

STORYWALK PROPOSAL

Rhonda Vobr

WHAT IS A STORYWALK:

An innovative and delightful way for children (and adults) to enjoy reading and the outdoors at the same time. Laminated pages from a children's picture book are installed along an outdoor path. As you walk the path you are directed to the next page in the story.

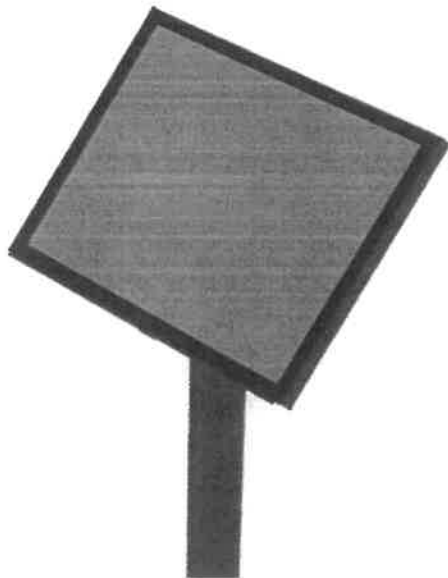
WHO IS PROPOSING:

Rhonda Vobr, children's librarian at the Cresco Public Library, on behalf of the library and the Howard County Extension Service. The library would provide the book pages (which would be changed periodically) which would fill most of the frames. The rest of the frames would provide space for the Extension Service and/or and Howard County Naturalist to provide information on events, healthy living, and plants and animals.

WHY

Encourages children's literacy and fitness
Encourages family interactions
Additional use of our trails
Community Connections

WHAT DOES A SIGN LOOK LIKE:



Watertight metal frame (18" x 24") mounted on a post (3 options for post - in ground cedar post or steel post or steel post surface mount) powder coat painted. Viewing area is 1/4" plexiglass which is transparent, shatter resistant, and durable. Frame opens on hasp for changing pages with padlock for security.

We are proposing 22 signs to be installed.

WHERE WANT TO INSTALL:

Along the portion of trail from near the Accura Rest Home to the city limit gravel road. This area is fairly flat offering clear site lines both for supervision of the children and bikers. It is also one of the safest areas of the trail with no driveways or streets to cross.

WHEN WANT TO INSTALL:

Summer 2021

Library LOST Funds for FY2021

Original Budget \$19,900:

\$5,000 Replace Furnace – this did not breakdown this year so no replacement this FY

\$8,000 Replace Windows & New Storm Windows-Basement – this project was not done due to COVID and supply issues

\$5,700 Panic Bars & Concrete South Entrance – this project will be a bigger project and is budgeted for next year FY2022

\$1,200 Paint/Stain/Varnish Teen Rooms & Bathrooms – the Library Foundation paid for the Teen Rooms. Not sure if the bathrooms will get done this fiscal year.

New Project \$3,000:

\$3,000 Replace Elevator Doors - The two Elevator Doors are dual doors and there have been many issues with those. The Library thought replacement could wait until FY2023 but it has become apparent that something needs to be done with them sooner. The two dual doors would be replaced with two upgraded single doors for \$3,000.

The Library Board is requesting permission to change the purpose of the originally budgeted LOST funds to be used for the replacement of the Elevator Doors. This can be done as a motion and does not require a budget amendment since there is more budgeted than will be used this year.

RESOLUTION NO: _____

A RESOLUTION APPROVING AND AUTHORIZING AN AMENDMENT TO LOAN AND DISBURSEMENT AGREEMENT BY AND BETWEEN THE CITY OF CRESCO AND THE IOWA FINANCE AUTHORITY, AND AUTHORIZING AND PROVIDING FOR THE REISSUANCE OF THE SEWER REVENUE CAPITAL LOAN NOTE, SERIES 2011 (RATE RESET), OF THE CITY

WHEREAS, the City of Cresco (hereinafter the "Issuer") previously issued its Sewer Revenue Capital Loan Note, Series 2011, dated May 25, 2011, in the amount of \$500,000 (hereinafter the "Note") outstanding after June 1, 2021 in the amount of \$268,000, pursuant to a Loan and Disbursement Agreement between the Issuer and the Iowa Finance Authority, dated of like date (the "Agreement"), for the purpose of defraying the costs of the Project (as defined in the resolution authorizing issuance of the same (hereinafter the "Resolution")); and

WHEREAS, the Iowa Finance Authority, as Original Purchaser and current holder of the Notes, has authorized a reduction in the interest rate on the Notes to 1.75%; and

WHEREAS, an Amendment to the Loan and Disbursement Agreement (hereinafter the "Amendment") has been prepared to reflect said interest rate reduction, a copy of which is attached hereto as Exhibit A; and

WHEREAS, pursuant to IRS regulations adoption of the Amendment constitutes a reissuance of the Notes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRESCO, IN THE COUNTY OF HOWARD, STATE OF IOWA:

- Section 1. That the Resolution is hereby amended to reflect the interest rate reduction to 1.75% per annum on the outstanding principal amount from and after June 1, 2021 for the remainder of the life of the Notes.
- Section 2. That the Amendment in substantially in the form attached to this Resolution is hereby authorized to be executed and issued on behalf of the Issuer by the Mayor and attested by the City Clerk.
- Section 3. That the Supplemental Tax Certificate regarding the uses of proceeds and the system is hereby approved. The City Clerk is directed to execute the same.

Section 4. Except as amended herein, all of the other terms and conditions of the Resolution and Agreement are in all respects ratified, confirmed and approved and shall remain in full effect.

PASSED AND APPROVED this 19th day of April 2021.

Mayor

ATTEST:

City Clerk

EXHIBIT A
AMENDMENT TO LOAN AND DISBURSEMENT AGREEMENT

The Loan and Disbursement Agreement (Sewer Revenue) (the "Agreement") entered into as of May 25, 2011 by and between the City of Cresco, Iowa (the "City" or "Issuer") and the Iowa Finance Authority, as lender (the "Lender") relating to a loan from the Lender to the City in the original amount of \$500,000, outstanding after June 1, 2021 in the aggregate amount of \$268,000, is hereby amended as follows:

1. The applicable interest rate for the Agreement shall be changed to 1.75%, effective as of June 1, 2021, and the Agreement shall thereafter be payable in accordance with the debt service schedule attached hereto and incorporated herein by this reference.

2. Except as amended herein, all of the other terms and conditions of the Agreement are in all respects ratified, confirmed and approved and shall remain in full effect.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the 19th day of April 2021.

CITY OF CRESCO, IOWA

(SEAL)

By: _____
Mayor

Attest:

City Clerk

Cresco
 *** Effective 6.1.21 ***



Loan ID C0382R
Dated Date 5/25/2011
Loan Amount \$500,000.00 (Unused - \$37,000)
Interest Savings \$19,325.00

Date	Current Schedule			New Debt Schedule			
	Principal	Current Interest 3.00%	Servicing Fee	Principal	New Interest 1.75%	Servicing Fee	New Annual Debt Service
12/1/2021		4,020.00			2,345.00		
6/1/2022	23,000.00	4,020.00	670.00	23,000.00	2,345.00	670.00	28,360.00
12/1/2022		3,675.00			2,143.75		
6/1/2023	24,000.00	3,675.00	612.50	24,000.00	2,143.75	612.50	28,900.00
12/1/2023		3,315.00			1,933.75		
6/1/2024	25,000.00	3,315.00	552.50	25,000.00	1,933.75	552.50	29,420.00
12/1/2024		2,940.00			1,715.00		
6/1/2025	25,000.00	2,940.00	490.00	25,000.00	1,715.00	490.00	28,920.00
12/1/2025		2,565.00			1,496.25		
6/1/2026	26,000.00	2,565.00	427.50	26,000.00	1,496.25	427.50	29,420.00
12/1/2026		2,175.00			1,268.75		
6/1/2027	27,000.00	2,175.00	362.50	27,000.00	1,268.75	362.50	29,900.00
12/1/2027		1,770.00			1,032.50		
6/1/2028	28,000.00	1,770.00	295.00	28,000.00	1,032.50	295.00	30,360.00
12/1/2028		1,350.00			787.50		
6/1/2029	29,000.00	1,350.00	225.00	29,000.00	787.50	225.00	30,800.00
12/1/2029		915.00			533.75		
6/1/2030	30,000.00	915.00	152.50	30,000.00	533.75	152.50	31,220.00
12/1/2030		465.00			271.25		
6/1/2031	31,000.00	465.00	77.50	31,000.00	271.25	77.50	31,620.00
	268,000.00	46,380.00	3,865.00	268,000.00	27,055.00	3,865.00	298,920.00

SUPPLEMENTAL TAX CERTIFICATE
OF
CRESCO, IOWA

The undersigned officer of the City of Cresco, Iowa (the "City"), hereby certifies as follows:

1. The Council of the City of Cresco ("Council"), acting at a meeting duly called and held on April 19, 2021, has authorized the execution and delivery of an Amendment to the Loan and Disbursement Agreement originally dated as of May 25, 2011 ("Agreement") by and between the Council and the Iowa Finance Authority ("Purchaser"), and approved a resolution ("Supplemental Resolution") amending the resolution approved by the Council on May 16, 2011 ("Original Bond Resolution"), which Original Bond Resolution authorized the issuance and delivery of a \$500,000 Sewer Revenue Capital Loan Note, Series 2011, dated May 25, 2011, of the City ("Original Note").

2. The officer whose name, title and signature appears below was, on the date or dates of the execution of the instruments referred to in paragraph 1 hereof, and is on the date hereof, the duly elected and qualified incumbent of the office of the City set opposite the name and signature appearing below, and said signature is the genuine signature of said officer.

3. We have reviewed the representations, covenants and warranties contained in the Tax Exemption Certificate dated May 25, 2011 ("Tax Certificate") executed on behalf of the City in connection with the issuance of the Original Note. A true and accurate copy of the Tax Exemption Certificate is attached hereto as Exhibit A.

4. The description of the Project set forth in Section II of the Tax Certificate accurately describes the Project as constructed and as it exists and is used as of the date hereof, and there has been no change in the use of the Project since the Original Note was issued.

5. The construction of the Project has been completed, and all of the proceeds of the Original Note were expended on the costs of the Project, in the amounts and as described Sections II and III of the Tax Certificate.

6. Not more than 10% of the proceeds of the Original Note or the facilities financed thereby, are to be used (directly or indirectly) or were used in a trade or business carried on by any person (other than a governmental unit), and not more 10% of the payment of the principal of or interest on the Original Note is (directly or indirectly): (i) secured by any interest in property used or to be used in such trade or business or payments in respect of such property; or (ii) derived from payments (whether or not to the City) in respect of property or borrowed money used or to be used in such a trade or business, all within the meaning of Section 141(a) of the Code.

7. During the term of the Original Note, and at all times prior to the date hereof, no private business use will be made or has been made of the Project, and no payments or security

will be made or furnished or has been made or furnished that would cause the Original Note to be a "private activity bond" within the meaning of Section 141 of the Code and applicable regulations.

8. The reissuance of the Original Note involves outstanding obligations in the amount of \$268,000 which were previously designated by the Issuer as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Tax Code. Pursuant to Subsection (D) of that Section, said amount retains the prior designation.

9. The covenants of the City contained in the Tax Certificate are hereby ratified, confirmed and approved and shall continue to be binding upon the City as if set forth fully herein. This certificate is intended and is being delivered in order to meet the requirements of Section 148 of the Internal Revenue Code of 1986, as amended, and Treasury Regulation 1-148(2)(b).

IN WITNESS WHEREOF, the undersigned has hereunto set my hand as of the 19th day of April 2021.

CITY OF CRESCO, IOWA

By: _____
City Clerk

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MINUTES OF THE P&Z COMMISSION

Chairperson Kingsley called the Cresco P&Z Commission meeting to order on April 12, 2021, at 7:00 p.m. at City Hall. Commission Members Kingsley, Schorr, Omar, Willis, Conlan, McConnell were present. Commission Member Holten was absent. There were not any guests present.

Willis made the motion to approve the agenda. Conlan seconded and it passed all ayes.

Mconnell made a motion to waive the approval of the meeting minutes from August 5, 2020.

Omar seconded and it passed all ayes.

The Chairman presented the zoning request filed by Aaron Wemark for his lot located on 7th St SW to be changed from M1 to C2 so he can better utilize his entire lot for future expansion. Aaron was in attendance and discussed his plans for the lot and the reasoning behind the zoning change request. There was discussion about the future plans and about the drainage issues along 7th St to which Aaron reiterated that he is willing to put in a retention pond to help with those issues and catch what water he can from his property. There was 1 written objection to the zoning change from Jerry Ferrie stating that they are against the zoning change because they already have enough water in their basement.

On a motion by Omar, seconded by Schorr, the commission recommends to the City Council of Cresco, Iowa, that the lot located at Lot 5 of 4 IR SURV SE Lot 9 BLK 28 BALDWINS ADDN. be rezoned from M1 to C2. The roll was called and the vote was all Ayes.

Willis moved to adjourn at 7:25 p.m. Schorr seconded, and it passed all ayes. There are no future meetings scheduled at this time. The commission meets on an as needed basis.

Respectfully Submitted,



Secretary of the Board

RESOLUTION NUMBER _____

**RESOLUTION APPROVING AND ADOPTING POLICIES
FOR THE CITY OF CRESCO**

WHEREAS, the City of Cresco hereby adopts the following Policies attached and dated April 19, 2021:

Procurement Policy

Personally Identifiable Information Policy

Fraud Reporting Policy

NOW, THEREFORE, BE IT RESOLVED THAT the above dated policies are approved and adopted effective April 19, 2021.

Council Person _____ moved the adoption of the foregoing Resolution and Council Person _____ seconded said Motion. Following discussion, a roll call vote was requested by Mayor and said roll call resulted as follows:

Ayes: _____

Nays: _____

Absent: _____

Thereupon, the Mayor declared said Resolution duly passed and announced that the policies for the City of Cresco are approved and adopted.

PASSED AND APPROVED THIS 19TH DAY OF APRIL, 2021.

BY: _____
Mayor Mark Bohle

ATTEST: _____
City Clerk Michelle Girolamo

City of Cresco

PROCUREMENT POLICY

Department heads are authorized to make purchases up to \$10,000 without quotation requirements. City staff are encouraged to shop for the best price. Purchases greater than \$10,000 must be approved, prior to purchase, by the Public Works Director or City Clerk. The Public Works Director or City Clerk will determine when quotes are required and then will be presented to Council for approval based on the lowest responsible quote.

All purchases shall be approved by the Deputy Clerk or City Clerk prior to payment. All claims shall be submitted to City Council for approval before payment is released unless it is a normal operating expenditure that will incur a late charge or lose a payment discount.

Formal bid procedures for purchases exceeding the dollar thresholds set by the State of Iowa for horizontal and vertical infrastructure projects will be followed per Iowa Code.

In addition to its own documented procedures, and local and state regulations, the following requirements for procurement with federal funds will be followed.

In compliance with Uniform Grant Guidance in Title 2 Code of Federal Regulation (C.F.R.) Grants and Agreements, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, it is the policy of the City of Cresco to adhere to these requirements. For procurement, all non-Federal entities must follow 2 CFR Part 200 Subpart D Subsections §200.318 General procurement standards through §200.326, and Appendix II to Part 200-Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. These standards are accessible online at: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

2 CFR §200.318 General procurement standards

(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and standards. Where State and/or local requirements conflict with Federal requirements, the strictest requirement, will be followed.

This policy establishes procedures for procurement of goods and services, lists and explains relevant Federal laws and policies regarding procurement for Federal grant administration.

Failure to follow policies regarding Federal requirements may result in a wide range of sanctions including disallowed costs, denied reimbursement requests, recoupment of funds, and debarment/exclusion from Federal funding. Violation of this policy may result in disciplinary action, including termination of the federal grant.

2 CFR 180 Debarment and suspension

OMB Guidelines to Agencies on Government wide Debarment and Suspension govern debarment and suspension. These regulations restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from, or ineligible for participation in Federal assistance programs or activities. It is a requirement to check for suspended or debarred parties before awarding work for all covered transactions. Debarred or suspended parties may be found by searching the System for Award Management (SAM) for exclusion records, active or excluded at www.sam.gov documentation of search results will be retained with procurement and grant records.

STANDARDS OF CONDUCT AND CONFLICT OF INTEREST

§200.318 General procurement standards

2 CFR Part 200, Subpart D Subsection §200.318 (c)(1)

The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

§200.319 Competition.

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.

(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

(1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

(2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure

maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

§200.320 Methods of procurement to be followed

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

- (i) A complete, adequate, and realistic specification or purchase description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
- (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

- (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;
- (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- (iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- (v) Any or all bids may be rejected if there is a sound documented reason.

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- (2) Proposals must be solicited from an adequate number of qualified sources;
- (3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(e) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

§200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

(a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5)

§200.322 Procurement of recovered materials

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

§200.323 Contract cost and price

The cost plus a percentage of cost and percentage of construction cost method of contracting shall not be used.

(a) A cost/price analysis must be performed in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

(b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its

record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

§200.324 Federal awarding agency or pass-through entity review

(a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition.

(b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

(1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;

(2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;

(3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;

(4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.

(c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

§200.325 Bonding requirements

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

Contract provisions.

The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

Cost Principles

Cost principles govern how NON-FEDERAL ENTITIES spend Federal grant funding. Federal cost principles are found in 2 CFR Part 200 Subpart E, accessible online at 2 CFR PART 200 SUBPART E.

Passed and adopted this _____ day of _____

BY: _____
Mayor Mark Bohle

ATTEST: _____
City Clerk Michelle Girolamo

**Personally Identifiable Information and Protected Personally Identifiable Information
Requirements Applicable to all Federal Awards**

City of Cresco

PERSONALLY IDENTIFIABLE INFORMATION POLICY

In compliance with Uniform Grant Guidance in Title 2 Code of Federal Regulation (C.F.R.) Grants and Agreements, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, it is the policy of: City of Cresco to protect Personally Identifiable Information (PII) of employees, customers, vendors, contractors, volunteers, etc. The electronic restrictions and safeguards outlined in 2 C.F.R 200.303 Internal Controls, this policy provides guidance for employees, volunteers, agents, etc. with access to PII and PPII.

Personally Identifiable Information is any information pertaining to an individual that can be used to distinguish or trace a person's identity. Some information that is considered PII is available in public sources such as telephone books, public websites, etc. This type of information is considered to be Public PII and includes:

1. First and Last name
2. Address
3. Work telephone number
4. Work e-mail address
5. Home telephone number
6. General educational credentials
7. Photos and video

The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source, that, when combined with other available information, could be used to identify an individual.

Protected PII (PPII) means an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to:

1. Social security number
2. Username and password
3. Passport number
4. Credit card number
5. Clearances
6. Banking information
7. Biometrics
8. Data and place of birth
9. Mother's maiden name
10. Criminal, medical and financial records
11. Educational transcripts
12. Photos and video including any of the above

This does not include PII that is required by law, statute, or regulation to be disclosed, such as a law enforcement or court order right to know.

Internal controls (2 C.F.R. 200.303)

The non-Federal entity must:

(e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75883, Dec. 19, 2014]

**Personally Identifiable Information and Protected Personally Identifiable Information
Requirements Applicable to all Federal Awards**

Procedures

Guidelines on how to maintain and discard PII. All electronic files that contain Protected PII will reside within a protected information system location. All physical files that contain Protected PII will reside within a locked/secured/monitored location when not being actively viewed or modified. Protected PII is not to be downloaded, without prior approval, to personal or organization owned employee workstations or mobile devices (such as laptops, personal digital assistants, mobile phones, tablets or removable media). PII will also not be sent through any form of insecure electronic communication e.g. e-mail or instant messaging systems. Significant security risks emerge when PII is transferred from a secure location to a less secure location or is disposed of improperly. When disposing of PII the physical or electronic file should be shredded, securely deleted, or disposed of by a means that renders the information unrecognizable and beyond reconstruction.

Incident Reporting

City Council must be informed of a real or suspected disclosure or breach of Protected PII data within 24 hours after discovery. Examples: misplacing a paper report, loss of a laptop, mobile device, or removable media containing PII, accidental email of PII, possible virus, or malware infection or a computer containing PII.

Audits

Periodic audits of organization owned equipment and physical locations may be performed to ensure that protected PII is stored in approved information systems or locations. The purpose of the audit is to ensure compliance with this policy and to provide information necessary to continuously improve practices.

Enforcement

Anyone found to be in violation of this policy may be subject to disciplinary action as deemed appropriate based on the facts and circumstances giving rise to the violation.

Records Disposal

Records containing personal data are to be disposed of so as to prevent inadvertent compromise of data and will use a disposal method that will render all personal data unrecognizable and beyond reconstruction.

Passed and adopted this _____ day of _____

BY: _____
Mayor Mark Bohle

ATTEST: _____
City Clerk Michelle Girolamo

City of Cresco

FRAUD REPORTING POLICY

2 CFR Part 200 Subpart B-General Provisions
200.113 Mandatory Disclosures

In compliance with Uniform Grant Guidance, in Title 2 Code of Federal Regulation (C.F.R.) Grants and Agreements, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, this policy is adopted.

A non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including the term and condition outlined in Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters are required to report certain civil, criminal, or administrative proceedings to SAM (currently FAPIIS). Failure to make required disclosures can result in any of the remedies described in §200.339 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

If an employee, elected official, board or commission member, volunteer, agent, etc. learns of a violation of Federal criminal law involving fraud, bribery, or gratuity potentially affecting a Federal grant, they will report the violation to:

the Mayor of the City of Cresco.

The above named is responsible for reporting the violation to the relevant federal agency, or pass-through agency in writing, and in a timely manner.

Passed and adopted this _____ day of _____

BY: _____
Mayor Mark Bohle

ATTEST: _____
City Clerk Michelle Girolamo

City of Cresco
Billing Revenue
July 2020 - June 2021

20-21 Budget Billing Revenue.xls
(Based on Bills created in Utility Billing)

	2020/2021 Annual Budget	2020/2021 Monthly Budget
620-899-4510 Cap Improv	79,800	6,650
001-290-4500 Garbage (cleanup billed July)	510,000	42,500
001-290-4501 Recycling	105,000	8,750
610-815-4500 Sewer	760,000	63,333
600-810-4500 Water	530,000	44,167
670-840-4500 Yard Waste	38,000	3,167

Bill Paid	6/19/20 July	7/20/20 Aug	8/20/20 Sept	9/21/20 Oct	10/20/20 Nov	11/20/20 Dec
6,647	6,608	6,601	6,598	6,591	6,587	6,587
41,757	41,843	41,912	41,949	41,907	41,732	41,732
8,683	8,674	8,609	7,993	8,652	8,596	8,596
62,822	66,022	69,426	68,219	60,022	62,883	62,883
43,458	45,835	50,524	46,151	39,690	40,793	40,793
3,175	3,176	3,178	3,185	3,171	3,164	3,164
99%	98%	98%	97%	90%	96%	96%

Water Accountability
535,000 gal
100% flush
hydrants
Nov 11
Leak

Six Month Averages	20/21 Mthly Avg Revenue	20/21 Annual Revenue	Increase over actual budget	2/1/22 Annual Budget
	6,605	79,264	1%	79,800
	41,850	502,200	3%	520,000
	8,535	102,414	3%	107,000
	64,899	778,788	4%	790,000
	44,409	532,902	5%	540,000
	3,175	38,098	0%	38,000

Bill Paid	12/18/20 Jan	1/20/21 Feb	2/19/21 Mar	3/20/20 Apr	4/20/20 May	5/20/20 June	Percentage Over (Short)
6,591	6,531	6,510	6,517	6,600	6,600	6,600	-1%
42,524	42,412	42,343	42,445	42,500	42,500	42,500	-1%
8,845	8,780	8,736	8,751	8,800	8,800	8,800	-1%
57,736	66,640	64,012	56,596	63,000	63,000	63,000	0%
37,021	42,842	42,148	39,397	42,800	42,800	42,800	-3%
3,180	3,168	3,161	3,166	3,175	3,175	3,175	0%
87%	95%	90%	88%	90%	90%	90%	0%

Water Accountability
1 Leak for 2.5 days
3 Leaks several days + 2 minor pit & trailer

20/21 Mthly Avg Revenue	20/21 Annual Revenue	Percentage Over (Short)
6,582	78,981	-1%
42,152	505,824	-1%
8,660	103,919	-1%
63,365	760,378	0%
42,788	513,459	-3%
3,173	38,074	0%

Rate Analysis - Water

4/15/2021

	# Bills	Gallons	Rate	Amount	Monthly Total	Monthly Increase	Annual Increase	Annual Revenue
WATER								
(Source: Nov 1st bills)								
Currently:								
Water: Minimum Bills	1,855	1,500	5.18	7.78	14,432			
Water: 1500-7000 gallons	1,304	2,706,452	5.18		14,019			
Water: 7000-67,000 gallons	115	1,331,631	4.73		6,299			
Water: over 67,000 gallons	13	1,015,990	4.33		4,399			
Rural Water - Minimum	26	1,500	10.36	15.54	404			
Rural: 1500-7000 gallons	18	42,676	10.36		442			
Rural: 7000-67,000 gallons	3	62,600	9.46		592			
Rural: over 67,000 gallons	1	78,800	8.65		682			
Totals					41,269			495,230
minimum bills = 591 city users and 8 rural (use less than 1500 gallons)								

Current Budget:	22 Budget:
\$530,000	\$540,000

Based on 10 mths Projecting shortage of \$16,500 or \$513,500
--

	# Bills	Gallons	Rate	Amount	Monthly Total	Monthly Increase	Annual Increase	Annual Revenue
Raise Rate 6%								
Rate Increase 6%								
Water: Minimum Bills	1,855	1,500	5.49	8.24	15,278			
Water: 1500-7000 gallons	1,304	2,706,452	5.49		14,861			
Water: 7000-67,000 gallons	115	1,331,631	5.01		6,677			
Water: over 67,000 gallons	13	1,015,990	4.59		4,663			
Rural Water - Minimum	26	1,500	10.98	16.47	428			
Rural: 1500-7000 gallons	18	42,676	10.98		469			
Rural: 7000-67,000 gallons	3	62,600	10.02		627			
Rural: over 67,000 gallons	1	78,800	9.18		723			
Totals					43,726	2,457	29,480	
Minimum Bill would INCREASE \$.46 per month (from \$7.78 to \$8.24)								

Adds	Estimated
\$29,480	\$542,980
to Next Year's Budget	

	# Bills	Gallons	Rate	Amount	Monthly Total	Monthly Increase	Annual Increase	Annual Revenue
Raise Rate 5%								
Rate Increase 5%								
Water: Minimum Bills	1,855	1,500	5.44	8.16	15,134			
Water: 1500-7000 gallons	1,304	2,706,452	5.44		14,720			
Water: 7000-67,000 gallons	115	1,331,631	4.97		6,614			
Water: over 67,000 gallons	13	1,015,990	4.55		4,619			
Rural Water - Minimum	26	1,500	10.88	16.32	424			
Rural: 1500-7000 gallons	18	42,676	10.88		464			
Rural: 7000-67,000 gallons	3	62,600	9.94		622			
Rural: over 67,000 gallons	1	78,800	9.10		717			
Totals					43,315	2,046	24,555	
Minimum Bill would INCREASE \$.38 per month (from \$7.78 to \$8.16)								

Adds	Estimated
\$24,555	\$538,055
to Next Year's Budget	

NOTE: Print UB Mgmt Reports = Rate Analysis (choose average billing month)

Rate Analysis - Sewer

4/15/2021

	# Bills	Gallons	Rate	Amount	Monthly Total	Monthly Increase	Annual Increase	Annual Revenue
Currently:								
(Source: Nov 2020 bills)								
Sewer - Minimum Bills & 1st 1500 gal	522	1,500	8.84	13.26	6,922			
Sewer - Over 1500 gallons	1,282	6,065,315	8.84		53,617			
Rural Sewer - Minimum	5	1,500	17.67	26.51	133			
Rural Sewer - Over 1500 gal	9	41,018	17.67		725			
Indust Agreement=CFT	1			7.67+7.20	1,600			
Totals					62,996			755,957
minimum bills = 522 city users, and 5 rural (use less than 1500 gallons)								

\$760,000	\$790,000
Current Budget	22 Budget

Based on 10 mths
Projecting
average of
\$0 or \$760,000

	# Bills	Gallons	Rate	Amount	Monthly Total	Monthly Increase	Annual Increase	Annual Revenue	
Raise Rate 4%									
								Rate Increase	4%
Sewer - Minimum Bills	522	1,500	9.19	13.79	7,199				
Sewer - Over 1500 gallons	1,282	6,065,315	9.19		55,762				
Rural Sewer - Minimum	5	1,500	18.39	27.58	138				
Rural Sewer - Over 1500 gal	9	41,018	18.39		754				
Indust Agreement=CFT	1			7.67+7.20	1,664	(Industrial Agreements Updated)			
Totals					65,517	2,520	30,244	\$30,244	
Minimum Bill would INCREASE \$0.53 per month (from \$13.26 to \$13.79)									
Average Resident over minimum bill would increase \$1.24 per month (3,545 avg gal * \$.35/1000 gal)									
Average Commercial over minimum bill would increase \$5.49 per month (15,679 avg gal * \$.35/1000 gal)									

\$30,244 \$790,244

	# Bills	Gallons	Rate	Amount	Monthly Total	Monthly Increase	Annual Increase	Annual Revenue	
Raise Rate 5%									
								Rate Increase	5%
Sewer - Minimum Bills	522	1,500	9.28	13.92	7,268				
Sewer - Over 1500 gallons	1,282	6,065,315	9.28		56,298				
Rural Sewer - Minimum	5	1,500	18.56	27.85	139				
Rural Sewer - Over 1500 gal	9	41,018	18.56		761				
Indust Agreement=CFT	1			7.67+7.20	1,680	(Industrial Agreements Updated)			
Totals					66,147	3,150	37,804	\$37,804	
Minimum Bill would INCREASE \$0.66 per month (from \$13.26 to \$13.92)									
Average Resident over minimum bill would increase \$1.56 per month (3,545 avg gal * \$.44/1000 gal)									
Average Commercial over minimum bill would increase \$6.90 per month (15,679 avg gal * \$.44/1000 gal)									

\$37,804 \$797,804

	# Bills	Gallons	Rate	Amount	Monthly Total	Monthly Increase	Annual Increase	Annual Revenue	
Raise Rate 6%									
								Rate Increase	6%
Sewer - Minimum Bills	522	1,500	9.37	14.06	7,337				
Sewer - Over 1500 gallons	1,282	6,065,315	9.37		56,834				
Rural Sewer - Minimum	5	1,500	18.74	28.11	141				
Rural Sewer - Over 1500 gal	9	41,018	18.74		769				
Indust Agreement=CFT	1			7.67+7.20	1,696	(Industrial Agreements Updated)			
Totals					66,777	3,780	45,364	\$45,364	
Minimum Bill would INCREASE \$0.80 per month (from \$13.26 to \$14.06)									
Average Resident over minimum bill would increase \$1.88 per month (3,545 avg gal * \$.53/1000 gal)									
Average Commercial over minimum bill would increase \$8.31 per month (15,679 avg gal * \$.53/1000 gal)									

\$45,364 \$805,364

City of Cresco

History of Rates - WATER

	Rate	Rate Increase	Actual Revenue Increase
1998	\$2.45		
1/1/01	\$2.45	0%	
7/1/01	\$2.45	0%	
7/1/07	\$2.57	5%	
7/1/08	\$2.70	5%	-2%
7/1/09	\$2.78	3%	7%
7/1/10	\$3.45	24%	33%
7/1/11	\$3.52	2%	9%
7/1/12	\$3.52	0%	-4%
7/1/13	\$3.84	9%	3%
7/1/14	\$4.04	5%	4%
7/1/15	\$4.24	5%	2%
7/1/16	\$4.45	5%	4%
7/1/17	\$4.65	4%	4%
7/1/18	\$4.84	4%	1%
7/1/19	\$5.03	4%	6%
7/1/20	\$5.18	3%	-2% est

History of Rates - SEWER

	Rate	Rate Increase	Actual Revenue Increase
1998	\$3.85		
1/1/01	\$4.10	6%	
7/1/01	\$5.00	22%	
7/1/07	\$5.25	5%	
7/1/08	\$5.51	5%	-2%
7/1/09	\$5.68	3%	4%
7/1/10	\$6.82	20%	20%
7/1/11	\$6.96	2%	5%
7/1/12	\$6.96	0%	0%
7/1/13	\$7.10	2%	-1%
7/1/14	\$7.50	6%	3%
7/1/15	\$7.60	1%	1%
7/1/16	\$7.70	1%	0%
7/1/17	\$7.78	1%	-1%
7/1/18	\$8.17	5%	3%
7/1/19	\$8.58	5%	8%
7/1/20	\$8.84	3%	-4% est

min bill increased \$.23 on 7/1/20

min bill increased \$.39 on 7/1/20

Actual Revenue Received

WATER 600-810-4500

Beg	End	Revenue	Increase
7/1/07	6/30/08	284,384	
7/1/08	6/30/09	279,956	-2%
7/1/09	6/30/10	298,410	7%
7/1/10	6/30/11	397,812	33%
7/1/11	6/30/12	435,317	9%
7/1/12	6/30/13	415,919	-4%
7/1/13	6/30/14	429,684	3%
7/1/14	6/30/15	445,330	4%
7/1/15	6/30/16	454,782	2%
7/1/16	6/30/17	472,001	4%
7/1/17	6/30/18	488,955	4%
7/1/18	6/30/19	494,340	1%
7/1/19	6/30/20	524,236	6%
7/1/20	6/30/21	513,500	-2% est

SEWER 610-815-4500

Beg	End	Revenue	Increase
7/1/07	6/30/08	542,380	
7/1/08	6/30/09	533,081	-2%
7/1/09	6/30/10	552,490	4%
7/1/10	6/30/11	661,843	20%
7/1/11	6/30/12	694,569	5%
7/1/12	6/30/13	695,463	0%
7/1/13	6/30/14	688,943	-1%
7/1/14	6/30/15	711,123	3%
7/1/15	6/30/16	715,001	1%
7/1/16	6/30/17	715,344	0%
7/1/17	6/30/18	707,067	-1%
7/1/18	6/30/19	728,571	3%
7/1/19	6/30/20	788,062	8%
7/1/20	6/30/21	760,000	-4% est

City of Cresco
 Budget Analysis
 FYE June 30, 2022

<u>WATER:</u>	#600 Op	#602 Eq/Proj
Income	609,500	178,300
Expenses	<u>609,300</u>	<u>120,100</u>
Net Income	200	58,200
Est Bal 6/30/22	384,000	387,000

	21/22 Budgeted	20/21 Estimated	Increase
Billing Revenue:	540,000	513,000	5%

	20/21 Budgeted	20/21 Actual-Est	Shortage
Billing Revenue:	530,000	513,000	-3%

<u>SEWER:</u>	#610 Rev	#612 Operat	#613 Eq/Proj	#614 Loan
Income	853,900	670,000	156,000	31,800
Expenses	<u>852,500</u>	<u>666,600</u>	<u>424,000</u>	<u>31,800</u>
Net Income	1,400	3,400	(268,000)	0
Est Bal 6/30/22	577,000	11,000	453,000	34,000

	21/22 Budgeted	20/21 Estimated	Increase
Billing Revenue:	790,000	760,000	4%

	20/21 Budgeted	20/21 Actual-Est	Shortage
Billing Revenue:	760,000	760,000	0%

<u>CAP IMPROV:</u>	#620
Income	81,700
Expenses	<u>900</u>
Net Income	80,800
Est Bal 6/30/22	175,300

	21/22 Budgeted	20/21 Estimated	Increase
Billing Revenue:	79,800	79,000	1%

	20/21 Budgeted	20/21 Actual-Est	Shortage
Billing Revenue:	79,800	79,000	-1%

<u>YARD WASTE</u>	#670
Income	39,600
Expenses	<u>91,600</u> includes \$50,000 Chip Truck
Net Income	(52,000)
Est Bal 6/30/22	76,300

	21/22 Budgeted	20/21 Estimated	Increase
Billing Revenue:	38,000	38,000	0%

	20/21 Budgeted	20/21 Actual-Est	Shortage
Billing Revenue:	38,000	38,000	0%

Tax Abatement under the Cresco Urban Revitalization Plan

The reason that Cresco has a \$75,000 cap on the tax abatement program is because of the Code Section that our plan uses for our Designation Criteria. We are using Subsections 4 and 5 of Section 1 of the Act.

4. "An area which is appropriate as an economic development area as defined in Section 403.17." (Section 403.17, Subsection 10: 'Economic development area' means an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises or housing and residential development for low and moderate income families, including single or multi-family housing.)

5. "An area or an area designated as appropriate for public improvements related to housing and residential development, or construction of housing and residential development, including single or multi-family housing."

Whereas, Decorah and some other cities are using all of the criteria. It includes #4 and #5 like ours but also includes these:

1. "An area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime, and which is detrimental to the public health, safety, or welfare."

2. "An area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use."

3. "An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use."

The City Council must decide if they can justify that a substantial number or a predominant number of residences qualify for reasons #1, 2, or 3. When Cresco created the plan, the Council at that time decided that the whole city would not qualify under the extended criteria so they chose to take the more conservative approach with using criteria #4 and #5 which caps it at \$75,000.

Attorneys from Ahlers and Cooney suggested, that if the Council wanted to use the blight and historical criteria, then a study should be performed to justify the number of blight and historical residences. This could be performed by Simmering & Cory hopefully before our expiration date in December. Based on the results, the City may be able to increase or eliminate the cap on the whole City or could develop "pockets" where there are different schedules based on location. The "pockets" allowing 100% exemption would not include new housing developments.

There is some controversy on whether the intent of this Act is to allow 100% exemption for new houses in new housing developments. Apparently, some Legislators are taking note of this aggressive use of the Code and it could be changed in the future.

This is somewhat complex and will require some Council discussion perhaps in a future Council meeting to nail down the specifics of what we want to offer as Tax Abatement incentives. However, if Council feels we want to increase the residential cap then we should contact Simmering & Cory immediately to determine if a study could be done in time.