible capital asset. The asset represents the right to use an underlying asset identified in a SBITA, as specified for a period of time. The County will recognize the intangible Subscription Based Information Technology Agreements when: a. The contract conveys control of the right to use another entity's IT software, alone or in combination with tangible capital assets, as specified in a contract for a period of time in an exchange or exchange like transaction. b. The minimum noncancelable contract term is greater than twelve months. C. the contract does not transfer ownership of the underlying asset. D. The underlying asset is used to conduct county business. (This will not apply to custodial funds.) The following SBITAs are not GASB 96 SBITAs and are excluded from this policy: a. Governments acting as SBITA vendors (No lessors) b. Contracts that meet the definition of a P3 in GASB Statement 94. c. Perpetual software licenses (If the software is paid up front for the license and can be used forever and updates don't have to be purchased). Threshold for Capitalization of Right-To-Use Subscription Assets The establishment of a right-to-use subscription asset capitalization threshold policy has been recommended. The policy should be approved by the Board of Supervisors. The threshold is to be consistently applied by all departments and offices of the County for financial reporting purposes and should overall capture most right-to-use subscription contracts. All right-to-use subscription assets at or above \$65,000 must be reported. As a general rule, the threshold should be applied to individual SBITAs. Right-to-use subscription asset classifications: The lessee is required to disclose the amount of subscription assets (and the related amortization) separately from other capital assets. The major class of underlying subscription assets will be disclosed by the County. • Right-to-use subscription assets Measurement and amortization: Measurement: A SBITA should initially measure the asset as the sum of the following: a. The amount of the initial measurement of the subscription right-to-use asset. (A lessee should measure the subscription liability and right-to-use asset at the present value of payments expected to be made during the SBITA term. (For the year of implementation, the SBITA liability and right-to-use asset should be measured as of July 1, 2022.) b. SBITA payments made to the lessor at or before the commencement of the SBITA term, less any incentives received from the lessor at or before the commencement of the SBITA term. C. Initial direct costs that are ancillary charges necessary to place the subscription asset into service. Amortization: A SBITA asset should be amortized using the straight-line method over the shorter of the SBITA term or the useful life of the underlying asset. The amortization of the SBITA asset should be reported as amortization expense. Useful life will range from 2-20 years. At a minimum, amortization should be calculated on a monthly basis. Roll Call Vote: Christoffersen, aye; Wedemeyer, aye; Walker, aye; Hoadley, aye; and Baier, aye. Approved.

Resolution Fixed Asset Capitalization Policy – Moved by Hoadley and seconded by Walker to approve **Resolution #2025-15** – Effective: July 1, 2024. Whereas, \$5,000.00 is the current value for capitalizing Adair County fixed assets for financial reporting purposes; and Whereas, the Government Finance and Accounting organization approved a recommended practice, "Establishing Appropriate Capitalization Thresholds for Tangible Capital Assets," that states in no case should a government establish a capitalization of not less than \$10,000.00 for any individual item; and Whereas, increasing the capitalization policy aligns with the Federal Equipment threshold; and Whereas, Adair County will continue to account for and maintain control of non-capitalized assets at the department level through annual inventories and insurance reporting. Therefore it be resolved that the current capitalization policy of \$5,000.00 for fixed assets be increased to \$10,000.00 for general fixed asset equipment; \$10,000.00 for land and buildings; \$65,000.00 for infrastructure and intangibles assets retroactive to 07/01/2024. Roll Call Vote: Christoffersen, aye; Wedemeyer, aye; Walker, aye; Hoadley, aye; and Baier, aye. Approved. **Resolution Changing Right-to-Use Lease Asset Policy** – Moved by Walker and seconded by Christoffersen to approve **Resolution #2025-16** – Approve Right-To-Use Lease Asset Policy. WHEREAS, the Governmental Accounting Standards Board (GASB)

issued Statement No. 87 in 2017 which revises governmental lease accounting effective July 1, 2020; and WHEREAS, GASB issued Statement No. 95 postponing the effective date of Statement 87 to July 1, 2021 (FY22); and WHEREAS, Statement No. 87 requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. WHEREAS, the Board of Supervisors originally approved the Right-to-Use Lease Asset Policy on December 14, 2022. WHEREAS, the Capitalization threshold increased to \$10,000 or above effective July 1, 2024. THEREFORE, BE IT RESOLVED by the Adair County Board of Supervisors to approve the updated Adair County Right-To-Use Lease Asset Policy. Roll Call Vote: Hoadley, aye; Walker, aye; Wedemeyer, aye; Christoffersen, aye; and Baier, aye. Approved. **Wellness & Health Insurance Policy** – Auditor Berg stated that the wellness committee has been discussing a policy that would change the amount of premiums for the employees who do not participate in the wellness program. If this would happen, the Board would need to set participation and non-participation rates for the health insurance premiums for employees. Berg stated that a 5% increase was thrown out, so Berg presented numbers on how that would affect non-participation employees and the County. Berg also distributed a sample policy for the handbook although it has not been looked at by our HR attorney yet. The Board discussed the options. Moved by Hoadley and seconded by Christoffersen to have our HR attorney to go over the policy. Walker abstained. Approved. **Set Public Hearing** – Moved Walker and seconded by Hoadley to set the public hearing for the FY26 Proposed Property Tax Levy for March 20, 2025 at 9:00 a.m. Approved. **Sign Award Resolution** – Moved by Wedemeyer and seconded by Hoadley to approve **Resolution #2025-17** – WHEREAS, The Board of Supervisors, hereafter referred to as "the Board" shall be considered as acting on behalf of Adair County, Iowa; and WHEREAS, The Board of Supervisors, believes the FY25 FM Granular Surfacing Project, FMCOO1(129)-55-01, hereafter referred to as "the project" is in the best interest of Adair County, Iowa, and the residents thereof. The project is defined as the granular surfacing of various Farm to-Market routes within Adair County, Iowa.; and WHEREAS, the Board has sought appropriate professional guidance for the concept and planning for the project and followed the steps as required by the Code of Iowa for notifications, hearings, and bidding/letting; and WHEREAS, The Board finds this resolution appropriate and necessary to protect, preserve, and improve the rights, privileges, property, peace, safety, health, welfare, comfort, and convenience of Adair County and its citizens, all as provided for in and permitted by section 331.301 of the Code of Iowa; and IT IS THEREFORE RESOLVED by the Board to accept the bid from Schildberg Construction Co. Inc. in the amount of \$272,833.38 and awards the associated contract to the same; BE IT FURTHER RESOLVED that all other resolutions or parts of resolutions in conflict with this resolution are hereby repealed. If any part of this resolution is adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the resolution or action of the Board as a whole or any part thereof not adjudged invalid or unconstitutional. This resolution shall be in full force and effect from and after the date of its approval as provided by law; and BE IT FURTHER RESOLVED by the Board of Supervisors of Adair County, Iowa, that after receiving the necessary contract documents, including but not limited to, the contractor's bond and certificate of insurance, Nick Kauffman, P.E., the County Engineer for Adair County, Iowa be and is hereby designated, authorized, and empowered on behalf of the Board of Supervisors or said County to execute the contracts in connection with the adored awarded construction project. Roll Call Vote: Christoffersen, aye; Wedemeyer, aye; Walker, aye; Hoadley, aye; and Baier, aye. Approved.

ADJOURNMENT: Moved by Hoadley and seconded by Christoffersen to adjourn at 9:48 a.m. Approved.

ADAIR COUNTY BOARD OF SUPERVISORS: _____ Nathan Baier, Chair

ATTEST: _____ Mandy Berg, Auditor