

BOARD PROCEEDINGS
April 9, 2024
REGULAR April SESSION

The Board of Supervisors met pursuant to adjournment. Present were Kyle Stecker, Chairman, Carter Nath, Joshua Waechter, Jack Plathe and Roger Tjarks.

Chairman, Kyle Stecker called the meeting to order at 8:00 A.M. followed by the Pledge of Allegiance.

Public discussion was held.

Motion by Tjarks and 2nd by Stecker to approve the agenda and minutes of the previous meetings dated April 2, 2024. Motion carried unanimously.

A monthly update was given by the Secondary Road Foremen.

Monthly reports from Kossuth Regional Health Center were reviewed.

Motion by Tjarks and 2nd by Nath to approve the Conservation Exemption. Motion carried unanimously.

Motion by Waechter and 2nd by Stecker to approve Resolution #04-09-24-01, which is a resolution approving the Kossuth County Right-To-Use Subscription Asset Policy required by GASB 96. Chairman Stecker called for a roll call vote: Plathe: yes, Tjarks: yes, Waechter: yes, Nath: yes, Stecker: yes. Motion carried.

Resolution# 04-09-24-01

Kossuth County Right-To-Use Subscription Asset Policy

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements", is effective beginning July 1, 2022 (FY2023). GASB 96 requires a government end user (government) to recognize a subscription liability and an intangible right-to-use subscription asset.

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 subscription-based information technology arrangements (SBITA or subscription) in existence on June 30, 2022 will need to be reported as the beginning balance (July 1, 2022) for leases of FY2023.

A right-to-use subscription asset is an intangible capital asset. The asset represents the right to use an underlying asset identified in a subscription contract, as specified for a period of time. The County will recognize the intangible right-to-use subscription asset when:

- a) The contract conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the 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.)

Threshold for Capitalization of Right-To-Use SBITA 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 \$100,000.00 must be reported.

As a general rule, the threshold should be applied to individual subscription contracts.

Right-to-use lease asset classifications:

The government is required to disclose the amount of subscription assets (and the related amortization) separately from other capital assets.

Measurement and amortization:

Measurement: A government should initially measure the subscription 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 lease term.) (For the year of implementation, the subscription liability and right-to-use asset should be measured as of July 1, 2022.)
- b) Subscription payments made to the vendor at or before the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term.
- c) Initial direct costs that are ancillary charges necessary to place the subscription asset into service.

Amortization: A subscription asset should be amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying asset. The amortization of the lease asset should be reported as amortization expense.

At a minimum, amortization should be calculated on a monthly basis.

Approved by resolution No. 04-09-24-01

Board Chair: _____ **Date:** _____
Kyle Stecker

Attest: _____ **Date:** _____
County Auditor

Motion by Tjarks and 2nd by Nath to leave the landowner crossing on the Metzger property as is. Chairman Stecker called for a roll call vote: Plathe: yes, Tjarks: yes, Waechter: yes, Nath: yes, Stecker: yes. Motion carried.

A discussion was held with Kossuth County Department Heads regarding employee insurance and morale.

Motion by Stecker to offer a high deduction plan to employees from Blue Cross Blue Shield for \$740/single \$1850/family including contributing the difference in premium to an HSA for each employee's single or family plan respectively, and to have employees contribute \$250 a month per family plan. Motion failed for the lack of a second to the motion.

Motion by Nath and 2nd by Waechter to make the change to have employees pay \$250 towards the health insurance premium for their family health care plan. Plathe: no, Tjarks: no, Waechter: yes, Nath: yes, Stecker: yes. Motion carried.

Motion by Waechter to enact a high deductible plan and let employees elect if they want to pay \$250 and receive the HSA contribution or have the premium 100% paid. Supervisor Waechter withdrew his motion.

Motion by Nath and 2nd by Waechter to clarify Supervisor Nath's earlier motion by having the employees pay \$250 **per month** towards the premium for their family health care plan. Plathe: no Tjarks: no, Waechter: yes, Nath: yes, Stecker: yes. Motion carried.

Motion by Nath and 2nd by Stecker to make the following budget changes: Remove \$30,000 from the yearly allocation to the Kossuth County Fair; Reduce the allocation to Kossuth County Economic Development by \$50,000, which brings the contribution to \$75,000; Remove Supervisor Nath and Supervisor Waechter from the Kossuth County Health Insurance Policy; Increase the revenue for investments in the current fiscal year by \$400,000; Have Kossuth County Employees pay \$250 per month for family health insurance; To stop hiring part time secondary road staff for mowing; Remove the \$70,000 in expenses from departments as mentioned last week; To not paint the edge lines on the road; Add the \$10,000 in revenue mentioned during last week's meeting. This changes the budget by \$1,110,000 approximately. Plathe: no, Tjarks: pass, Waechter: yes, Nath: yes, Stecker: yes, Tjarks: yes. Motion carried.

Motion by Plathe and 2nd by Waechter to have the supervisors handle their requests as follows: Supervisor Tjarks: Request #2024-023 DD PAK 1 OD and Request 2024-024 DD PAK 1 OD. Supervisor Stecker: Request 2024-025 DD 75 Main. Supervisor Nath: Request 2024-026 DD HK 2 OD. Motion carried unanimously.

Discussion was held with the Kossuth County Auditor and Kossuth County Board of Supervisors.

Motion by Plathe and 2nd by Tjarks to approve and adopt the Kossuth County Secondary Road Department Fiscal Year 2025 Five Year Construction Program as presented with the following amendments: reducing receipts from Property Taxes received from property taxes on all property in Kossuth County by \$200,000, reducing expenditures in Roadway Maintenance 713 (593) Roads by \$100,000 and reducing expenditures in Roadway Maintenance 714 (493) Roads by \$100,000. To recommend approval of the Budget and Program to the Iowa Department of Transportation. Chairman Stecker call for a roll call vote: Plathe: yes, Tjarks: yes, Waechter: yes, Nath: yes, Stecker: yes. Motion carried.

Motion by Tjarks and 2nd by Plathe to authorize and give its permission to Fenton Cooperative Telephone Company of Fenton, IA, to bury fiber optic cable in the right of way. Work includes plowing the north shoulder of 330th Street and placing a hand hole at the entrance of 109 330th Street. Work

will be in Section 6 of Fenton Township. Permit number 04-12-2024 is on file in the Kossuth County Engineer's Office, see map attached to permit for installation details. Motion carried unanimously.

A discussion was held with the Kossuth County Engineer/Zoning Administrator.

Motion by Plathe and 2nd by Nath to adjourn at 2:26 P.M. Motion carried unanimously.

Attest:

Tammy Eden
Kossuth County Auditor

Kyle Stecker, Chairman
Kossuth County Board of Supervisors