



**North Liberty City Council
Regular Session
January 28, 2025**



City Administrator Memo



To **Mayor and City Council**
From **Ryan Heiar, City Administrator**
Date **January 24, 2025**
Re **City Council Agenda January 28, 2025**

Consent Agenda

The following items are on the consent agenda and included in the packet:

- City Council Minutes (01/14/25 & 01/21/25)
- Centennial Park Event Complex, Change Order #4, Larson Construction Co, Inc, (\$3,047.50)
- Claims

FY24 Audit Presentation

The City’s audit process is back on track after last year’s delay. Dustin Opatz with BergankVD will be at Tuesday’s meeting to present the FY24 audit. The audit findings begin on page 72 of the report and include a few comments, including the familiar note for a lack of internal controls due to the City’s smaller staff size, and bank reconciliation issues as a result of the financial software transition. Fortunately, the City is on the back side of the software transition, and we anticipate these comments to be cleaned up in FY25. The auditors were able to provide an unmodified opinion and staff recommends approval of the FY24 audit.

FY26 Budget

See separate memo, budget model and related materials.

Accessory Dwelling Unit Discussion

Staff proposed a Zoning Code amendment in 2024, a portion of which included allowing ADUs in North Liberty. ADU inclusion in the Zoning Code was requested by the Housing Action Team of the Johnson County Livable Community for Successful Aging Policy Board. The section on ADUs was not approved as it was pulled from the broader Zoning Ordinance amendment. At the time, staff indicated that it would reintroduce ADUs as a discussion topic to better understand if City Council wanted to move forward with any allowance. A memo and general information have been provided to guide the discussion. Members of the Housing Action Team will be in attendance to provide input and answer any Council questions.

Meetings & Events

Tuesday, Jan 28 at 6:00p.m.
City Council

Tuesday, Feb 4 at 6:30p.m.
Planning Commission

Thursday, Feb 6 at 7:00p.m.
Parks & Recreation Commission

Tuesday, Feb 11 at 6:00p.m.
City Council

CDBG-CV-North Liberty Community Pantry

As part of the Community Development Block Grant, the City is required to hold a hearing on behalf of the North Liberty Community Pantry to provide an update on the use of the \$100k. Tom Gruis with ECICOG and who is administering this grant will be at the meeting to present an update.

Johnson County Fire Mutual Aid Agreement

The Johnson County Fire Mutual Aid agreement was last updated over a decade ago and for the last two years a team of local fire officials, including Chief Platz, have been drafting an update. In short, this agreement allows the signatories to help each other during emergency incidents. The updated agreement refreshes the appropriate names of all agencies in the county, includes verbiage conducive to grant acceptance, details updated dispatch procedures, includes updated mapping and response technologies, outlines shared training requirements and costs, includes updated liability protections, and ensures member agency internal agreements are in place.

Forevergreen Roundabout Settlement Agreement & Design Proposal

The settlement agreement is the final necessary component for the conclusion of a yearslong dispute between the Cities of Tiffin and Coralville, and the Rarick Family Trust. Those entities are parties to various lawsuits concerning the development of and installation of public improvements on land comprising and surrounding the intersections of Forevergreen Road and Jasper Avenue. The City of North Liberty has avoided involvement in any of the lawsuits but has worked with each stakeholder to provide a global resolution. The execution of this agreement by all the parties will allow the design and construction of North Liberty's proposed roundabout for the area to move forward. Staff recommends approval.

Further, staff recommends approval of the proposal with Shive Hattery for the design and construction of the aforementioned roundabout and reconstruction of Jasper Avenue, north of the roundabout. As noted in the resolution, Council is being asked to approve the proposal contingent upon all other related agreements (28E and settlement) being approved by the other parties involved. Once all the agreements are executed and properly filed, design can begin with construction anticipated in 2026.

Assessment Resolution

The proposed assessment resolution includes a large assessment of \$2,620 for the costs of repairing a stop box (water shut-off valve). Generally, in cases like this where the cost to repair is substantial, the City offers a payment plan to soften the burden on the property owner. Unfortunately, the property owner was unwilling to make any sort of payment plan so staff was forced to move forward with an assessment. Staff recommends approval of the assessment resolution.

Zoning Ordinance Amendment

This City initiated Ordinance amendment addresses an oversight discovered in the Zoning Code update approved at the October 24 City Council meeting. The October amendment now permits townhouse units to be on individual lots; however, the City requires lots to be subdivided after the building is constructed to ensure lot lines are centered on the common wall. As previously approved, a larger side setback would be required due to the City's process, which was not the intent. There are no formal objections to the request. The Planning Commission unanimously recommended approval of the ordinance amendment at its December 3 meeting. Staff recommends approval as well.

Greenbelt Trail Part 8 Rezoning

This rezoning – east terminus of Radcliffe Drive and is directly east of Arlington Ridge Subdivision – Parts Four and Six – from ID Interim Development to RS-6 Single-Unit Residence District would facilitate future development of the property as single-family homes and related infrastructure on approximately 12.25 acres. Currently, Greenbelt Trail Parts 3 and 4 are nearing completion, and subsequently, Parts 5 – 7 would be constructed. The purpose of the timing of Part 8 was due to this portion of this development tying into the aforementioned parts and to provide some assurances to Arlington Ridge that this area would be single-family residential. A virtual good neighbor meeting was held on November 19, 2024, which was attended by a total of 19 people. Neighbors had questions about the proposed development, as well as the timing of other area construction projects. There are no formal objections to the request. The Planning Commission unanimously recommended approval of the request at its December 3 meeting. Staff also recommends approval.



Agenda



CITY COUNCIL
Tuesday, January 28, 2025
6:00 p.m.
Regular Session
Council Chambers
360 N. Main Street

1. Call to order
2. Roll call
3. Approval of the Agenda
4. Consent Agenda
 - A. City Council Minutes, Regular Session, January 14, 2025
 - B. City Council Minutes, Special Session, January 28, 2025
 - C. Centennial Park Event Complex, Larson Construction Co., Inc., Change Order Number 4, (\$3,047.50)
 - D. Claims
5. Public Comment
6. Engineer Report
7. City Administrator Report
8. Mayor Report
 - A. Black History Month Proclamation
9. Council Reports
10. FY 2024 Audit
 - A. Presentation of the FY 2024 Audit
 - B. Resolution Number 2025-13, A Resolution accepting the Audit Report for Fiscal Year 2024 as completed by BergankDV
11. FY 2025-26 Budget
 - A. Review Operational Budget
 - B. Social Service Grant Funding
 - C. Capital Projects
 - D. Other

12. Accessory Dwelling Units
 - A. Discussion regarding Accessory Dwelling Units in North Liberty

13. CDBG – CV – Food Pantry Grant
 - A. Public Hearing regarding Status of Funded Activities

14. Johnson County Mutual Aid Agreement
 - A. Resolution Number 2025-14, A Resolution approving a 28E Agreement for Automatic and Mutual Aid Fire Protection, Rescue, and Emergency Medical Services between the City of North Liberty and certain other cities and independent Fire Districts in and around Johnson County, Iowa

15. Forevergreen Road and Jasper Avenue Roundabout
 - A. Resolution Number 2025-15, A Resolution authorizing the execution of a Settlement Agreement between the Cities of North Liberty, Tiffin and Coralville, Clint Rarick, and the Ruth E Rarick Trust
 - B. Resolution Number 2025-16, A Resolution authorizing the execution of an Agreement for Engineering Design Services between the City of North Liberty and Shive-Hattery, Inc.

16. Assessment Resolution
 - A. Resolution Number 2025-17, A Resolution assessing an amount owed to the City of North Liberty, Iowa to individual property taxes

17. Zoning Ordinance
 - A. Second consideration of Ordinance Number 2025-01, An Ordinance amending Chapter 168 of the North Liberty Code of Ordinances pertaining to Residential District Dimensional Standards

18. Greenbelt Trail Part 8 Rezoning
 - A. Second consideration of Ordinance Number 2025-02, An Ordinance amending the Zoning Map District Designation for certain property located in North Liberty, Iowa from ID Interim Development District to RS-6 Single-Unit Residence District

19. Old Business

20. New Business

21. Adjournment



Consent Agenda



City Council
January 14, 2025
Regular Session

Call to order

Mayor Hoffman called the Tuesday, January 14, 2025, Regular Session of the North Liberty City Council to order at 6:00 p.m. in Council Chambers at 360 N. Main Street. Councilors present: Brian Leibold, Paul Park, Erek Sittig, Brent Smith, and Brian Wayson.

Others present: Ryan Heiar, Tracey Mulcahey, Josiah Bilskemper, Grant Lientz, Ryan Rusnak, Bob Downer, and other interested parties.

Approval of the Agenda

Sittig moved; Wayson seconded to approve the agenda. The vote was all ayes. Agenda approved.

Consent Agenda

Wayson moved, Smith seconded to approve the Consent Agenda including the City Council Minutes, Regular Session, December 10, 2024; Centennial Park Event Complex Phase 1, Change Order Number 3, Larson Construction Co., Inc., \$8,900.42; Centennial Park Event Complex Phase 1, Pay Application Number 5, Larson Construction Co., Inc., \$360,405.43; West Penn Street Improvements, Pay Application Number 7, Peterson Contractors, Inc., \$7,130.24; City Hall Project, Change Order Number 7, City Construction, \$10,604.00; Liquor License Renewal, Walgreens; Liquor License Renewal Urban Fuel; and the attached list of Claims. The vote was all ayes. Consent Agenda approved.

Public Comment

No public comment was offered.

City Engineer Report

City Engineer Bilskemper reported on the Centennial Events Center, the Forevergreen Road and Jasper Intersection, and the Functional Study for the Forevergreen Road Extension. Council discussed the report with Bilskemper and Heiar.

City Administrator Report

City Administrator Heiar reported that the FY 26 Budget Work Session is January 21 at 5:30 p.m. Capital Projects will be discussed at the January 28 Council meeting starting at 6:00 p.m. Accessory Dwelling Units will be discussed at the January 28 meeting. Water and Wastewater engineers will present facility plans in February.

Mayor Report

Mayor Hoffman reported that the Council will have busy weeks coming up. He encouraged Council to be aware of what is happening in the Legislature.

Council Reports

Councilor Wayson reported on the EMA work on their budget. Councilor Smith reported Better Together 2030 awards are on January 30 and Think Iowa City wrapped up the year. Councilor Sittig attended the Joint Entities Meeting and the Community Foundation Legislative Breakfast. Councilor Park attended the Community Foundation Legislative Breakfast. Councilor Leibold offered thanks to great start for City Slate with Fire & Ice and Snuggie Crawl coming up. He attended the Legislative Launch at Cedar Ridge and served on Leadership Panel for Think Iowa City.

Zoning Ordinance

At 6:13 p.m., Mayor Hoffman opened the Public Hearing regarding proposed amendments to the Zoning Code. No oral or written comments were received. The public hearing was closed at 6:13 p.m.

Rusnak reported that staff and the Planning Commission recommend approval of the application. Park moved, Sittig seconded to approve the first consideration of Ordinance Number 2025-01, An Ordinance amending Chapter 168 of the North Liberty Code of Ordinances pertaining to Residential District Dimensional Standards. The vote was: ayes – Smith, Wayson, Sittig, Park, Leibold; nays – none. Motion carried.

Solomon Part 5 Easement Vacation

At 6:14 p.m., Mayor Hoffman opened the Public Hearing regarding proposed disposal of an easement. No oral or written comments were received. The public hearing was closed at 6:14 p.m.

Leibold moved, Wayson seconded to approve Resolution Number 2025-01, A Resolution vacating an Easement being a part of the Final Plat for Solomons Landing – Part Five, North Liberty, Iowa. The vote was: ayes – Leibold, Park, Smith, Sittig, Wayson; nays – none. Motion carried.

Greenbelt Trail Part 8 Rezoning

At 6:15 p.m., Mayor Hoffman opened the Public Hearing regarding proposed rezoning. No oral or written comments were received. The public hearing was closed at 6:15 p.m.

Rusnak reported that staff and Planning Commission recommend approval of the application. Bob Downer was present on behalf of the applicant and offered to answer any questions. Council discussed the application with Mr. Downer.

Sittig moved, Smith seconded to approve the first consideration of Ordinance Number 2025-02, An Ordinance amending the Zoning Map District Designation for certain property located in North Liberty, Iowa from ID Interim Development District to RS-6 Single-Unit Residence District. The vote was: ayes – Wayson, Leibold, Smith, Park, Sittig; nays – none. Motion carried.

Steindler Revised Developer's Agreement and Plat

Park moved, Wayson seconded to approve Resolution Number 2025-02, A Resolution approving the Amended and Restated Developer's Agreement for Steindler Medical Park Subdivision, North Liberty, Iowa. The vote was: ayes – Sittig, Wayson, Leibold, Smith, Park; nays – none. Motion carried.

Smith moved, Park seconded to approve Resolution Number 2025-03, A Resolution approving the Amended Final Plat for Steindler Medical Park in North Liberty, Iowa. The vote was: ayes – Sittig, Wayson, Smith, Park, Leibold; nays –none. Motion carried.

Liberty Farm Access Easement

Wayson moved, Sittig seconded to approve Resolution Number 2025-04, A Resolution approving the Right of Way Access Easement Agreement between the City of North Liberty and Liberty Farm Homeowner’s Association. After discussion, the vote was: ayes – Smith, Sittig, Leibold, Park, Wayson; nays –none. Motion carried.

Freedom Park Trail Improvements Project

Sittig moved, Leibold seconded to approve Resolution Number 2025-05, A Resolution accepting the bid and authorizing execution of the contract for the Freedom Park Trail Improvements Project, North Liberty, Iowa. The vote was: ayes – Leibold, Wayson, Park, Smith, Sittig; nays – none. Motion carried.

Watts Rezoning

Sittig moved, Smith seconded to approve the third consideration and adoption of Ordinance Number 2024-13, An Ordinance amending the Zoning Map District Designation for certain property located in North Liberty, Iowa from RS-6 Single-Unit Residence District to RS-9 Single-Unit Residence District. The vote was: ayes – Park, Smith, Wayson, Leibold, Sittig; nays – none. Motion carried.

The Preserve Part Three B

Park moved, Sittig seconded to approve Resolution Number 2025-06, A Resolution approving the Amended and Restated Developer’s Agreement for The Preserve – Part Three B, North Liberty, Iowa. The vote was: ayes – Smith, Wayson, Sittig, Park, Leibold; nays – none. Motion carried.

Sittig moved, Wayson seconded to approve Resolution Number 2025-07, A Resolution approving the Preliminary Plat for The Preserve – Part Three B, North Liberty, Iowa. The vote was: ayes – Sittig, Leibold, Wayson, Park, Smith; nays – none. Motion carried.

Liberty’s Gate Lots 7 & 8 Rezoning

Sittig moved, Smith seconded to approve the third consideration and adoption of Ordinance Number 2024-14, An Ordinance amending the Zoning Map District designation for certain property located in North Liberty, Iowa from C-1-B General Commercial District to C-2 Highway Commercial District. The vote was: ayes – Sittig, Leibold, Smith, Park, Wayson; nays – none. Motion carried.

Liberty's Gate Lots 7 & 8 Preliminary Site Plan

Sittig moved, Wayson seconded to approve Resolution Number 2025-07, A Resolution approving the Preliminary Site Plan for Auditor's Parcel 2002-08, North Liberty, Iowa. The vote was: ayes – Smith, Wayson, Park, Leibold, Sittig; nays – none. Motion carried.

Fire Station #2 Rezoning

Sittig moved, Wayson seconded to approve the third consideration and adoption of Ordinance Number 2024-15, An Ordinance amending the Zoning Map District designation for certain property located in North Liberty, Iowa from ID Interim Development District to P Public District. The vote was: ayes – Leibold, Smith, Sittig, Wayson, Park; nays – none. Motion carried.

North Liberty Clinic of Chiropractic Settlement Agreement

Sittig moved, Leibold seconded to approve Resolution Number 2025-08, A Resolution authorizing Settlement Agreement with North Liberty Clinic of Chiropractic PLC. After discussion, the vote was: ayes – Sittig, Wayson, Smith, Park, Leibold; nays – none. Motion carried.

240 N. Main Street Purchase Agreement

Park moved, Leibold seconded to approve Resolution Number 2025-09, A Resolution authorizing the completion of purchase of Real Property situated at 240 N. Main Street. After discussion the vote was: ayes – Park, Wayson, Sittig, Smith, Leibold; nays – none. Motion carried.

Economic Development Agreement with Grow America

Park moved, Leibold seconded to approve Resolution Number 2025-10, A Resolution approving a Technical Advisory Services Agreement between Grow America and the City of North Liberty, Iowa. After discussion, the vote was: ayes – Park, Smith, Leibold, Wayson; nays – none; abstain – Sittig. Motion carried.

Forevergreen Road Roundabout 28E

Park moved, Smith seconded to approve Resolution Number 2025-11, A Resolution approving the 28E Agreement between the City of North Liberty, the City of Tiffin, the City of Coralville, and Johnson County, Iowa for the construction of a roundabout at the intersection of Forevergreen Road and Jasper Avenue. After discussion, the vote was: ayes – Park, Wayson, Leibold, Smith; nays – none; abstain – Sittig. Motion carried.

Old Business

No old business was presented.

New Business

No new business was presented.

Adjournment

Leibold moved; Smith seconded to adjourn at 6:37 p.m. The vote was all ayes. Meeting adjourned.

CITY OF NORTH LIBERTY

By: _____
Chris Hoffman, Mayor

Attest: _____
Tracey Mulcahey, City Clerk



City Council
January 21, 2025
Special Session
360 N. Main Street
5:30 p.m.

Call to order

Mayor Chris Hoffman called the January 21, 2025 Special Session of the North Liberty City Council to order at 5:30 p.m. at Council Chambers, 360 N. Main Street. Councilors present: Brian Leibold, Paul Park, Erek Sittig, Brent Smith, Brian Wayson.

Others present: Ryan Heiar, Grant Lientz, Alexis Miller, Ryan Rusnak, Tom Palmer, Shelly Simpson, Jennie Garner, Nick Bergus, Chief Diane Venenga, Chief Brian Platz, Greg Metternich, Guy Goldsmith, Michael Pentecost, and Drew Lammers.

Approval of the Agenda

Smith moved, Sittig seconded to approve the agenda. The vote was all ayes. Agenda approved.

General Fund

Heiar provided an introduction to the overall budget process.

General Fund Revenues

Heiar presented the summary of the proposed General Fund revenues.

Public Safety

Heiar presented a summary of the Police, Fire, Building Inspection, Animal Control and Emergency Management budgets. The council discussed fire staffing and police car replacement.

Public Works

Heiar presented a summary of the budgets on the trash and transit programs. Council discussed the proposed budgets with Heiar.

Culture and Recreation

A summary of the proposed Library, Recreation, Parks, Cemetery, Aquatic Center, and Community Center budgets was presented. Council discussed the Parks budget.

Community and Economic Development

The Economic Development, Planning and Zoning and Communications budgets were summarized for the City Council. The council discussed these budgets.

General Government

Heiar summarized the Mayor/City Council, Administration, Legal, and Personnel budget proposals for FY 26. The council discussed the proposed budgets.

The council discussed the General Fund budget overall.

Road Use Tax Budget

Heiar presented information on the proposed Road Use Tax budget.

Storm Water Budget

The Storm Water budget for FY 26 was presented. Council discussed the budget.

Water Budget

Heiar offered additional information the draft Water budget for FY 26. The council discussed the draft including plans for adding capacity and rate increases.

Wastewater Budget

Heiar advanced the proposed budget for the next fiscal year. The council discussed the proposal including membrane replacement.

Final Questions and Wrap Up

Heiar reported next week at the January 28 Council meeting, Capital Projects and social service support will be discussed.

Adjournment

At 7:25 p.m., Sittig moved, Leibold seconded to adjourn. The vote was all ayes. Meeting adjourned.

CITY OF NORTH LIBERTY

By: _____
Chris Hoffman, Mayor

Attest: _____
Tracey Mulcahey, City Clerk



AIA[®]

Document G701[®] – 2017

Change Order

PROJECT: *(Name and address)*
Centennial Park Event Complex Phase 1
North Liberty, Iowa

CONTRACT INFORMATION:
Contract For: General Construction
Date: May 29, 2024

CHANGE ORDER INFORMATION:
Change Order Number: 004
Date: January 17, 2025

OWNER: *(Name and address)*
City of North Liberty
360 N. Main Street
P.O. Box 77
North Liberty, Iowa 52317

ARCHITECT: *(Name and address)*
Shive-Hattery, Inc.
2839 Northgate Drive
Iowa City, Iowa 52245

CONTRACTOR: *(Name and address)*
Larson Construction Co., Inc.
600 17th St. SE
Independence, Iowa 50644

THE CONTRACT IS CHANGED AS FOLLOWS:

(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

COR 011: PR #5 Lavatory Revisions - DEDUCTS \$3,047.50

The original Contract Sum was	\$ 7,272,000.00
The net change by previously authorized Change Orders	\$ 18,069.94
The Contract Sum prior to this Change Order was	\$ 7,290,069.94
The Contract Sum will be decreased by this Change Order in the amount of	\$ 3,047.50
The new Contract Sum including this Change Order will be	\$ 7,287,022.44

The Contract Time will be increased by Zero (0) days.
The new date of Substantial Completion will be

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Shive-Hattery, Inc.

ARCHITECT *(Firm name)*

Abby Foster

SIGNATURE

Abby Foster, AIA

PRINTED NAME AND TITLE

01/17/2025

DATE

Larson Construction Co., Inc.

CONTRACTOR *(Firm name)*

BUG LARSON

SIGNATURE

BUG LARSON

PRINTED NAME AND TITLE

01/17/25

DATE

City of North Liberty

OWNER *(Firm name)*

SIGNATURE

PRINTED NAME AND TITLE

DATE



Mayor Report



PROCLAMATION

Black History Month

WHEREAS, Black History Month is a time to recognize and celebrate the rich heritage, achievements, and contributions of African Americans to our community, nation, and world; and

WHEREAS, the history of Black Americans is integral to the fabric of our diverse society, and acknowledging their struggles, triumphs, and cultural impact is essential for fostering understanding, unity, and respect among all residents; and

WHEREAS, this February 2025's theme is "African Americans and Labor" with a focus on the various and profound ways that work of all kinds intersects with the collective experiences of Black Americans; and

WHEREAS, North Liberty is committed to promoting belonging, accessibility, justice, equity, diversity, and inclusion for all its residents, irrespective of race, color, or creed; and

WHEREAS, we envision North Liberty to be a community where every person thrives, belongs, and is celebrated; and

WHEREAS, this month provides an opportunity for reflection on the ongoing journey toward a more just and equitable society and encourages dialogue on how we can work together to eliminate discrimination and foster an environment of acceptance and, unity; and

NOW, THEREFORE, BE IT RESOLVED that I, Chris Hoffman, Mayor of North Liberty, do hereby proclaim the month of February as Black History Month. I call upon all residents, schools, businesses, and community organizations to join in recognizing and celebrating the achievements and contributions of Black Americans throughout history.

Mayor Chris Hoffman

Signed in North Liberty, Iowa
this 28th day of January, 2025



FY 2024 Audit



City of North Liberty
Communications Letter
June 30, 2024

**City of North Liberty
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Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

Honorable Mayor and Members
of the City Council
City of North Liberty
North Liberty, Iowa

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of North Liberty, as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- ◆ *Reasonably possible* - the chance of the future event or events occurring is more than remote but less than likely.
- ◆ *Probable* - the future event or events are likely to occur.

The material weaknesses identified are stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated January 21, 2025, on such statements.

The purpose of this communication, which is an integral part of our audit, is to describe for the City Council and management and others within the City and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 21, 2025

City of North Liberty Material Weaknesses

Bank Reconciliations

During the year ended June 30, 2024, the City was unable to reconcile the bank statements to the City's finance system monthly. A material audit adjustment was required to correct the year end cash balance and interest income.

We recommend that the City reconcile the bank statements to the City's finance system monthly within 60 days of month end.

Lack of Segregation of Accounting Duties

During the year ended June 30, 2024, the City had a lack of segregation of accounting duties due to a limited number of office employees. The lack of segregation of accounting duties could adversely affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the basic financial statements. Adequate segregation of accounting duties is in place when the following four areas of a transaction have been separated: authorization, custody, recording, and reconciliation. Examples of functions within the City that demonstrate this lack of segregation of accounting duties include, but are not limited to, the following:

- ◆ Financial Reporting - The Assistant City Administrator is responsible for month-end and year-end reconciliations and reporting.
- ◆ Journal Entries - The Assistant City Administrator all full access to the accounting system including the ability to make adjustments without review.

Management and the City Council are aware of this condition and have taken certain steps to compensate for the lack of segregation. However, due to the number of staff needed to properly segregate all of the accounting duties, the costs of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Management and the City Council must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

City of North Liberty Required Communication

We have audited the basic financial statements of the governmental activities, each major fund, and discretely presented component unit of the City as of and for the year ended June 30, 2024. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Basic Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with cash basis of accounting. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our Responsibility in Relation to *Government Auditing Standards*

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Our Responsibility in Relation to *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined on a test basis, evidence about the City's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the City's compliance with those requirements.

City of North Liberty Required Communication

Our Responsibility in Relation to *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (Continued)*

In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks of material misstatement:

- ◆ Management Override of Controls - Overall Financial Statements - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- ◆ Improper Revenue Recognition - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources including property taxes, state aid, and utility revenues.
- ◆ Risk of Misappropriation of Assets - If accounting duties cannot be appropriately segregated, there is a risk of unauthorized disbursements being made from the City.
- ◆ Pension Valuation - Net pension liability, deferred outflows of resources related to pensions, and deferred inflows of resources related to pensions are generally material to the financial statements and involve significant estimates.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**City of North Liberty
Required Communication**

Qualitative Aspects of the City's Significant Accounting Practices (Continued)

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on 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 basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

Net Pension Liability, Deferred Outflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit. Management did not identify, and we did not notify them of any uncorrected basic financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. A material misstatement in cash and interest income was identified as the result of our audit procedures, was brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

City of North Liberty Required Communication

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, Or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating , and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditor.

Noncompliance with Laws and Regulations, Violations of Contract Provisions or Grant Agreements

- ◆ TIF debt balances did not reconcile between City and County records.
- ◆ Two functions of expenditures exceeded the budgeted amounts.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the other information accompanying the basic financial statements but are not RSI. Such information 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.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

City of North Liberty Financial Analysis

The following pages provide graphic representation of select data pertaining to the financial position and operations of the City for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance. We suggest you review each graph and document if our analysis is consistent with yours.

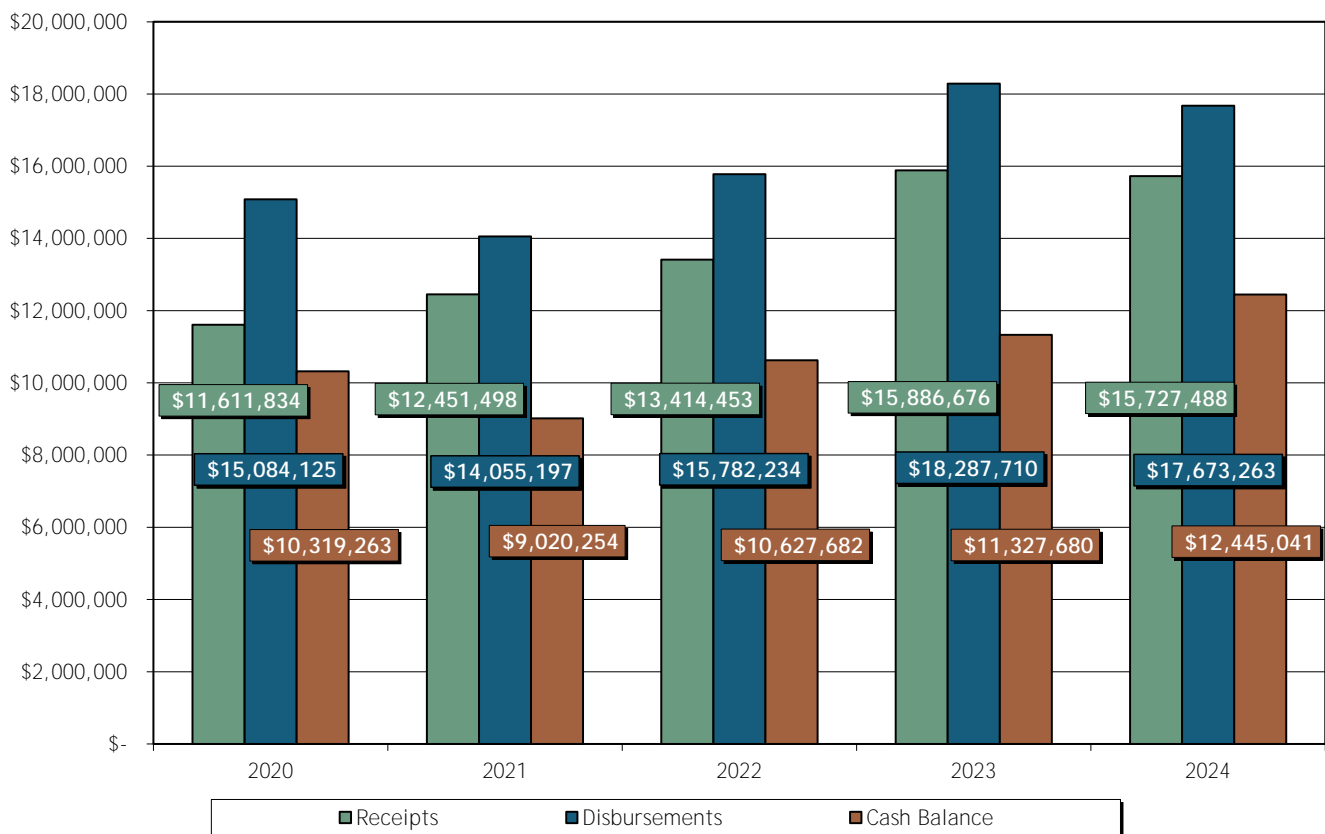
General Fund

Disbursements exceeded receipts by \$1,945,775 in 2024, after transfers in and out, and other financing sources, the General Fund cash balance increased by \$741,175.

The following bar graph highlights the General Fund operations for the past five years. The receipts and disbursements below do not include other financing sources or uses, such as operating transfers, sale of capital assets, and debt proceeds.

The City's fund balance policy states that the City will have a minimum of 25% of the next year's budgeted receipts in unassigned fund balance. Unassigned fund balance of \$6,753,562 at June 30, 2024, represents 42.9% of receipts based on 2024 receipts levels.

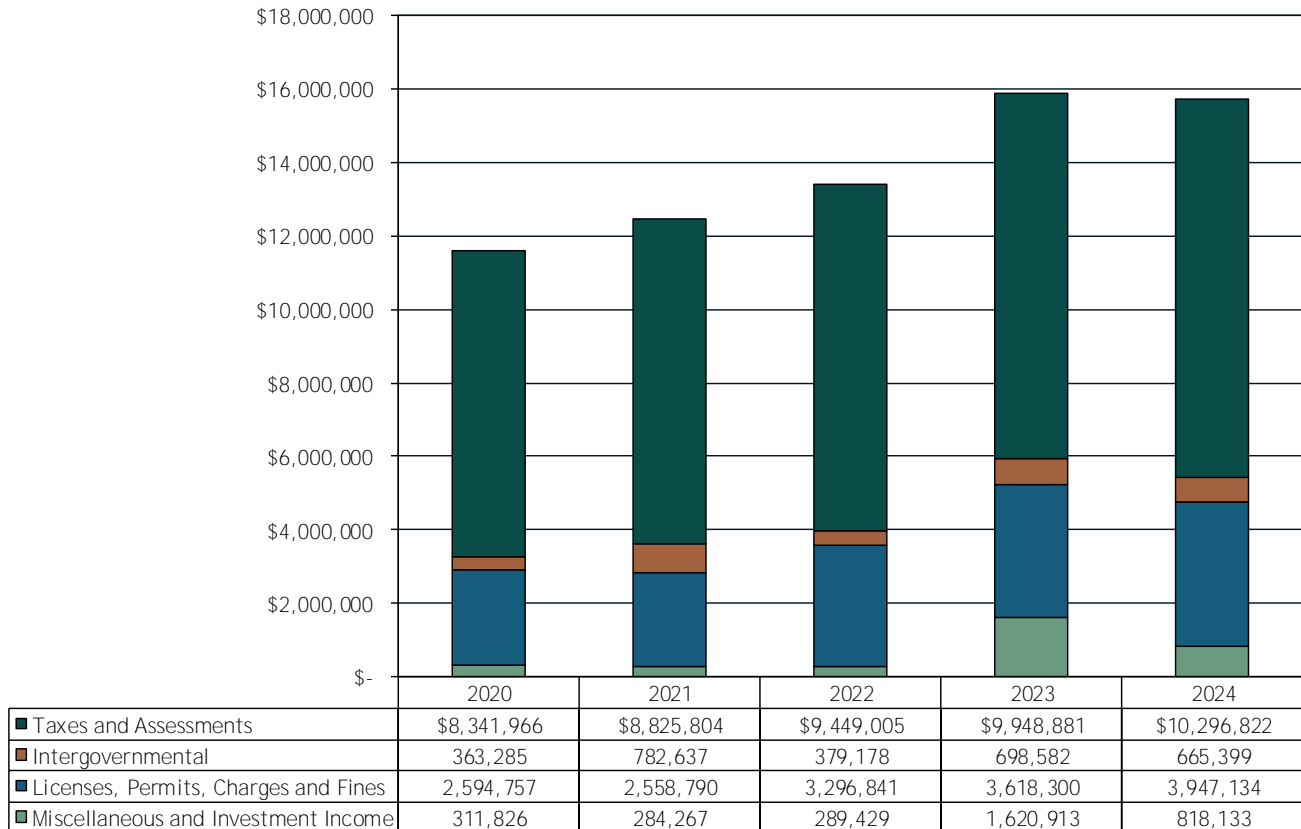
General Fund Activity



City of North Liberty Financial Analysis

General Fund Receipts

General Fund Receipts



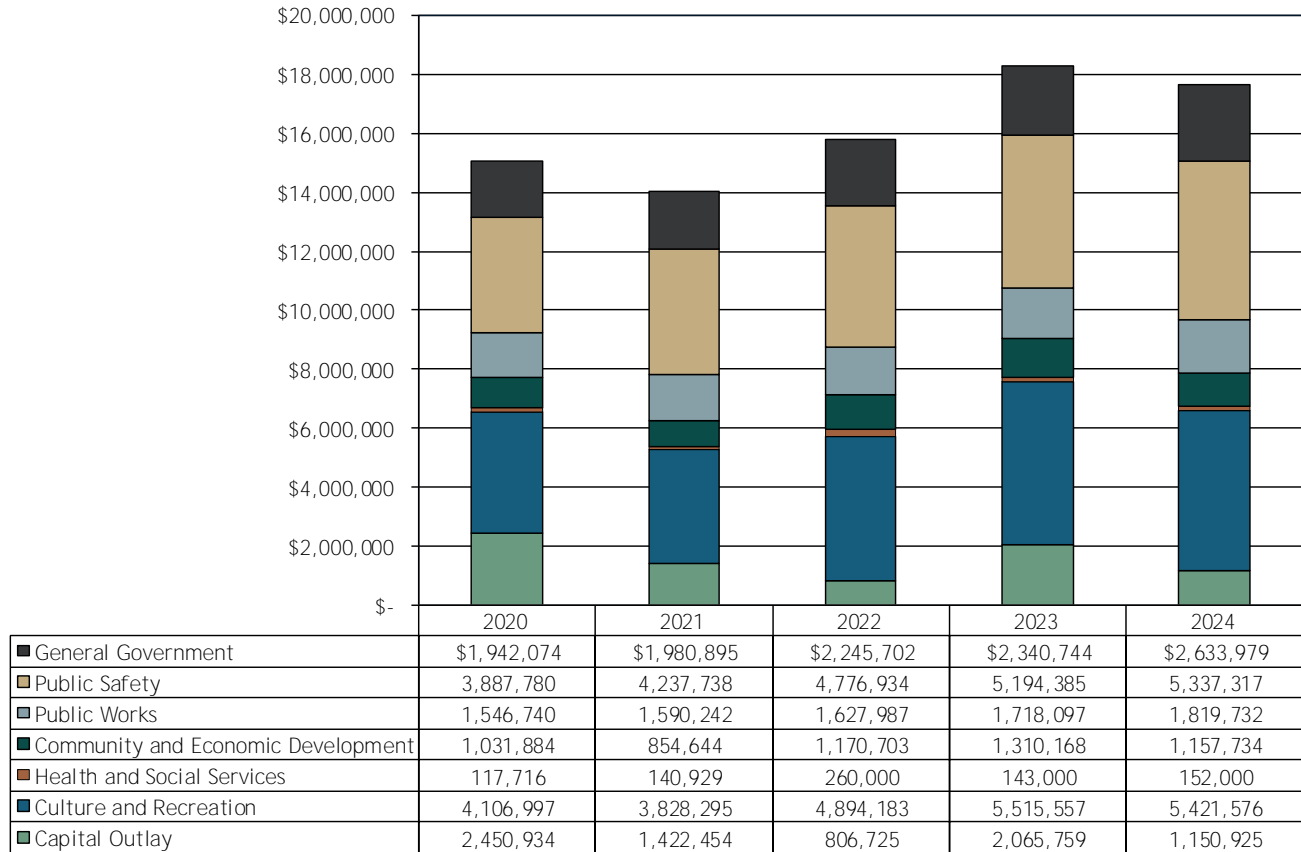
General Fund receipts decreased approximately 1.0%, or \$159,188, during 2023. Taxes and assessments receipts increased \$347,941 due to an increase in the levy. Charges for services receipts increased \$176,398 due to increased parks and recreation programming. Licenses and permits receipts increased \$152,436 due to increased building permit activity. Uses of money and property receipts increased \$282,221 due to better market conditions. Other miscellaneous receipts decreased \$1,085,001 due to a large developer contribution in 2023.

In addition to the receipts discussed above, the General Fund also received cash in the form of net transfers from other funds totaling \$2,669,693 in 2024 and \$17,257 from the sale of capital assets.

City of North Liberty Financial Analysis

General Fund Disbursements

General Fund Disbursements



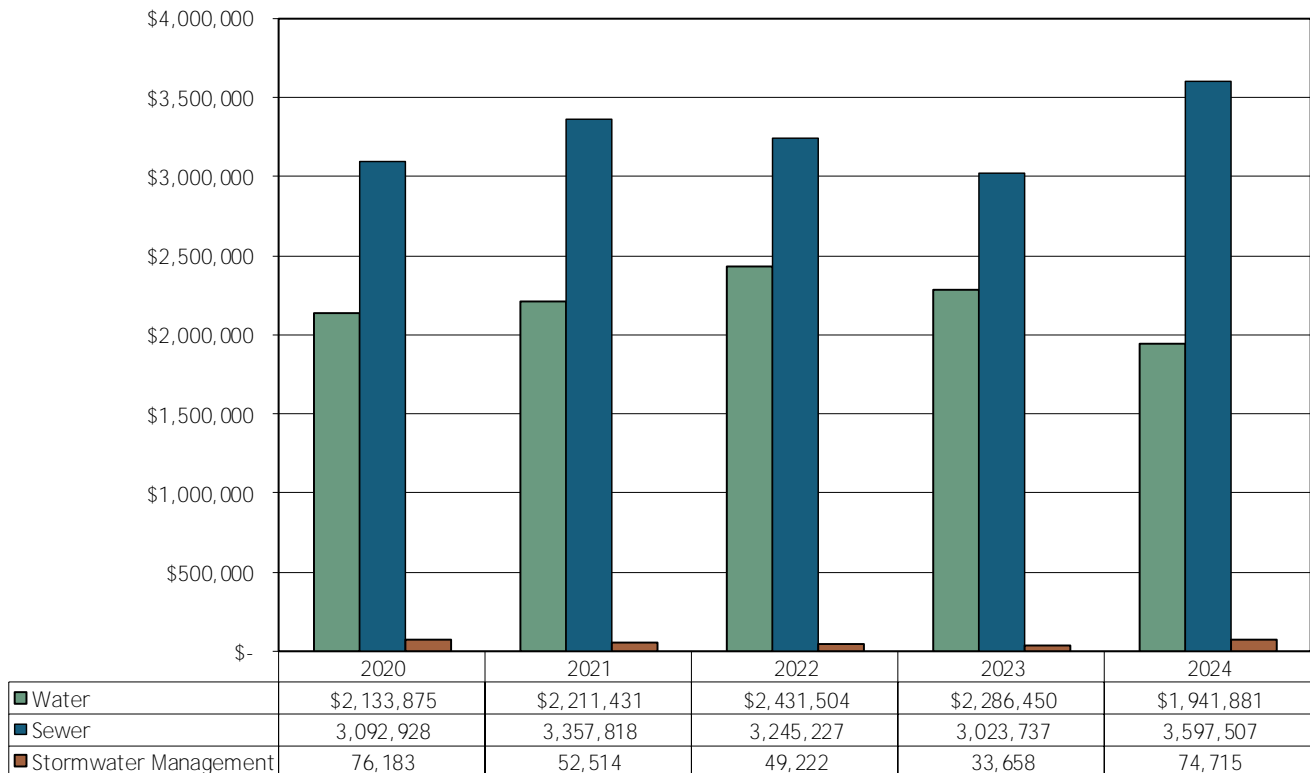
General Fund disbursements decreased in 2024, from \$18,287,710 in 2023 to \$17,673,263 in 2024. This was a decrease of \$614,447 or 3.4%. Capital outlay disbursements decreased \$914,834 due to fewer capital projects in 2024. General government disbursements increased \$293,235 due to increased consulting costs. Community and economic development disbursements decreased \$152,434 due to a housing rehabilitation grant ending. Public safety disbursements increased \$142,932 due to annual cost of living adjustments and step increases.

City of North Liberty Financial Analysis

Enterprise Funds

The following graph shows the operating income for the Enterprise Funds for the last five years:

Operating Income - Enterprise Funds



In 2024, the Water Fund had an operating income of \$1,941,881, which is a decrease of \$344,569 from 2023. The operating income decrease was due to increased well cleaning costs and fire hydrant purchases. There were also nonoperating disbursements for debt service and capital projects of \$1,274,491 and \$67,313 respectively and net transfers out of \$555,540.

The Sewer Fund's 2024 operating income was \$3,597,507 which is an increase of \$573,770 from 2023. This increase in operating income was primarily due to fire damage costs in 2023. There were also nonoperating disbursements for debt service and capital projects of \$1,765,579 and \$391,119, respectively, and net transfers out of \$1,221,265. There were also nonoperating receipts of \$252,496 for proceeds from insurance and \$55,201 from interest on investments.

The Storm Water Management 2024 operating income was \$74,715, which is an increase of \$41,057 from 2023. This increase in operating income was due to increased charges for service and fewer storm drainage repair projects. There were also nonoperating disbursements for capital projects of \$8,771 and transfers out of \$68,533.

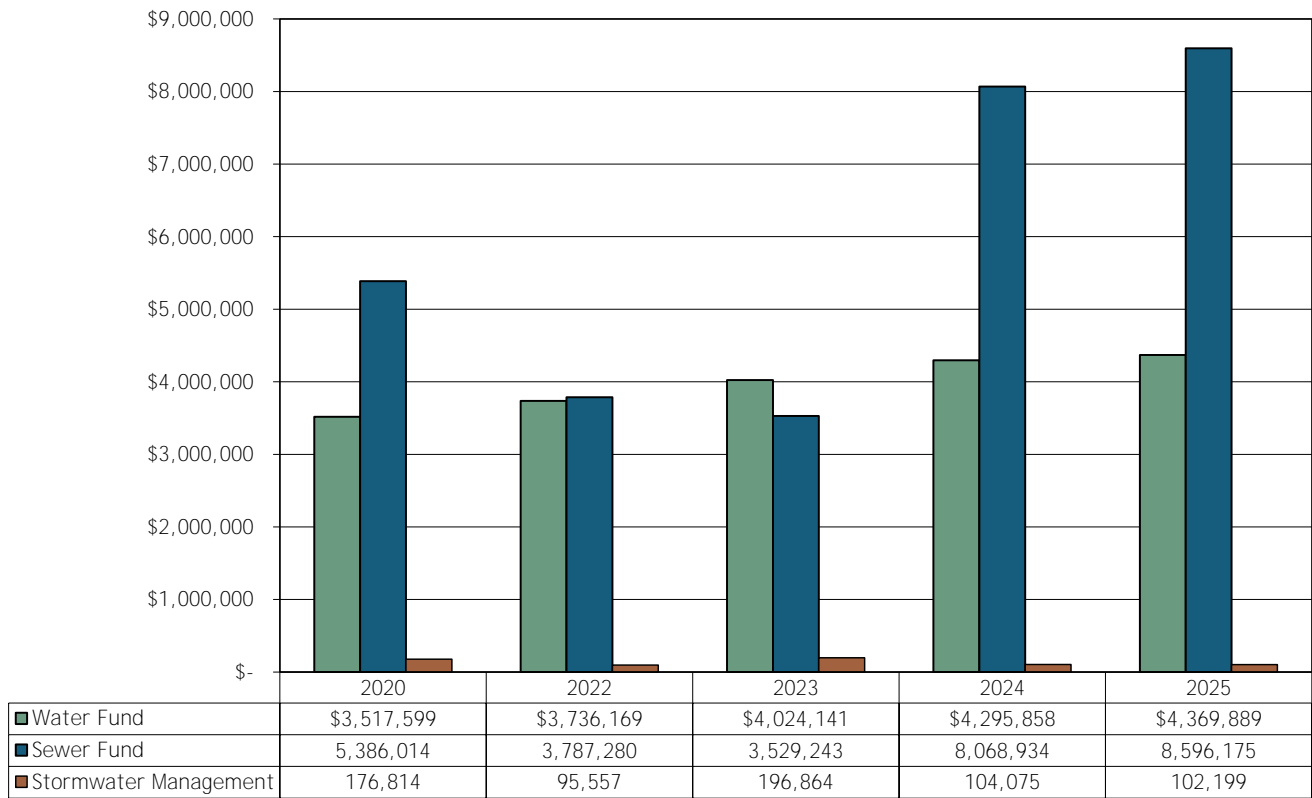
We recommend the City continue to monitor operating costs in the Enterprise Funds to ensure rates are sufficient to provide continued operating income and to cover debt payment requirements.

City of North Liberty Financial Analysis

Enterprise Funds (Continued)

The following graph illustrates the total cash and cash equivalents for the Enterprise Funds for the last five years:

Enterprise Fund Cash Position



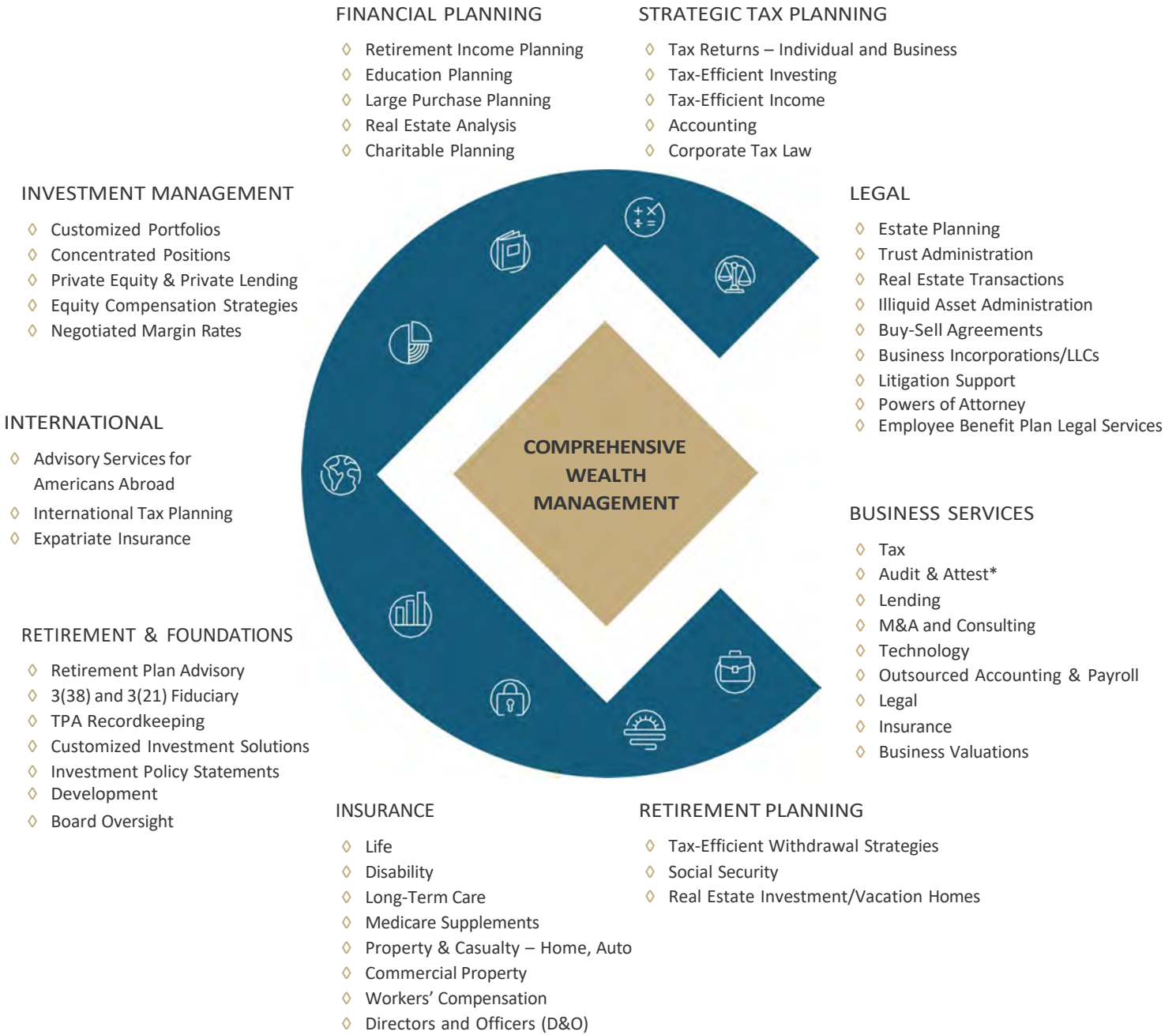
Cash balances of the Water increased \$74,031 due to positive fund operations. Cash balances of the Sewer Fund increased \$527,241 due to positive fund operations. Cash balances of the Stormwater Management Fund decreased \$1,876 due to fund operations.

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A Wealth of Services

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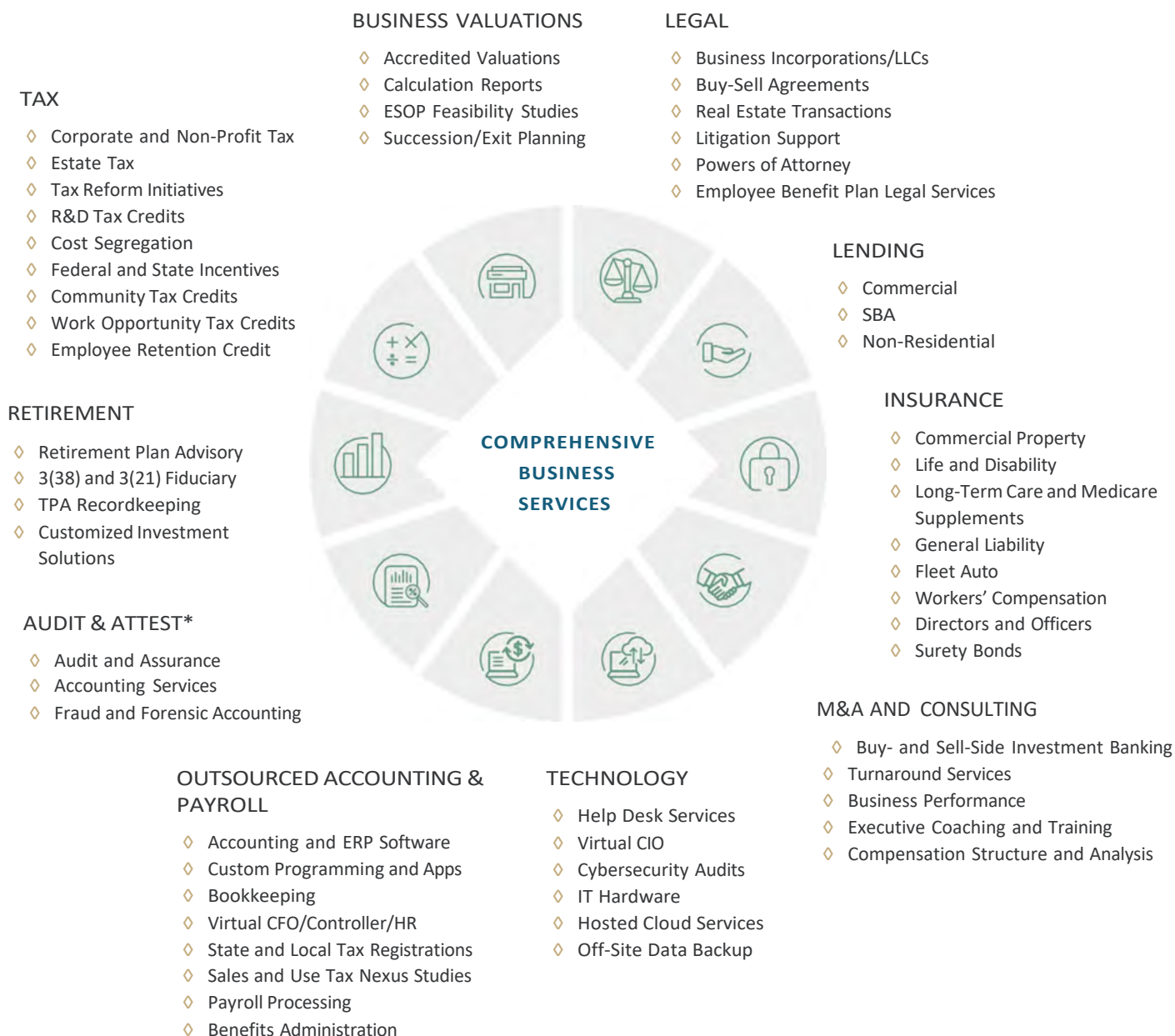


*Creative Planning is an independent wealth management firm also providing business consulting, tax and financial services to clients. Creative Planning works closely with BerganKDV, an independent and separately governed licensed CPA firm that provides audit and assurance services to its clients.

Business Services

DELIVERING BUSINESS SERVICES THAT INNOVATE AND INSPIRE

At Creative Planning, our business services offering provides customized, high-quality expertise to support every phase of your business journey.



City of North Liberty

**Independent Auditor's Reports
Basic Financial Statements
Supplementary and Other Information
Schedule of Findings and Questioned Costs**

June 30, 2024

**City of North Liberty
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**City of North Liberty
Officials
June 30, 2024**

<u>Elected Officials</u>	<u>Title</u>	<u>Term Expires</u>
Chris Hoffman	Mayor	December 2025
Brian Wayson	Mayor Pro Tem/Council Member	December 2025
Erek Sittig	Council Member	December 2025
Brian Leibold	Council Member	December 2027
Brent Smith	Council Member	December 2027
Paul Park	Council Member	December 2027
 <u>City Staff</u>		
Ryan Heiar	City Administrator	
Tracey Mulcahey	City Clerk/Assistant City Administrator	
Debra Hilton	Treasurer	
Grant Lientz	City Attorney	

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Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of North Liberty
North Liberty, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the City of North Liberty, Iowa, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective cash basis financial position of the governmental activities, business type activities, each major fund, and the aggregate fund information of City of North Liberty as of June 30, 2024, and the respective changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of North Liberty, Iowa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

As discussed in Note 1, these basic financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibility of Management for the Financial Statements

The management of the City of North Liberty is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis of accounting discussed in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of Management for the Financial Statements (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- ◆ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- ◆ Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

Supplementary Information (Continued)

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Information, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon.

Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2025, on our consideration of the City of North Liberty's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of North Liberty's internal control over financial reporting and compliance.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 21, 2025

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BASIC FINANCIAL STATEMENTS

City of North Liberty
Cash Basis Statement of Activities and Net Position
Year Ended June 30, 2024

Functions/Programs	Disbursements	Program Receipts		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 3,111,142	\$ 69,850	\$ 509,059	\$ -
Public safety	5,337,317	987,926	378,431	-
Public works	3,467,877	1,578,035	3,071,434	-
Health and social services	152,000	-	-	-
Culture and recreation	5,421,576	1,305,168	89,915	91,484
Community and economic development	1,493,755	-	32,442	-
Debt service	7,941,431	-	1,350	-
Capital projects	14,312,578	-	-	118,576
Total governmental activities	<u>41,237,676</u>	<u>3,940,979</u>	<u>4,082,631</u>	<u>210,060</u>
Business-type activities				
Water	4,185,156	4,785,233	-	-
Sewer	4,021,773	5,715,078	-	-
Stormwater management	185,364	251,308	-	-
Total business-type activities	<u>8,392,293</u>	<u>10,751,619</u>	<u>-</u>	<u>-</u>
 Total Primary Government	 <u>\$ 49,629,969</u>	 <u>\$ 14,692,598</u>	 <u>\$ 4,082,631</u>	 <u>\$ 210,060</u>

General receipts and transfers

- Property and other city tax levied for
 - General purposes
 - Debt service
 - Other purposes
- Commercial/industrial tax replacement
- Tax increment financing
- Franchise fees
- Unrestricted interest on investments
- Sale of capital assets
- Transfers
- Total general receipts and transfers

Change in cash basis net position

Cash basis net position beginning of year

Cash basis net position end of year

Net (Disbursements) Receipts and
Changes in Cash Basis Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,532,233)	\$ -	\$ (2,532,233)
(3,970,960)	-	(3,970,960)
1,181,592	-	1,181,592
(152,000)	-	(152,000)
(3,935,009)	-	(3,935,009)
(1,461,313)	-	(1,461,313)
(7,940,081)	-	(7,940,081)
(14,194,002)	-	(14,194,002)
<u>(33,004,006)</u>	<u>-</u>	<u>(33,004,006)</u>
-	600,077	600,077
-	1,693,305	1,693,305
-	65,944	65,944
<u>-</u>	<u>2,359,326</u>	<u>2,359,326</u>
<u>(33,004,006)</u>	<u>2,359,326</u>	<u>(30,644,680)</u>
9,315,386	-	9,315,386
1,445,290	-	1,445,290
2,885,999	-	2,885,999
103,755	-	103,755
4,518,015	-	4,518,015
459,757	-	459,757
357,555	85,408	442,963
17,257	-	17,257
1,845,338	(1,845,338)	-
<u>20,948,352</u>	<u>(1,759,930)</u>	<u>19,188,422</u>
(12,055,654)	599,396	(11,456,258)
<u>21,424,465</u>	<u>12,468,867</u>	<u>33,893,332</u>
<u>\$ 9,368,811</u>	<u>\$ 13,068,263</u>	<u>\$ 22,437,074</u>

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City of North Liberty
Cash Basis Statement of Activities and Net Position
Year Ended June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash Basis Net Position			
Restricted			
Nonexpendable			
Utility deposits	\$ -	\$ 228,577	\$ 228,577
Expendable			
Streets	2,761,611	-	2,761,611
Urban renewal purposes	2,634,450	-	2,634,450
Park development	435,508	-	435,508
Escrow deposits	402,139	-	402,139
Debt service	2,276,389	2,145,125	4,421,514
Hotel/motel tax	75,516	-	75,516
Tree purchases	1,611	-	1,611
Police	33,564	-	33,564
Housing rehabilitation	21,246	-	21,246
Capital projects	-	3,213,021	3,213,021
Future grant expenditures	1,714,028	-	1,714,028
Unrestricted	(987,251)	7,481,540	6,494,289
Total cash basis net position	<u>\$ 9,368,811</u>	<u>\$ 13,068,263</u>	<u>\$ 22,437,074</u>

City of North Liberty
Statement of Cash Receipts, Disbursements, and
Changes in Cash Fund Balances -
Governmental Funds
Year Ended June 30, 2024

	General	Special Revenue		Debt Service
		Urban Renewal Tax Increment (125)	Road Use Tax (110)	General Obligation Debt Service (200)
Receipts				
General property taxes	\$ 9,315,386	\$ -	\$ -	\$ 1,445,290
Tax increments	-	4,518,015	-	-
Commercial and industrial tax replacement	72,321	19,698	-	11,736
Other city tax	909,115	-	-	-
Licenses and permits	934,936	-	-	-
Intergovernmental	665,399	-	2,892,712	-
Charges for services	3,012,198	-	-	-
Use of money and property	328,171	-	-	-
Miscellaneous	489,962	-	-	1,350
Total receipts	<u>15,727,488</u>	<u>4,537,713</u>	<u>2,892,712</u>	<u>1,458,376</u>
Disbursements				
Current				
General government	2,633,979	-	-	-
Public safety	5,337,317	-	-	-
Public works	1,819,732	-	1,648,145	-
Health and social services	152,000	-	-	-
Community and economic development	1,190,696	303,059	-	-
Culture and recreation	5,421,576	-	-	-
Debt service				
Principal and interest	-	-	-	6,596,983
Interest and fiscal charges	-	-	-	1,344,448
Capital outlay				
General government	-	-	-	-
Public safety	283,094	-	-	-
Public works	548,950	-	-	-
Culture and recreation	285,919	-	-	-
Total disbursements	<u>17,673,263</u>	<u>303,059</u>	<u>1,648,145</u>	<u>7,941,431</u>
Excess of receipts over (under) disbursements	(1,945,775)	4,234,654	1,244,567	(6,483,055)
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	17,257	-	-	-
Transfers in	3,423,393	-	-	6,353,383
Transfers out	(753,700)	(4,959,332)	(1,585,388)	-
Total other financing sources (uses)	<u>2,686,950</u>	<u>(4,959,332)</u>	<u>(1,585,388)</u>	<u>6,353,383</u>
Net change in cash fund balances	741,175	(724,678)	(340,821)	(129,672)
Cash Fund Balances				
Beginning of year	11,703,866	2,715,632	3,102,432	2,256,321
Change from major to nonmajor (See Note 17)	-	-	-	-
Change from nonmajor to major (See Note 17)	-	-	-	-
Beginning of year, restated	<u>11,703,866</u>	<u>2,715,632</u>	<u>3,102,432</u>	<u>2,256,321</u>
End of year	<u>\$ 12,445,041</u>	<u>\$ 1,990,954</u>	<u>\$ 2,761,611</u>	<u>\$ 2,126,649</u>

The Internal Service Fund is used by management to charge the costs of partial self-funding of the City's health insurance benefit plan to individual funds. The change in cash balance of the Internal Service Fund is included in governmental activities in the Cash Basis Statement of Activities and Net Position.

Change in cash basis net position of governmental activities.

See notes to basic financial statements.

Debt Service	Capital Projects				
Road Use Tax-Bond Reserve	Park Development (305)	Street Capital Projects (301)	Land and Facilities (304)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,436,641	\$ 13,197,317
-	-	-	-	-	4,518,015
-	-	-	-	-	103,755
-	-	-	-	-	909,115
-	-	-	-	-	934,936
-	-	-	-	107,573	3,665,684
-	-	-	-	-	3,012,198
-	-	-	-	29,384	357,555
-	97,512	-	12,353	19,675	620,852
-	97,512	-	12,353	2,593,273	27,319,427
-	-	-	-	-	2,633,979
-	-	-	-	-	5,337,317
-	-	-	-	-	3,467,877
-	-	-	-	-	152,000
-	-	-	-	-	1,493,755
-	-	-	-	-	5,421,576
-	-	-	-	-	6,596,983
-	-	-	-	-	1,344,448
-	-	-	-	503,584	503,584
-	-	-	-	-	283,094
-	-	-	6,092,337	1,540,581	8,181,868
-	4,990,376	-	-	67,737	5,344,032
-	4,990,376	-	6,092,337	2,111,902	40,760,513
-	(4,892,864)	-	(6,079,984)	481,371	(13,441,086)
-	-	-	-	-	17,257
-	913,000	-	-	1,045,623	11,735,399
-	-	-	-	(2,591,641)	(9,890,061)
-	913,000	-	-	(1,546,018)	1,862,595
-	(3,979,864)	-	(6,079,984)	(1,064,647)	(11,578,491)
149,740	-	242,690	(2,485,948)	3,578,622	21,263,355
-	-	(242,690)	-	242,690	-
-	218,974	-	-	(218,974)	-
149,740	218,974	-	(2,485,948)	3,602,338	21,263,355
\$ 149,740	\$ (3,760,890)	\$ -	\$ (8,565,932)	\$ 2,537,691	\$ 9,684,864

\$ (477,163)

\$ (12,055,654)

City of North Liberty
Statement of Cash Receipts, Disbursements,
and Changes in Cash Balances
Governmental Funds
Year Ended June 30, 2024

	General Fund	Special Revenue		Debt Service
		Urban Renewal Tax Increment (125)	Road Use Tax (110)	General Obligation Debt Service (200)
Cash Basis Fund Balances				
Restricted for				
Street operations	\$ -	\$ -	\$ 2,761,611	\$ -
Urban renewal purposes	-	1,990,954	-	-
Urban renewal projects	-	-	-	-
Escrow deposits	-	-	-	-
Debt service	-	-	-	2,126,649
Hotel/motel tax	75,516	-	-	-
Tree purchases	1,611	-	-	-
Police capital equipment purchases	29,319	-	-	-
Park development	435,508	-	-	-
Housing rehabilitation	21,246	-	-	-
Future grant expenditures	-	-	-	-
Assigned for				
Capital equipment purchases	1,221,992	-	-	-
Capital projects	3,734,960	-	-	-
Computer revolving	22,446	-	-	-
IT and cyber security	148,881	-	-	-
Unassigned	6,753,562	-	-	-
Total cash fund balances	<u>\$ 12,445,041</u>	<u>\$ 1,990,954</u>	<u>\$ 2,761,611</u>	<u>\$ 2,126,649</u>

Reconciliation of the Statement of Cash Receipts, Disbursements and Changes in Cash Balances to the Cash Basis Statement of Activities and Net Position - Governmental Funds.

The Internal Service Fund is used by management to charge the costs of partial self-funding of the City's health insurance benefit plan to individual funds. The cash balance of the Internal Service Fund is included in governmental activities in the Cash Basis Statement of Activities and Net Position.

Cash basis net position of governmental activities.

<u>Debt Service</u>	<u>Capital Projects</u>				
Road Use Tax - Bond Reserve	Park Development (305)	Land and Facilities (304)	Other Governmental Funds	Total Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ 2,761,611	
-	-	-	-	1,990,954	
-	-	-	643,496	643,496	
-	-	-	402,139	402,139	
149,740	-	-	-	2,276,389	
-	-	-	-	75,516	
-	-	-	-	1,611	
-	-	-	4,245	33,564	
-	-	-	-	435,508	
-	-	-	-	21,246	
-	-	-	1,714,028	1,714,028	
-	-	-	-	1,221,992	
-	-	-	91,000	3,825,960	
-	-	-	-	22,446	
-	-	-	-	148,881	
-	(3,760,890)	(8,565,932)	(317,217)	(5,890,477)	
<u>\$ 149,740</u>	<u>\$ (3,760,890)</u>	<u>\$ (8,565,932)</u>	<u>\$ 2,537,691</u>	<u>\$ 9,684,864</u>	

\$ (316,053)

\$ 9,368,811

City of North Liberty
Statement of Cash Receipts, Disbursements,
and Changes in Cash Balances -
Proprietary Funds
Year Ended June 30, 2024

	Enterprise Funds			Total	Internal Service
	Water (600- 605)	Sewer (610- 614)	Storm Water Management (740-741)		Health and Dental Insurance (820, 821)
Operating Receipts					
Charges for services	\$ 4,663,526	\$ 5,446,049	\$ 249,367	\$ 10,358,942	\$ 1,123,429
Miscellaneous	121,707	16,533	1,941	140,181	26,258
Total operating receipts	<u>4,785,233</u>	<u>5,462,582</u>	<u>251,308</u>	<u>10,499,123</u>	<u>1,149,687</u>
Operating Disbursements					
Public safety	-	-	-	-	558,069
Public works	-	-	-	-	161,745
Culture and recreation	-	-	-	-	382,437
General government	-	-	-	-	138,469
Community and economic development	-	-	-	-	114,324
Business type activities	2,843,352	1,865,075	176,593	4,885,020	271,806
Total operating disbursements	<u>2,843,352</u>	<u>1,865,075</u>	<u>176,593</u>	<u>4,885,020</u>	<u>1,626,850</u>
Excess of operating receipts over operating disbursements	1,941,881	3,597,507	74,715	5,614,103	(477,163)
Nonoperating Receipts (Disbursements)					
Interest on investments	29,494	55,201	713	85,408	-
Debt service	(1,274,491)	(1,765,579)	-	(3,040,070)	-
Capital projects	(67,313)	(391,119)	(8,771)	(467,203)	-
Total nonoperating receipts (disbursements)	<u>(1,312,310)</u>	<u>(2,101,497)</u>	<u>(8,058)</u>	<u>(3,421,865)</u>	<u>-</u>
Excess of receipts over disbursements	629,571	1,496,010	66,657	2,192,238	(477,163)
Other Financing Sources (Uses)					
Insurance proceeds	-	252,496	-	252,496	-
Transfers in	215,000	353,000	-	568,000	-
Transfers out	(770,540)	(1,574,265)	(68,533)	(2,413,338)	-
Total other financing sources (uses)	<u>(555,540)</u>	<u>(968,769)</u>	<u>(68,533)</u>	<u>(1,592,842)</u>	<u>-</u>
Change in cash balances	\$ 74,031	\$ 527,241	\$ (1,876)	\$ 599,396	\$ (477,163)
Cash Balances					
Beginning of year	<u>4,295,858</u>	<u>8,068,934</u>	<u>104,075</u>	<u>12,468,867</u>	<u>161,110</u>
End of year	<u>\$ 4,369,889</u>	<u>\$ 8,596,175</u>	<u>\$ 102,199</u>	<u>\$ 13,068,263</u>	<u>\$ (316,053)</u>
Cash Basis Fund Balances					
Restricted for					
Debt service	\$ 1,367,431	\$ 777,694	\$ -	\$ 2,145,125	\$ -
Capital projects	807,912	2,228,426	176,683	3,213,021	-
Utility deposits	228,577	-	-	228,577	-
Unrestricted	<u>1,965,969</u>	<u>5,590,055</u>	<u>(74,484)</u>	<u>7,481,540</u>	<u>(316,053)</u>
Total cash basis fund balances	<u>\$ 4,369,889</u>	<u>\$ 8,596,175</u>	<u>\$ 102,199</u>	<u>\$ 13,068,263</u>	<u>\$ (316,053)</u>

See notes to basic financial statements.

City of North Liberty
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of North Liberty, Iowa is a political subdivision of the State of Iowa located in Johnson County. It was first incorporated in 1913 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a nonpartisan basis. The City provides numerous services to citizens including public safety, public works, health and social services, culture and recreation, community and economic development, utilities, and general government services.

A. Reporting Entity and Jointly Governed Organizations

For financial reporting purposes, the City of North Liberty, Iowa has included all funds, organizations, agencies, boards, commissions, and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and 1) the ability of the City to impose its will on that organization or 2) the potential for the organization to provide specific benefits or impose specific financial burdens on the City. The City has no component units which meet the Governmental Accounting Standards Board criteria.

The City also participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is not ongoing financial interest or responsibility by the participating governments. The City and its officials are members of various jointly governed organizations, including the Johnson County Assessors Conference Board, Johnson County Joint E911 Service Board, Metropolitan Planning Organization of Johnson County, East Central Iowa Council of Governments, and the Johnson County Compensation Board.

B. Basis of Presentation

Government-Wide Financial Statement - The Cash Basis Statement of Activities and Net Position reports information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary net position. Net position is reported in the following categories/components:

Non-Expendable Restricted Net Position is subject to externally imposed stipulations which requires the cash balances to be maintained permanently by the City, including customer utility deposits.

Expendable Restricted Net Position results when constraints placed on the use of cash balances is either externally imposed or imposed by law through constitutional provisions or enabling legislation.

City of North Liberty
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Unrestricted Net Position consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions, and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements - Separate basic financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges, and the capital improvement costs not paid from other funds.

Special Revenue:

Urban Renewal Tax Increment Fund - This fund is used to account for urban renewal projects and repayment of general obligation debt attributable to urban renewal purposes financed by tax increment financing collections.

Road Use Tax Fund - This fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

Debt Service:

Debt Service Fund - General Obligation Debt Fund is utilized to account for the payment of interest and principal on the City's general long-term debt.

Debt Service Fund - Road Use Tax Bond Reserve Fund is utilized to account for the required reserve fund that must be maintained in accordance with the terms of the City's road use tax revenue bond.

City of North Liberty
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Capital Projects:

Park Development Capital Projects Fund - This fund is used to account for improvements parks within the City.

Land and Facilities Fund - This fund is used to account for improvements to city owned land and facilities.

The City reports the following major proprietary funds:

Water Enterprise Fund - This fund accounts for the operation and maintenance of the City's water system.

Sewer Enterprise Fund - This fund accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

Storm Water Management Enterprise Fund - This fund accounts for the operation and maintenance of the City's storm sewer system.

The City also reports the following proprietary fund:

Internal Service Fund - This fund is utilized to account for the financing of goods or services purchased by one department of the City and provided to other departments or agencies on a cost reimbursement basis.

C. Measurement Focus and Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the basic financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable, and accrued items. Accordingly, the basic financial statements do not present financial position and results of operations of the funds in accordance with accounting principles generally expected in the United States of America.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications - committed, assigned, and then unassigned fund balances.

City of North Liberty
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Governmental Cash Basis Fund Balances

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts that have been approved by the City Council in the adopted budget or through other appropriate measures like approving additional expenditures for a capital project or purchase.

Assigned - Amounts which the City Council or City Administrator designates to use for future projects or equipment purchases.

Unassigned - All amounts not included in the preceding classifications.

The City shall maintain a minimum unassigned general fund balance of 25% and a maximum of 30% of the following year's revenue budget amount to be used for cash flow purposes unanticipated expenditures of a non-recurring nature, or to meet unexpected increase in service delivery costs.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information.

F. Property Tax and Calendar

The City's property tax rates were extended against the assessed valuation of the City as of January 1, 2022, to compute the amounts which became liens on property on July 1, 2023. These taxes were due and payable in two installments on September 30, 2023 and March 31, 2024, at the Johnson County Treasurer's offices. These taxes are recognized as income to the City when they are received from the County.

NOTE 2 - CASH AND POOLED INVESTMENTS

The City's deposits in banks and credit unions at June 30, 2024, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the *Code of Iowa*. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

City of North Liberty
Notes to Basic Financial Statements

NOTE 2 - CASH AND POOLED INVESTMENTS (CONTINUED)

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City does not have any investments that are subject to fair value guidance as set forth in Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*.

Interest Rate Risk: The City’s investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and uses of the City.

Custodial Credit Risk - Deposits: The City has a policy to only make deposits in the State of Iowa where deposits are covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the *Code of Iowa*. The City’s deposits in banks at June 30, 2024, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the *Code of Iowa*. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds. The City also has deposits in a credit union, the deposits in excess of federal depository insurance were covered by a letter of credit that exceeded 110% of the uninsured amount. The City had \$7,421,505 in certificates of deposit and \$15,015,570 in checking and savings accounts at June 30, 2024.

NOTE 3 - BONDS AND NOTES PAYABLE

Annual debt service requirements to maturity for general obligation notes, general obligation bonds, and revenue bonds of the City are as follows.

Year Ending June 30,	G.O. Bonds and Notes		Road Use Tax Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 5,790,000	\$ 1,148,771	\$ 135,000	\$ 12,190
2026	5,555,000	1,015,121	140,000	8,410
2027	4,215,000	885,571	145,000	4,350
2028	4,035,000	781,402	-	-
2029	4,130,000	682,340	-	-
2030-2034	15,045,000	2,009,578	-	-
2035-2039	5,540,000	490,303	-	-
Total	<u>\$ 44,310,000</u>	<u>\$ 7,013,086</u>	<u>\$ 420,000</u>	<u>\$ 24,950</u>

City of North Liberty
Notes to Basic Financial Statements

NOTE 3 - BONDS AND NOTES PAYABLE (CONTINUED)

Year Ending June 30,	Enterprise Fund Revenue Bonds		Total	
	Principal	Interest	Principal	Interest
2025	\$ 2,750,154	\$ 580,639	\$ 8,675,154	\$ 1,741,600
2026	2,810,000	527,039	8,505,000	1,550,570
2027	2,754,000	471,828	7,114,000	1,361,749
2028	2,867,840	418,893	6,902,840	1,200,295
2029	2,707,000	376,592	6,837,000	1,058,932
2030-2034	14,136,000	1,280,368	29,181,000	3,289,946
2035-2037	8,986,000	263,744	14,526,000	754,047
Total	<u>\$ 37,010,994</u>	<u>\$ 3,919,103</u>	<u>\$ 81,740,994</u>	<u>\$ 10,957,139</u>

A. General Obligation Urban Renewal Corporate Purpose (Tax Increment Financing) Bonds

The City has issued several general obligation urban renewal corporate purpose (tax increment financing) bonds for the purpose of defraying a portion of the costs of various construction and refurbishment projects within the City's urban renewal districts. Portions of certain other issued general obligation bonds were for the same purposes. The bonds are payable in part, or in full, from the tax increment financing (TIF) receipts generated by increased property values in the City's TIF districts and which are credited to the Special Revenue - Urban Renewal Tax Increment Fund in accordance with Chapter 403.19 of the *Code of Iowa*. TIF receipts are generally projected to produce 100 percent of the debt service requirements over the life of the bonds. The proceeds from the sales of the bonds shall be expended only for purposes which are consistent with the plans of the City's urban renewal areas. The bonds are not a general obligation of the City, however, the debt is subject to the constitutional debt limitation of the City. At June 30, 2024, the outstanding amounts on these bonds totaled approximately \$9,630,000, which are payable through June 1, 2032. Total interest remaining payable on the bonds at June 30, 2024, was approximately \$865,355. During the year, principal and interest paid on these bonds totaled approximately \$2,070,000 and \$273,214, respectively. Tax increment financing receipts during the year were \$4,518,015.

B. Revenue Bonds

The City has pledged future water customer receipts, net of specified operating disbursements, to repay two outstanding water revenue bond issues totaling \$17,148,154. The bonds were issued between November 2012 and October 2020. Proceeds from the sales of the bonds provided financing for the construction of several water system improvement projects in the City and to refinance the 2008 water revenue bonds. The bonds are payable solely from water customer defined net receipts and are payable through June 2037. Annual principal and interest payments on the bonds are expected to require 63 percent of defined net receipts. At June 30, 2024, total principal and interest remaining to be paid on the bonds was \$19,303,495. Principal and interest paid on all bonds totaled \$910,000 and \$319,933, respectively. Total defined water operating net receipts during the year were \$1,941,881.

City of North Liberty
Notes to Basic Financial Statements

NOTE 3 - BONDS AND NOTES PAYABLE (CONTINUED)

B. Revenue Bonds (Continued)

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay four outstanding sewer revenue bond issues totaling \$19,862,840. The bonds were issued between August 2007 and October 2020. Proceeds from the sales of the bonds provided financing for the construction of and improvements to the wastewater treatment plant and for soil quality restoration projects. The bonds are payable solely from sewer customer defined net receipts and are payable through June 2037. Annual principal and interest payments on the bonds are expected to require 44 percent of defined net receipts. At June 30, 2024, total principal and interest remaining to be paid on the bonds was \$21,626,602. Principal and interest paid on all bonds totaled \$1,435,000 and \$277,747, respectively. Total defined sewer operating net receipts during the year were \$3,850,003.

The resolutions providing for the issuance of the enterprise fund revenue notes and bonds include the following provisions:

- ◆ The notes and bonds will only be redeemed from the future earnings of the enterprise activity and the note and bond holders hold a lien on the future earnings of the funds.
- ◆ Sufficient monthly cash transfers shall be made to separate sewer and water revenue sinking accounts for the purpose of making the principal and interest payments when due.
- ◆ The provisions of the Water Revenue Refunding Bond Series 2014B require that \$541,255 be set aside into the Water Reserve Fund and maintained until all water revenue bonds of the City have been fully redeemed.
- ◆ The provisions of the Sewer Revenue Refunding Bond Series 2014A require that \$307,105 be set aside into the Sewer Reserve Fund and maintained until all sewer revenue bonds of the City have been fully redeemed.
- ◆ All funds remaining in the sewer rental and water utilities accounts after the payments of all maintenance and operating expenses and required transfers shall be placed in separate water and sewer revenue surplus accounts. These accounts are restricted for the purpose of paying any deficiency in the sinking funds. As long as the sinking funds have the full amount required to be deposited, any balance in the surplus funds may be made available to the City as the Council may from time to time direct.
- ◆ User rates shall be established at a level which produces and maintains defined net receipts at the following levels:

Water - equal to at least 120% of the average amount that will come due in any fiscal year during the life of the water revenue bond issues and only during years in which water revenue bonds not funded by the State Revolving Fund are outstanding.

City of North Liberty
Notes to Basic Financial Statements

NOTE 3 - BONDS AND NOTES PAYABLE (CONTINUED)

B. Revenue Bonds (Continued)

Sewer - equal to at least 125% of the average amount that will come due in any fiscal year during the life of the sewer revenue bond issues, and equal to at least 125% of the maximum amount that will come due in any fiscal year during the life of the sewer revenue bonds. On and after June 1, 2026, these percentages decrease to 110% for all outstanding sewer revenue bond issues.

Interest Rate Reduction

On October 24, 2017, the City Council approved a resolution providing for the reduction of the interest rate on the 2007 sewer revenue bonds from 3.00% to 1.75% effective December 1, 2017. The estimated interest savings due to the interest rate reduction is \$325,144.

The City has pledged future road use tax receipts to repay one road use tax revenue bond issue totaling \$1,815,000. The bonds were issued in March 2012. Proceeds from the sale of the bonds provided financing to pay for a portion of the construction costs of the public works/streets department facility. The bonds are payable solely from future road use tax receipts and are payable through June 2027. At June 30, 2024, total principal and interest remaining to be paid on the bonds was \$444,950. During the year, principal and interest paid on the bonds totaled \$130,000 and \$15,570, respectively.

NOTE 4 - PENSION PLAN

A. Plan Description

IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under *Iowa Code* Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

City of North Liberty
Notes to Basic Financial Statements

NOTE 4 - PENSION PLAN (CONTINUED)

B. Pension Benefits

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a regular member's monthly IPERS benefit includes:

- ◆ A multiplier based on years of service.
- ◆ The member's highest five-year average salary, except members with service before June 30, 2012, will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Protection occupation members may retire at normal retirement age, which is generally age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate protection occupation member's monthly IPERS benefits include:

- ◆ 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but no more than 30 years of services.
- ◆ The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefits payments.

C. Disability and Death Benefits

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

City of North Liberty
Notes to Basic Financial Statements

NOTE 4 - PENSION PLAN (CONTINUED)

D. Contributions

Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2024, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll for a total of 15.73%. Protection occupation members contributed 6.21% of covered payroll and the City contributed 9.31% of covered payroll for a total of 15.52%.

The City's contributions to IPERS for the year ended June 30, 2024, totaled \$902,102.

E. Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported a liability of \$2,684,709 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contribution to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the City's proportion was 0.067753%, which was an increase of 0.000953% from its proportion measured as of June 30, 2022. At June 30, 2023, the City's Protection occupations proportion was 0.574376%, which was an increase of 0.010246% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City's pension expense, deferred outflows of resources, and deferred inflows of resources totaled \$396,188, \$1,972,706, and \$129,887, respectively.

There were no non-employer contributing entities to IPERS.

City of North Liberty
Notes to Basic Financial Statements

NOTE 4 - PENSION PLAN (CONTINUED)

F. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum
Rate of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage Growth (effective June 30, 2017)	3.25% per annum, based on 2.6% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2023, valuation was based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page.

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	21.0 %	4.56 %
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Public real assets	0.0	2.81
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
	<hr/>	
Total	<u>100.0 %</u>	

City of North Liberty
Notes to Basic Financial Statements

NOTE 4 - PENSION PLAN (CONTINUED)

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 7,764,819	\$ 2,684,709	\$ (1,573,183)

I. IPERS Fiduciary Net Position

Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

NOTE 5 - COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation and compensatory hours for subsequent use or for payment upon retirement, termination, or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation and compensatory time payments payable to employees at June 30, 2024, primarily relating to the General Fund, is as follows:

Type of Benefit	Amount
Compensatory time	\$ 32,645
Sick leave	122,553
Vacation	561,388
Total	\$ 716,586

This liability has been computed based on rates of pay as of June 30, 2024.

Sick leave is payable when used. Upon retirement, a percentage of unused sick pay is paid out to the retiree. It is not paid upon termination or death.

City of North Liberty
Notes to Basic Financial Statements

NOTE 6 - SOLID WASTE DISPOSAL CONTRACT

An agreement between the City and Johnson County Refuse for the period July 1, 2018 through June 30, 2028, provides the City and its citizens with solid waste collection and disposal services. The agreement providing for the services includes the following provisions:

- ◆ The City shall pay the contractor a monthly charge (\$4.85 for each single and two-family dwelling unit.) These fees are for recyclables.
- ◆ The fees for non-recyclable wastes are based on the current Iowa City Landfill tipping fee schedule and are subject to change in the event landfill fees increase or decrease.
- ◆ The City shall pay the contractor a monthly charge for garbage collection services:
 1. \$7.65 for bi-weekly pickup of a 35-gallon container.
 2. \$12.65 for weekly pick up of a 35-gallon container.
 3. \$14.65 for weekly pickup of a 65-gallon container.

NOTE 7 - TRANSIT SERVICES CONTRACT

An agreement for the period July 1, 2013, through June 30, 2014, between the City and the City of Coralville, provides the City and its citizens with limited transit services. The agreement providing for these services includes the following provisions:

- ◆ The City shall pay the City of Coralville a monthly charge for the operating cost per hour for the number of hours of transit services provided each month.
- ◆ The City shall pay the City of Coralville for the amount the City of Coralville pays to Johnson County SEATS for paratransit services provided to citizens of the City of North Liberty.
- ◆ All fares collected shall be kept by the City of Coralville.
- ◆ The agreement will automatically be renewed on a year-to-year basis unless one party gives notice to the other party no later than November 1 in a given year of its intent to terminate the agreement.

NOTE 8 - CONSTRUCTION CONTRACTS AND COMMITMENTS

The City has entered into various contracts with construction and engineering services companies totaling approximately \$21,186,366 (final contract). The unpaid balances on June 30, 2024, totaled approximately \$2,254,781 (commitment), which will be paid as work on the projects progresses.

The City is committed to repaying the Iowa Department of Transportation for previously given grant funding. The remaining commitment related to this at June 30, 2024, is \$506,938.

City of North Liberty
Notes to Basic Financial Statements

NOTE 9 - DEFICIT FUND BALANCES

The following Funds had deficit fund balances at June 30, 2024:

Fund	Amount
Major Funds	
Park development	\$ (3,760,890)
Land and facilities	(8,565,932)
Non-Major Governmental Funds	
Street capital projects	(239,388)
Trail projects	(77,829)
Internal Service Fund	(316,053)

The deficit balances in these capital projects funds and accounts arose because project and construction costs were incurred prior to the availability of funds. These deficits will be eliminated with several sources of funds, but not limited to, proceeds from debt financing, grants, and available funds in the water and sewer enterprise funds and other general City funds. The deficit balance in the internal service fund arose because claims exceeded contributions. This deficit will be eliminated with future claims.

NOTE 10 - RISK MANAGEMENT

The City of North Liberty is exposed to various risks of loss related to torts, theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees, and their qualified beneficiaries. Group insurance benefits are established under *Iowa Code* § 509A.13. The City finances the health benefit plan with Well mark on a pay-as-you-go basis. The most recent active member monthly premium costs for the City and the plan members are \$545 for single coverage, \$1,008 for employee/child coverage and \$1,088 for employee/spouse coverage. During the year ended June 30, 2024, the City contributed \$1,174,436, and plan members eligible for benefits contributed \$182,273 to the plan. At June 30, 2024, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

City of North Liberty
Notes to Basic Financial Statements

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. OPEB Benefits

Employees of the City that are eligible to participate in the group health plan are eligible to continue coverage when a “qualifying event” would normally result in the loss of eligibility. “Qualifying events” are defined in the City’s employee manual. Retirees and their beneficiaries under age 65 are required to pay the full cost for the continuing coverage. Continuing coverage is available until the employees and their beneficiaries attain age 65. The cost of the continuing coverage is the same as the cost for active employees, which results in an implicit rate subsidy.

At June 30, 2024, the following employees were covered by the benefit plan:

Inactive employees or beneficiaries currently receiving benefits	-
Active employees	97
	97
Total	97

NOTE 12 - CONDUIT DEBT OBLIGATIONS

During the year ended June 30, 2020, the City issued a total of \$3,000,000 of Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities in the community. The outstanding principal amount on the bonds at June 30, 2024, totaled \$1,967,044. The bonds are secured by property purchased with the bond proceeds and are payable solely from payments received on the underlying mortgage loans, derived from rents payable by the tenants. The bond principal and interest do not constitute liabilities of the City, and neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

NOTE 13 - ECONOMIC DEVELOPMENT LOANS

The City entered into one economic development forgivable loan agreement with a local business entity during the year ended June 30, 2021. The loan proceeds to this entity are to be used to relocate the entity’s operations within the City. Details of the loan agreement is as follows:

An agreement dated August 11, 2020, with Moxie Solar LLC, in the amount of \$50,000. This loan is forgivable if certain requirements are met. This forgivable loan will accrue interest at a rate of 4% and will be due, if not forgiven, on February 16, 2026.

NOTE 14 - TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

**City of North Liberty
Notes to Basic Financial Statements**

NOTE 14 - TAX ABATEMENTS (CONTINUED)

A. City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the *Code of Iowa*. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2024, the City abated \$299,663 of property tax under the urban renewal and economic development projects.

B. Tax Abatements of Other Entities

During the year ended June 30, 2024, there were no agreements entered into by other entities that reduced property tax revenues of the City.

NOTE 15 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2024, are as follows:

Transfers Out	Transfers In						Total
	General	General Obligation Debt Service	Park Development	Non-Major Governmental Funds	Water	Sewer	
General	\$ -	\$ -	\$ 185,700	\$ -	\$ 215,000	\$ 353,000	\$ 753,700
Urban Renewal Tax Increment	-	4,959,332	-	-	-	-	4,959,332
Road Use Tax	393,595	146,170	-	1,045,623	-	-	1,585,388
Non-major Governmental Funds	2,436,641	-	155,000	-	-	-	2,591,641
Water	263,062	292,478	215,000	-	-	-	770,540
Sewer	261,562	955,403	357,300	-	-	-	1,574,265
Storm Water Management	68,533	-	-	-	-	-	68,533
Total	\$ 3,423,393	\$ 6,353,383	\$ 913,000	\$ 1,045,623	\$ 215,000	\$ 353,000	\$ 12,303,399

Transfers above move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources or to assist in the funding of capital assets.

NOTE 16- CONTINGENT LIABILITIES

The City is a defendant and/or appellee in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 17 - RESTATEMENTS AND ADJUSTMENTS OF BEGINNING FUND BALANCES

During the year ended June 30, 2024, the City's Park Development Capital Project Fund was changed from a nonmajor governmental fund to a major governmental fund, resulting in a reduction of beginning fund balance for the nonmajor governmental funds of \$218,974.

City of North Liberty
Notes to Basic Financial Statements

NOTE 17 - RESTATEMENTS AND ADJUSTMENTS OF BEGINNING FUND BALANCES (CONTINUED)

During the year ended June 30, 2024, the City’s Street Capital Projects Fund was changed from a major governmental fund to a nonmajor governmental fund, resulting in an addition of beginning fund balance for the nonmajor governmental funds of \$242,690. Also, the Park Development Fund was changed from nonmajor to major resulting in a reduction of the beginning fund balance for the nonmajor governmental funds of \$218,974.

During the year ended June 30, 2024, changes to or within the financial reporting entity resulted in adjustments to and restatement of beginning fund balances, as follows.

Transfers Out	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			Total
	Street Capital Projects	Park Development	Non-Major Governmental Funds	
6/30/2023, as previously reported	\$ 242,690	\$ -	\$ 3,578,622	\$ 3,821,312
Change from nonmajor to major	-	218,974	(218,974)	-
Change from major to nonmajor	(242,690)	-	242,690	-
6/30/2023, as adjusted or restated	\$ -	\$ 218,974	\$ 3,602,338	\$ 3,821,312

NOTE 18 - SUBSEQUENT EVENTS

On December 11, 2024, the City issued \$9,195,000 of General Obligation Corporate Purpose Bonds, Series 2024A.

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OTHER INFORMATION

City of North Liberty
Budgetary Comparison Schedule
of Receipts, Disbursements, and Changes in Balances-
Budget and Actual (Cash basis) - All Governmental Funds and Proprietary Funds
Year Ended June 30, 2024

	Governmental Funds Actual	Proprietary Funds Actual	Total
Receipts			
Property tax	\$ 13,301,072	\$ -	\$ 13,301,072
Tax increment financing	4,518,015	-	4,518,015
Other city tax	909,115	-	909,115
Licenses and permits	934,936	-	934,936
Use of money and property	357,555	85,408	442,963
Intergovernmental	3,665,684	-	3,665,684
Charges for services	3,012,198	10,358,942	13,371,140
Miscellaneous	620,852	392,677	1,013,529
Total receipts	<u>27,319,427</u>	<u>10,837,027</u>	<u>38,156,454</u>
Disbursements			
General government	2,633,979	-	2,633,979
Public safety	5,337,317	-	5,337,317
Public works	3,467,877	-	3,467,877
Health and social services	152,000	-	152,000
Culture and recreation	5,421,576	-	5,421,576
Community and economic development	1,460,793	-	1,460,793
Debt service	7,941,431	3,040,070	10,981,501
Capital outlay	14,345,540	467,203	14,812,743
Business type activities	-	4,885,020	4,885,020
Total disbursements	<u>40,760,513</u>	<u>8,392,293</u>	<u>49,152,806</u>
Excess (deficiency) of receipts over (under) disbursements	(13,441,086)	2,444,734	(10,996,352)
Other financing sources (uses), net	<u>1,862,595</u>	<u>(1,845,338)</u>	<u>17,257</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(11,578,491)	599,396	(10,979,095)
Balances beginning of year	<u>21,263,355</u>	<u>12,468,867</u>	<u>33,732,222</u>
Balances end of year	<u>\$ 9,684,864</u>	<u>\$ 13,068,263</u>	<u>\$ 22,753,127</u>

Budgeted Amounts		Final to
Original	Final	Total
		Variance
\$ 12,611,549	\$ 12,611,549	\$ 689,523
4,542,907	4,542,907	(24,892)
912,924	937,924	(28,809)
878,480	948,480	(13,544)
257,100	257,100	185,863
4,358,077	4,672,709	(1,007,025)
13,184,976	13,195,976	175,164
10,579,600	11,059,810	(10,046,281)
<u>47,325,613</u>	<u>48,226,455</u>	<u>(10,070,001)</u>
2,368,044	2,545,044	88,935
5,938,539	6,277,003	(939,686)
4,476,731	4,563,131	(1,095,254)
155,000	155,000	(3,000)
6,086,199	6,511,760	(1,090,184)
1,697,657	2,385,657	(924,864)
10,605,285	10,605,285	376,216
23,265,203	24,896,703	(10,083,960)
6,081,382	6,379,882	(1,494,862)
<u>60,674,040</u>	<u>64,319,465</u>	<u>(15,166,659)</u>
(13,348,427)	(16,093,010)	5,096,658
<u>10,006,000</u>	<u>10,006,000</u>	<u>(9,988,743)</u>
(3,342,427)	(6,087,010)	(4,892,085)
<u>19,289,410</u>	<u>19,289,410</u>	<u>14,442,812</u>
<u>\$ 15,946,983</u>	<u>\$ 13,202,400</u>	<u>\$ 9,550,727</u>

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City of North Liberty
Notes to Other Information - Budgetary Reporting

The budgetary comparison is presented in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the *Code of Iowa*, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except the Internal Service Fund. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. The nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund, the Permanent Fund, and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$27,244,068. The budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2024, disbursements exceeded budgeted amounts in the General Government and Debt Service functions.

City of North Liberty
Schedule of the Primary Government's Proportionate
Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Ten Years*
Other Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's Proportion of the net pension liability (asset)	0.067753%	0.066800%	0.062130%	0.062320%
City's Proportionate share of the net pension liability (asset)	\$ 2,684,709	\$ 1,874,485	\$ (1,747,741)	\$ 4,517,056
City's Covered employee payroll				
Regular	7,262,383	6,082,611	5,419,025	5,042,606
Protection occupation	<u>2,325,811</u>	<u>2,624,726</u>	<u>1,877,626</u>	<u>2,122,019</u>
Total	<u>\$ 9,588,194</u>	<u>\$ 8,707,337</u>	<u>\$ 7,296,651</u>	<u>\$ 7,164,625</u>
Proportionate share of the net pension liability (assets) as a percentage of covered payroll				
Regular	28.00%	21.53%	-23.95%	63.05%
Plan fiduciary net position as a percentage of the total pension liability	90.13%	91.41%	100.81%	82.90%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.059858%	0.058680%	0.056538%	0.056470%	0.051521%	0.046738%
\$ 3,342,903	\$ 3,712,257	\$ 3,766,217	\$ 2,553,832	\$ 2,545,393	\$ 1,853,576
4,911,314	4,586,049	4,143,396	3,964,819	3,741,181	3,462,507
<u>1,986,700</u>	<u>1,758,335</u>	<u>1,403,042</u>	<u>1,263,298</u>	<u>1,143,311</u>	<u>997,332</u>
<u>\$ 6,898,014</u>	<u>\$ 6,344,384</u>	<u>\$ 5,546,438</u>	<u>\$ 5,228,117</u>	<u>\$ 4,884,492</u>	<u>\$ 4,459,839</u>
48.46%	58.51%	67.90%	48.85%	52.11%	41.56%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

City of North Liberty
Schedule of the Primary Government's Contributions
Iowa Public Employees' Retirement System
Last Ten Fiscal Years
Other Information

	Fiscal Year			
	2024	2023	2022	2021
Primary government (city)				
Statutorily required contribution				
Regular	\$ 685,569	\$ 574,198	\$ 533,550	\$ 476,022
Protection occupation	216,533	244,362	218,779	203,926
Total	<u>\$ 902,102</u>	<u>\$ 818,560</u>	<u>\$ 752,329</u>	<u>\$ 679,948</u>
Contributions in relation to the				
Statutorily required contribution				
Regular	\$ 685,569	\$ 574,198	\$ 533,550	\$ 476,022
Protection occupation	216,533	244,362	218,779	203,926
Total	<u>902,102</u>	<u>818,560</u>	<u>752,329</u>	<u>679,948</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll				
Regular	\$ 7,262,383	\$ 6,082,606	\$ 5,652,013	\$ 5,042,606
Protection occupation	2,325,811	2,624,726	2,349,936	2,122,019
Total	<u>\$ 9,588,194</u>	<u>\$ 8,707,332</u>	<u>\$ 8,001,948</u>	<u>\$ 7,164,625</u>
Contributions as a percentage of				
covered employee payroll				
Regular	9.44%	9.44%	9.44%	9.44%
Protection occupation	9.31%	9.31%	9.61%	9.91%

Fiscal Year						
2020	2019	2018	2017	2016	2015	
\$ 463,628	\$ 432,923	\$ 393,721	\$ 370,005	\$ 354,058	\$ 334,088	
196,882	179,526	159,267	138,059	124,309	115,932	
<u>\$ 660,510</u>	<u>\$ 612,449</u>	<u>\$ 552,988</u>	<u>\$ 508,064</u>	<u>\$ 478,367</u>	<u>\$ 450,020</u>	
\$ 463,628	\$ 432,923	\$ 393,721	\$ 370,005	\$ 354,058	\$ 334,088	
196,882	179,526	159,267	138,059	124,309	115,932	
<u>660,510</u>	<u>612,449</u>	<u>552,988</u>	<u>508,064</u>	<u>478,367</u>	<u>450,020</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 4,911,314	\$ 4,586,049	\$ 4,413,845	\$ 4,143,396	\$ 3,964,819	\$ 3,741,181	
1,986,700	1,758,335	1,618,562	1,403,042	1,263,298	1,143,311	
<u>\$ 6,898,014</u>	<u>\$ 6,344,384</u>	<u>\$ 6,032,407</u>	<u>\$ 5,546,438</u>	<u>\$ 5,228,117</u>	<u>\$ 4,884,492</u>	
9.44%	8.93%	8.92%	8.93%	8.93%	8.93%	
9.91%	10.21%	9.84%	9.84%	9.84%	10.14%	

City of North Liberty
Notes to Other Information - Pension Liability

Changes of Benefit Terms

There are no significant changes in benefit terms.

Changes of Assumptions

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- ◆ Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- ◆ Adjusted retirement rates for Regular members.
- ◆ Lowered disability rates for Regular members.
- ◆ Adjusted termination rates for all membership groups.

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- ◆ Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- ◆ Adjusted retirement rates.
- ◆ Lowered disability rates.
- ◆ Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- ◆ Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- ◆ Decreased the inflation assumption from 3.00% to 2.60%.
- ◆ Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- ◆ Decreased the discount rate from 7.50% to 7.00%.
- ◆ Decreased the wage growth assumption from 4.00% to 3.25%.
- ◆ Decreased the payroll growth assumption from 4.00% to 3.25%.

SUPPLEMENTARY INFORMATION

City of North Liberty
Schedule 1
Combining Statement of Cash Receipts,
Disbursements, and Changes in Cash Fund
Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue			Capital Project
	Employee Benefits (112)	Drug Task Force (10)	American Rescue Plan Act (014)	TIF Projects (302)
Receipts				
General property taxes	\$ 2,436,641	\$ -	\$ -	\$ -
Intergovernmental	-	3,693	-	-
Use of money and property	-	13	-	29,371
Miscellaneous	-	-	-	-
Total receipts	<u>2,436,641</u>	<u>3,706</u>	<u>-</u>	<u>29,371</u>
Disbursements				
Capital outlay				
General government	-	-	503,584	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>503,584</u>	<u>-</u>
Excess of receipts over (under) disbursements	2,436,641	3,706	(503,584)	29,371
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(2,436,641)	-	(155,000)	-
Total other financing sources (uses)	<u>(2,436,641)</u>	<u>-</u>	<u>(155,000)</u>	<u>-</u>
Net change in cash fund balances	-	3,706	(658,584)	29,371
Cash Fund Balances				
Beginning of year	-	539	2,372,612	494,996
Change from major to nonmajor (See Note 17)	-	-	-	-
Change from nonmajor to major (See Note 17)	-	-	-	-
Beginning of year, restated	<u>-</u>	<u>539</u>	<u>2,372,612</u>	<u>494,996</u>
End of year	<u>\$ -</u>	<u>\$ 4,245</u>	<u>\$ 1,714,028</u>	<u>\$ 524,367</u>
Cash basis fund balances				
Restricted for				
Urban renewal projects	\$ -	\$ -	\$ -	\$ 524,367
Police capital equipment purchases	-	4,245	-	-
Escrow deposits	-	-	-	-
Future grant expenditures	-	-	1,714,028	-
Assigned for				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total cash basis fund balance	<u>\$ -</u>	<u>\$ 4,245</u>	<u>\$ 1,714,028</u>	<u>\$ 524,367</u>

Capital Project

Escrow Funds (307)	Middle Iowa Watershed (308)	Trail Projects (303)	Park Development (305)	Economic Development Projects (306)	Street Capital Projects (301)	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,436,641
-	91,000	-	-	-	12,880	107,573
-	-	-	-	-	-	29,384
19,675	-	-	-	-	-	19,675
<u>19,675</u>	<u>91,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,880</u>	<u>2,593,273</u>
-	-	-	-	-	-	503,584
-	-	-	-	-	1,540,581	1,540,581
-	-	67,737	-	-	-	67,737
<u>-</u>	<u>-</u>	<u>67,737</u>	<u>-</u>	<u>-</u>	<u>1,540,581</u>	<u>2,111,902</u>
19,675	91,000	(67,737)	-	-	(1,527,701)	481,371
-	-	-	-	-	1,045,623	1,045,623
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,591,641)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,045,623</u>	<u>(1,546,018)</u>
19,675	91,000	(67,737)	-	-	(482,078)	(1,064,647)
382,464	-	(10,092)	218,974	119,129	-	3,578,622
-	-	-	-	-	242,690	242,690
-	-	-	(218,974)	-	-	(218,974)
<u>382,464</u>	<u>-</u>	<u>(10,092)</u>	<u>-</u>	<u>119,129</u>	<u>242,690</u>	<u>3,602,338</u>
<u>\$ 402,139</u>	<u>\$ 91,000</u>	<u>\$ (77,829)</u>	<u>\$ -</u>	<u>\$ 119,129</u>	<u>\$ (239,388)</u>	<u>\$ 2,537,691</u>
\$ -	\$ -	\$ -	\$ -	\$ 119,129	\$ -	\$ 643,496
-	-	-	-	-	-	4,245
402,139	-	-	-	-	-	402,139
-	-	-	-	-	-	1,714,028
-	91,000	-	-	-	-	91,000
<u>-</u>	<u>-</u>	<u>(77,829)</u>	<u>-</u>	<u>-</u>	<u>(239,388)</u>	<u>(317,217)</u>
<u>\$ 402,139</u>	<u>\$ 91,000</u>	<u>\$ (77,829)</u>	<u>\$ -</u>	<u>\$ 119,129</u>	<u>\$ (239,388)</u>	<u>\$ 2,537,691</u>

**City of North Liberty
Schedule 2
Schedule of Indebtedness
Year Ended June 30, 2024**

Obligation	Date of Issue	Interest Rates	Amount Originally Issued	Balance Beginning of Year
General Obligation Bonds				
Corporate Purpose	11/5/2013	2.00-2.40%	\$ 1,425,000	\$ 160,000
Urban Renewal Corporate Purpose	11/5/2013	2.00-2.40	3,540,000	400,000
Corporate Purpose	10/30/2014	2.00	3,090,000	665,000
Corporate Purpose	10/8/2015	2.00	9,965,000	2,795,000
Corporate Purpose and Refunding	4/27/2017	3.00	4,435,000	1,200,000
Urban Renewal Corporate Purpose and Refunding	5/9/2017	2.00-2.50	7,980,000	2,930,000
Urban Renewal Corporate Purpose	10/15/2018	3.00-3.15	4,595,000	3,205,000
Urban Renewal Corporate Purpose	9/17/2019	2.00	8,010,000	5,165,000
Corporate Purpose	7/8/2020	2.00	10,160,000	8,395,000
Corporate Purpose	8/17/2021	1.00-1.65	7,270,000	6,785,000
Corporate Purpose	7/26/2022	3.00	9,135,000	9,135,000
Corporate Purpose	5/9/2023	4.00	9,435,000	9,435,000
Total				<u>\$ 50,270,000</u>
Rural Economic Development Loan and Grant Program				
Rural Economic Development Loan	5/8/2013	0%	360,000	<u>\$ 36,000</u>
Road Use Tax Revenue Bonds				
Road Use Tax Series 2012A	3/29/2012	2.00-3.00%	1,815,000	<u>\$ 550,000</u>
Revenue Bonds				
Sewer Revenue Bonds Series 2007	8/23/2007	(a) 3.00/1.75%	5,271,000	\$ 2,290,000
Sewer Revenue Bonds Series 2008A	7/30/2008	3.00	3,250,000	945,000
Sewer Revenue Refunding Bond Series 2014A	4/23/2014	2.00-3.00	1,315,000	265,000
Water Revenue Refunding Bond Series 2014B	4/23/2014	2.00-3.05	1,210,000	335,000
Sewer Revenue Improvement and Refunding Bond Series 2016	10/7/2016	1.20	22,337,000	17,797,840
Water Revenue Improvement Bond Series 2017	2/24/2017	1.75	22,072,000	<u>17,723,154</u>
Total				<u>\$ 39,355,994</u>

(a) The interest rate on this bond was reduced to 1.75% on December 1, 2017.

Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
\$ -	\$ 160,000	\$ -	\$ 3,840
-	400,000	-	9,600
-	330,000	335,000	13,300
-	910,000	1,885,000	55,900
-	445,000	755,000	36,000
-	460,000	2,470,000	63,081
-	365,000	2,840,000	97,233
-	845,000	4,320,000	103,300
-	890,000	7,505,000	167,900
-	490,000	6,295,000	78,458
-	665,000	8,470,000	274,050
-	-	9,435,000	377,400
<u>\$ -</u>	<u>\$ 5,960,000</u>	<u>\$ 44,310,000</u>	<u>\$ 1,280,062</u>
<u>\$ -</u>	<u>\$ 36,000</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ 420,000</u>	<u>\$ 15,570</u>
\$ -	\$ 475,000	\$ 1,815,000	\$ 40,075
-	177,000	768,000	16,538
-	130,000	135,000	7,560
-	110,000	225,000	9,778
-	653,000	17,144,840	213,574
-	800,000	16,923,154	310,155
<u>\$ -</u>	<u>\$ 2,345,000</u>	<u>\$ 37,010,994</u>	<u>\$ 597,680</u>

City of North Liberty
Schedule 3
Bond and Note Maturities
Year Ended June 30, 2024

Year Ending June 30,	General Obligation Bonds					
	Corporate Purpose		Corporate Purpose		Corporate Purpose	
	Issued Oct 30, 2014		Issued Oct 8, 2015		Issued Apr 27, 2017	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2025	2.00%	\$ 335,000	2.00%	\$ 930,000	3.00%	\$ 245,000
2026		-	2.00	955,000	3.00	250,000
2027		-		-	3.00	260,000
2028		-		-		-
2029		-		-		-
Total		<u>\$ 335,000</u>		<u>\$ 1,885,000</u>		<u>\$ 755,000</u>

Year Ending June 30,	General Obligation Bonds					
	Urban Renewal		Urban Renewal		Corporate Purpose	
	Issued October 15, 2018		Issued September 17, 2019		Issued July 8, 2020	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2025	3.00%	\$ 375,000	2.00%	\$ 870,000	2.00%	\$ 900,000
2026	3.00	385,000	2.00	880,000	2.00	910,000
2027	3.00	395,000	2.00	410,000	2.00	915,000
2028	3.00	405,000	2.00	415,000	2.00	930,000
2029	3.00	415,000	2.00	425,000	2.00	945,000
2030	3.10	430,000	2.00	430,000	2.00	955,000
2031	3.15	435,000	2.00	440,000	2.00	970,000
2032		-	2.00	450,000	2.00	980,000
2033		-		-		-
2034		-		-		-
2035		-		-		-
2036		-		-		-
2037		-		-		-
2038		-		-		-
2039		-		-		-
Total		<u>\$ 2,840,000</u>		<u>\$ 4,320,000</u>		<u>\$ 7,505,000</u>

Year Ending June 30,	Road Use Tax Revenue Bonds	
	Issued Mar 29, 2012	
	Interest Rates	Amount
2025	2.80%	\$ 135,000
2026	2.90	140,000
2027	3.00	145,000
Total		<u>\$ 420,000</u>

General Obligation Bonds	
Corporate Purpose	
Issued May 9, 2017	
Interest Rates	Amount
2.00%	\$ 470,000
2.00	480,000
2.125	495,000
2.25	505,000
2.50	520,000
	<u>\$ 2,470,000</u>

General Obligation Bonds						
Corporate Purpose		Corporate Purpose		Corporate Purpose		Total
Issued August 17, 2021		Issued July, 26 2022		Issued April 25, 2023		
Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	
1.00%	\$ 495,000	3.00%	\$ 680,000	4.00%	\$ 490,000	\$ 5,790,000
1.00	495,000	3.00	695,000	4.00	505,000	5,555,000
1.00	500,000	3.00	710,000	4.00	530,000	4,215,000
1.00	510,000	3.00	725,000	4.00	545,000	4,035,000
1.00	515,000	3.00	740,000	4.00	570,000	4,130,000
1.00	520,000	3.00	760,000	4.00	595,000	3,690,000
1.10	535,000	3.00	785,000	4.00	615,000	3,780,000
1.15	540,000	3.00	810,000	4.00	640,000	3,420,000
1.25	550,000	3.00	830,000	4.00	670,000	2,050,000
1.35	560,000	3.00	855,000	4.00	690,000	2,105,000
1.45	350,000	3.00	880,000	4.00	720,000	1,950,000
1.55	360,000		-	4.00	750,000	1,110,000
1.65	365,000		-	4.00	675,000	1,040,000
	-		-	4.00	705,000	705,000
	-		-	4.00	735,000	735,000
	<u>\$ 6,295,000</u>		<u>\$ 8,470,000</u>		<u>\$ 9,435,000</u>	<u>\$ 44,310,000</u>

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City of North Liberty
Schedule 3
Bond and Note Maturities
Year Ended June 30, 2024

Year Ending June 30,	Enterprise Revenue Bonds					
	Sewer Revenue Series 2007		Sewer Revenue Series 2008A		Sewer Refunding Series 2014A	
	Issued Aug 23, 2007		Issued Jul 30, 2008		Issued Apr 23, 2014	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2025	1.75%	\$ 486,000	3.00%	\$ 183,000	3.00%	\$ 135,000
2026	1.75	654,000	3.00	189,000	-	-
2027	1.75	675,000	3.00	195,000	-	-
2028	-	-	3.00	201,000	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
Total		<u>\$ 1,815,000</u>		<u>\$ 768,000</u>		<u>\$ 135,000</u>

Year Ending June 30,	Enterprise Revenue Bonds						
	Water Refunding Series 2014B		Sewer Improvement Series 2016		Water Improvements Series 2017		Total
	Issued Apr 23, 2014		Issued Oct. 7 2016		Issued Feb. 24, 2017		
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	
2025	3.00%	\$ 110,000	1.20%	\$ 666,000	1.75%	\$ 1,170,154	
2026	3.05	115,000	1.20	661,000	1.75	1,191,000	2,810,000
2027	-	-	1.20	672,000	1.75	1,212,000	2,754,000
2028	-	-	1.20	1,433,840	1.75	1,233,000	2,867,840
2029	-	-	1.20	1,452,000	1.75	1,255,000	2,707,000
2030	-	-	1.20	1,469,000	1.75	1,277,000	2,746,000
2031	-	-	1.20	1,487,000	1.75	1,299,000	2,786,000
2032	-	-	1.20	1,505,000	1.75	1,322,000	2,827,000
2033	-	-	1.20	1,523,000	1.75	1,345,000	2,868,000
2034	-	-	1.20	1,541,000	1.75	1,368,000	2,909,000
2035	-	-	1.20	1,560,000	1.75	1,392,000	2,952,000
2036	-	-	1.20	1,578,000	1.75	1,417,000	2,995,000
2037	-	-	1.20	1,597,000	1.75	1,442,000	3,039,000
Total		<u>\$ 225,000</u>		<u>\$ 17,144,840</u>		<u>\$ 16,923,154</u>	<u>\$ 37,010,994</u>

City of North Liberty
Schedule 4
Schedule of Receipts by Source
and Disbursements by Function - All Governmental Funds
For the Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Receipts				
Property tax	\$ 13,197,317	\$ 12,741,612	\$ 12,314,574	\$ 11,137,023
Tax increment financing	4,518,015	4,704,199	5,409,401	5,987,424
Other city tax	909,115	877,993	887,732	724,704
Licenses and permits	934,936	782,500	610,328	519,717
Use of money and property	357,555	66,023	26,557	21,829
Intergovernmental	3,665,684	5,414,425	6,626,226	3,585,606
Charges for services	3,012,198	2,835,800	2,686,513	2,039,073
Miscellaneous	724,607	2,180,962	1,141,951	773,139
	<u>\$ 27,319,427</u>	<u>\$ 29,603,514</u>	<u>\$ 29,703,282</u>	<u>\$ 24,788,515</u>
Disbursements				
Operating				
General government	\$ 2,633,979	\$ 2,340,744	\$ 2,245,702	\$ 1,980,895
Public safety	5,337,317	5,194,385	4,776,934	4,237,738
Public works	3,467,877	3,247,683	3,232,860	3,021,471
Health and social services	152,000	143,000	260,000	140,929
Culture and recreation	5,421,576	5,515,557	4,894,183	3,828,295
Community and economic development	1,460,793	1,599,366	2,145,838	1,917,325
Debt service	7,941,431	6,935,147	6,225,710	6,022,038
Capital projects	14,345,540	12,688,219	12,270,540	7,410,437
	<u>\$ 40,760,513</u>	<u>\$ 37,664,101</u>	<u>\$ 36,051,767</u>	<u>\$ 28,559,128</u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 10,650,663	\$ 10,228,659	\$ 9,161,827	\$ 8,495,238	\$ 7,583,031	\$ 6,861,247
4,778,458	4,386,319	4,074,528	4,389,642	4,509,489	3,918,081
612,161	537,488	327,429	335,049	360,492	341,057
298,270	404,875	575,399	389,066	478,562	552,067
39,187	47,046	221,892	182,754	159,353	149,029
4,831,972	6,648,076	3,931,853	3,353,878	3,889,968	2,136,378
2,296,487	2,608,668	1,943,556	2,556,384	1,893,581	2,219,792
1,279,840	235,649	1,145,670	355,213	471,339	390,306
<u>\$ 24,787,038</u>	<u>\$ 25,096,780</u>	<u>\$ 21,382,154</u>	<u>\$ 20,057,224</u>	<u>\$ 19,345,815</u>	<u>\$ 16,567,957</u>
\$ 1,942,074	\$ 1,777,026	\$ 1,724,903	\$ 1,464,069	\$ 1,591,679	\$ 1,537,711
3,887,780	3,668,831	3,498,753	3,177,706	2,836,301	2,563,426
2,906,043	2,688,011	1,981,066	1,788,477	1,626,565	1,511,077
117,716	111,011	110,725	103,500	105,350	98,207
4,106,997	4,151,007	3,931,551	3,792,817	3,593,454	3,458,203
1,877,902	1,812,636	1,859,840	1,723,266	1,647,664	1,166,131
8,898,724	5,291,567	4,899,061	5,309,615	4,831,259	4,528,242
13,033,299	13,438,638	10,035,175	8,882,559	8,023,964	4,181,863
<u>\$ 36,770,535</u>	<u>\$ 32,938,727</u>	<u>\$ 28,041,074</u>	<u>\$ 26,242,009</u>	<u>\$ 24,256,236</u>	<u>\$ 19,044,860</u>

City of North Liberty
Schedule 5
Schedule of Cash Receipts, Disbursements, and
Changes in Cash Balances -
General Fund Detail
Year Ended June 30, 2024

	General Fund (1)	Recreation Equipment (4)	Tele Communications Equipment (9)	Tree Program (7)
Receipts				
General property taxes	\$ 9,315,386	\$ -	\$ -	\$ -
Commercial and industrial tax replacement	72,321	-	-	-
Other city tax	350,008	-	-	-
Licenses and permits	934,936	-	-	-
Intergovernmental	658,964	-	-	-
Charges for services	2,938,766	12,658	-	18,986
Use of money and property	328,169	-	-	-
Miscellaneous	317,272	1,973	-	16,871
Total receipts	<u>14,915,822</u>	<u>14,631</u>	<u>-</u>	<u>35,857</u>
Disbursements				
Current				
General government	2,625,646	-	-	-
Public safety	5,331,230	-	-	-
Public works	1,819,732	-	-	-
Health and social services	152,000	-	-	-
Community and economic development	1,157,734	-	-	-
Culture and recreation	5,416,439	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	102,892	-	-	-
Public works	-	-	-	-
Culture and recreation	10,670	43,599	-	39,302
Total disbursements	<u>16,616,343</u>	<u>43,599</u>	<u>-</u>	<u>39,302</u>
Excess of receipts over (under) disbursements	(1,700,521)	(28,968)	-	(3,445)
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	-	-	-	-
Transfers in	3,153,593	33,000	-	-
Transfers out	(355,800)	-	-	-
Total other financing sources (uses)	<u>2,797,793</u>	<u>33,000</u>	<u>-</u>	<u>-</u>
Net change in cash fund balances	1,097,272	4,032	-	(3,445)
Cash Fund Balances				
Beginning of year	<u>5,826,417</u>	<u>370,092</u>	<u>29,902</u>	<u>5,056</u>
End of year	<u>\$ 6,923,689</u>	<u>\$ 374,124</u>	<u>\$ 29,902</u>	<u>\$ 1,611</u>

Hotel/Motel Tax (12)	Library Reserve (3)	Fire Equipment Reserve (2)	Equipment Revolving Fund (8)	Police Equipment Reserve (5)
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
99,350	-	-	-	-
-	-	-	-	-
-	5,890	-	-	545
-	-	36,722	-	5,066
-	2	-	-	-
-	30,841	33,966	99	1,300
<u>99,350</u>	<u>36,733</u>	<u>70,688</u>	<u>99</u>	<u>6,911</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
32,962	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	100,254	79,948	-
-	-	-	529,275	-
-	8,713	-	183,635	-
<u>32,962</u>	<u>8,713</u>	<u>100,254</u>	<u>792,858</u>	<u>-</u>
66,388	28,020	(29,566)	(792,759)	6,911
-	-	1,618	15,639	-
-	-	45,000	684,200	10,000
<u>(93,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(93,000)</u>	<u>-</u>	<u>46,618</u>	<u>699,839</u>	<u>10,000</u>
(26,612)	28,020	17,052	(92,920)	16,911
102,128	60,724	299,651	324,952	143,576
<u>\$ 75,516</u>	<u>\$ 88,744</u>	<u>\$ 316,703</u>	<u>\$ 232,032</u>	<u>\$ 160,487</u>

City of North Liberty
Schedule 5
Schedule of Cash Receipts, Disbursements, and
Changes in Cash Balances -
General Fund Detail
Year Ended June 30, 2024

	Police Seized Funds (11)	Park Development (15)	Computer Revolving (13)	Centennial Center (16)
Receipts				
General property taxes	\$ -	\$ -	\$ -	\$ -
Commercial and industrial tax replacement	-	-	-	-
Other city tax	-	459,757	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	20,000
Total receipts	<u>-</u>	<u>459,757</u>	<u>-</u>	<u>20,000</u>
Disbursements				
Current				
General government	-	-	8,333	-
Public safety	145	-	5,942	-
Public works	-	-	-	-
Health and social services	-	-	-	-
Community and economic development	-	-	-	-
Culture and recreation	-	-	5,137	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Total disbursements	<u>145</u>	<u>-</u>	<u>19,412</u>	<u>-</u>
Excess of receipts over (under) disbursements	(145)	459,757	(19,412)	20,000
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	-	-	-	-
Transfers in	-	-	30,700	-
Transfers out	-	(838,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(838,000)</u>	<u>30,700</u>	<u>-</u>
Net change in cash fund balances	(145)	(378,243)	11,288	20,000
Cash Fund Balances				
Beginning of year	<u>29,464</u>	<u>813,751</u>	<u>11,158</u>	<u>-</u>
End of year	<u>\$ 29,319</u>	<u>\$ 435,508</u>	<u>\$ 22,446</u>	<u>\$ 20,000</u>

Transportation (6)	Total General Fund
\$ -	\$ 9,315,386
-	72,321
-	909,115
-	934,936
-	665,399
-	3,012,198
-	328,171
67,640	489,962
<u>67,640</u>	<u>15,727,488</u>
-	2,633,979
-	5,337,317
-	1,819,732
-	152,000
-	1,190,696
-	5,421,576
-	-
-	283,094
19,675	548,950
-	285,919
<u>19,675</u>	<u>17,673,263</u>
47,965	(1,945,775)
-	17,257
-	3,956,493
-	<u>(1,286,800)</u>
-	<u>2,686,950</u>
47,965	741,175
<u>3,686,995</u>	<u>11,703,866</u>
<u>\$ 3,734,960</u>	<u>\$ 12,445,041</u>

City of North Liberty
Schedule 5
Schedule of Cash Receipts, Disbursements,
and Changes in Cash Balances
- General Fund Detail
Year Ended June 30, 2024

	General Fund (1)	Recreation Equipment (4)	Tele Communications Equipment (9)	Tree Program (7)
Cash Basis Fund Balances				
Restricted for				
Hotel/motel tax	\$ -	\$ -	\$ -	\$ -
Tree purchases	-	-	-	1,611
Police capital equipment purchases	-	-	-	-
Housing rehabilitation	21,246	-	-	-
Park development	-	-	-	-
Assigned for				
Capital purchases	-	374,124	29,902	-
Street capital projects	-	-	-	-
Computer revolving	-	-	-	-
IT and cyber security	148,881	-	-	-
Unassigned	6,753,562	-	-	-
	<u>\$ 6,923,689</u>	<u>\$ 374,124</u>	<u>\$ 29,902</u>	<u>\$ 1,611</u>
Total cash fund balances	<u>\$ 6,923,689</u>	<u>\$ 374,124</u>	<u>\$ 29,902</u>	<u>\$ 1,611</u>

<u>Hotel/Motel Tax (12)</u>	<u>Library Reserve (3)</u>	<u>Fire Equipment Reserve (2)</u>	<u>Equipment Revolving Fund (8)</u>	<u>Police Equipment Reserve (5)</u>	<u>Police Seized Funds (11)</u>
\$ 75,516	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	29,319
-	-	-	-	-	-
-	-	-	-	-	-
-	88,744	316,703	232,032	160,487	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 75,516</u>	<u>\$ 88,744</u>	<u>\$ 316,703</u>	<u>\$ 232,032</u>	<u>\$ 160,487</u>	<u>\$ 29,319</u>

City of North Liberty
Schedule 5
Schedule of Cash Receipts, Disbursements,
and Changes in Cash Balances
- General Fund Detail
Year Ended June 30, 2024

	Park Development (15)	Computer Revolving (13)	Centennial Center (16)
Cash Basis Fund Balances			
Restricted for			
Hotel/motel tax	\$ -	\$ -	\$ -
Tree purchases	-	-	-
Police capital equipment purchases	-	-	-
Housing rehabilitation	-	-	-
Park development	435,508	-	-
Assigned for			
Capital purchases	-	-	20,000
Street capital projects	-	-	-
Computer revolving	-	22,446	-
IT and cyber security	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total cash fund balances	<u>\$ 435,508</u>	<u>\$ 22,446</u>	<u>\$ 20,000</u>

Transportation (6)	Total General Fund
\$ -	\$ 75,516
-	1,611
-	29,319
-	21,246
-	435,508
-	1,221,992
3,734,960	3,734,960
-	22,446
-	148,881
-	6,753,562
<u>\$ 3,734,960</u>	<u>\$ 12,445,041</u>

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City of North Liberty
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

<u>Federal Agency/Pass Through Agency/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Expenditures</u>
U.S. Department of Justice		
Direct Programs		
Bulletproof Vest Partnership Program	16.607	<u>\$ 2,033</u>
U.S. Department of Treasury		
Direct		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>658,584</u>
Total U.S. Department of Treasury		
U.S. Department of Transportation		
Through Iowa Department of Transportation		
Highway Planning and Construction	20.205	12,880
Through Governor's Traffic Safety Bureau		
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	<u>8,791</u>
Total U.S. Department of Transportation		<u>21,671</u>
Federal Communications Commission		
Direct		
Emergency Connectivity Fund	32.009	<u>397</u>
U.S Housing and Urban Development		
Passed through Iowa Economic Development Authority		
Community Development Block Grant Program	14.228	<u>22,140</u>
U.S. Department of Homeland Security		
Direct Programs		
Staffing and Adequate Fire and Emergency Response (SAFER)	97.083	<u>281,174</u>
Federal Emergency Management Agency		
Passed through Iowa Department of Homeland Security		
Disaster Grants - Public Assistance	97.036	<u>10,200</u>
Total U.S. Department of Homeland Security		<u>291,374</u>
Total Federal Expenditures		<u>\$ 996,199</u>

City of North Liberty
Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes of net assets, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 4 - INDIRECT COST RATE

The City did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.



**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Basic Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of North Liberty
North Liberty, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Liberty, Iowa as of and for the year ended June 30, 2024, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 21, 2025. Our report expressed unmodified opinions on the basic financial statements which were prepared on a basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be material weaknesses, audit findings, II-A-24 and II-B-24.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2024, are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matter are not intended to constitute legal interpretations of those statutes.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 21, 2025



**Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance in Accordance with
the Uniform Guidance**

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of North Liberty
North Liberty, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- ◆ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ◆ Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 21, 2025

**City of North Liberty
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION I - SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with the basis of accounting described in Note 1.
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Internal control over financial reporting:	
◆ Material weakness(es) identified?	Yes, Audit Finding II-B-24, Audit Finding II-A-24
◆ Significant deficiency(ies) identified?	None reported

Noncompliance material to financial statements noted?	No
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Federal Awards

Type of auditor’s report issued on compliance for major programs:	Unmodified
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Internal control over major programs:	
◆ Material weakness(es) identified?	No
◆ Significant deficiency(ies) identified?	None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?	No
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Identification of Major Programs

Assistance Listing No:	21.027
Name of Federal Program or Cluster:	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low risk auditee?	No
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City of North Liberty
Schedule of Findings and Questioned Costs

Part II: Findings Related to the Basic Financial Statements:

AUDIT FINDING II-A-24 LACK SEGREGATION OF ACCOUNTING DUTIES

Criteria:

Internal control that supports the City's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

Condition:

During the year ended June 30, 2024, the City had a lack of segregation of accounting duties due to a limited number of office employees. The lack of segregation of accounting duties could adversely affect City's ability to initiate, record, process and report financial data consistent with the assertions of management in the basic financial statements. Adequate segregation of accounting duties is in place when the following four areas of a transaction have been separated: authorization, custody, recording, and reconciliation. Examples of functions within the City that demonstrate this lack of segregation of accounting duties include, but are not limited to, the following:

- ◆ Financial Reporting - The Assistant City Administrator is responsible for month-end and year-end reconciliations and reporting.
- ◆ Journal Entries - The Assistant City Administrator has full access to the accounting system including the ability to make adjustments without review.

Management and the City Council are aware of this condition and have taken certain steps to compensate for the lack of segregation. However, due to the number of staff needed to properly segregate all of the accounting duties, the costs of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Management and the City Council must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

Context:

This finding impacts the internal control for all significant accounting functions.

Effect or Potential Effect:

The lack of adequate segregation of accounting duties could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause:

There are a limited number of office employees.

Recommendation:

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**City of North Liberty
Schedule of Findings and Questioned Costs**

Part II: Findings Related to the Basic Financial Statements (Continued)

AUDIT FINDING II-A-24 LACK SEGREGATION OF ACCOUNTING DUTIES (CONTINUED)

Views of Responsible Officials and Planned Corrective Action:

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
Administration will review current segregation of accounting duties to determine if further segregation is possible.
3. Official Responsible for Ensuring CAP
Tracey Mulcahey is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP
The planned completion date for the CAP is June 30, 2025.
5. Plan to Monitor Completion of CAP
The City Council will be monitoring this CAP.

City of North Liberty
Schedule of Findings and Questioned Costs

Part II: Findings Related to the Basic Financial Statements (Continued)

AUDIT FINDING II-B-24 BANK RECONCILIATIONS

Criteria:

Internal control that supports the City's ability to reconcile the bank statements to City's finance system monthly.

Condition:

During the year ended June 30, 2024, the City was unable to reconcile the bank statements to the City's finance system. A material audit adjustment was required to correct the year end cash balance and interest income.

Context:

This finding impacts the internal control for bank reconciliations.

Effect or Potential Effect:

The lack of proper bank reconciliations could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause:

The migration to a new finance software has caused the bank reconciliation process to not be able to be performed.

Recommendation:

Complete bank reconciliations monthly.

Views of Responsible Officials and Planned Corrective Action:

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
Administration will ensure bank reconciliations are completed timely in the future.
3. Official Responsible for Ensuring CAP
Tracey Mulcahey is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP
The planned completion date for the CAP is June 30, 2025.
5. Plan to Monitor Completion of CAP
The City Council will be monitoring this CAP.

City of North Liberty
Schedule of Findings and Questioned Costs

Part III: Other Findings Related to Statutory Reporting:

III-A-24 Certified Budget - Disbursements in the General Government and Debt Service areas exceeded amounts budgeted during the year.

Auditor's Recommendation - The budget should have been amended in accordance with Chapter 384.18 of the *Code of Iowa* before disbursements were allowed to exceed the budget.

City's Response - The budget will be amended in the future prior to exceeding it.

Auditor's Conclusion - Response accepted.

III-B-24 Questionable Disbursements

We noted no disbursements for parties, banquets, or other entertainment for employees that we believe may constitute an unlawful expenditure from funds as defined in an Attorney General's opinion dated April 25, 1979.

III-C-24 Travel Expense

No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

III-D-24 Business Transactions

No business transactions between City and City officials or employees were noted.

III-E-24 Restricted Donor Activity

No Transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the *Code of Iowa*.

III-F-24 Bond Coverage

Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

III-G-24 Council Minutes

No transactions were found that we believe should have been approved in the Council minutes but were not.

III-H-24 Deposits and Investments

No instances of noncompliance with the deposit and investment provision of Chapter 12B and 12C of the *Code of Iowa* and the City's investment policy were noted.

III-I-24 Revenue Bonds and Notes - No instances of non-compliance with the revenue bond and note resolutions were noted.

City of North Liberty
Schedule of Findings and Questioned Costs

Part III: Other Findings Related to Statutory Reporting(Continued)

III-J-24 Annual Urban Renewal Report - The annual urban renewal report was approved and certified to the Iowa Department of Management on or before December 1, 2024. However, we noted instances in which TIF debt balances did not reconcile between City and County records.

Auditor's Recommendation - The City should review outstanding tax increment financing obligations for propriety.

City's Response - The City will work with the County to ensure tax increment financing obligations are properly stated.

Auditor's Conclusion - Response accepted.

III-K-24 Tax Increment Financing - The Special Revenue, Tax Increment Financing (TIF) Fund properly disbursed payments for TIF loans and rebates. Also, the City properly completed the Tax Increment Debt Certificate Forms to request TIF properly taxes.

SECTION IV - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION V - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

III-L-23 Transfers - Rule 545-2.5 of the *Iowa Administrative Code* requires transfers between funds be passed by resolution and include a clear statement of the reason or purpose for the transfer, the name of the fund from which the transfer is originating, the name of the fund into which the transfer is to be received, and the dollar amount to be transferred. During fiscal year 2023, the City made a transfer that was not passed by resolution.

Corrective Action Taken - During the year ended June 30, 2024, all transfers were approved by the budget or by resolution.

III-M-23 Interest Rates on Time Deposits - Minimum interest rates are set by the State of Iowa Rate Setting Committee to ensure all time deposits are earning interest at an acceptable rate. During the year ended June 30, 2023, the City invested in time deposits that were below the minimum rates set by this committee.

Corrective Action Taken - During the year ended June 30, 2024, all timed deposits are meeting the minimum acceptable rates set by the State of Iowa Rate Setting Committee.

Resolution No. 2025-13

**RESOLUTION ACCEPTING THE AUDIT REPORT FOR FISCAL
YEAR 2024 AS COMPLETED BY BERGANKDV**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LIBERTY,
IOWA:**

WHEREAS, BerganKDV has completed the Audit Report for Fiscal Year 2024;

WHEREAS, the City Council has received the City's Audit Report; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of North Liberty, Iowa,
that the Audit Report for Fiscal Year 2024 as completed by BerganKDV is accepted.

APPROVED AND ADOPTED this 28th day of January, 2025.

CITY OF NORTH LIBERTY:

CHRIS HOFFMAN, MAYOR

ATTEST:

I, Tracey Mulcahey, City Clerk of the City of North Liberty, hereby certify that at a meeting
of the City Council of said City, held on the above date, among other proceedings, the
above was adopted.

TRACEY MULCAHEY, CITY CLERK



Accessory Dwelling Units



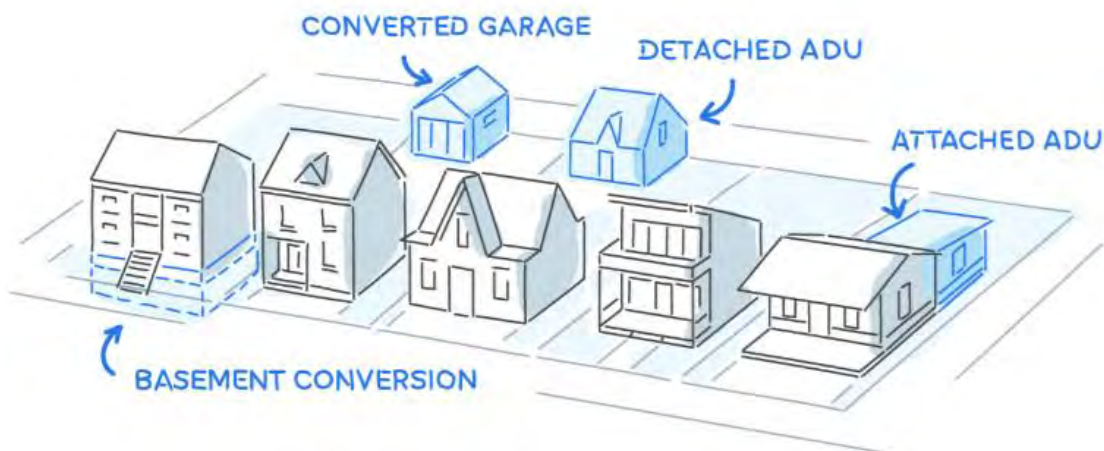
To **Mayor Hoffman and City Council**
CC **Ryan Heiar, City Administrator**
From **Ryan Rusnak, Planning Director**
Date **1/24/2025**
Re **Accessory Dwelling Units (ADUs)**

This memo is intended to guide Council discussion regarding Accessory Dwelling Units (ADUs). Staff proposed a Zoning Code amendment in 2024, a portion of which included allowing ADUs in North Liberty. This amendment was requested by the Housing Action Team of the Johnson County Livable Community for Successful Aging Policy Board, who have encouraged area Cities to allow ADUs within their jurisdiction. The section on ADUs was not approved as it was pulled out of the broader Zoning Ordinance amendment.

ADUs will not solve all issues related to housing affordability or equity, but they can help improve housing choice, increase housing supply, encourage affordability, and more generally reduce barriers preventing the construction of housing types that are smaller and more affordable than detached single-unit homes.

Generally, there are two types of ADUs:

1. Attached ADU. This is a separate unit integrated into the existing residential unit. The ADU has a separate exterior entrance and has no internal access from the main residence. Notably, a living area unit within an existing residence that maintains internal access is not considered an ADU. The residence must also maintain one connection for utilities.
2. Detached ADU. This is a separate unit in a detached building – either standalone or combined with other accessory uses, such as a garage.



Illustrative examples of ADUs

The Housing Action Team advocated for the allowance of ADUs (either attached or detached) in the RS (Single-Unit Residence) District and RD (Two-Unit Residence) District. Staff considered this broader inclusion in the 2024 amendment; however, it was decided to propose ADUs in only the RS District with the understanding that the Zoning Code could be amended later.

Admittedly, there haven't been many requests for ADUs in North Liberty. Perhaps this is in part due to an existing barrier of not being permitted in the Zoning Ordinance. It could also be due to a lack of an actual need in this community. A persuasive position the Housing Action Team has offered is that the allowance of ADUs is simply one tool in the housing toolkit. Another one is the 2023 Zoning Ordinance adopted by City Council allowing townhouses and multi-unit dwellings in most commercial districts.

Two primary staff concerns with ADUs are neighborhood compatibility and design. Certainly, constructing another living unit next to someone's back yard could lead to compatibility concerns. Although, the Zoning Code may already allow a similarly sized accessory building, such as a detached garage, in that same location.

Another concern is related to design due to recent amendments to Iowa Code § 414.1, which limit the City's inability to regulate exterior cladding on certain residential buildings.

(1) A city shall not adopt, enforce, or otherwise administer an ordinance, motion, resolution, or building code that prohibits or limits, either directly or indirectly, the use of a specific style of exterior cladding or finish materials for residential buildings in a manner that is more restrictive than the state building code as adopted pursuant to section 103A.7. This subsection does not prohibit a city from regulating the use of a specific style of exterior cladding or finish materials for a residential building that meets any of the following conditions:

(a) The building is located in an area designated and declared as a state or local historic district under applicable law.

(b) The building is designated as a local, state, or national historic landmark.

(c) The building is in a common interest community as defined in chapter 499C.

(d) The building is located on a property that is governed by a policy of regulation of an overlay or special purpose zoning district that is adopted pursuant to applicable law.

(2) For purposes of this paragraph, "residential building" means any single or multifamily residential dwelling and includes single-family and two-family dwellings and townhouses, condominiums and apartments with a maximum of twelve units per building, and all secondary structures to such a single or multifamily residential dwelling.

The Housing Action Team has advocated for lesser design standards, which could increase affordability. However, there are aspects of design not prohibited by the Iowa Code § 414.1 amendment, such as requirements for window glazing, wall articulation, roof slope, etc.

Like all zoning ordinance restrictions, the allowance of ADUs would not supersede a private covenant or restriction prohibiting its use.

Staff reviewed adopted ADU regulations for Johnson County (adopted in 2007) and Iowa City (amended in 2024) and researched zoning best practices. Johnson County estimates eight yearly permits for ADUs while Iowa City averaged two yearly permits over the past 10 years. Iowa City anticipates a greater number of permits as certain barriers were removed in the 2024 amendment.

Below is table summary comparing Johnson County and Iowa City with North Liberty’s proposed regulations (some generalities were taken to allow comparison).

	Johnson County	Iowa City (Recent Amendment)	North Liberty (Proposed)
Permitted or Conditions Use	Condition Use (required Zoning Board of Adjustment approval)	Permitted Use	Permitted Use
Owner Occupany Required	No	No	Yes (in either one of the units)
Zoning Districts	A, AR, SF, RS, RM, RC and AG-T	All districts that allow residential uses	RS
Maximum Size (Attached)	1,300 SF or 50% of GFA of Primary Dwelling	1,000 SF or 50% of GFA of Primary Dwelling	50% of the GFA of the Primary Dwelling
Maximum Size (Detached)	1,300 SF or 50% of GFA of Primary Dwelling	1,000 SF or 50% of GFA of Primary Dwelling	850 SF 1,000 SF lot >.5 acres <.75 acres 1,200 SF lot >.75 acres <1 acre 1,400 SF lot < 1 acre
Design Standards (attached)	Architecturally compatible with primary dwelling	Exterior finish materials, trim, windows and eaves must visually match the principal use	Compatible exterior building materials and colors, and architectural elements as the primary building
Design Standards (detached)	Architecturally compatible with primary dwelling	No	Compatible exterior building materials and colors, and architectural elements as the primary building
Off-Street Parking Required	Yes	No	No

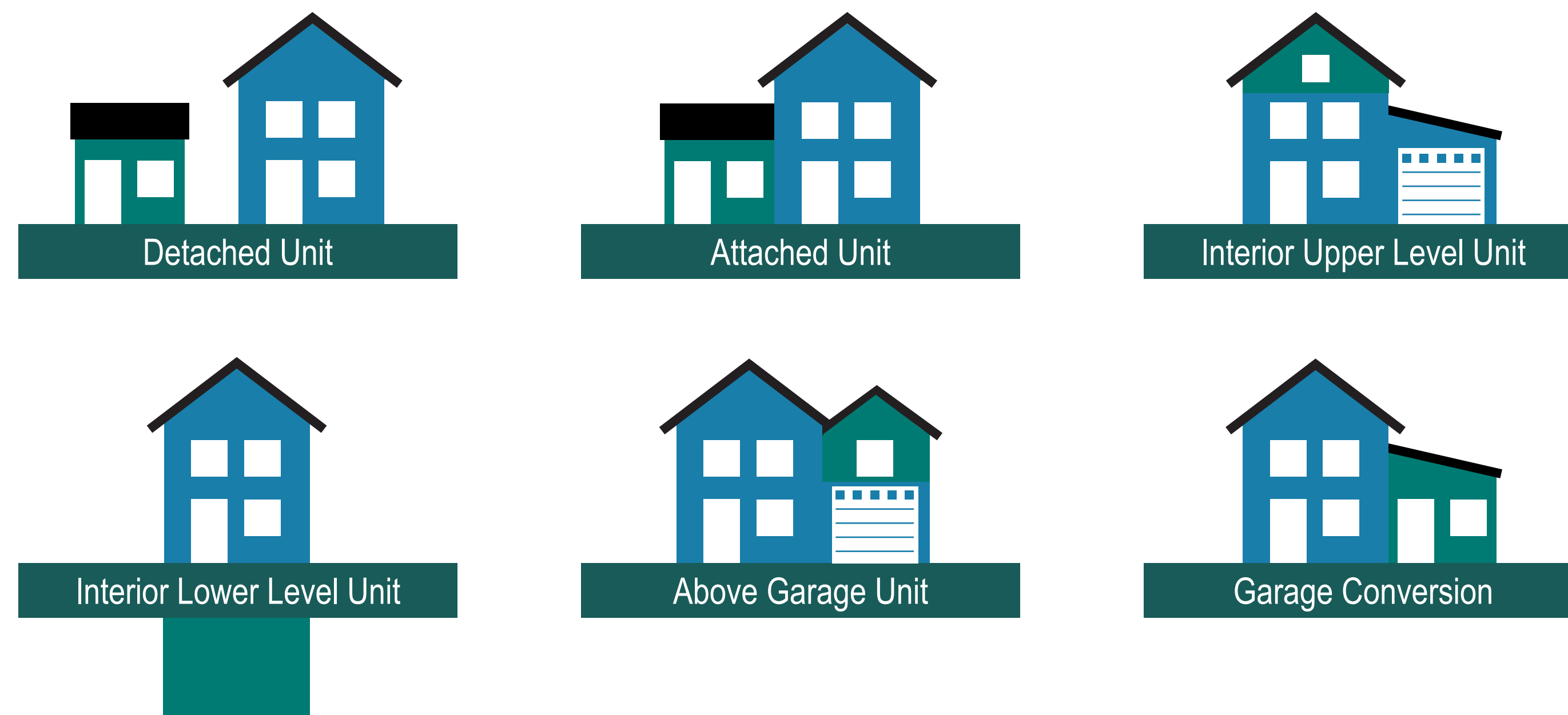
2024 Proposed Zoning Code Use Regulations for Accessory Dwelling Units (ADUs).

1. Accessory Dwelling Unit (ADU).
 - A. Defined. Accessory Dwelling Unit (ADU) means a self-contained unit that provides living facilities on the same lot as a primary dwelling. ADUs can be attached, detached, or repurposed from existing space within the primary dwelling.
 - B. Use Standards.
 - (1) A property shall be limited to one ADU.
 - (2) Either the primary dwelling or the ADU shall be occupied by the owner of the property.
 - (3) ADUs shall have a consistent architectural style as the primary dwelling, as defined by compatible exterior building materials and colors, and architectural elements.
 - (5) Specific regulations for ADUs attached to the primary dwelling.
 - (a) Subject to the setbacks and maximum building height of the underlying zoning district.
 - (b) Shall not exceed 50% of the gross floor area of the residence.
 - (6) Specific regulations for ADUs detached from the primary dwelling.
 - (a) A maximum gross floor area of 850 square feet. RS district exception: on properties exceeding .5 acres but less than .75 acres, the maximum gross floor area shall be 1,000 square feet. On properties exceeding .75 acres but less than one acre, the maximum gross floor area shall be 1,200 square feet. On properties exceeding one acre, the maximum gross floor area shall be 1,400 square feet. Notwithstanding the foregoing, the gross floor area shall not exceed the total footprint of the residence. Attachments, such as garages, storage buildings, etc., to the ADU shall be included in the maximum gross floor area calculation.
 - (b) Shall be located within the rear yard subject to a five foot side and rear setback.
 - (c) Must be situated a minimum 20 feet from a public or private right-of-way or improved alley.
 - (d) Shall not be located within any utility, sewer, drainage, access or walkway easement, where such easement is dedicated to the City or to public use.
 - (e) No (other) detached accessory buildings greater than 200 square feet gross floor in accordance with Section 169.05.
 - (f) A maximum height of 15 feet.

Accessory Apartments

What are they?

Accessory apartments, also known as Accessory Dwelling Units (ADUs), are small, self-contained dwellings units located on the same lot as a primary home. ADUs come in a variety of shapes, sizes, and configurations. This allows them to fit discreetly into all sorts of locations including suburban subdivisions, walkable towns, and urban neighborhoods. Possible ADUs arrangements include all of the following:



Why encourage ADUs?

- To increase housing supply and diversity throughout neighborhoods
- To provide convenient living arrangements for families, caretakers, and/or older homeowners
- To provide opportunities for people seeking a wider range of homes, prices, rents, and locations
- To create compact growth which positively impacts the environment
- To reduce negative historical impacts created by exclusionsary zoning
- To improve affordability for homeowners by creating extra income
- To enhance job opportunities by providing housing near transit and job centers
- To accommodate development in a cost-effective way

Accessory Apartments go by many names, including:

- Accessory Dwelling Units (ADU)
- Carriage or Coach Houses
- Basement Apartments
- Garage Apartments
- Granny Flats
- Guest House or Guest Cottage
- In-Law Suites/Apartments
- Multi-Generational Houses



▲ GARAGE ADU
Can include converting all or part of an attached or detached garage into a residence; may also include adding an ADU above a garage or building a new unit for both people and cars, as in the example above.



▲ LOWER LEVEL ADU
Can be created through the conversion of a home's existing basement (provided that height and safety conditions are met), during construction of the house, or as part of a foundation replacement.



▲ DETACHED ADU
A stand-alone home on the same lot as a larger primary dwelling. Examples include backyard bungalows and converted outbuildings. Currently, detached ADUs are not allowed in Iowa City but would be under the proposed amendments.
(photo courtesy of Backyard ADUs via the American Planning Association)



The ABCs of ADUs

A guide to
Accessory Dwelling Units
and how they expand housing options
for people of all ages



DETACHED ADU



BASEMENT ADU



GARAGE-CONVERSION ADU



ATTACHED ADU



SECOND-STORY ADU

[AARP.org/ADUs](https://www.aarp.org/ADUs)



Websites: AARP.org and AARP.org/Livable
Email: Livable@AARP.org
Facebook: /AARPLivableCommunities
Twitter: @AARPLivable
Free Newsletter: AARP.org/LivableSubscribe

AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering people 50 or older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, AARP strengthens communities and advocates for what matters most to families: health security, financial stability and personal fulfillment. The AARP Livable Communities initiative works nationwide to support the efforts by neighborhoods, towns, cities, counties, rural areas and entire states to be livable for people of all ages.

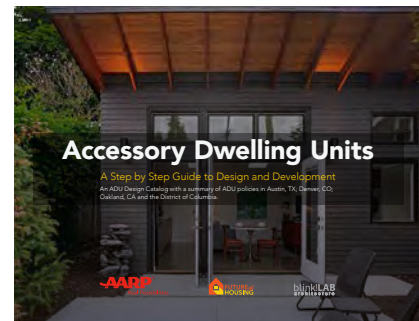
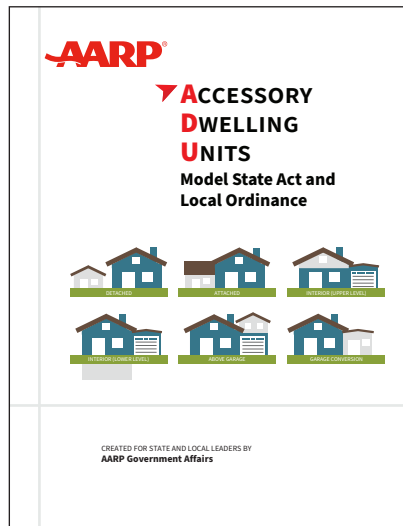
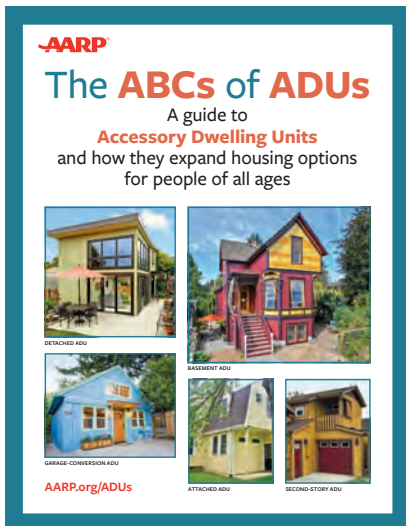


Website: OrangeSplot.net
Email: eli@OrangeSplot.net

Orange Splot LLC is a development, general contracting and consulting company with a mission to pioneer new models of community-oriented, affordable green housing developments. Orange Splot projects have been featured in the *New York Times*, *Sunset magazine* and on NBC’s *Today* show. (The detached ADUs on page 3 and the back cover are by Orange Splot.) Company founder Eli Spevak has managed the financing and construction of more than 300 units of affordable housing, was awarded a Loeb Fellowship by the Harvard University Graduate School of Design, cofounded the website AccessoryDwellings.org and serves as chair of Portland, Oregon’s Planning and Sustainability Commission.

AARP and Accessory Dwelling Units

Visit AARP.org/ADU to order or download our free publications and find more resources about ADUs.



AARP’s ADU Publications
 (from left): This introductory guide; guidance about creating an ADU model state act or local ordinance; a detailed guide to design and development.

Welcome! Come On In

Accessory dwelling units are a needed housing option for people of all ages

We know from surveys by AARP and others that a majority of Americans prefer to live in walkable neighborhoods that offer a mix of housing and transportation options and are close to jobs, schools, shopping, entertainment and parks.

These preferences — coupled with the rapid aging of the United States' population overall, the decrease in households with children and the national housing shortage — will continue to boost the demand for smaller homes and affordable, quality rental housing.

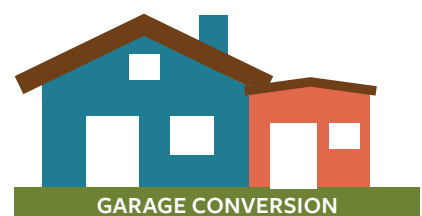
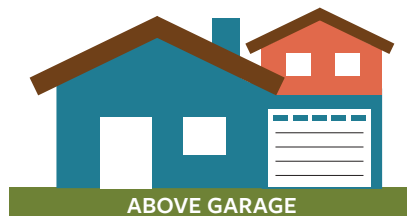
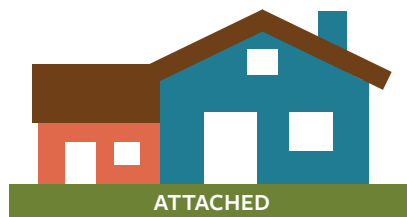
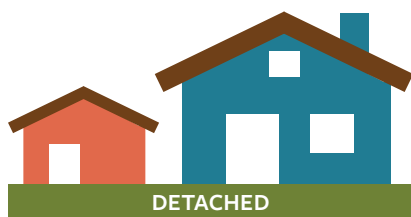
As small houses or apartments that exist on the same property lot as a single-family residence, accessory dwelling units — or ADUs — play a major role in serving a national housing need.

This traditional home type is reemerging as an affordable and flexible housing option that meets the needs of older adults and young families alike.

In fact, in the 2021 AARP Home and Community Preferences Survey, adults age 18 or older who would consider creating an ADU said they'd do so in order to:

- provide a home for a loved one in need of care (86%)
- provide housing for relatives or friends (86%)
- have a space for guests (82%)
- create a place for a caregiver to stay (74%)
- increase the value of their home (69%)
- feel safer by having someone living nearby (67%)
- earn extra income from renting to a tenant (63%)

Since ADUs make use of the existing infrastructure and housing stock, they're also environmentally friendly and respectful of a neighborhood's pace and style. An increasing number of towns, cities, counties and entire states have been adapting their zoning or housing laws to make it easier for homeowners to create ADUs. ■



▲ Accessory dwelling units (or ADUs) come in many shapes and styles.

The ABCs of ADUs is a primer for elected officials, policymakers, local leaders, homeowners, consumers and others to learn what accessory dwelling units are and how and why they are built. The guide also suggests best practices for how towns, cities, counties and states can support the creation of ADUs as a way to expand and diversify housing options.

What ADUs Are — And What They Can Do

ADUs are a family-friendly, community-creating type of housing the nation needs more of

Although many people have never heard the term, accessory dwelling units have been around for centuries (see page 6) and are identified by many different names. To be clear about what’s being discussed:

- An ADU is a small residence that shares a single-family lot with a larger, primary dwelling
- As an independent living space, an ADU is self-contained, with its own kitchen or kitchenette, bathroom and sleeping area
- An ADU can be located within, attached to or detached from the main residence
- An ADU can be converted from an existing structure (such as a garage) or built anew
- ADUs are found in cities, in suburbs and in rural areas, yet are often invisible from view because they’re positioned behind or are tucked within a larger home
- Because ADUs are built on single-family lots as a secondary dwelling, they typically cannot be partitioned off to be sold separately
- An ADU can enable family members (including family caregivers) to reside on the same property while having their own living spaces
- An ADU can provide housing for a hired caregiver
- An ADU can provide rental income to homeowners
- ADUs are a practical option for tenants seeking small, affordably priced rental housing
- For homeowners looking to downsize, an ADU can be a more appealing option than moving into an apartment or, if they’re older, an age-restricted community
- ADUs can help older residents remain independent and “age in place”
- As an adaptable form of housing, ADUs provide flexible solutions for changing needs. ■



CREATIVE COMMONS

▲ Accessory dwelling units show up in neighborhoods throughout the country — and even in pop culture. One example: In the sitcom *Happy Days*, Fonzie (right) rents an above-garage ADU from the Cunningham family in 1950s-era Milwaukee, Wisconsin.

ADUs Are Also Known As ...

Although most local governments, zoning codes and planners in the United States use the term *accessory dwelling unit* or *ADU*, these small homes and apartments are known by dozens of other names. The different terms conjure up different images. (Who wouldn’t rather live in a “carriage house” than in an accessory or “ancillary” unit?)



▲ Renting out this 350-square-foot garage-conversion ADU in Portland, Oregon, helps the property owner, who lives in the lot’s primary residence, pay her home mortgage.

Even if you’ve never heard of accessory dwelling units or ADUs, you have likely heard of — and perhaps know the locations of — some of the home types noted in the list at right. ■

- accessory apartment
- backyard bungalow
- basement apartment
- casita
- carriage house
- coach house
- English basement
- garage apartment
- granny flat
- guest cottage
- guest house
- in-law suite
- laneway house
- multi-generational house
- ohana unit
- secondary dwelling unit

PHOTO AND LIST FROM ACCESSORYDWELLINGS.ORG

ADUs Come in Many Shapes and Styles

Since ADUs are custom designed and created, they're able to fit discreetly into all sorts of locations, including suburban subdivisions, walkable towns, urban neighborhoods — and, of course, large lots and rural regions.



◀ A **DETACHED ADU** (aka DADU) is a stand-alone home on the same lot as a larger, primary dwelling. Examples include backyard bungalows and converted outbuildings.

Location: Portland, Oregon
Photo by David Todd



▲ An **ATTACHED ADU** connects to an existing house, typically through the construction of an addition along the home's side or rear. Such units can have a separate or shared entrance. In this example, the owners built a connection between the house and what was a detached garage. The addition and the space above the garage contain the ADU, which has its own entrance (pictured at right).



Location: Anne Arundel County, Maryland
Photo by Melissa Stanton, AARP



▲ A **GARAGE ADU** converts all or part of an attached or detached garage into a residence. Other options: adding an ADU above a garage or building a new unit for both people and cars.

Location: Cape May, New Jersey
Photo by Melissa Stanton, AARP

▶ Access to an **UPPER-LEVEL ADU** can be provided through a stairway inside the main home or directly from an exterior staircase. This 500-square-foot ADU is part of a 1,900-square-foot primary dwelling.



Location: Portland, Oregon
Photo by Eli Spevak,
Orange Splot LLC



▲ A **LOWER-LEVEL ADU** is typically created through the conversion of a home's existing basement (provided that height and safety conditions can be met) during construction of the house or (above and on page 7) as part of a foundation replacement and house lift.

Location: Portland, Oregon | Photo by Chris Nascimento

ADUs Are Good for People and Places

Communities that understand the benefits of ADUs allow homeowners to create them

ADUs are an economical housing option

- ADUs can generate rental income to help homeowners cover mortgage payments or simply make ends meet. The income provided by an ADU tenant can be especially important for older people on fixed incomes.
- Since the land on which an ADU is built already belongs to the homeowner, the expense to build a secondary residence is for the new structure only.
- Many ADUs are created for family members or friends to reside in for free or at a discounted rate. In fact, when a loved one is in need of care or can't live alone, an ADU can be a viable alternative to a costly assisted-living facility.
- Although market rate rents for ADUs tend to be slightly more than for similarly sized apartments, they often represent the *only* affordable rental choices in single-family neighborhoods, which typically contain few or no small or rental housing options at all.
- The state of California and some municipalities are boosting ADUs by providing grants and other incentives as part of affordable housing and anti-displacement strategies to help lower-income households build ADUs or reside in them at reliable rents.

ADUs are community-compatible

- ADUs offer a way to include smaller, relatively affordable homes in established neighborhoods with minimal visual impact and without adding to an area's sprawl.
- ADUs provide a more dispersed and incremental way of adding homes to a community than other options, such as multistory apartment buildings.
- ADUs are typically managed by homeowners who live on the premises. Such landlords are less likely to tolerate a destructive tenant.

ADUs are good for the environment

- ADUs require fewer resources to build and maintain than full-sized homes.
- ADUs use significantly less energy for heating and cooling. (Of all the ADU types, internal ones tend to have the lowest building and operating costs.)

ADUs are just the right size

- Generally measuring between 600 and 1,000 square feet, ADUs work well for the one- and two-bedroom homes needed by today's smaller, childless households, which now account for nearly two-thirds of all households in the United States.

ADUs are able to house people of all ages

- ADUs offer young people entry-level housing choices.
- ADUs enable families to expand beyond their primary home.
- ADUs provide empty nesters and others with the option of moving into a smaller space while renting out their larger house or letting an adult child and his or her family reside in it.
- An ADU's use can be adapted for different household types, income levels, employment situations and stages of life. ■

Big houses are being built, small houses are needed

Do we really need more than three times as much living space per person as we did in 1950? Can we afford to buy or rent, heat, cool and care for such large homes?

YEAR	1950	2020
Median square footage of new single-family homes	983	2,261
Number of people per household	3.8	2.5
Square feet of living space per person	292	904

FACT: ADUs house more people per square foot of living area than single-family homes do.

HOME VISIT #1

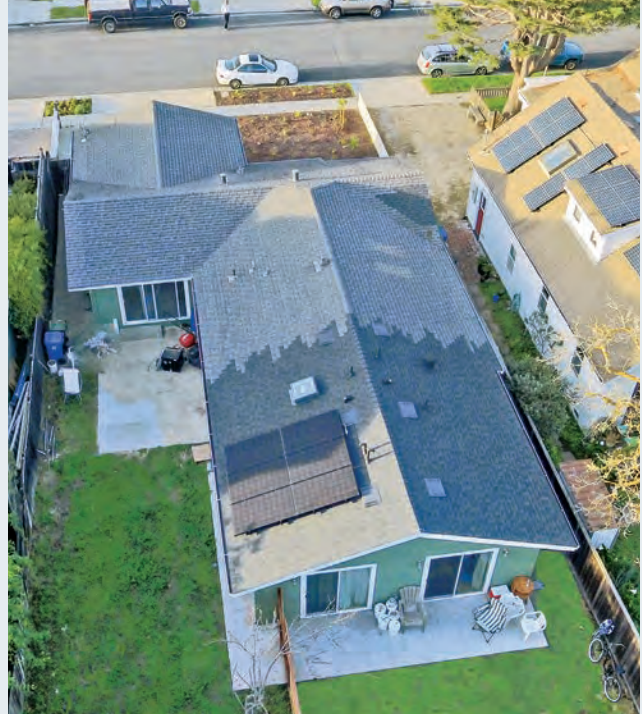
Attached ADU Addition

Santa Cruz, California

Size: 500 square feet



AARP



▲ The area with the darker roof shingles is the ADU that was added onto the home of Carrie and Sterling Whitley.

◀ ▼ The Whitleys' ADU (that's Carrie showing off the front yard's new paths and plantings) has its own entrance on the side of the home and is being rented to the couple's daughter so she can help her elderly parents when needed.

When Carrie and Sterling Whitley bought their house in 1971, they paid less than \$15,000. Nearly 50 years later, similar homes on their street have sold for more than \$1 million.

THE PROBLEM: The Whitleys, who are in their 80s, own the house outright and don't want to move. But the financial and physical demands involved in maintaining the house are a challenge.

A SOLUTION: To help low-income homeowners age 62 or older live independently and keep their homes, the Monterey Bay affiliate of Habitat for Humanity and the City of Santa Cruz launched My House My Home: A Partnership for Aging-in-Place. The pilot program builds accessory dwelling units so older homeowners can downsize into a new, aging-friendlier home and earn rental income from their original house. Or such homeowners can remain in their house and rent out the new, smaller residence. Participating homeowners are required to charge an affordable rental rate.

REALITY CHECK: When the Whitleys' project broke ground in April 2017, they were the first homeowners to receive an ADU through the program, which worked with them to design the ADU as an addition to their existing home. Since the dwelling was built with accessibility features, Carrie and Sterling know they can downsize into it if they ever need to. Until then, their daughter, Brenda, resides in the addition.

REAL LIFE: "I'm right next door to my parents in case they need me or need any help," Brenda says.

Design: Historic Sheds | Builder: Historic Sheds | Cost to build: \$158,000 in 2017 (not including volunteer labor) | Photos by Michael Daniel | Article adapted from Where We Live: Communities for All Ages (AARP 2018)



ADU ADVICE: With an attached ADU, privacy between the two residences can be achieved by locating the ADU bedroom(s) and bathroom(s) as far as possible from the main house. Providing the ADU with its own yard or outdoor space is helpful too.

ADUs Are an American Tradition

While today's interest in ADUs may be new, the housing type is centuries old

Early settlers often built a small home to live in while constructing their larger, primary house nearby.

When farming was a source of survival for most of the nation's households, families routinely constructed additional homes on their land when needed.

People with wealth and acreage regularly populated their lands with secondary mansions and ancillary buildings independent of the main estate house.

In fact, until the 20th century, people who owned land built as many homes as they wished, often for extended family or workers. There were few or no zoning rules, municipal services or infrastructure needs (utilities, roads, schools, trash collection, first-responders) to consider.

A historic precedent for the modern day accessory dwelling unit is the “carriage house,” or “coach house.” Originally built for horse-drawn carriages, the structures associated with grander homes were frequently large enough to double as living quarters for workers such as stable hands.

Decades later, in response to housing shortages and economic needs, many surviving carriage houses were

▼ **This carriage house containing a one-bedroom, one-bath ADU above a two-car garage sits behind a six-level, Gilded Age, Hoboken, New Jersey, townhome that was built in 1883. The dual residence property was on the market in 2018 for \$5 million.**



converted into rental homes. By becoming landlords, the owners gained income from their often unused outbuildings.

Automobile garages have a similar history. Some were originally built with a housing unit upstairs. Over time, many garages were converted (often illegally or under zoning codes no longer applicable today) into small homes when the spaces became more valuable for housing people than vehicles.

With the rise of suburban single-family home developments following World War II, ADUs practically ceased to be built legally in the United States. Then as now, residential zoning codes typically allowed only one home per lot, regardless of the acreage and with no exceptions. Attached and detached garages occupied yard space that might otherwise have been available for ADUs.

Some cities, including Chicago, grandfathered in pre-existing “coach house” ADUs — but only if they remained consistently occupied. In Houston's historic and trendy Heights neighborhood, old and new garage apartments are common and desired.

Many communities don't allow new ADUs, even if they did in the past. Even in rural areas with ample land, property owners are often prohibited from creating secondary dwellings or continuing to live in preexisting ones. Countless units in single-family homes or yards are technically illegal simply because they date from when such units were not allowed.

ADUs began making a comeback in the 1980s as cities explored ways to support smaller and more affordable housing options within single-dwelling neighborhoods. In 2000, in response to a growing demand for ADU-supportive guidelines, AARP and the American Planning Association partnered to release a model state act and local code for ADUs. An updated resource was published by AARP in 2021. (See an image of it on the inside front cover of this guide.)

Many state and local governments are legalizing and encouraging the creation of ADUs (see page 8), driven by high housing costs and, in some cases, the belief that homeowners with suitable space shouldn't be so restricted in the use of their property. ■

HOME VISIT #2

Garage Apartment ADU

Denver, Colorado

Size: 360 square feet



▲ The apartment above the garage can be reached from inside the garage or from an exterior side entrance accessed from the yard it shares with the primary residence.

“I see our ADU as something very similar to a student loan,” says Mara Owen. “It’s something you invest in the future with. It was cheaper than buying a house for Mom, and it lets her have independence. It’s great knowing we can check in on her whenever.”

AH-HA MOMENT: Owen, her partner, Andrew, and their three dogs were sharing a one-bedroom, one-bath house with her mother, Diane. When Owen learned that ADUs were allowed in the city, she decided the best way to get more space for her small home’s many residents would be to remove their “leaky and defunct” garage and build a new two-car garage with an apartment above it.

WISE ADVICE: “Get a really great builder and architect,” says Owen. “Interviewing architects was similar to a first date. It’s not just who you feel connected with. That’s important, but get to the values. It’s a niche market, so see if you can find someone who has built ADUs before, because ADUs are a little different.”

FUTURE PLANS: The stairs to Diane’s apartment are wide enough for a stair lift, if it’s ever needed. The roof was built at the correct slope for the eventual installation of solar panels.

Design: Hive Architecture | Builder: Hive Architecture | Cost to build: \$167,000 in 2016 | Photo by Mara Owen | Article adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org. Visit the website to read about and see photographs of more ADU projects.

HOME VISIT #3

Basement ADU

Portland, Oregon

Size: 796 square feet

The transformation of this colorful Victorian was both a preservation and expansion project.

TEACHING MOMENT: “Here’s a very welcome breath of fresh air, especially in the face of so much gentrification that is going on in Portland!” declared Mark Lakeman, principal of Communitecture, an architectural, planning and design firm, about the pictured remodel. Writing on his company’s website, he says the project provides a lesson in how to “adapt and reuse our precious historic houses so they can accommodate more people while also providing more income to support the existing home.”

HOW’D THEY DO IT? To add a basement rental unit, engineers lifted the house. The resulting ADU is roughly four feet underground and four feet above.



▲ By lifting the house and digging beneath it, designers, engineers and builders turned a two-story, single-family home into a three-story, multifamily residence. (The ADU’s entrance is pictured on page 3.)

THE ACHIEVEMENT: Adds Lakeman: “Unlike the seemingly pervasive method of simply tearing down existing buildings so that new, giant ones can be built, this approach achieves upgrades in energy efficient living places and adds density while retaining the continuity of our beloved historical urban environment.”

Design: Communitecture | Home Lift: Emmert International Builder: Tom Champion | Cost to build: \$125,000 in 2015 | Photos by Communitecture (before) and Chris Nascimento (after)

The Time Is Now

Rules for ADUs continue to evolve and frequently differ from one town to the next

Some communities allow almost any home to be set up with an ADU — so long as size limits, property line setbacks and placement caveats in relation to the primary dwelling are met. Others start with those basic standards and then layer on extra requirements that can make it challenging to create an ADU. (Learn more on pages 14 and 15.)

Municipalities nationwide have been relaxing their restrictions against ADUs, and several states now require communities to allow them. Some examples:

- New Hampshire and Vermont allow ADUs nearly everywhere single-family housing is permitted. New Hampshire’s 2017 legislation stemmed in large part from the frustration of builders who couldn’t construct the backyard cottages and garage apartments their clients desired.
- In 2020, the California legislature declared that “allowing accessory dwelling units in zones that allow single-family and multifamily uses provides additional rental housing, and is an essential component in addressing California’s housing needs.” The state allows up to one ADU *and* one JADU per lot. (What’s a JADU? See page 14.)
- Oregon requires cities and counties of certain sizes to allow ADUs in all single-family areas within urban growth boundaries. In 2021, the state extended ADU rights to rural residential areas.
- Other states allowing ADUs include Connecticut, Rhode Island and Utah. Many cities now allow ADUs, including Anchorage, Alaska; Atlanta, Georgia; Annapolis, Maryland; Asheville, North Carolina; Austin, Texas; Denver, Colorado; Honolulu, Hawaii; Houston, Texas; Louisville, Kentucky; Philadelphia, Pennsylvania; Phoenix and Tucson, Arizona; Seattle, Washington; and Washington, D.C. ■

▶ Located on the lowest floor of a town house, an English basement is a partially belowground apartment that has its own exterior entrance. They are typically found in older cities such as New York or (pictured) Washington, D.C. In the past, property owners used the space as servant quarters. Today, these essentially built-in ADUs are often used as rental apartments.

To Encourage ADUs

LOCAL OFFICIALS can ...

- allow all ADU types (detached, attached, interior)
- simplify the building permit process for ADUs
- waive or reduce permit and impact fees
- establish funding programs to help homeowners create ADUs
- let garages be converted into ADUs without requiring replacement off-street parking
- allow for the creation of a second ADU, subject to a combined size cap

COMMUNITY PLANNERS can ...

- adopt simple, flexible but nondiscretionary ADU rules about setbacks, square footage and design compatibility with the primary dwelling

LENDERS can ...

- work with homeowners to finance the construction of ADUs by using renovation loans

ADVOCATES can ...

- organize tours of completed ADUs in order to inform and inspire the community
- educate homeowners, real estate agents, architects and builders about local zoning regulations and the permit process

REAL ESTATE AGENTS can ...

- educate themselves and their clients about rules for the construction of ADUs

LOCAL MEDIA can ...

- report on how and why homeowners build ADUs



PHOTO: SARAH DALE FOR AARP

HOME VISIT #4

Internal ADU (Main Level)

Portland, Oregon

Size: 220 square feet

Even small homes can have enough space for an ADU. An underused main floor bedroom in this 1.5-story, 1,500-square-foot bungalow was transformed into a studio apartment.

AH-HA MOMENT: According to Joan Grimm, who owns the home with Rita Haberman: “What we were looking for in terms of a community and aging in place was right under our noses. Remove a fence and create a shared open space. Build a wall and create a second dwelling unit. It doesn’t have to be complicated.”

REAL LIFE: “Creatively carving out an ADU from the main floor of our house saved on design and construction costs,” Grimm adds. “It provides an opportunity for rental income, with no significant compromise to the livability of our home.”



▲ The steps and side entrance lead to the studio apartment ADU, which was crafted out of an existing space. The covered porch to the right leads to the primary residence. The ADU contains a kitchen, small dining and living area, sleeping area, bathroom and laundry area. (See two interior photos on pages 19 and 20.)

*Design: Rita Haberman | Builder: RS Wallace Construction
Cost to build: \$55,000 in 2015 (with some work done by the homeowners)
Photos courtesy Billy Ulmer | Article adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org*

HOME VISIT #5

Internal ADU (Lower Level)

Portland, Oregon

Size: 795 square feet

“We were looking for a way to live in our house for the rest of our lives and to generate at least some income in the process,” Robert Mercer and Jim Heuer wrote for the program guide of the annual Portland ADU Tour when their home was part of the lineup. “An ADU offers the possibility of caregiver lodging in the future or even a place for us to live while we rent out the main house if we get to the point where we can’t handle the stairs any longer.”

THE SOUND OF SILENCE: Internal ADUs often require that soundproofing insulation be installed between the primary dwelling and the accessory unit that’s below, above or beside it. In Portland, the building code for duplex residences requires a sound insulation rating of at least STCC45. To property owners thinking about a similar ADU setup, the duo advise: “Think about how you live in your home and how having downstairs neighbors will change what

▼ The door to the right of the garage leads to a ground-floor ADU with windows along the back and side walls. The upper-level windows are part of the main residence.



you can and can’t do with your space and what investment you are prepared to make in sound insulation.”

AN ADDED BONUS: “We are pleased that we have been able to provide more housing density on our property and still be in keeping with the historic character of our home.”

*Design: DMS Architects | Builder: Weitzer Company | Cost to build: \$261,000 in 2016 | Photo by Melissa Stanton, AARP
Article adapted from the 2017 ADU Tour project profiles on AccessoryDwellings.org*

Bringing Back ADUs

The reasons for creating or living in an ADU are as varied as the potential uses

ADUs are flexible. Over time, a single ADU might be used in many ways as an owner's needs and life circumstances change. Following are just a few reasons why ADUs are created and by whom:

EMPTY NESTERS can build an ADU and move into it, then rent out the main house for supplemental income or make it available to their adult children.

FAMILIES WITH YOUNG CHILDREN can use an ADU as housing for a nanny or au pair or even a grandparent or two, who can then help raise their grandkids and be assisted themselves as they age.

INDIVIDUALS IN NEED OF CARE can reside in an ADU to be near family members, or they can use the ADU to house a live-in aide. (In fact, ADUs can be an affordable and more comforting alternative to an assisted-living facility or nursing home.)

HOME BUYERS can look forward to the rental income from an ADU to help pay their mortgage or finance home improvements, especially in expensive housing markets.

HOME-BASED WORKERS can use an ADU as their office or workshop.

HOMEOWNERS can use an ADU for guests or as housing for friends or loved ones who:

- aren't yet financially independent, such as new high school or college graduates
- need temporary housing due to an emergency or while renovating their own home
- have disabilities but can live independently if family reside nearby ■



▲ The zoning code in Evanston, Illinois, permits accessory dwelling units, creating an opportunity for the owners of this 1911 home with an outbuilding in the backyard.

Planning and Paying for ADUs

Most new homes are built by developers, entire subdivisions at a time. Apartments are also built by pros.

But ADUs are different.

Although ADUs are occasionally designed into new residential developments, the vast majority are created by individual homeowners after they move in. In other words, ADUs are usually created by enthusiastic and motivated *amateurs*.

An ADU may present the ultimate chance for a do-it-yourselfer to build his or her small dream home. More often, homeowners bring in a combination of architects, designers and construction contractors to do the work, much as they would for a home addition or major kitchen remodeling. The local municipality's planning department can provide guidance on the rules for ADUs and information about what permits, utility connections and fees are involved.

ADUs aren't cheap, and they are often the most significant home improvement project a homeowner will undertake.

Although internal ADUs can sometimes be built for about \$50,000, new detached ADUs often exceed \$150,000. Most ADUs are financed through some combination of savings, second mortgages, home equity lines of credit and/or funds from family members (sometimes a relative who ends up living in it).

In some areas, the cost of building an ADU can be recouped after a few years of renting it. If that's the plan, it's worth estimating the expenses versus the potential income before undertaking an ADU project.

A few cities, nonprofits and start-ups are experimenting with creative financing options that could put ADUs within reach for more homeowners and their families, as well as prospective renters.



HOME VISIT #6 Detached ADU (One-Story)

Decatur, Georgia

Size: 800 square feet

When Walt Drake decided to downsize, his son Scott purchased his dad’s house for himself and his family and built a detached ADU (or DADU) for Walt.

“From not finding what we wanted for Dad, we decided to create it,” says Scott. “Neighborhoods built in the 1920s have carriage houses. Building an ADU was a modern day version of something people have been doing on their property in this area for a hundred years.”

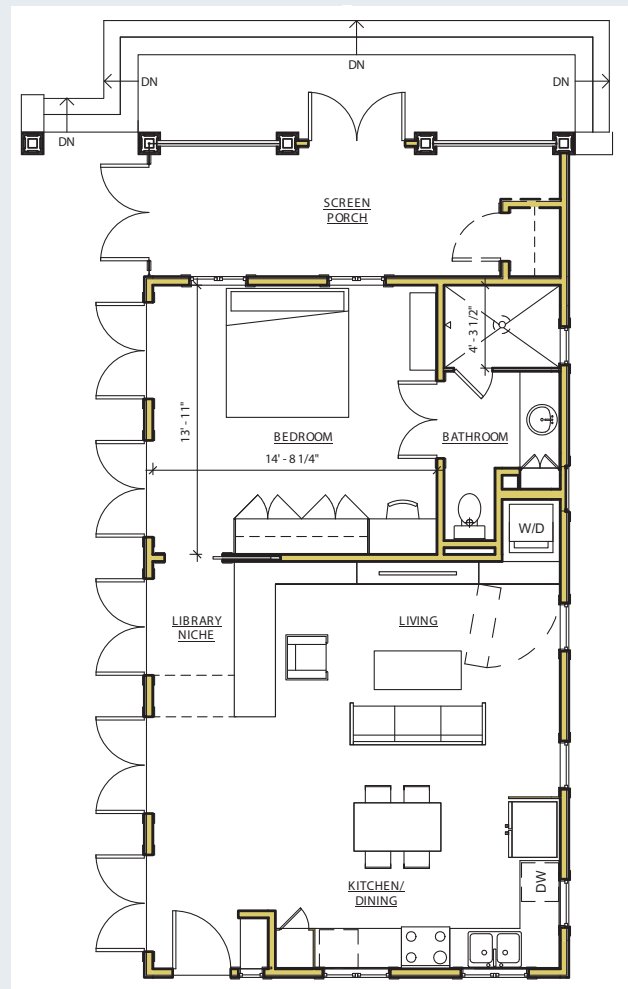
NEAR AND FAR: “We wanted the houses to be separate and to feel like we’re each on our own property, but we’re there for each other,” says Scott.

AGING-FRIENDLY: Building the ADU meant Walt didn’t have to leave his home and neighborhood. “He was able to keep his own stuff and turn over what he didn’t need to us,” says Scott. “It kept my dad in place, which I think was important.”

FUTURE PLANS: Scott says the ADU is “serving its intended purpose” but that someday down the road it could be used as a long- or short-term rental. “The ADU could turn into lots of different things over the course of its lifetime.”

Design: Adam Wall, Kronberg Wall | Builder: Rob Morrell | Cost to build: \$350,000 in 2014 | Photo by Fredrik Brauer | Floor plan by Kronberg Wall Architects | Article adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org

▲ Walt Drake’s southern-style, one-bedroom ADU has an outdoor, wraparound porch that can be accessed without using steps. The design is in keeping with other buildings in the neighborhood.



ADUs Are Age-Friendly Housing

New-construction ADUs can be created with “universal design” features

An “age-friendly” home has a zero-step entrance and includes doorways, hallways and bathrooms that are accessible for people with mobility differences. Converted garages (such as the one pictured on page 2) are among the easiest and least expensive ADU solutions for aging in place since they’re preexisting structures and generally have no-step entries. To learn more about making a home aging-friendly, download or order the *AARP HomeFit Guide* at AARP.org/HomeFit.

HOME VISIT #7

Detached ADU (Two-Story)

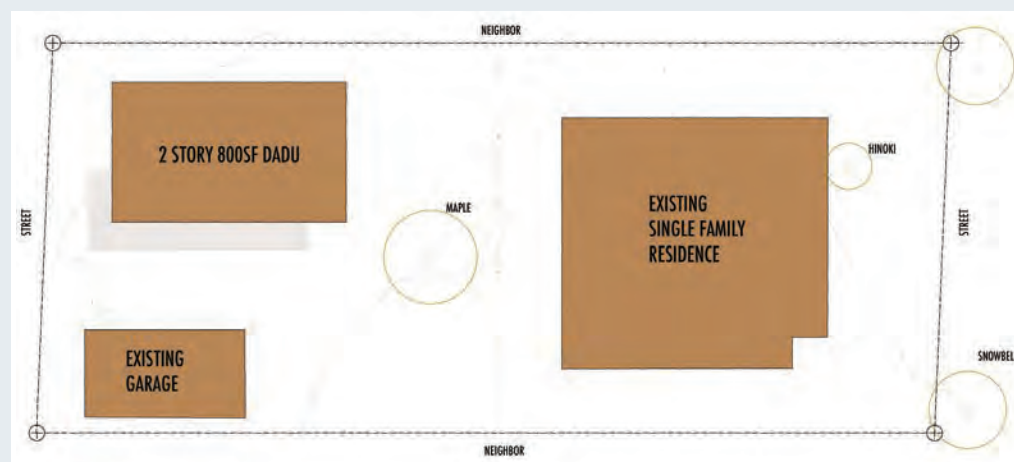
Seattle, Washington

Size: 800 square feet

Evelyn Brom’s plan was to build a backyard cottage and rent it out. She would keep living in her two-bedroom home.

AH-HA MOMENT: As the design developed, Brom realized that *she* wanted to live in the stunning wood-and-glass ADU. It was a good decision. A week before moving in, Brom was laid off from her job.

REAL LIFE: The \$3,000 a month Brom receives in rent for the main house (which is occupied by a three-generation family) provides a needed income. “Being laid off has made this arrangement a lifesaver,” Brom says. If the stairs in the cottage ever become too hard to navigate, she can move back into her original one-story house and rent out the cottage instead. “Now I have options,” she says.



▲ There’s a powder room, open kitchen and living room on the first floor, with a bedroom and bathroom upstairs.

◀ Although Brom’s property is only 0.13 acres, it’s large enough to accommodate two homes, a patio, a lawn and a garage. A slatted wood fence with a gate divides the space between the two houses and provides privacy.

Design: Chrystine Kim, NEST Architecture & Design | Builder: Ian Jones, Treebird Construction | Photo by Alex Hayden
Cost to build: \$250,000 in 2014 | Article adapted from *Where We Live: Communities for All Ages* (AARP 2018)

HOME VISIT #8

Detached Bedroom

St. Petersburg, Florida

Size: 240 square feet

Bertha and her son John talked about someday buying a house with a mother-in-law suite. “Then one day someone came along and wanted my house, so I up and sold it,” she explains. “But that left me homeless. I asked John if I could build a small house in his backyard and he agreed.”

CREATIVE THINKING: A detached bedroom is a permanent, accessory structure that, unlike ADUs, lacks a kitchen. But that’s what makes these cabin-like homes more affordable to build than many ADUs and even tiny houses.

WHAT’S INSIDE: Bertha’s home contains a sleeping and living area and a full bathroom. “I paid for the little house and it’s on my son’s property. So I figured, if I’m cooking I can do it at my son’s house,” she says. (Her laundry is also done at his house.)



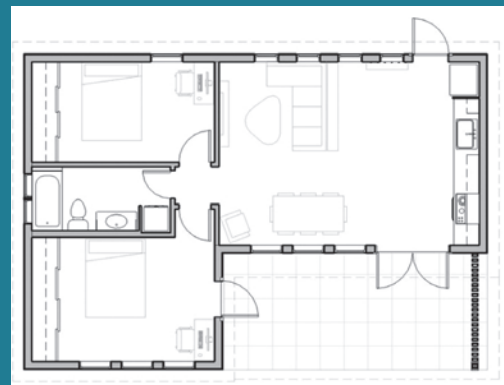
▲ A detached bedroom, which contains a bathroom but no kitchen, can provide housing for a loved one or serve as a home office or guest cottage.

REAL LIFE: “Having access to my son’s house makes it livable. Otherwise, I personally would not be happy. It’s very comforting to know that John is close by. Hopefully this will be my home forever.”

Design: Historic Sheds | Builder: Historic Sheds | Cost to Build: \$50,000 in 2017 | Photo by Historic Sheds | Article adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org

Trading Spaces

An ADU is always the smaller of two dwellings on a property, but it’s possible for an existing home to become the ADU when a larger house is built and becomes the primary dwelling. Or the opposite can happen! Tired of living in an older house that didn’t get a lot of natural light, the home’s owners built and moved into the bright, airy, modern and very accessible ADU they created in their yard. The original, larger home has become a rental.



▲ Although this ADU has only 721 square feet of living space, there is room enough for two bedrooms.

*Design: Propel Studio | Builder: JLTB Construction | Photo by Josh Partee | Cost to build: \$185,000 in 2017
Adapted from “ADU Case Studies” by Lina Menard on AccessoryDwellings.org*

Practical Solutions for ADUs

Local laws can both allow and appropriately control the creation of accessory dwellings

There are more than 19,000 cities, 16,000 towns and 3,000 counties in the United States. ADU regulations are typically adopted at the local level, although several state legislatures have required cities to allow them.

Where it's legal to build ADUs, homeowners still need to follow rules about where it can be done, how many square feet they can contain, how they can be used. These rules can be found in the local zoning code.

There is a balance to strike between prudent ADU laws and encouraging their construction. For instance, after Portland, Oregon, relaxed its ADU rules in 2010 and waived impact fees (a savings of up to \$12,000), the number of ADUs built rose from about 30 per year between 2000 and 2009 to nearly one a day in 2015.

Changes in California's ADU rules saw Los Angeles go from 80 applications in 2016 to nearly 2,000 in 2017. Allowing Sonoma County homeowners to add both an ADU and a JADU (see the green box below) were among the policies adopted in the wake of the area's many devastating fires.

Well-intentioned but burdensome rules can stymie the creation of ADUs. ADU-related zoning codes should be restrictive enough to prevent undesirable development but flexible enough that ADUs get built.

When a community is worried about a potentially undesirable outcome, it can — and many do — craft regulations to prevent particular building types, locations or uses. A city concerned about the environmental impact of new structures might prohibit placing detached ADUs in precarious locations, such as on steeply sloping lots. Communities wary of ADUs becoming, for instance, off-campus student housing can establish occupancy rules.

Every community has its own priorities and concerns, and there's a wide enough range of regulatory controls that communities can write appropriate ADU rules.

This inherent flexibility in the form and function of ADUs allows them to pass political muster and get adopted in a wide range of places. (See page 16 for more about uses and rules.) ■

Rules that discourage ADUs

- ADU-specific regulations that don't also apply to primary dwellings (e.g., owner-occupancy requirements)
- complex design compatibility criteria and approval steps
- off-street parking requirements beyond those required for the primary dwelling
- restrictions that limit ADUs to certain areas, particular zoning categories or to large lots
- caps on square footage relative to the primary house that make it easy to add an ADU to a large home but hard or impossible to add one to a small home

Are ADUs allowed?

Find out by calling your town, city or county office in charge of land use and permits — or stop by in person. You can also search for and read the zoning code through the local government's website.

- If ADUs are allowed, ask what conditions, permit needs and impact fees apply.
- If ADUs are not allowed and you want them to be, ask an elected official or your community's department of zoning and planning how the codes can be updated.
- Then get organized and start advocating!

JUNIOR ACCESSORY DWELLING UNITS (or JADUs) are smaller than 500 square feet and have a separate entrance but are created within the existing dwelling. A JADU can share a bathroom with the main house and contain a basic kitchen equipped with small plug-in appliances.

Creating (or Understanding) an ADU Zoning Code

The ADU section of a community’s zoning code needn’t be overly complicated. It just needs to establish clear, objective and fair rules for the following:

1. A Definition: A good zoning code clearly defines its terminology. Here, for example, is a useful outline for what, in the real world, is a very fluid term: “An ADU is a smaller, secondary home on the same lot as a primary dwelling. ADUs are independently habitable and provide the basic requirements of shelter, heat, cooking and sanitation.”

2. The Purpose: This is where the code describes key reasons a community allows ADUs. They should:

- increase the number of housing units while respecting the style and scale of the residential neighborhood
- bolster the efficient use of existing housing stock and infrastructure
- provide housing that’s affordable and responds to the needs of smaller, changing households
- serve as accessible housing for older adults and people with disabilities

3. Eligibility: Who can build an ADU and on what type of lot? A statement in this part of the code clarifies that an ADU can be placed only on a “residentially zoned lot.” (Some communities provide lot size standards.)

4. Creation: The code sets out how an ADU can be built. For instance: “An ADU may be created through new construction, the conversion of an existing structure, as an addition to an existing structure or as a conversion of a qualifying existing house during the construction of a new primary dwelling on the site.”

5. Quantity: Most municipalities that permit ADUs allow one per lot. Those allowing two typically permit one internal and one external. Some allow duplexes or townhomes to have an ADU, either in the backyard or on the ground floor.

6. Occupancy and Use: A code should state that the use-and-safety standards for ADUs match those used for the main dwelling on the property. (See page 17 for more.)

Visit [AARP.org/ADU](https://www.aarp.org/ADU) to download **Accessory Dwelling Units: Model State Act and Local Ordinance**, a free publication that can be used by state and local officials to develop ADU policies.

7. Design Standards:

- **Size and height:** A zoning code might specify exactly how large and tall an ADU is allowed to be. For instance: “An ADU may not exceed 1,000 square feet or the size of the primary dwelling, whichever is smaller.” Codes often limit detached ADUs to 1.5 or 2 stories in height. An example of that language: “The maximum height allowed for a detached ADU is the lesser of 25 feet at the peak of the roof or the height of the primary dwelling.”
- **Parking:** Most zoning codes address the amount and placement of parking. Some don’t require additional parking for ADUs, some do, and others find a middle ground — e.g., allowing tandem parking in the driveway and/or on-street parking. (See page 16 for more about parking.)
- **Appearance:** Standards can specify how an ADU’s roof shape, siding type and other features need to match the primary dwelling or neighborhood norms. Some codes exempt one-story and internal ADUs from such requirements. (See page 16 for more.)

8. Additional Design Standards for Detached ADUs:

- **Building setbacks:** Many communities require detached ADUs to either be located behind the primary dwelling or far enough from the street to be discreet. (A code might exempt preexisting detached units that don’t meet that standard.) Although such a rule can work well for neighborhoods of large properties with large rear yards, communities with smaller lot sizes may need to employ a more flexible setback-and-placement standard.
- **Building coverage:** A code will likely cap the combined lot coverage of a detached ADU and the primary dwelling to a specific percentage.
- **Yard setbacks:** Most communities have rules about minimum distances to property lines and between buildings on the same lot. ADUs are typically required to follow the same rules. ■

ADU “Hot Topics”

As communities allow ADUs or update existing zoning codes and rules to be more ADU-friendly, they inevitably wrestle with some or all of the following issues:

Adding ADUs to neighborhoods

Recognizing that ADUs may represent a new housing type for existing neighborhoods, communities often write special rules to ensure they'll fit in well. These guidelines typically address visual compatibility with the primary dwelling, appearance from the street (if the ADU can be seen) and privacy for neighbors.

Rules that help achieve these goals include:

- height and size caps mandating that ADUs be shorter and smaller than the primary dwelling
- requirements that detached ADUs be behind the main house or a minimum distance from the street
- mandates that the design and location of detached ADUs be managed the same way as other detached structures (e.g., garages) on the lot
- design standards for larger or two-story ADUs so they architecturally match the primary dwelling or reflect and complement neighborhood aesthetics
- encouragement for the creation of internal ADUs, which are often unnoticeable from the street

Each community can strike its own unique balance between strict rules to ensure that ADUs have a minimal impact on neighborhoods and more flexible rules that make them easier to build.



▲ Providence, Rhode Island, has many homes that were built as or long-ago converted into multidwelling units. (Notice the two front doors.) A homeowner can live in one apartment while renting out the other.

Providing places to park

ADU regulations often include off-street-parking minimums on top of what's already required for the primary dwelling. Such rules can prevent homeowners from building ADUs if there's insufficient space for added parking. However, the extra parking often isn't needed.

Studies of Portland, Oregon, and the San Francisco Bay area found that ADU households own an average of 0.9 cars. That's half the national average of 1.8 cars per household. With just over 2 percent of Portland homes having an ADU (the highest percentage of any large city in the country), there's roughly one extra car parked on the street every six blocks. This suggests that, even in booming ADU cities, any impact on street parking from ADUs is likely to be very small and dispersed. More-realistic parking rules might:

- require the creation of new parking only if the ADU displaces the primary dwelling's existing parking
- waive off-street-parking requirements at locations within walking distance of transit
- allow parking requirements for the house and ADU to be met by using a combination of off-street parking, curb parking and tandem (one car in front of the other) parking in a driveway

Dealing with unpermitted ADUs

It's not uncommon for homeowners to convert a portion of their residence into an ADU in violation (knowingly or not) of zoning laws or without permits.

Such illegal ADUs are common in cities with tight housing markets and a history of ADU bans. One example is New York City, which gained 114,000 apartments between 1990 and 2000 that aren't reflected in certificates of occupancy or by safety inspections. Sadly, in 2021, several city residents living in unsafe basement apartments drowned in their homes due to flooding caused by Hurricane Ida.

Some cities have found that legalizing ADUs, simplifying ADU rules and/or waiving fees can be effective at getting the owners of illegal housing units to “go legit” — and address safety problems in the process. ■

Allowing and Restricting Uses

Communities get to decide whether to let ADUs be used just like any other housing type or to create special rules for them. Some municipalities prefer the simple approach: regulating ADUs like other homes. So if a home-based child-care service is allowed to operate in the primary dwelling, it is also allowed in an ADU. Conversely, communities sometimes adopt ADU-specific regulations in order to avoid undesirable impacts on neighbors. Examples of those regulations include:

Limiting short-term rentals

ADUs tend to work well as short-term rentals. They're small and the owner usually lives on-site, making it convenient to serve as host. However, if ADUs primarily serve as short-term rentals, such as for Airbnb and similar services, it undermines the objective of adding small homes to the local housing supply and creating housing that's affordable.

In popular markets, short-term rentals can be more profitable than long-term ones, allowing homeowners to recoup their ADU expenses more quickly. In addition, short-term rentals can provide owners with enough income that they can afford to occasionally use the ADU for friends and family.

A survey of ADU owners in three Pacific Northwest cities with mature ADU and short-term rental markets found that 60 percent of ADUs are used for long-term housing as compared with 12 percent for short-term rentals.

Respondents shared that they "greatly value the ability to use an

ADU flexibly." For instance, an ADU can be rented nightly to tourists, then someday rented to a long-term tenant, then used to house an aging parent. ADUs intended primarily for visiting family are sometimes used as short-term rentals between visits.

Cities concerned about short-term rentals can regulate them across all housing types. Doing so might mean that special rules are not needed. An approach employed in Portland, Oregon, is to treat ADUs the same as other residences except that any financial incentives (such as fee waivers) to create them are available only if the property owner agrees not to use the ADU as a short-term rental for at least 10 years.

Requiring owner occupancy

Some jurisdictions require the property owner to live on-site, either in the primary house or its ADU. This is a common way of addressing concerns that absentee landlords and their tenants will allow homes and ADUs to fall into disrepair and negatively impact the neighborhood.

Owner-occupancy rules are usually implemented through a deed restriction and/or by requiring that an annual statement confirming residency be filed. Some cities go further, saying ADUs can be occupied only by family members, child- or adult-care providers, or other employees in service of the family.

Owner-occupancy requirements make the financing of ADUs more difficult, just as they would if applied to single-family homes. But as ADUs have become more common, owner-occupancy restrictions have become less so, which is good. Such requirements limit the appraised value of properties with ADUs and reduce options for lenders should they need to foreclose.

Enforcing owner-occupancy laws can be tricky, and the rules have been challenged in courts, sometimes successfully. However, according to a study by the Oregon Department of Environmental Quality, more than two-thirds of properties with ADUs are owner-occupied even without an owner-occupancy mandate. ■



◀ The zoning code of Brevard, North Carolina, a city of fewer than 10,000 residents, allows ADUs, which are referred to as "secondary dwelling units" and are allowed "within residentially-zoned, single-family and duplex lots." The code states that such homes "shall be encouraged and designed to meet housing needs," adding that "[s]econdary dwelling units shall be accessory and subordinate to the primary living quarters." In the image at left, the one-story cottage is the primary dwelling. The apartment above the detached garage is the secondary dwelling.

Inside Spaces

ADUs vary from studio apartment-like spaces to multi-bedroom, multi-story structures. Regardless of size, the result is a needed residence



▲ A top floor ADU can be a suitable rental for a student or someone who travels a lot for work. ADU expert Kol Peterson grew up in a home with an attic ADU that was usually rented to law school students. “They had to walk up the primary house’s interior stairs in order to access the affordable attic unit,” he writes in *Backdoor Revolution: The Definitive Guide to ADU Development*. “Over the years that each of them lived there, the tenants became part of our family.”



▲ The alcoves in the ADU area above a garage provide a light-filled work space in one, and a reading nook in the other. (See the attached ADU’s exterior on page 3.)



▲ This studio apartment internal ADU uses a wardrobe cabinet to separate the bedroom from the living area and kitchen (seen on page 19).



▲ As an independent living space, an ADU has its own bathroom and kitchen. Depending on the available square footage — and sometimes on the local zoning code or the property’s plumbing and utility connections — an ADU might have a full kitchen with full-sized appliances and a dining area (top) or a smaller but functional kitchenette. This interior is from the detached ADU pictured below right and on the back cover. Fun fact: A coat closet and extra kitchen shelving are built into the base of the circular staircase. In a small home, every bit of space counts!



▲ The kitchen of this internal ADU (also seen at the top of page 9 and in the bedroom image at left) has a full-sized range but a mini-refrigerator. Some ADU owners install a one- or two-burner electric cooktop and a convection microwave in lieu of an oven.



▲ The second story of this detached ADU is accessed by the spiral staircase shown in the image at top. The space features a bedroom and a sitting area that could be used as a nursery, office or den. A full-sized, stacked washer-dryer is hidden behind a closet door.

Just One More

While not technically ADUs, tiny houses can serve a similar purpose

Because tiny houses are typically built on a trailer with wheels rather than a fixed foundation, they are usually treated by zoning as recreational vehicles (RVs) or manufactured (aka mobile) homes. In Portland, Oregon, and a growing number of smaller cities, tiny houses can be legally occupied on any residentially-zoned lot. Since they're small — typically under 400 square feet — tiny houses can fit in a space too small for an ADU. Many include a kitchen and bathroom. Some function more like a detached bedroom. A unique plus: Unlike ADUs, tiny houses can move to a new location as needed.



◀ ▲ “The Lucky Penny” tiny house measures 8 feet wide by 14 feet, 6 inches long and provides 100 square feet of living space. The home, which is located in the backyard of a single-family residence, features a pullout bed, a kitchenette, a shower, built-in storage, and three large windows plus a skylight to provide lots of nature light.



◀ ▼ ADUs are sometimes used as short-term rental units for travelers. The “Kangablue,” is one of several units at Caravan, the “world’s first tiny house hotel.” At 170 square feet, the home is the largest tiny house on the lot, located in the Cully neighborhood of Portland, Oregon. The tiny space includes a kitchen, living area, bathroom (with a shower and toilet) and a sleep loft.



Top: Design and Builder: Lina Menard, Niche Consulting | Photos by Guillaume Dutilh, PhotoXplorer
Bottom: Design and Builder: Benn Kovco | Photos by Jeff Freeman Photography

The ABCs of ADUs

A guide to Accessory Dwelling Units and how they expand housing options for people of all ages

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A NOTE TO READERS: Many of the photographs and project examples in this publication are from Portland, Oregon, which was one of the first municipalities in the nation to allow and encourage the creation of accessory dwelling units.

To learn more about ADUs — and to order or download this guide — visit [AARP.org/Livable](https://www.aarp.org/livable).

Other useful resources include:

- *AccessoryDwellings.org*
- *BuildingAnADU.com*
- *Planning.org* (the website of the American Planning Association)
- And the websites of the states, cities and towns mentioned in this guide as allowing and encouraging the creation of accessory dwelling units.



ABOVE-GARAGE ADU



DETACHED-BEDROOM ADU



DETACHED ADU

- An accessory dwelling unit is a small residence that shares a single-family lot with a larger primary dwelling.
- As an independent living space, an ADU is self-contained, with its own kitchen or kitchenette, bathroom and living/sleeping area. (Garage apartments and backyard cottages are each a type of ADU.)
- ADUs can enable homeowners to provide needed housing for their parents, adult children, grandchildren or other loved ones.
- An ADU can provide older adults a way to downsize on their own property while a tenant or family member resides in the larger house.
- Since homeowners can legally rent out an ADU house or apartment, ADUs are an often-essential income source.
- ADUs help to improve housing affordability and diversify a community's housing stock without changing the physical character of a neighborhood.
- ADUs are a beneficial — and needed — housing option for people of all ages.

Learn more about ADUs and
order or download

The ABCs of ADUs

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Johnson County Mutual Aid Agreement

**AUTOMATIC AND MUTUAL AID AGREEMENT FOR FIRE
PROTECTION, RESCUE, AND EMERGENCY MEDICAL SERVICES
IN AND SURROUNDING JOHNSON COUNTY, IOWA
JANUARY 2025**

THIS AGREEMENT is made pursuant to Chapter 28E, Code of Iowa, between any and all of the following: City of Coralville, Iowa; City of Hills, Iowa; City of Iowa City, Iowa; City of Lisbon, Iowa; City of Lone Tree, Iowa; City of North Liberty, Iowa; City of Oxford, Iowa; City of Riverside, Iowa; City of Shueyville, Iowa; City of Solon, Iowa; City of Swisher, Iowa; City of Tiffin, Iowa; City of West Branch, Iowa; Fremont, Lincoln, Pleasant Valley, and City of Lone Tree Fire Association; Jefferson-Monroe Fire Department, Inc.; Solon Tri-Township Emergency Response Agency, Kalona Volunteer Fire Department; Wellman Volunteer Fire Department; and West Liberty Fire Department.

WHEREAS, the fire departments or fire districts of all the undersigned parties are members of the Johnson County Mutual Aid Association; and

WHEREAS, a stated purpose of the Association is to provide mutual aid in fire protection, fire prevention, hazardous material mitigation, emergency medical service, and rescue; and

WHEREAS, Johnson County routinely experiences seasonal increases in population due to a variety of factors; and

WHEREAS, Johnson County has experienced significant growth in its population; and

WHEREAS, the parties to this agreement protect critical infrastructure of the state; and

WHEREAS, occasions may arise where a department may not be able to respond, or may not be able to timely respond with adequate or sufficient personnel or equipment, to an emergency or incident dangerous to the public in the department's first-due response area; and

WHEREAS, occasions may arise whereby additional alarm fires or other emergencies or incidents dangerous to the public would exhaust the available firefighting or emergency response personnel or equipment maintained by one of the parties herein; and

WHEREAS, in such a situation the availability of additional firefighting or emergency response personnel and equipment from outside sources might well avert disastrous results, including the loss of life, personal injury, or the loss of property; and

WHEREAS, the fire departments or fire districts of all the undersigned parties wish to establish a goal to meet NFPA 1710 or NFPA 1720, as applicable to each department or district; and

WHEREAS, automatic and/or mutual aid may help fire departments or fire districts of all the undersigned parties to meet NFPA 1710 or NFPA 1720; and

WHEREAS, it is the intent of the parties to reduce response times to life-threatening incidents by requesting and/or providing the appropriate closest unit response aid; and

WHEREAS, it is the intent of the parties to this agreement to allow and encourage trained personnel of member departments to have the opportunity to take appropriate action to reduce the risk of death and injuries to the public and emergency responders, and prevent or limit property loss; and

WHEREAS, the parties desire to increase the number of trained firefighters or emergency response personnel and equipment responding to emergency incidents or incidents dangerous to the public; and

WHEREAS, Chapter 28E, Code of Iowa, provides that powers, privileges, or authority exercised by a public agency of this state may be exercised jointly with any other public agency of this state having such powers, privilege, and authority; and

WHEREAS, the parties are desirous of entering into a 28E agreement to render fire, rescue, and emergency medical services, and emergency and non-emergency assistance, on a reciprocal basis.

THEREFORE, THE PARTIES HERETO mutually agree to give fire, rescue, and emergency medical assistance when needed on a reciprocal basis under the following terms and conditions:

SECTION I. AUTHORITY TO REQUEST AND RESPOND TO PROVIDE ASSISTANCE

The power to make a request for assistance or to provide aid under this agreement shall reside in the ranking personnel of the member department responding to an emergency call or incident dangerous to the public subject to control of the chief of the department or official designee. Any member department shall have the right to request assistance from any other member department or departments, subject to the terms and conditions of this agreement. In the event the member fire department is unavailable or delayed, the Johnson County Joint Emergency Communications Center (JECC) may page or dispatch additional departments, units, and resources in accordance with preplanned instructions or as needed. For purposes of this agreement, the “requesting department” shall mean the department asking for assistance and the “responding department” shall mean the department sending or providing assistance. The terms “member department” and “member” shall mean the fire department of the respective parties hereto.

Each member department shall, at a minimum, evaluate and consider its MABAS preplans and cards before January 1st of each calendar year of this agreement. With the growth of Johnson County, member departments will evaluate their first-due district and should give consideration to adding, modifying, or updating their MABAS zones as part of their yearly review. The chief of a

member department shall have the authority to modify, amend, or update their department's MABAS plans, cards, and instructions at any time. Modifications, amendments, or updates to MABAS will be promptly shared and communicated with all member departments and the JECC.

SECTION II. SITUATION WHERE ASSISTANCE IS REQUESTED OR NEEDED

Utilizing the Johnson County Mutual Aid Box Alarm System (MABAS), or by a special request, a member department may request assistance from another member department only when the requesting department, or in the event the department is unavailable or delayed, Johnson County Joint Emergency Communications Center (JECC), has concluded that such assistance is essential to protect life and/or property at a location afforded fire protection, fire prevention, hazardous material releases, emergency medical service, and technical rescue service by the requesting department in its first-due district. Nothing in this agreement will be construed to prohibit a law enforcement officer who is at the scene of an emergency or incident dangerous to the public from requesting additional resources from a responding department, or if no department has responded, from requesting the JECC to page another member department in accordance with applicable police department policy.

Generally, when a member department has not acknowledged a page or responded to an emergency call in the department's first-due response area, upon the third (3rd) page, the JECC will page another member department and/or the closest unit for mutual aid. The JECC may page another member department and/or the closest available unit for mutual aid prior to the third (3rd) page when the need reasonably arises based on the information available at the time.

Member departments and the JECC should consider and use available resources, including unit mapping technology, to identify the closest available unit to an emergency call. Departments may use software or applications, including IAMRESPONDING's "on duty" feature, to share station staffing or scheduling information that may be considered by other member departments and the JECC in the decision-making process.

SECTION III. RESPONSE TO REQUEST

Upon request, a responding department, upon determination, notification, or becoming aware that an emergency situation or incident dangerous to the public exists, and subject to the availability of personnel and equipment, shall dispatch and respond with trained personnel and equipment to aid the requesting department. A department may respond to an emergency or incident dangerous to the public upon becoming aware of an emergency or incident dangerous to the public outside of the department's first-due response area as specified by MABAS, a specific or standing request or protocol between departments, such as coverage for a special event or occasion, this Agreement, a separate 28E agreement, or as circumstances or conditions otherwise apply. A responding department will provide notification of its response at that time to make the incident commander, as soon as applicable or practical in the circumstances, aware of the department unit's response. This section shall be broadly construed to effectuate its purpose. Nothing in this agreement shall prohibit a member department from responding to a non-emergency request for

mutual aid. Nothing in this agreement may be construed to limit or restrict the ability of department personnel from rendering aid as a Good Samaritan or in any way waive any defense to complaints, petitions, demands, or legal claims of any kind.

SECTION IV. PERSONNEL AND EQUIPMENT PROVIDED

Member departments may identify, prepare, and preplan the number and types of units that may respond to anticipated emergency calls or incident dangerous to the public, however, the requesting and responding department will determine the appropriate and available resources at the time of an emergency call or incident dangerous to the public. Nothing in this agreement shall be construed to limit the authority of the chief or designee of a member department to create, amend, or modify response practices or procedures as the need arises.

Generally, the requesting department shall include in its request for mutual aid assistance the amount and type of equipment and number of personnel requested and shall specify the location where the personnel and equipment are needed.

When a department has not responded after the third (3rd) page from the request to provide automatic or mutual aid, the JECC will notify the requesting department's incident commander over the radio. Generally, the incident commander and/or the JECC will page or dispatch the next closest member department or unit or another available department to respond unless the incident commander provides alternative instructions to the JECC. If a department does not have the resources or personnel available to respond, or if a department will be delayed in responding, they shall notify JECC and/or the requesting department's incident commander over the radio as soon as possible.

The final decision on whether to respond and/or the number, the amount, and type of equipment and personnel to be sent shall be solely that of the responding department. The responding party shall be absolved from liability in connection with all acts associated herewith.

No member department shall make any claim whatsoever against another member department for refusal to send the requested equipment or personnel where such refusal is based on the judgment of the responding department that such personnel and equipment are needed to protect the district of the responding department.

The responding department holds all responsibility for training structural firefighters to the minimum requirements, as stated in the Iowa Code and NFPA 1010 (formerly NFPA 1001). The responding department will make the incident commander aware of any firefighters that responded that do not meet the minimum standard, as stated in the Iowa Code, are probationary, or who are not trained to the Firefighter I standard. Notwithstanding, the parties agree that the goal is for the responding department to respond with certified firefighters when possible.

Member departments shall provide training regarding this agreement, MABAS, and common response guidelines to all the department's personnel who may respond to automatic or mutual aid under this agreement.

Member departments may offer and make available training opportunities, training props, and/or other training resources to each other. It is the intent of the parties to allow for and encourage departments to share and make available training to other departments' personnel and to conduct joint training, drills, and exercises.

Member departments shall conduct joint training at a minimum with other departments whom they are most likely to request assistance from, or provide assistance to, under this agreement. The chief of each member department or the chief's designee(s) will evaluate and identify training needs with consideration of the risks and hazards of their first-due districts. Generally, chiefs or their designees should collaborate on joint training topics, drills, or exercises. Training topics and the frequency of the training, drills, or exercises will be determined by, and may be agreed on, between the member departments' chiefs or designees.

SECTION V. COMMAND AT SCENE

In accordance with the National Incident Management System (NIMS), the responding department personnel and equipment shall report to the incident commander of the requesting department, who shall be in charge at the incident location unless he/she specifically relinquishes this authority to another officer. The incident commander shall have the power to issue reasonable orders and directives, and responding officers will then act on the orders unless they are unlawful or unsafe.

The responding department personnel and equipment shall be released by the requesting department when the services of the responding department are no longer required or when the responding department personnel and/or equipment are needed in their first-due (home) districts.

Responding personnel and equipment may withdraw from the requesting district upon giving notice to the command officer at the incident location that they are needed in their first-due (home) district. JECC will be notified over the radio and will document the withdrawal time to the incident call for service record.

It is understood that the purpose of this section is to maintain order and safety at the incident scene and shall not be construed to establish an employer/employee relationship.

SECTION VI. NO REIMBURSEMENT FOR COSTS

No member department shall be required to reimburse any other member department for the cost of providing the services set forth in this agreement. Each member department shall pay its own costs (salaries, repairs, materials, compensation) for responding to the requests of other member departments. However, the requesting department shall provide without charge, such additional

fuel as may be required by the responding department to carry on the combined efforts after its initial fuel supply is depleted, plus sufficient fuel to fill their fuel tanks before they return to their home district. Further, the requesting department shall reimburse the responding department(s) for the cost of special materials, such as but not limited to, foam or other special materials, specifically requested by the requesting department and which are provided by the responding department and utilized at the site of assistance.

Member departments who offer or make available training opportunities, training props, or resources may charge reasonable costs and expenses, including supplies or materials.

Nothing in this Agreement shall prevent or limit any party to this Agreement from recovering or attempting to recover costs of services rendered to a third party where such recovery of costs is provided for by law, including for replacement of equipment or supplies as applicable, such as hazardous materials incidents. As applicable, Federal Emergency Management Agency (FEMA) or State of Iowa Hazardous Materials Response Fee Structure, or applicable local law or ordinance, may be used for billing. Efforts to coordinate billing should be considered if multiple departments are seeking recovery costs. When possible, multi-agency invoices to a large-scale response may be coordinated by the primary agency having jurisdiction. The agency having jurisdiction may serve as a pass-through to reimburse costs and expenses billed and paid under this provision.

SECTION VII. LIABILITY

Employees or volunteers of any member department acting pursuant to this agreement shall be considered as acting under the lawful orders and instructions pertaining to their employment with their member department. Under no circumstances are they to be considered employees of any other jurisdiction, but rather shall be considered to be employees or volunteers of their member department as may be applicable.

Each party hereto shall bear the liability and/or cost of damage to its member department's equipment and the death of or injury to its member department's personnel, whether the death, injury or damage occurs at an incident in the member's own fire protection area, or in a first due area or fire protection area where the firefighter or emergency responder is working as a member of a responding department. Each party shall provide appropriate and reasonable insurance for its member department's personnel who may suffer injury, disability, or death and/or are involved in loss or damage to private property, and/or death of or injury to private individuals in the performance of official duties while assisting another member department under the terms of this agreement, and shall supply proof of such reasonable insurance to the other parties hereto by providing a certificate thereof upon request.

Each party hereto shall be responsible for defending against claims made against it or its member department or personnel and arising from its participation in this agreement. The parties hereto shall not be obligated by this agreement to defend against claims made against other parties hereto, or against the member departments or personnel of said parties.

SECTION VIII. CITY, TOWNSHIP, DISTRICT SERVICE AGREEMENTS

The cities, townships, emergency medical and/or fire districts, and independent fire districts which are parties hereto and which have fire protection agreements with each other wherein the township, emergency medical district, fire district, or independent fire district is a public safety provider for the respective city, agree to maintain such agreements in force, and to provide copies of same to the other parties upon request, and by promptly notifying in writing the other parties of any amendment, renewal, or termination of such agreements. In the event such an agreement lapses, there shall be no further obligation by the other parties hereto to respond to a request for assistance within the fire protection area covered by such lapsed agreement.

SECTION IX. TERM OF AGREEMENT

This agreement shall be in full force and effect upon execution by all parties hereto and the filing and recording thereof as provided in Section 12. The agreement shall have a term of five (5) years from the date of execution and thereafter shall continue in effect from year to year. The agreement may be amended by agreement of all fire chiefs of the parties. Any party may withdraw from the agreement by giving thirty (30) days written notice to each of the other parties hereto by certified mail, in which case said notifying party shall be deleted from further operation of the agreement.

SECTION X. ADMINISTRATION OF AGREEMENT

This agreement shall be administered by the Johnson County Mutual Aid Association, which shall periodically review said agreement and attempt to resolve any problems which may arise in carrying out said agreement. No separate entity or agency is created by this agreement.

SECTION XI. NOTICES

Any written notice as required in this agreement shall be sent to the address of the respective parties as shown on the execution portion of this agreement.

SECTION XII. PRIOR FIRE MUTUAL AID AGREEMENTS

This agreement supersedes any and all prior fire mutual aid agreements between and among the parties or their respective member departments.

SECTION XIII. FILING AND RECORDING

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Upon execution by all parties hereto, this agreement shall be filed with the Secretary of State.

Resolution No. 2025-14

A RESOLUTION APPROVING A 28E AGREEMENT FOR AUTOMATIC AND MUTUAL AID FIRE PROTECTION, RESCUE, AND EMERGENCY MEDICAL SERVICES BETWEEN THE CITY OF NORTH LIBERTY AND CERTAIN OTHER CITIES AND INDEPENDENT FIRE DISTRICTS IN AND AROUND JOHNSON COUNTY, IOWA

WHEREAS, the fire departments or fire districts of all the parties named in the incorporated 28E Agreement are members of the Johnson County Mutual Aid Association; and

WHEREAS, the stated purpose of the Association is to provide mutual aid fire protection, fire prevention, hazardous material mitigation, emergency medical service and rescue; and

WHEREAS, occasions may arise whereby extra alarm fires or other emergencies would exhaust the available firefighting equipment and personnel maintained and provided by any one of the parties named in the incorporated 28E Agreement; and

WHEREAS, in such a situation that availability of additional firefighting personnel and equipment from outside sources might well avert disastrous results; and

WHEREAS, Chapter 28E of the Code of Iowa provides that powers, privileges, or authority exercised by a public agency of this state may be exercised jointly with any other public agency of this state having such powers, privileges, and authority by entering into agreements to cooperate for their mutual advantage; and

WHEREAS, the City of North Liberty has negotiated the attached 28E Agreement with other cities and independent fire protection districts for the provisions of mutual aid fire protection, rescue, and emergency medical services, which is in the public interest.

NOW, THEREFORE, BE IT RESOLVED that the North Liberty City Council hereby approves the 28E Agreement between the City of North Liberty and other cities and independent fire districts in surrounding Johnson County, Iowa for the provision of mutual aid fire protection, rescue and emergency medical services. The Mayor and City Clerk are hereby authorized and ordered to execute the agreement. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict

APPROVED AND ADOPTED this 28th day of January, 2025.

CITY OF NORTH LIBERTY:

CHRIS HOFFMAN, MAYOR

ATTEST:

I, Tracey Mulcahey, City Clerk of the City of North Liberty, hereby certify that at a meeting of the City Council of said City, held on the above date, among other proceedings, the above was adopted.

TRACEY MULCAHEY, CITY CLERK



Forevergreen Road and Jasper Avenue Roundabout

FULL RELEASE AND SETTLEMENT AGREEMENT

This Full Release and Settlement Agreement (“Settlement Agreement”) is entered into this _____ day of January, 2025 (the “Settlement Date”) between the following “Parties” (each a “Party”):

- City of Tiffin, Iowa (“Tiffin”);
- City of Coralville, Iowa (“Coralville”);
- City of North Liberty, Iowa (“North Liberty”);
- Clint Rarick (“Clint Rarick”); and
- Ruth E. Rarick Trust, including all current and successor trustees to the Ruth E. Rarick Trust (“the Trust”).

BACKGROUND

- A. On December 17, 2019, Tiffin filed a Petition in the Iowa District Court for Johnson County, initiating Case No. CVCV081479 (the “Tiffin Lawsuit”).
- B. On March 22, 2021, Rarick filed a Petition in the Iowa District Court for Johnson County, initiating Case No. CVCV082399 (the “Rarick Lawsuit”).
- C. On March 22, 2021, Trust filed a Petition in the Iowa District Court for Johnson County, initiating Case No. CVCV082400 (the “Trust Lawsuit”).
- D. On May 24, 2021, Coralville filed a Petition in the Iowa District Court for Johnson County, initiating Case No. CVCV082407 (the “Coralville Lawsuit”).

All of the foregoing Lawsuits relate to a Tiffin road project which would connect Forevergreen Road in Tiffin to Forevergreen Road in North Liberty (“Tiffin Forevergreen Road Project”).

The Parties all recognize that litigation can be costly and time consuming, and wish to compromise and come to settlement of the claims related to the Tiffin Forevergreen Road Project such that the Parties will fully release each other from such claims and all pending Lawsuits will be dismissed with prejudice; and

North Liberty is not a party to any Lawsuits but is a Party to this Settlement Agreement as it provides for the construction of Forevergreen Road within its jurisdiction.

Terms and Conditions

NOW, THEREFORE, the Parties, in consideration of the promises, and undertakings contained in this Settlement Agreement, state as follows:

1. The above recitals are true and correct.

2. **The Roundabout:** The Roundabout described in Exhibit A, or something of substantially similar design, will be built (“Roundabout Project”). It will proceed as a North Liberty project for purposes of design, construction, etc. North Liberty will pay 50% of the costs of the Roundabout Project and Tiffin will pay 50% of the costs of the Roundabout Project. Such costs include but are not limited to engineering fees, paving, water main, sanitary sewer main, storm sewer, drainage way, sidewalk, underground utilities, overhead street lighting, curb and gutter, landscaping and streetscape materials and plantings, and costs of acquiring necessary right of way and easements for the project.

Coralville will convey back to the Trust any necessary portion of the property that was deeded by the Trust to Coralville once Tiffin has secured the easements necessary for the construction of the Jasper Avenue Project to be located south of the Roundabout as outlined in Paragraph 3 of this Settlement Agreement. Rarick and Trust will then convey any of its land necessary for the Roundabout Project, including all necessary easements, to the appropriate county or municipal jurisdiction within which such land lies. Rarick and Trust accept payment for the same based upon the following schedule: \$60,000 per acre for conveyance of right of way or other permanent easements except utility easements, 10% of that amount (\$6,000) per acre per year for construction easements, \$30,000 per acre for permanent utility easements.

Tiffin, Coralville, and North Liberty will execute the attached 28E agreement simultaneously with the execution of this Settlement Agreement.

3. **Jasper Avenue:** The road referred to as south Jasper Avenue, that portion of Jasper Avenue that is south of the proposed roundabout, will be built out/paved to its intersection with Andersen Place (“Jasper Project”). It will proceed as a Coralville project for purposes of design, construction, etc. Coralville and Tiffin will execute the attached 28E agreement simultaneously with the execution of this Settlement Agreement, regarding construction of the Jasper Project south of Coralville’s south boundary to connect with Andersen Place.

Upon execution of this Settlement Agreement and accompanying 28E Agreements, Tiffin will start the process to convey to Coralville all of its right-of-way on south Jasper Avenue, except for its portion of right-of-way that will constitute the west-side of the splitter island where the roundabout will connect to south Jasper Avenue. The parties estimate the length of this retained portion of right-of-way to be approximately 100 feet, but it will be subject to the final design of

the roundabout. This retained right-of-way is intended to be of sufficient size to avoid potentially assisting Coralville's desire to annex the Trust property to the northwest.

Coralville will be responsible for the cost of the Jasper Project. Coralville agrees that it will not seek a contribution for the project cost from the Trust or Clint Rarick. Any subsequent cost issues shall be determined by Coralville, the Trust and Clint Rarick.

While Coralville is otherwise responsible for the entire cost of the Jasper Project, Tiffin will acquire any necessary construction easements from properties that will remain within its boundaries but border the improved south Jasper Avenue to the west. These shall be acquired prior to any conveyance of the property outlined in Paragraph 2 above back to the Trust. Coralville's City Attorney and City Engineer shall prepare such necessary construction easements and plats, subject to approval by City of Tiffin, which approval shall not be unreasonably withheld.

The Jasper Project will be designed to normal Coralville design standards and will comply with Statewide Urban Design and Specifications (SUDAS). Coralville agrees that the lots on the west side of south Jasper Avenue may access the road consistent with Coralville's and Tiffin's normal access policies. Coralville agrees to allow lots in Tiffin which abut Jasper Avenue to have access to Jasper Avenue, with the understanding two lots may have a shared access onto Jasper Avenue.

Once built, Coralville will maintain the road itself or otherwise negotiate responsibility for the same through a 28E Agreement or similar arrangement. Coralville is free to place a sign on the newly-constructed roundabout indicating that what has been described herein as south Jasper Avenue is within the City of Coralville.

Coralville and the Trust and Clint Rarick will agree separately to a mutually beneficial and acceptable timeline for design and construction of the project. Coralville and the Trust and Clint Rarick acknowledge their shared desire to have the project completed when the property to the east of Jasper Avenue is ready to be developed. The parties also acknowledge their shared desire to have the project built adequately the first time, as opposed to building the project and then having to reconstruct it differently to accommodate the ultimate development.

4. **Rarick and Trust Attorney Fees:** Within 30 days after execution of the releases and dismissals contemplated herein, Tiffin will pay Clint Rarick and the Trust \$525,000 to reimburse them for a portion of their attorney's fees incurred in the subject cases, and related litigation. *See*

Iowa Code § 6B.33 (2023). The \$525,00 check shall be made out to both Clint Rarick and the Trust.

5. **Grade Issues at Sand Hill Property:** Tiffin and the Trust agree to address the grade issues at Sand Hill, which is the Trust property adjacent to a parcel owned by Tiffin.

6. **Dismissal of Lawsuits.** Coralville, Tiffin, Clint Rarick and the Trust shall file the Joint Dismissals with Prejudice attached hereto as Exhibit B upon execution of this Settlement Agreement and securing of the easements outlined in Paragraph 3 above.

7. **General Release.** Each Party (on its own behalf and by and for all of its elected officials, officers, employees, consultants, agents, trustees, and successors) hereby irrevocably and unconditionally releases, acquits and forever discharges the other Parties of and from any and all subrogation, indemnification, debts, accounts, liabilities, attorneys fees, obligations, duties, fines, taxes, expenses, losses, damages, Settlement Agreements, causes of action, suits, proceedings, claims and demands of whatever type or nature whatsoever, whether at law or in equity, and whether presently known or unknown, which such Party ever had, now has, claims to have had, now claims to have, or hereafter can, shall or may claim to have, for or by reason of any act, omission, cause, matter, circumstance or thing whatsoever occurring or otherwise arising, in whole or in part, on or at any time prior to the Settlement Date and in any way arising from, related to or connected with the Tiffin Forevergreen Road Project (collectively, the “**Released Matters**”). This Settlement Agreement covers all injuries and damages that may hereafter appear or develop arising from or relating to the Released Matters. Notwithstanding the foregoing, the Released Matters do not include the obligations of the parties under this Settlement Agreement.

8. **Covenant Not to Sue.** In furtherance of Section 7 above, the Parties further agree, promise and covenant that none of them, nor any person, organization or any other entity acting on their behalf, or any successor or assignee of any Party, will file, charge, claim, sue or cause or permit to be filed, charged or claimed, any action for damages or other relief (including injunctive, declaratory, monetary relief or otherwise) against any other Party involving any Released Matter. In the event that any Party sues any other Party to this Agreement related to the Released Claims in Section 7, that Party explicitly agrees to indemnify, defend, and hold the other Party harmless from and against any and all claims, demands, losses, damages, costs, and expenses, including but not limited to court costs, fines, penalties, and reasonable attorneys’ fees, judgments, liabilities,

and causes of action of any nature whatsoever resulting from or relating to this Agreement or the facts underlying this Agreement.

9. **Notices.** All notices, demands, requests and other communications desired or required to be given under this Settlement Agreement (“Notices”) shall be in writing and shall be given by: (i) email; (ii) hand delivery; (iii) delivery by overnight courier service; or (iv) sending the Notice by United States mail, postage prepaid, addressed as follows:

a. Notices to Tiffin:

City of Tiffin, Iowa
300 Railroad Street, P.O. Box 259
Tiffin, Iowa 52340
ATTN: City Administrator

With a copy to:
Crystal K. Raiber
321 E. Market St PO Box 2150
Iowa City, Iowa 52244-2150
raiber@phelantuckerlaw.com

b. Notices to Coralville:

City of Coralville, Iowa
1512 7th Street, P.O. Box 5127
Coralville, Iowa 52241
ATTN: City Administrator

With a copy to:
Kevin Olson
1512 7th St.
Coralville, IA 52241
kolson@coralville.org

c. Notices to North Liberty:

360 N. Main Street
PO Box 77
North Liberty IA 52317
ATTN: City Administrator

With a copy to:
Grant Lientz
360 N. Main Street
PO Box 77
North Liberty IA 52317

glientz@northlibertyiowa.org

d. Notices to Clint Rarick:

Clint Rarick
2736 360th St. SW
Oxford, Ia. 52322

With a copy to:
Chuck Meardon
222 South Linn Street
Iowa City, Iowa 52240
meardon@lefflaw.com

e. Notices to the Trust:

Clint Rarick
2736 360th St. SW
Oxford, Ia. 52322

Kathryn Rarick

With a copy to:
Chuck Meardon
222 South Linn Street
Iowa City, Iowa 52240
meardon@lefflaw.com

10. **Authority.** Each Party hereby covenants and warrants that the signatory for such Party has full and complete authority to executed and bind such Party to the terms of this Settlement Agreement and, as appropriate, such Party's City Council, and/or Trustees, as required, have authorized, approved, and ratified such Party's execution and delivery of this Settlement Agreement and any other agreement contemplated thereby, and all actions by such Party, its Council, trustees, officers, agents, contractors and employees, performed or required to be performed under this Settlement Agreement or such other agreements. This Settlement Agreement and such other agreements are legal, valid, and binding agreements of such Party enforceable against it in accordance with its terms.

11. No Waiver; Modifications in Writing. No failure or delay on the part of a Party in exercising any right, power or remedy under this Settlement Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for in this Settlement Agreement are exclusive. No amendment, modification, supplement, termination or waiver of or to any provision of this Settlement Agreement, or consent to any departure therefrom, shall be effective unless the same shall be in writing and signed by the Parties. Any amendment, modification or supplement of or to any provision of this Settlement Agreement, any waiver of any provision of this Settlement Agreement, and any consent to any departure from the terms of any provision of this Settlement Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

12. Governing Law. This Settlement Agreement is entered into and performable in substantial and material part in Iowa and shall be governed by and construed in accordance with the laws of the State of Iowa.

13. Relationship. Nothing contained in this Settlement Agreement and no action taken or failed or omitted to be taken by a Party pursuant hereto shall be deemed to constitute the Parties a partnership, an association, a joint venture or other entity.

14. Construction; Careful Review. This Settlement Agreement shall not be construed more strongly against a Party regardless of who was more responsible for its preparation. The Parties acknowledge that each has carefully read this Settlement Agreement, and understands its terms and conditions without reservation. The Parties acknowledge that each has had ample opportunity to consult with legal counsel of choice regarding this Settlement Agreement, and each has not relied on any representations or statements of the other Parties or their counsel with respect to the subject matter of this Settlement Agreement. Furthermore, subject to the terms and conditions contained in this Settlement Agreement, each Party understands that, this is a full, complete, and final release, and that each is forever relinquishing and releasing any and all claims each Party has or may have against the other Parties, relating to the Released Matters.

15. Binding Effect on Successors and Assigns; Hold Harmless. This Settlement Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, legal representatives and assigns, including without limitation any and all future purchasers of the Affected Real Estate.

16. No Third-Party Beneficiaries. Nothing in this Settlement Agreement, express or implied, is intended to confer upon any person other than the Parties (and their respective heirs, successors, legal representatives, and assigns) any rights, remedies, liabilities, or obligations under or by reason of this Settlement Agreement.

17. Counterparts. This Settlement Agreement may be executed in counterparts (including by e-mail or facsimile transmission), each of which shall be deemed an original, but all of which together shall constitute one and the same Settlement Agreement.

18. Severability. In the event any provision of this Settlement Agreement except for Section 1-6 above is held invalid, illegal or unenforceable, in whole or in part, the remaining provisions of this Settlement Agreement shall not be affected thereby and shall continue to be valid and enforceable. In the event any provision of this Settlement Agreement is held to be invalid, illegal or unenforceable as written, but valid, legal and enforceable if modified, then such provision shall be deemed to be amended to such extent as shall be necessary for such provision to be valid, legal and enforceable and it shall be enforced to that extent. Any finding of invalidity, illegality or unenforceability in any jurisdiction shall not invalidate or render illegal or unenforceable such provision in any other jurisdiction.

19. Entire Agreement and Public Record. This Settlement Agreement, along with the documents executed of even date herewith, constitutes the entire agreement among the Parties pertaining to the subject matters hereof and supersedes all negotiations, preliminary agreements and all prior or contemporaneous discussions and understandings of the Parties in connection with the subject matters hereof. All parties acknowledge this Settlement Agreement is a public record upon execution.

20. Future Disputes about the Construction of the Roundabout Project or Jasper Project:

The Parties agree to submit any disputes about the subject matter of this Settlement Agreement arising before completion of the Roundabout Project and Jasper Project to mediation, so that neither project will be unnecessarily delayed by litigation. However, if the relevant parties participate in good faith mediation efforts that are not successful, a party may then bring an action in the Iowa District Court in and for Johnson County.

CITY OF NORTH LIBERTY

By: _____
Chris Hoffman, Mayor

CITY OF CORALVILLE

By: _____
Meghann Foster, Mayor

CITY OF TIFFIN

By: _____
Tim Kasparek, Mayor

RUTH E. RARICK TRUST

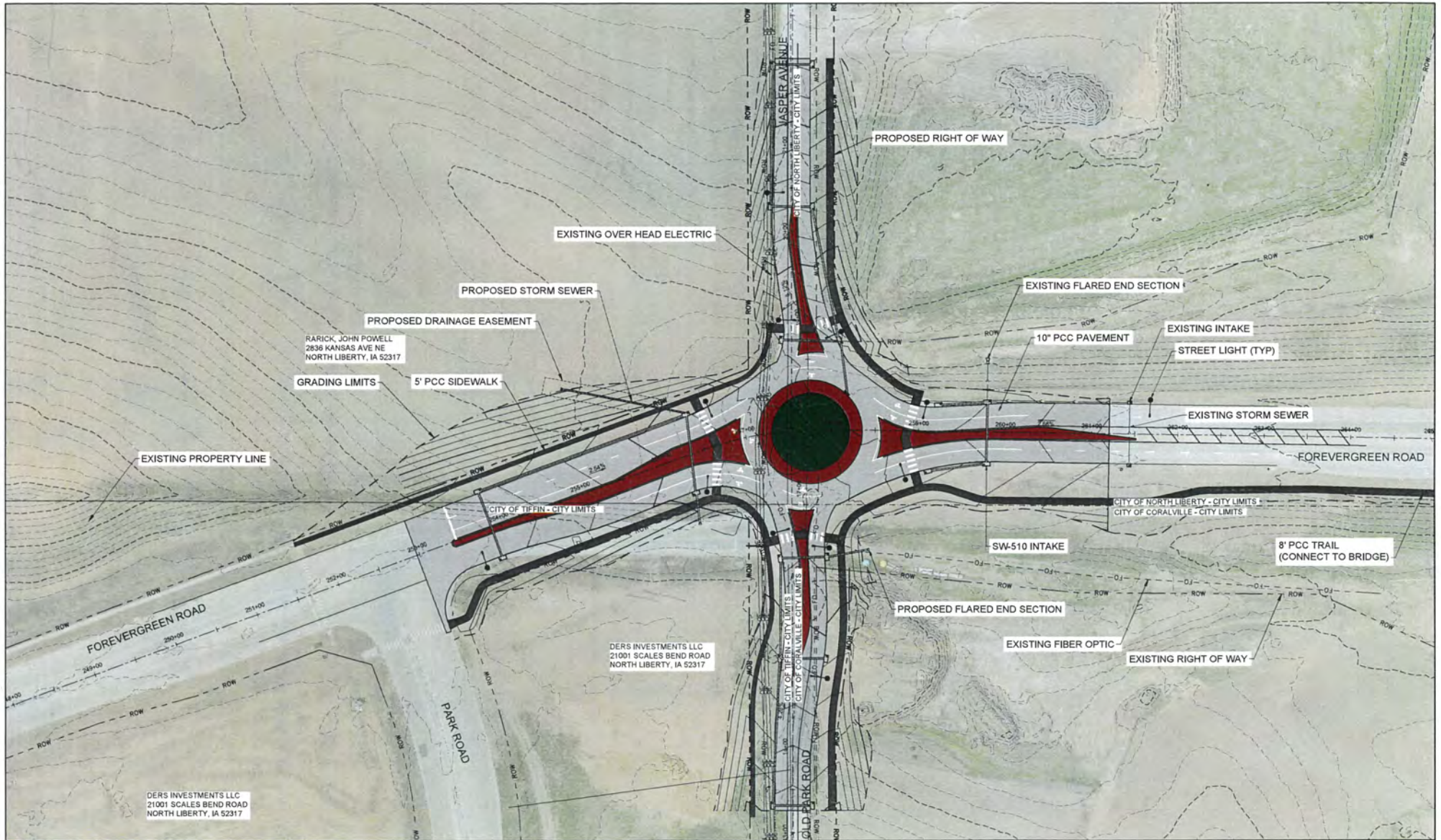
By: _____
Kathryn Rarick, Trustee

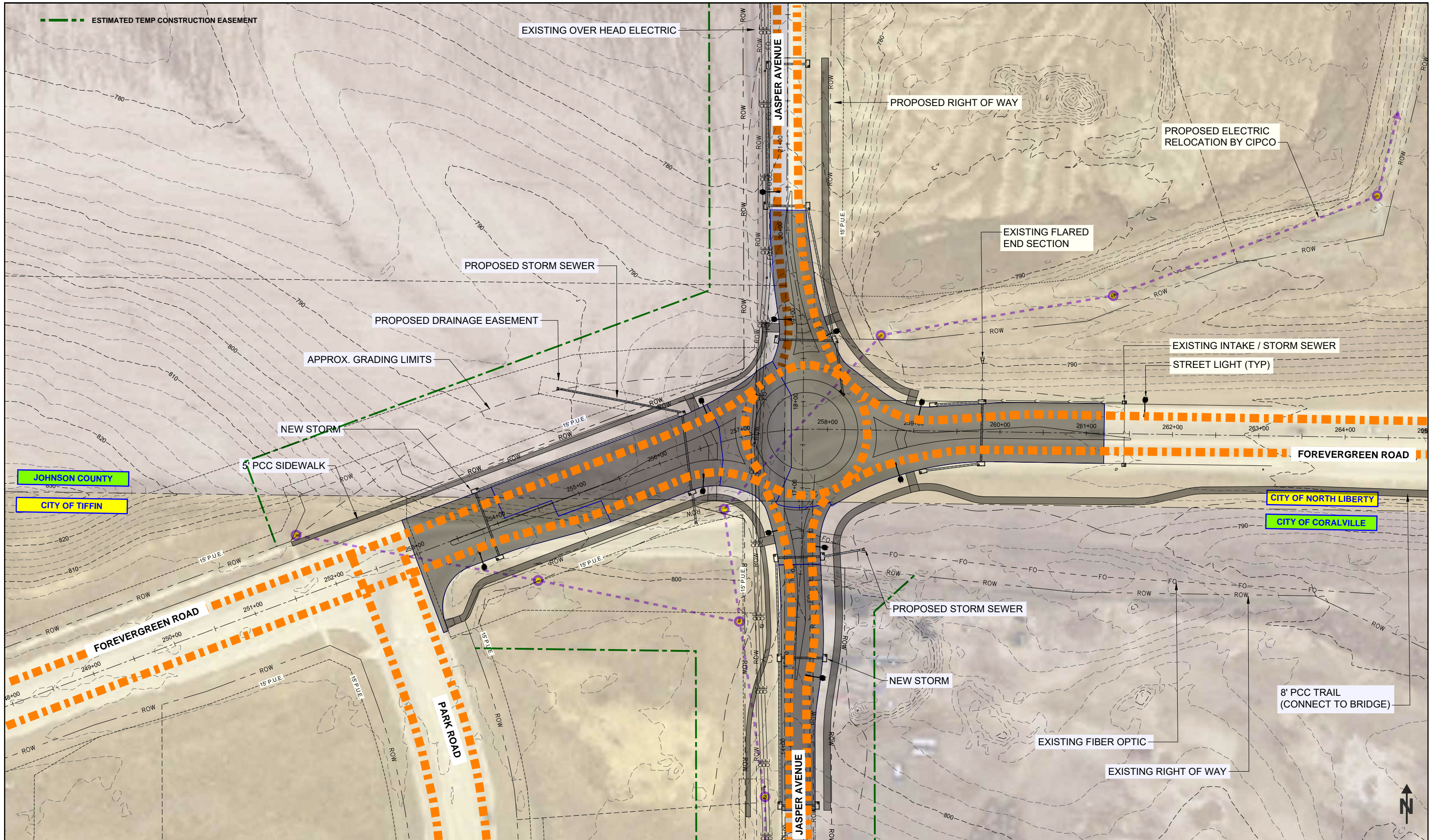
By: _____
Clint Rarick, Trustee

Clint Rarick, individually

CONSENT TO ATTORNEY FEE PROVISION AND AGREEMENT THAT NO FURTHER
ATTORNEY FEES ARE DUE FROM THE CITY OF TIFFIN:

Charles M. Meardon individually, and on behalf of Leff Law Firm and Meardon, Sueppel &
Downer PLC





JOHNSON COUNTY
CITY OF TIFFIN

CITY OF NORTH LIBERTY
CITY OF CORALVILLE

IN THE IOWA DISTRICT COURT FOR JOHNSON COUNTY

<p>THE CITY OF TIFFIN, IOWA, Plaintiffs</p> <p>vs.</p> <p>THE CITY OF CORALVILLE, IOWA, Defendants.</p>	<p>CASE NO. CVCV081479</p> <p>JOINT DISMISSAL WITH PREJUDICE</p>
<p>THE CITY OF CORALVILLE, IOWA, Plaintiffs</p> <p>vs.</p> <p>THE CITY OF TIFFIN, IOWA, Defendants.</p>	<p>CASE NO. CVCV082407</p> <p>JOINT DISMISSAL WITH PREJUDICE</p>

COME NOW, City of Tiffin, City of Coralville, and Ruth E. Rarick Trust, by and through the undersigned counsel, and in support of their Joint Dismissal with Prejudice state to the Court as follows:

City of Tiffin, City of Coralville, and Ruth E. Rarick Trust have reached a settlement that resolves all matters in dispute between the parties in this case. City of Tiffin, City of Coralville, and Ruth E. Rarick Trust therefore voluntarily dismisses all claims in the above-captioned cases with prejudice pursuant to Iowa Rule of Civil Procedure 1.943.

GOODWIN LAW OFFICE, P.C.

Robert W. Goodwin, AT0002986
2211 Philadelphia Street, Suite 101
Ames, Iowa 50010-8767
(515) 232-7390
(515) 232-7396 (Fax)

E-mail: goodwinlawoffice@fbx.com
ATTORNEY FOR CITY OF TIFFIN, IOWA

PHELAN TUCKER LAW LLP

Crystal K. Raiber AT0009768
321 E. Market Street
P.O. Box 2150
Iowa City IA 52244-2150
Phone: 319-354-1104
Fax: 319-354-6962
Email: raiber@phelantuckerlaw.com
ATTORNEY FOR CITY OF TIFFIN, IOWA

Kevin D. Olson AT0005986
Coralville City Attorney
1512 7th Street, P.O. Box 5127
Coralville, Iowa 52241
Tel. (319) 248-1700
Fax: (319) 248-1894
E-mail: kolson@coralville.org
**ATTORNEY FOR
CITY OF CORALVILLE, IOWA**

LEFF LAW FIRM LLP

Charles A. Meardon AT0005332
Peter J. Gardner AT0002794
Leff Law Firm
222 South Linn Street
Iowa City, IA 52240
Phone: 319-338-7551
Fax: 319-338-6902
Email: meardon@lefflaw.com
gardner@lefflaw.com
ATTORNEYS FOR RARICK TRUST

EXHIBIT B

IN THE IOWA DISTRICT COURT FOR JOHNSON COUNTY

<p>CLINT POWELL RARICK, Plaintiff</p> <p>vs.</p> <p>CITY OF TIFFIN, IOWA, Defendant.</p>	<p>CASE NO. CVCV082399</p> <p>JOINT DISMISSAL WITH PREJUDICE</p>
<p>RUTH E. RARICK TRUST, Plaintiff</p> <p>vs.</p> <p>CITY OF TIFFIN, IOWA, Defendant.</p>	<p>CASE NO. CVCV082400</p> <p>JOINT DISMISSAL WITH PREJUDICE</p>

COME NOW, City of Tiffin and Clint Powell Rarick and Ruth E. Rarick Trust, by and through the undersigned counsel, and in support of their Joint Dismissal with Prejudice state to the Court as follows:

City of Tiffin and Clint Powell Rarick and Ruth E. Rarick Trust have reached a settlement that resolves all matters in dispute between the parties in this case. City of Tiffin and Clint Powell Rarick and Ruth E. Rarick Trust therefore voluntarily dismiss all claims in the above-captioned cases with prejudice pursuant to Iowa Rule of Civil Procedure 1.943.

GOODWIN LAW OFFICE, P.C.

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ATTORNEY FOR CITY OF TIFFIN, IOWA

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Fax: 319-354-6962
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ATTORNEY FOR CITY OF TIFFIN, IOWA

LEFF LAW FIRM LLP

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Peter J. Gardner AT0002794
Leff Law Firm
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Iowa City, IA 52240
Phone: 319-338-7551
Fax: 319-338-6902
Email: meardon@lefflaw.com
gardner@lefflaw.com
ATTORNEYS FOR RARICK TRUST
ATTORNEY FOR CLINT POWELL RARICK

EXHIBIT B

Resolution No. 2025-15

AUTHORIZING THE EXECUTION OF A SETTLEMENT AGREEMENT BETWEEN THE CITIES OF NORTH LIBERTY, TIFFIN AND CORALVILLE, CLINT RARICK, AND THE RUTH E RARICK TRUST

WHEREAS, the City of North Liberty, Iowa, though not a litigant, has participated in settlement conferences for litigation which involves the Cities of Coralville and Tiffin, the Ruth E. Rarick Trust, and Clint Rarick (the "Parties"), in an effort to bring about a global resolution to those disputes; and

WHEREAS, the City and the Parties have reached an agreement to allow the litigation among the Parties to be finally and fully resolved and, in turn, to facilitate the construction of a roundabout at the intersections of Forevergreen Road and Jasper Avenue; and

WHEREAS, the City and the Parties wish to finalize that agreement, which is attached hereto.

BE IT THEREFORE RESOLVED BY THE CITY OF NORTH LIBERTY, IOWA that the Settlement Agreement between the Parties and the City of North Liberty is approved.

APPROVED AND ADOPTED this 28th day of January, 2025.

CITY OF NORTH LIBERTY:

Chris Hoffman, Mayor

ATTEST:

I, Tracey Mulcahey, City Clerk of the City of North Liberty, hereby certify that at a meeting of the City Council of said City, held on the above date, among other proceedings, the above was adopted.

Tracey Mulcahey, City Clerk

PROPOSAL FOR SERVICES

TO: City of North Liberty

ATTN: Mr. Ryan Heiar, City Administrator
P.O. Box 77
North Liberty, Iowa 52317

PROJECT NAME: NL Forevergreen Road and Jasper Avenue Improvements

DATE: December 9, 2024

PROJECT DESCRIPTION: Design, bidding, and construction phase services for improvements to the Forevergreen Road and Jasper Avenue intersection, including improvements along Jasper Avenue north of Forevergreen Road. Exhibits of the project location, concept improvements, and concept phase project cost opinion are included with this proposal as attachments. All design, bidding, and construction phase services assumes a locally let and locally funded project (non federal-aid project design and construction). The Concept Phase cost opinion for this project is approximately \$7.8M.

The undersigned Client and Shive-Hattery, Inc. (S-H) agree as follows:

SCOPE OF SERVICES: S-H will provide the following professional services:

1. **Design Phase:** Design phase shall include the following services.
 - a. Topographic Survey: We will provide a topographic survey for the project including surface features, topographic information, utilities as located by One-Call, easements, and right-of-way. The survey will be used as the base map for the design plans.
 - b. Design Services: We will provide design services for the roadway improvements project including civil engineering, traffic engineering, electrical engineering, and landscape architecture. Also includes construction phasing and traffic control plans.

The design process will include regular meetings with City staff and assisting with property owner meetings. The process will also include meetings and coordination with representatives from the City of Tiffin, City of Coralville, Iowa DOT, Johnson County, and impacted property owners adjacent to the planned improvements.
 - c. Environmental Review: Shive-Hattery will provide a wetland and Waters of the United States (WOTUS) determination for the project area. The determination will be a general property assessment to determine whether critical areas that may be subject to regulatory review and permitting are present. The determination will be performed by an experienced environmental scientist or engineer. If suspect wetlands or WOTUS are present, the upper boundaries within the project area will be generally identified and mapped as part of baseline determination. A Final Delineation report or any Army Corps of Engineers submittals or permitting are not included within the scope of services but are available as an Additional Service.
 - d. Landscaping Design: We will provide landscaping design for the roundabout at Forevergreen Road and Jasper Avenue intersection. Includes developing two concepts with colored site plans and 3D renderings for City staff review. Upon selection of the preferred concept, final landscaping design will be completed. Deliverables will include preparing and issuing 3D renderings that reflect the final design.



- e. **Permitting:** We will prepare and submit the following permit applications:
- i. DNR NPDES
 - ii. DNR Water Main Construction
 - iii. Iowa DOT Work in Right-of-Way (if required)
- f. **Utilities:** We will provide initial notification to utility companies within the project limits and conduct one preliminary coordination meeting with City and utility company representatives. We will continue to coordinate the project with affected franchise utility companies within the project area.
- g. **Acquisition and Easement Descriptions:** We will prepare necessary temporary and permanent easement and right-of-way legal descriptions and exhibits as needed for the project. Along with City staff, we will attend meetings with affected property owners to discuss easement acquisitions, if required.
- e. **Construction Documents:** Construction documents will consist of preparing complete plans and specifications for public bidding and construction. The package will be reviewed and approved by City staff prior to bidding. Document preparation and submission schedule assume a locally let and locally funded project.
- f. **Cost Opinion:** We will prepare opinions of probable construction costs for the project. Updated cost opinions will be prepared and reviewed with City staff as a deliverable with each preliminary and final design phase submittal package.
- g. **Project Manual:** We will prepare a project manual including bidding documents, construction contract, and technical project specifications for the project.
2. **Geotechnical Investigation:** Soil borings shall be obtained along Forevergreen Road and Jasper Avenue. Six borings are anticipated. A soils report shall be prepared addressing recommended pavement section and potential subgrade treatment options. The report shall be prepared by a geotechnical engineer (Terracon Consultants). The geotechnical investigation to be included as part of the design phase of the project.
3. **Iowa Department of Transportation (Iowa DOT) Peer Review:** Upon agreement of the roundabout layout, Shive-Hattery will coordinate with the Iowa DOT's Roundabout Peer Review Program for the intersection of Forevergreen Road and Jasper Avenue. This review process is provided at no cost to the City and will be included as part of the design phase of the project. The review program will provide a third-party evaluation of the effectiveness of the geometric layout and of the roundabout performance criteria that apply to the functionality and traffic flow through the intersection. Performance checks include:
- Fastest Path Analysis
 - Truck Turning Movements (Design Vehicle is assumed to be a WB-67)
 - Phi-Angle Analysis
 - Sight Distance Criteria
 - Attendance of up to two virtual meetings with Iowa DOT Peer Reviewer to discuss results of review and areas to improve design.
4. **Bidding Phase:** Services include preparation of documents for a public bid process, distribution of contract documents to potential bidders, issuing clarifications and answering contractor questions, issuing addenda as needed, attending the bid opening, preparing tabulation of bids, and providing a recommendation to the Owner regarding award of contract. Bidding phase services assume a locally let and locally funded project.

5. **Construction Phase:** Services include the following based upon an estimated nine-month primary construction period. Construction phase services assume a locally let and locally funded project.
- a. Prepare and distribute construction contract and Notice to Proceed.
 - b. Review form of contract, bonds, and insurance.
 - c. Schedule and facilitate a preconstruction meeting to communicate schedule and the administrative details of the project.
 - d. Provide construction staking.
 - e. Provide weekly SWPPP inspection in accordance with General Permit #2.
 - f. Provide construction testing including subgrade compaction and concrete testing.
 - g. Provide construction observation at appropriate intervals to determine if the work is proceeding in general conformance with the contract documents.
 - h. Facilitate and participate with construction progress meetings. Prepare weekly construction progress reports.
 - i. Review contractor submittals. Issue clarifications and authorize changes to the contract documents. Negotiate and prepare change orders as needed.
 - j. Review payment applications and provide recommendation to Owner for payment.
 - j. Provide final review of work to determine if work has been completed satisfactorily. Prepare list of deficient items to the contractor as needed. Review final payment application, bonds, and provide recommendation to Owner for final acceptance.
 - k. Prepare Record Drawings as provided by the Contractor and submit to the Owner.

CLIENT RESPONSIBILITIES: It will be your responsibility to provide the following:

- 1. Participation at design review meetings and review of design phase submittals. Provide authorization to proceed with final design and bid letting.
- 2. Schedule and conduct informational meeting(s) with the public as deemed necessary.
- 3. Provide and acquire the necessary right-of-way and/or easements as required for construction of the project. Schedule and meet with affected property owners to discuss easements required for the project.
- 4. Environmental permitting or mitigation if required.
- 5. Provide daily construction observation services to monitor progress of the project and provide on-site communications with the Contractor, engineer, and adjacent property owners.
- 6. Provide funding for the project.

SCHEDULE: We will begin our services immediately after execution of this Agreement. The services will be completed in a timely manner. We understand that the project schedule goal is for bidding to occur at the end of the 2025 calendar year with construction to begin early 2026.

COMPENSATION: We will provide the Scope of Services for the following fee plus the actual cost of reimbursable expenses, as incurred (Fees assume a locally let and locally funded project):

Design and Bidding Phase	\$ 592,000	Lump Sum
Construction Phase	\$ 394,000	Hourly (estimated)
Reimbursable Expenses	<u>\$ 10,000</u>	As incurred (estimated)
Total	\$ 996,000	

We will not proceed with Bidding or Construction Phase services until authorized by the City.

ADDITIONAL SERVICES: Additional services requested that are not included in the Scope of Services will be provided at standard hourly rates. Additional services may include design of structural walls and aesthetic monument signage (similar to North Liberty Rd and Dubuque St roundabout), wetland delineation and applicable permitting if required, assistance with environmental mitigation if required, fly-through or drive-through video renderings of project, public outreach assistance consisting of tutorial or instructional materials for usage of the roundabout. Additional services may also include sanitary sewer design and associated permitting, traffic counts and traffic studies.

AGREEMENT: This proposal shall become the Agreement for Services when signed and dated by both parties. The attached **STANDARD TERMS AND CONDITIONS** are made a part of this proposal and Agreement for Services. Please return a signed copy to us.

ACKNOWLEDGEMENT OF OFFER AND ACCEPTANCE:

Proposal accepted and work is authorized to proceed:

THE CITY OF NORTH LIBERY, IOWA

SHIVE-HATTERY, INC.

BY: _____

Michael J. Janecek, P.E.
Project Manager

TITLE: _____

DATE ACCEPTED: _____

MJJ/mjv

- Enc.: Standard Terms and Conditions
- Forevergreen Road and Jasper Avenue Concept Drawings
- Opinion of Probable Construction Costs

STANDARD TERMS AND CONDITIONS

PARTIES

"S-H" or "Shive-Hattery" shall mean Shive-Hattery, Inc., Shive-Hattery A/E Services, P.C., Helix Design Group, a Division of Shive-Hattery, Inc., Shive-Hattery New Jersey, Inc., WSM, a Division of Shive-Hattery, Inc., or KdG, a Division of Shive-Hattery, Inc. and "CLIENT" shall mean the person or entity executing this Agreement with "S-H."

LIMITATION OF LIABILITY AND WAIVER OF CERTAIN DAMAGES

The CLIENT agrees, to the fullest extent of the law, to limit the liability of S-H, its officers, directors, shareholders, employees, agents, subconsultants, affiliated companies, and any of them, to the CLIENT and any person or entity claiming by or through the CLIENT, for any and all claims, damages, liabilities, losses, costs, and expenses including reasonable attorneys' fees, experts' fees, or any other legal costs, in any way related to the Project or Agreement from any cause(s) to an amount that shall not exceed *five million dollars (\$5,000,000)*. The parties intend that this limitation of liability apply to any and all liability or cause of action, claim, theory of recovery, or remedy however alleged or arising, including but not limited to negligence, errors or omissions, strict liability, breach of contract or warranty, express, implied or equitable indemnity and all other claims, which except for the limitation of liability above, the CLIENT waives.

CLIENT hereby releases S-H, its officers, directors, shareholders, employees, agents, subconsultants, affiliated companies, and any of them, and none shall be liable to the CLIENT for consequential, special, exemplary, punitive, indirect or incidental losses or damages, including but not limited to loss of use, loss of product, cost of capital, loss of goodwill, lost revenues or loss of profit, interruption of business, down time costs, loss of data, cost of cover, or governmental penalties or fines.

INDEMNIFICATION

Subject to the limitation of liability in this Agreement, S-H agrees to the fullest extent permitted by law, to indemnify and hold harmless the CLIENT, its officers, directors, shareholders, and employees against all claims, damages, liabilities, losses or costs, including reasonable attorneys' fees, experts' fees, or other legal costs to the extent caused by S-H's negligent performance of service under this Agreement and that of its officers, directors, shareholders, and employees.

The CLIENT agrees to the fullest extent permitted by law, to indemnify and hold harmless S-H, its officers, directors, shareholders, employees, subconsultants, and affiliated companies against all damages, liabilities, losses, costs, and expenses including, reasonable attorneys' fees, expert's fees, and any other legal costs to the extent caused by the acts or omissions of the CLIENT, its employees, agents, contractors, subcontractors, consultants or anyone for whom the CLIENT is legally liable.

HAZARDOUS MATERIALS - INDEMNIFICATION

To the fullest extent permitted by law, CLIENT agrees to defend, indemnify, and hold S-H, its officers, directors, shareholders, employees, agents, consultants and affiliated companies, and any of them harmless from and against any and all claims, liabilities, losses, costs, or expenses including reasonable attorney's fees, experts' fees and any other legal costs (including without limitation damages to property, injuries or death to persons, fines, or penalties), arising out of, or resulting from the discharge, escape, release, or saturation of smoke, vapors, soot, fumes, acids, alkalies, toxic chemicals, liquids, gases, polychlorinated biphenyl, petroleum contaminants spores, biological toxins, or any other materials, irritants, contaminants, or pollutants in or into the atmosphere, or on, onto, upon, in, or into the surface or subsurface of soil, water, or watercourses, objects, or any tangible or intangible matter, whether sudden or not.

STANDARD OF CARE

Services provided by S-H under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances on projects of similar size, complexity, and geographic location as that of the Project. Nothing in this Agreement is intended to create, nor shall it be construed to create, a fiduciary duty owed by either party to the other party.

BETTERMENT

The CLIENT recognizes and expects that certain change orders may be required to be issued as the result in whole or part of imprecision, incompleteness, omissions, ambiguities, or inconsistencies in S-H's drawings, specifications, and other design, bidding or construction documentation furnished by S-H or in other professional services performed or furnished by S-H under this Agreement (herein after in this Betterment section referred to as S-H Documentation). If a required item or component of the Project is omitted from S-H's Documentation, the CLIENT is responsible for paying all costs required to add such item or component to the extent that such item or component would have been required and included in the original S-H Documentation. In no event will S-H be responsible for costs or expense that provides betterment or upgrades or enhances the value of the Project.

RIGHT OF ENTRY

The CLIENT shall provide for entry for the employees, agents and subcontractors of S-H and for all necessary equipment. While S-H shall take reasonable precautions to minimize any damage to property, it is understood by the CLIENT that in the normal course of the project some damages may occur, the cost of correction of which is not a part of this Agreement.

PAYMENT

Unless otherwise provided herein, invoices will be prepared in accordance with S-H's standard invoicing practices then in effect and will be submitted to CLIENT each month and at the completion of the work on the project. Invoices are due and payable upon receipt by the CLIENT. If the CLIENT does not make payment within thirty (30) days after the date the invoice was mailed to the CLIENT, then the amount(s) due S-H shall bear interest due from the date of mailing at the lesser interest rate of 1.5% per month compounded or the maximum interest rate allowed by law. In the event that S-H files or takes any action, or incurs any costs, for the collection of amounts due it from the client, S-H shall be entitled to recover its entire cost for attorney fees and other collection expenses related to the collection of amounts due it under this Agreement. Any failure to comply with this term shall be grounds for a default termination.

TERMINATION

Either party may terminate this Agreement for convenience or for default by providing written notice to the other party. If the termination is for default, the non-terminating party may cure the default before the effective date of the termination and the termination for default will not be effective. The termination for convenience and for default, if the default is not cured, shall be effective seven (7) days after receipt of written notice by the non-terminating party. In the event that this Agreement is terminated for the convenience of either party or terminated by S-H for the default of the CLIENT, then S-H shall be paid for services performed to the termination effective date, including reimbursable expenses due, and termination expenses attributable to the termination. In the event the CLIENT terminates the Agreement for the default of S-H and S-H does not cure the default, then S-H shall be paid for services performed to the termination notice date, including reimbursable expenses due, but shall not be paid for services performed after the termination notice date and shall not be paid termination expenses. Termination expenses shall include expenses reasonably incurred by S-H in connection with the termination of the Agreement or services, including, but not limited to, closing out Project records, termination of subconsultants and other persons or entities whose services were retained for the Project, and all other expenses directly resulting from the termination.

INFORMATION PROVIDED BY OTHERS

S-H shall indicate to the CLIENT the information needed for rendering of services hereunder. The CLIENT shall provide to S-H such information, including electronic media, as is available to the CLIENT and the CLIENT's consultants and contractors, and S-H shall be entitled to rely upon the accuracy and completeness thereof. The CLIENT recognizes that it is difficult for S-H to assure the accuracy, completeness and sufficiency of such client-furnished information, either because it is provided by others or because of errors or omissions which may have occurred in assembling the information the CLIENT is providing. Accordingly, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless S-H, its officers, directors, shareholders, employees, agents, subconsultants and affiliated companies, and any of them, from and against any and all claims, liabilities, losses, costs, expenses (including reasonable attorneys' fees, experts' fees, and any other legal costs) for injury or loss arising or allegedly arising from errors, omissions or inaccuracies in documents or other information provided by the CLIENT.

UNDERGROUND UTILITIES

Information for location of underground utilities may come from the CLIENT, third parties, and/or research performed by S-H or its subcontractors. S-H will use the standard of care defined in this Agreement in providing this service. The information that S-H must rely on from various utilities and other records may be inaccurate or incomplete. Therefore, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless S-H, its officers, directors, shareholders, employees agents, subconsultants, affiliated companies, and any of them for all claims, losses, costs and damages arising out of the location of underground utilities provided or any information related to underground utilities by S-H under this Agreement.

CONTRACTOR MATTERS

CLIENT agrees that S-H shall not be responsible for the acts or omissions of the CLIENT's contractor, or subcontractors, their employees, agents, consultants, suppliers or arising from contractor's or subcontractors' work, their employees, agents, consultants, suppliers or other entities that are responsible for performing work that is not in conformance with the construction Contract Documents, if any, prepared by S-H under this Agreement. S-H shall not have responsibility for means, methods, techniques, sequences, and progress of construction of the contractor, subcontractors, agents, employees, agents, consultants, or other entities. In addition, CLIENT agrees that S-H is not responsible for safety at the project site and that safety during construction is for the CLIENT to address in the contract between the CLIENT and contractor.

SHOP DRAWING REVIEW

If, as part of this Agreement S-H reviews and approves Contractor submittals, such as shop drawings, product data, samples and other data, as required by S-H, these reviews and approvals shall be only for the limited purpose of checking for conformance with the design concept and the information expressed in the contract documents. This review shall not include review of the accuracy or completeness of details, such as quantities, dimensions, weights or gauges, fabrication processes, construction means or methods, coordination of the work with other trades or construction safety precautions, all of which are the sole responsibility of the Contractor. S-H's review shall be conducted with reasonable promptness while allowing sufficient time in S-H's judgment to permit adequate review. Review of a specific item shall not indicate that S-H has reviewed the entire assembly of which the item is a component. S-H shall not be responsible for any deviations from the contract documents not brought to the attention of S-H in writing by the Contractor. S-H shall not be required to review partial submissions or those for which submissions of correlated items have not been received.

OPINIONS OF PROBABLE COST

If, as part of this Agreement S-H is providing opinions of probable construction cost, the CLIENT understands that S-H has no control over costs or the price of labor, equipment or materials, or over the Contractor's method of pricing, and that S-H's opinions of probable construction costs are to be made on the basis of S-H's qualifications and experience. S-H makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

CONSTRUCTION OBSERVATION

If, as part of this Agreement S-H is providing construction observation services, S-H shall visit the project at appropriate intervals during construction to become generally familiar with the progress and quality of the contractors' work and to determine if the work is proceeding in general accordance with the Contract Documents. Unless otherwise specified in the Agreement, the CLIENT has not retained S-H to make detailed inspections or to provide exhaustive or continuous project review and observation services. S-H does not guarantee the performance of, and shall have no responsibility for, the acts or omissions of any contractor, its subcontractors, employees, agents, consultants, suppliers or any other entities furnishing materials or performing any work on the project.

S-H shall advise the CLIENT if S-H observes that the contractor is not performing in general conformance of Contract Documents. CLIENT shall determine if work of contractor should be stopped to resolve any problems.

OTHER SERVICES

The CLIENT may direct S-H to provide other services including, but not limited to, any additional services identified in S-H's proposal. If S-H agrees to provide these services, then the schedule shall be reasonably adjusted to allow S-H to provide these services. Compensation for such services shall be at S-H's Standard Hourly Fee Schedule in effect at the time the work is performed unless there is a written Amendment to Agreement that contains an alternative compensation provision.

OWNERSHIP & REUSE OF INSTRUMENTS OF SERVICE

All reports, plans, specifications, field data and notes and other documents, including all documents on electronic media, prepared by S-H as instruments of service shall remain the property of S-H. The CLIENT shall not reuse or make any modifications to the plans and specifications without the prior written authorization of S-H. The CLIENT agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless S-H its officers, directors, shareholders, employees, agents, subconsultants and affiliated companies, and any of them from any and all claims, losses, costs or damages of any nature whatsoever arising out of, resulting from or in any way related to any unauthorized reuse or modifications of the construction documents by the CLIENT or any person or entity that acquires or obtains the plans and specifications from or through the CLIENT without the written authorization of S-H.

DISPUTE RESOLUTION

If a dispute arises between S-H and CLIENT, the executives of the parties having authority to resolve the dispute shall meet within thirty (30) days of the notification of the dispute to resolve the dispute. If the dispute is not resolved within such thirty (30) day time period, CLIENT and S-H agree to submit to non-binding mediation prior to commencement of any litigation and that non-binding mediation is a precondition to any litigation. Any costs incurred directly for a mediator, shall be shared equally between the parties involved in the mediation.

EXCUSABLE EVENTS

S-H shall not be responsible or liable to CLIENT or CLIENT's contractors, consultants, or other agents for any of the following events or circumstances, or the resulting delay in S-H's services, additional costs and expenses in S-H's performance of its services, or other effects in S-H's services, stemming in whole or part from such events and circumstances (collectively, "Excusable Events" or, singularly, an "Excusable Event"): a change in law, building code or applicable standards; actions or inactions by a governmental authority; the presence or encounter of hazardous or toxic materials on the Project; war (declared or undeclared) or other armed conflict; terrorism; sabotage; vandalism; riot or other civil disturbance; blockade or embargos; explosion; abnormal weather; unanticipated or unknown site conditions; epidemic or pandemic (including but not limited to COVID-19), delays or other effects arising from government-mandated or government-recommended quarantines, closure of business, access, or travel; strike or labor dispute, lockout, work slowdown or stoppage; accident; act of God; failure of any governmental or other regulatory authority to act in a timely manner; acts or omissions by CLIENT or by any CLIENT's contractors, consultants or agents of any level on the project (including, without limitation, failure of the CLIENT to furnish timely information or approve or disapprove of S-H's services or work product promptly, delays in the work caused by CLIENT, CLIENT's suspension, breach or default of this Agreement, or delays caused by faulty performance by the CLIENT or by CLIENT's contractors, consultants, or agents of any level); or any delays or events outside the reasonable control of S-H. When an Excusable Event occurs, the CLIENT agrees S-H is not responsible for any actual or claimed damages incurred by CLIENT or CLIENT's contractors, consultants, or agents, S-H shall not be deemed to be in default of this Agreement, and S-H shall be entitled to a change order to equitably increase and extend S-H's time for performance of its services, as well as equitably increase the contract sum to compensate S-H for its increased labor, expenses, and other costs to perform its services, due to the Excusable Event.

ASSIGNMENT

Neither party to this Agreement shall transfer, sublet or assign any rights under or interest in this Agreement (including but not limited to monies that are due or monies that may be due) without the prior written consent of the other party.

SEVERABILITY, SURVIVAL AND WAIVER

Any provision of this Agreement later held to be unenforceable for any reason shall be deemed void, and all remaining provisions

shall continue in full force and effect. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the CLIENT and S-H shall survive the completion of the services hereunder and the termination of this Agreement. The failure of a party to insist upon strict compliance of any term hereof shall not constitute a waiver by that party of its rights to insist upon strict compliance at a subsequent date.

GOVERNING LAW

This Agreement shall be governed pursuant to the laws in the state that the project is located.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of S-H to provide equal employment opportunities for all. S-H enforces the following acts and amendments as presented by Federal government or State governments: Title VII of the Civil Rights Act of 1965, Age Discrimination in Employment ACT (ADEA), Americans With Disabilities Act (ADA), Iowa Civil Rights Act of 1965, and Illinois Human Rights Act [775ILCS 5]. S-H will not discriminate against any employee or applicant because of race, creed, color, religion, sex, national origin, gender identity, sexual orientation, marital status, ancestry, veteran status, or physical or mental handicap, unless related to performance of the job with or without accommodation.

HARASSMENT

If either party becomes aware of any form of harassing conduct by the other party's employees, agents, contractors, consultants, vendors, or affiliated companies, the party receiving the harassing conduct will promptly investigate the reported conduct and take appropriate action that may include termination of this Agreement by providing written notice to the other party. Prior to the written notice to terminate, all applicable obligations contained in this Agreement by either party remain in effect. Harassment conduct includes any verbal, physical, and visual or pictorial content that creates an intimidating, offensive, obscene, or hostile working environment, unwanted and unsolicited verbal comments, sexual advances or innuendo, unwelcome jokes or banter, threats, or derogatory comments.

COMPLETE AGREEMENT

This Agreement constitutes the entire and integrated agreement between the CLIENT and S-H and supersedes all prior negotiations, representations and agreements, whether oral or written. In the event the CLIENT issues a Purchase Order of which this Agreement becomes a part, or the CLIENT and S-H otherwise execute or enter into a contract into which this Agreement is incorporated, the parties expressly agree that, to the extent the terms of this Agreement conflict with or are otherwise inconsistent with such Purchase Order, or any other contract, this Agreement shall supersede and override the terms of the aforementioned documents, and this Agreement shall solely govern in those regards.

ACCEPTANCE

Wet signatures, digital signatures, electronic signatures or acceptance communicated by mail or e-mail from one party to another, are deemed acceptable for binding the parties to the Agreement. The CLIENT representative accepting this Agreement warrants that he or she is authorized to enter into this Agreement on behalf of the CLIENT.

Includes project costs associated with Forevergreen Road and Jasper Avenue Intersection Reconstruction and Jasper Avenue Improvements project.

PROJECT LOCATION	UNIT	QUANTITY	UNIT COST	EXTENDED COST	NOTES
ROUNDAABOUT IMPROVEMENTS - NORTH LIBERTY (50%) *	LS	0.50	\$ 4,032,000	\$ 2,016,000	See Page 2
ROUNDAABOUT IMPROVEMENTS - TIFFIN (50%) *	LS	0.50	\$ 4,032,000	\$ 2,016,000	See Page 2
JASPER AVENUE IMPROVEMENTS - NORTH LIBERTY (100%) **	LS	1.00	\$ 2,716,000	\$ 2,716,000	See Page 3
OPINION OF PROBABLE CONSTRUCTION COST =				\$ 6,748,000	
Engineering, Legal, Administration (15%) =				\$ 1,012,000	
*** TOTAL OPINION OF PROBABLE PROJECT COST =				\$ 7,760,000	

* Costs associated with Roundabout Improvements to be 50% North Liberty cost and 50% Tiffin cost.

** Costs associated with Jasper Avenue Improvements to be 100% North Liberty cost.

*** Total does not include costs for easements and acquisitions, utility relocation, and environmental mitigation, if required.



Forevergreen Road and Jasper Avenue Improvements - Dual Lane Roundabout

OPINION OF ANTICIPATED CONSTRUCTION COSTS

Concept Phase - 12/09/2024

DESCRIPTION: Realignment of Forevergreen Road and Jasper Avenue to correct offset intersection (dual lane roundabout), including temporary access roads within phasing.

ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	EXTENDED COST
1 CLEARING & GRUBBING	UNIT	500	\$ 50	\$ 25,000
2 EXCAVATION, CL 10, ROADWAY AND BORROW	CY	35,000	\$ 10	\$ 350,000
3 TOPSOIL, IMPORT	CY	1,500	\$ 55	\$ 82,500
4 MODIFIED SUBBASE	CY	2,200	\$ 48	\$ 105,600
5 STANDARD OR SLIP FORM PCC PAVEMENT, CLASS C, CLASS 3 DURABILITY, 10 IN.	SY	9,630	\$ 75	\$ 722,250
6 BRICK PAVER MEDIAN ISLANDS AND TRUCK APRON	SY	1,970	\$ 230	\$ 453,100
7 SIDEWALK/TRAIL, 6 IN	SY	1,850	\$ 60	\$ 111,000
8 INTAKE, SW-510	EACH	20	\$ 6,500	\$ 130,000
9 INTAKE, SW-505	EACH	1	\$ 6,000	\$ 6,000
10 SUBDRAIN, 6-IN, LONGITUDINAL	LF	2,000	\$ 15	\$ 30,000
11 SUBDRAIN OUTLETS	EACH	42	\$ 300	\$ 12,600
12 STORM SEWER, RCP, 2000D (CIII) SMALL	LF	1,733	\$ 100	\$ 173,300
13 FLARED END SECTION	EACH	4	\$ 4,000	\$ 16,000
14 REMOVAL OF CONCRETE	SY	7,550	\$ 14	\$ 105,700
15 SIGNAGE	LS	1	\$ 10,000	\$ 10,000
16 PAINTED PAVEMENT MARKINGS, SYMBOLS	EACH	12	\$ 350	\$ 4,200
17 PAINTED PAVEMENT MARKINGS, DURABLE	STA	250	\$ 200	\$ 50,000
18 ROADWAY LIGHTING	LS	1	\$ 120,000	\$ 120,000
19 TRAFFIC CONTROL	LS	1	\$ 65,000	\$ 65,000
20 MOBILIZATION	LS	1	\$ 215,000	\$ 215,000
21 EROSION CONTROL AND SEEDING	ACRE	2.5	\$ 45,000	\$ 112,500
22 LANDSCAPED CENTER ISLAND	LS	1	\$ 110,000	\$ 110,000
22 TEMPORARY PAVEMENT, GRADING AND ACCESS PHASING	LS	1	\$ 350,000	\$ 350,000
24 CONTINGENCY (20%)	LS	1	\$ 672,000	\$ 672,000

Opinion of Probable Construction Cost = \$ 4,032,000
 Engineering, Legal, Administration (15%) = \$ 605,000

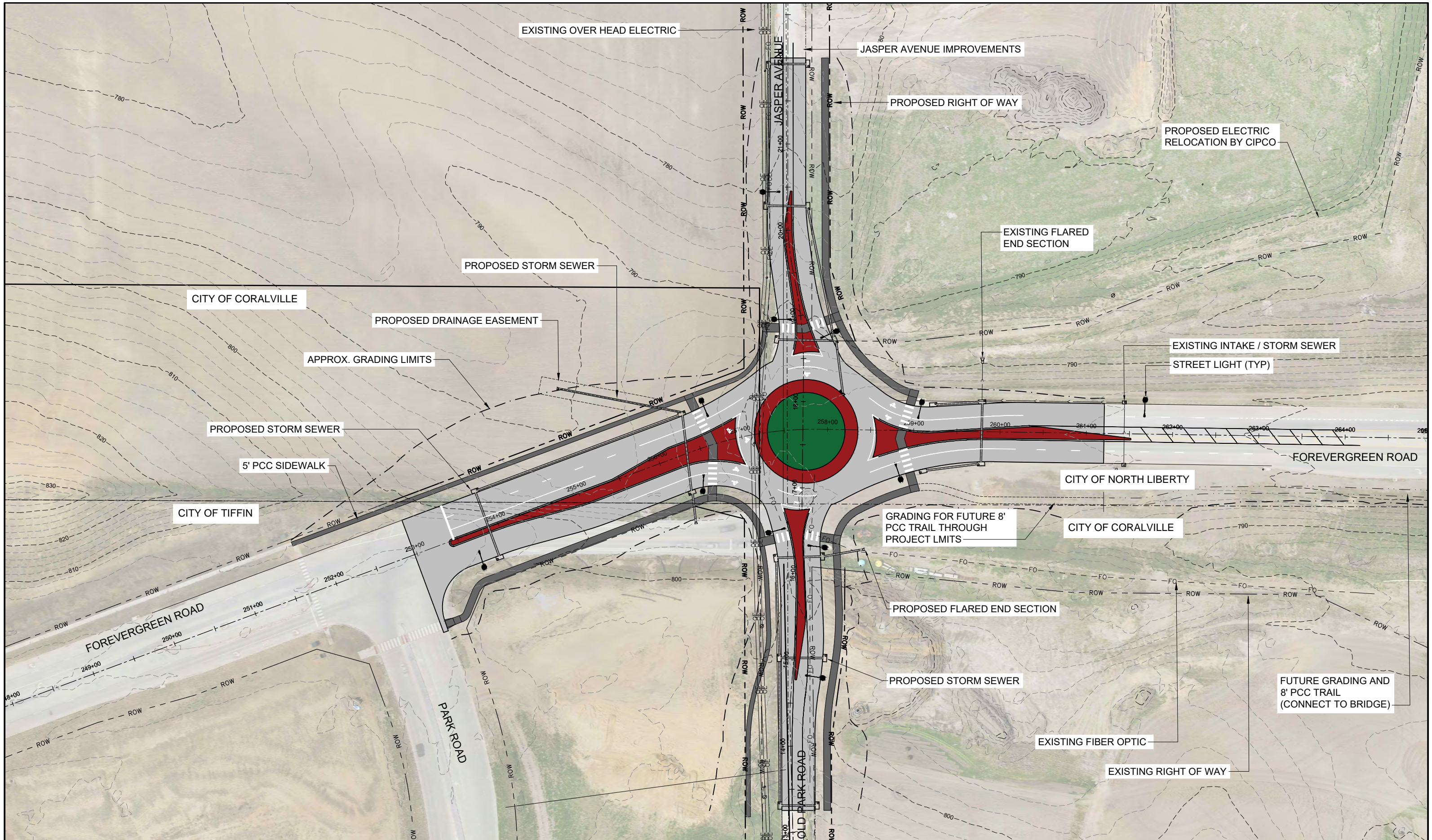
*** TOTAL OPINION OF PROBABLE PROJECT COST = \$ 4,637,000**

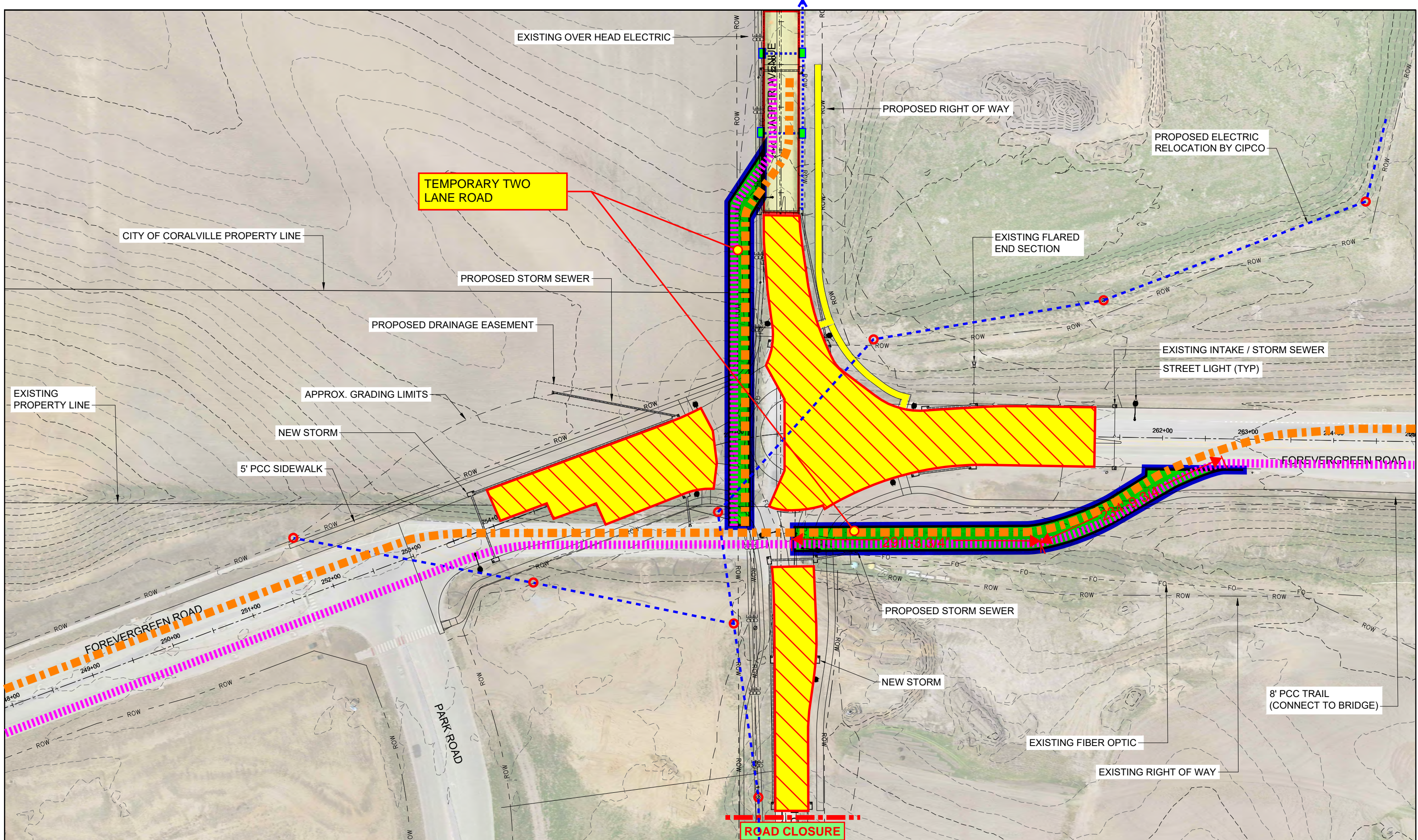
* Total does not include costs for easements and acquisitions, utility relocation, and environmental mitigation, if required.

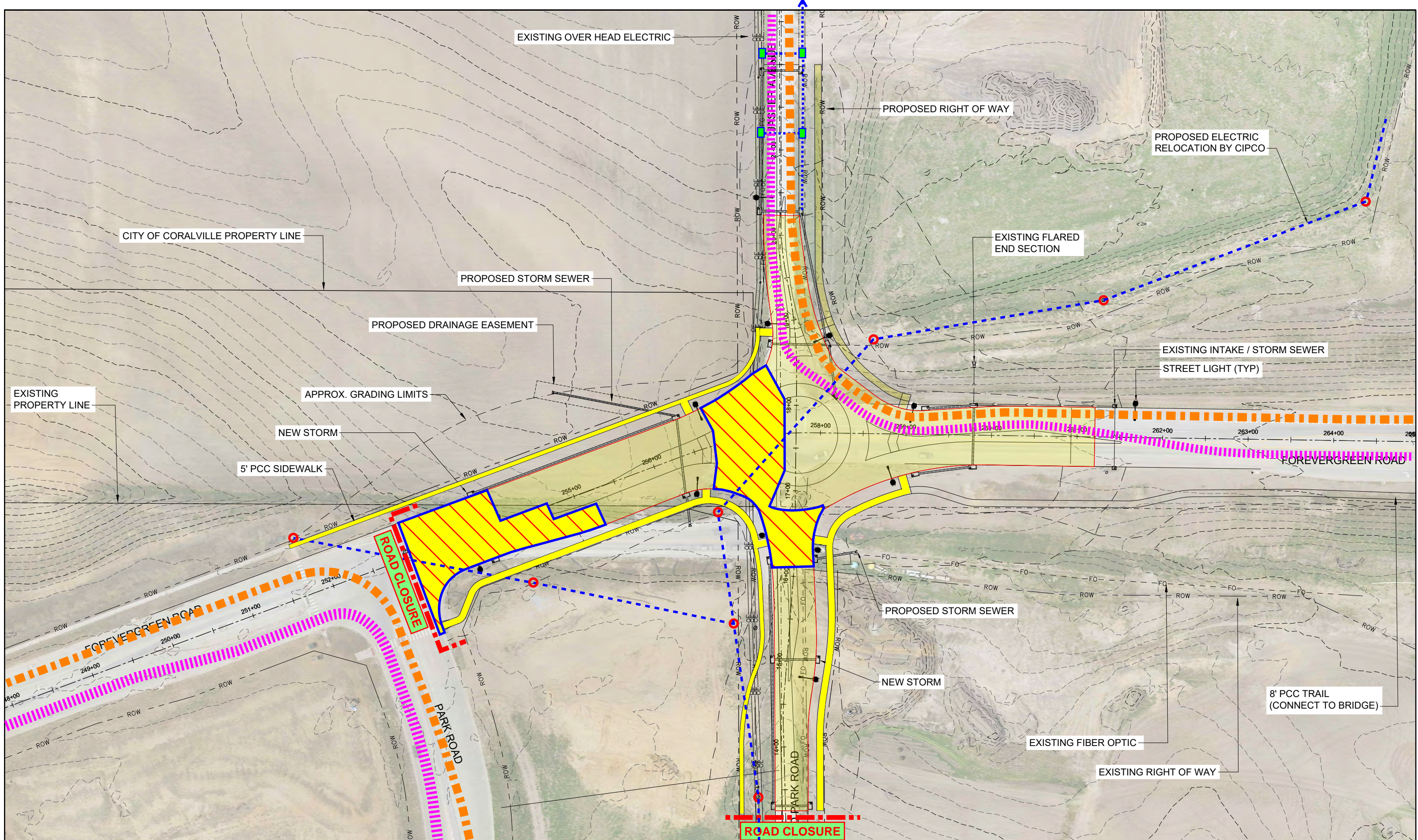
DESCRIPTION: Reconstruct Jasper Avenue north of Forevergreen Road as a 41-foot and 31-foot wide new urban section PCC Roadway. Project includes 8-ft wide walk, 12-in. watermain with appurtenances, and storm sewer.

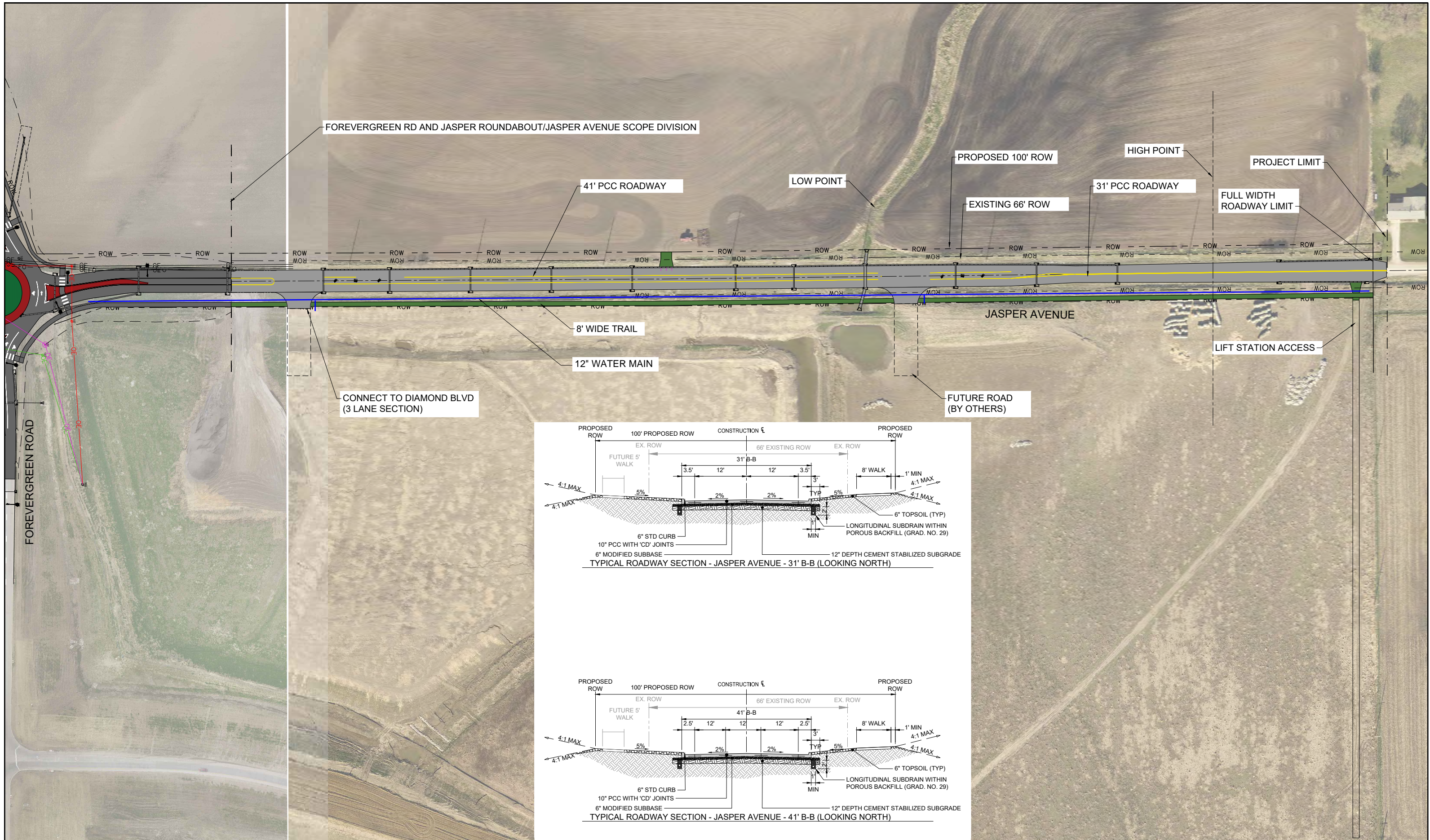
ITEM	UNIT	QUANTITY	UNIT COST	EXTENDED COST
1 CLEARING & GRUBBING	LS	1	\$ 5,000	\$ 5,000
2 EXCAVATION, CL 10, ROADWAY AND BORROW	CY	6,000	\$ 10	\$ 60,000
3 TOPSOIL STRIP, SALVAGE & SPREAD	CY	1,200	\$ 10	\$ 12,000
4 MODIFIED SUBBASE	CY	1,875	\$ 48	\$ 90,000
5 STANDARD OR SLIP FORM PCC PAVEMENT, CLASS C, CLASS 3 DURABILITY, 10 IN.	SY	9,750	\$ 70	\$ 682,500
6 SIDEWALK/TRAIL, 6 IN	SY	1,880	\$ 60	\$ 112,800
7 DRIVEWAY, PCC, 6 IN.	SY	70	\$ 80	\$ 5,600
8 DETECTABLE WARNINGS	SF	64	\$ 80	\$ 5,120
9 INTAKE, SW-510	EACH	26	\$ 6,500	\$ 169,000
10 SUBDRAIN, 6-IN, LONGITUDINAL	LF	4,300	\$ 15	\$ 64,500
11 SUBDRAIN OUTLETS	EACH	54	\$ 350	\$ 18,900
12 STORM SEWER, RCP, 2000D (CIII) SMALL	LF	1,260	\$ 100	\$ 126,000
13 STORM SEWER, RCP, 2000D (CIII) LARGE	LF	1,110	\$ 175	\$ 194,250
14 FLARED END SECTION, SMALL	EACH	2	\$ 4,000	\$ 8,000
15 FLARED END SECTION, LARGE	EACH	2	\$ 5,000	\$ 10,000
16 REVETMENT, CLASS E	TON	100	\$ 75	\$ 7,500
17 SUBGRADE STABILIZATION, CEMENT TREATMENT	SY	10,720	\$ 9	\$ 96,480
18 SIGNAGE	LS	1	\$ 5,000	\$ 5,000
19 PAINTED PAVEMENT MARKINGS, SYMBOLS	EACH	12	\$ 350	\$ 4,200
20 PAINTED PAVEMENT MARKINGS, DURABLE	STA	85	\$ 200	\$ 17,000
21 TRAFFIC CONTROL	LS	1	\$ 25,000	\$ 25,000
22 MOBILIZATION	LS	1	\$ 200,000	\$ 200,000
23 EROSION CONTROL AND SEEDING	ACRE	3.0	\$ 25,000	\$ 75,000
24 WATER MAIN, TRENCHED, PVC, 12 IN.	LF	2,560	\$ 85	\$ 217,600
25 FITTINGS, DUCTILE IRON, 12 IN.	EACH	4	\$ 1,000	\$ 4,000
26 VALVE, GATE, DIP, 12 IN.	EACH	14	\$ 4,750	\$ 66,500
27 FIRE HYDRANT ASSEMBLY, WM-201	EACH	10	\$ 8,000	\$ 80,000
28 CONTINGENCY (15%)	LS	1	\$ 354,000	\$ 354,000
Sub-Total Construction				\$ 2,716,000
Engineering, Legal, Administration (15%)				\$ 407,000
*TOTAL \$				3,123,000

* Total does not include costs for easements and acquisitions, utility relocation, and environmental mitigation, if required.









FOREVERGREEN RD AND JASPER ROUNDABOUT/JASPER AVENUE SCOPE DIVISION

41' PCC ROADWAY

LOW POINT

PROPOSED 100' ROW

HIGH POINT

PROJECT LIMIT

31' PCC ROADWAY

EXISTING 66' ROW

FULL WIDTH ROADWAY LIMIT

JASPER AVENUE

8' WIDE TRAIL

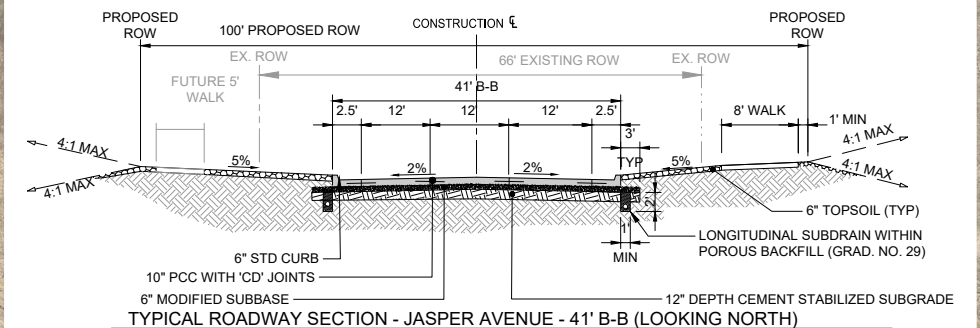
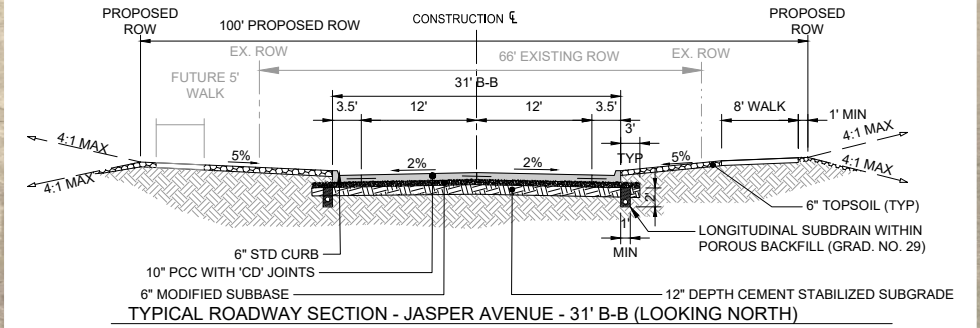
LIFT STATION ACCESS

CONNECT TO DIAMOND BLVD
(3 LANE SECTION)

12" WATER MAIN

FUTURE ROAD
(BY OTHERS)

FOREVERGREEN ROAD



Resolution No. 2025-16

AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR ENGINEERING DESIGN SERVICES BETWEEN THE CITY OF NORTH LIBERTY AND SHIVE-HATTERY, INC.

WHEREAS, the City of North Liberty, Iowa, has executed a 28E agreement with the City of Tiffin, the City of Coralville, and Johnson County to construct a roundabout at the intersection of Forevergreen Road and Jasper Avenue (the "Project"); and

WHEREAS, the City wishes to engage Shive-Hattery, Inc. for the purpose of providing engineering design services for the Project; and

WHEREAS, the Project cannot go forward without the prior execution of the settlement agreement described in North Liberty Resolution No. 2025-15 (the "Settlement Agreement"); and

WHEREAS, the City and Shive-Hattery have reached agreeable terms for the engineering design services which have been reduced to writing and are attached hereto.

BE IT THEREFORE RESOLVED BY THE CITY OF NORTH LIBERTY, IOWA that the agreement for Project Engineering Design services between Shive-Hattery, Inc. and the City of North Liberty is approved, subject to the full execution of the Settlement Agreement by all Parties thereto.

APPROVED AND ADOPTED this 28th day of January, 2025.

EFFECTIVE DATE: This Resolution shall become effective upon the full execution of the Settlement Agreement by and between the Cities of North Liberty, Coralville, Tiffin, the Ruth E. Rarick Trust, and Clint Rarick, which is integrated into North Liberty Resolution No. 2025-15.

CITY OF NORTH LIBERTY:

Chris Hoffman, Mayor

ATTEST:

I, Tracey Mulcahey, City Clerk of the City of North Liberty, hereby certify that at a meeting of the City Council of said City, held on the above date, among other proceedings, the above was adopted.

Tracey Mulcahey, City Clerk



Assessment Resolution

Resolution No. 2025-17

**RESOLUTION ASSESSING AN AMOUNT OWED TO THE CITY
OF NORTH LIBERTY, IOWA TO INDIVIDUAL PROPERTY
TAXES**

WHEREAS, the following individual has not paid the amount listed below which are due and payable to the City of North Liberty as follows:

<u>Name</u>	<u>Property</u>	<u>Parcel</u>	<u>Amount</u>	<u>Description</u>
Mimi Bosko	1562 Cook Circle	0624182021	\$2,620.00	Curb Stop Repair

WHEREAS, diligent effort has been made to collect said amount; and

WHEREAS, under the terms of the Municipal Code of North Liberty §§ 90.10 and 90.11, this amount should be certified and assessed to the property.

NOW, THEREFORE, BE IT RESOLVED THAT that the City Clerk is hereby authorized and directed to certify to the Johnson County Treasurer the above amount to the appropriate real property in North Liberty, Johnson County, Iowa, as hereinbefore described.

APPROVED AND ADOPTED this 28th day of January, 2025.

CITY OF NORTH LIBERTY:

CHRIS HOFFMAN, MAYOR

ATTEST:

I, Tracey Mulcahey, City Clerk of the City of North Liberty, hereby certify that at a meeting of the City Council of said City, held on the above date, among other proceedings, the above was adopted.

TRACEY MULCAHEY, CITY CLERK



Zoning Ordinance



December 3, 2024

Chris Hoffman, Mayor
City of North Liberty
360 North Main Street
North Liberty IA 52317

Re: Request of the City of North Liberty for an Ordinance amending Chapter 168 of the North Liberty Code of Ordinances pertaining to residential district dimensional standards.

Mayor Hoffman:

The North Liberty Planning Commission considered the above-referenced request at its December 3, 2024 meeting. The Planning Commission took the following action:

Finding:

1. The proposed amendment would achieve consistency with Section 165.09 of the Zoning Code.

Recommendation:

The Planning Commission accepted the listed finding and forwards the Ordinance amendment to the City Council with a recommendation for approval.

The vote for approval was 6-0.

Amy Yotty, Chairperson
City of North Liberty Planning Commission

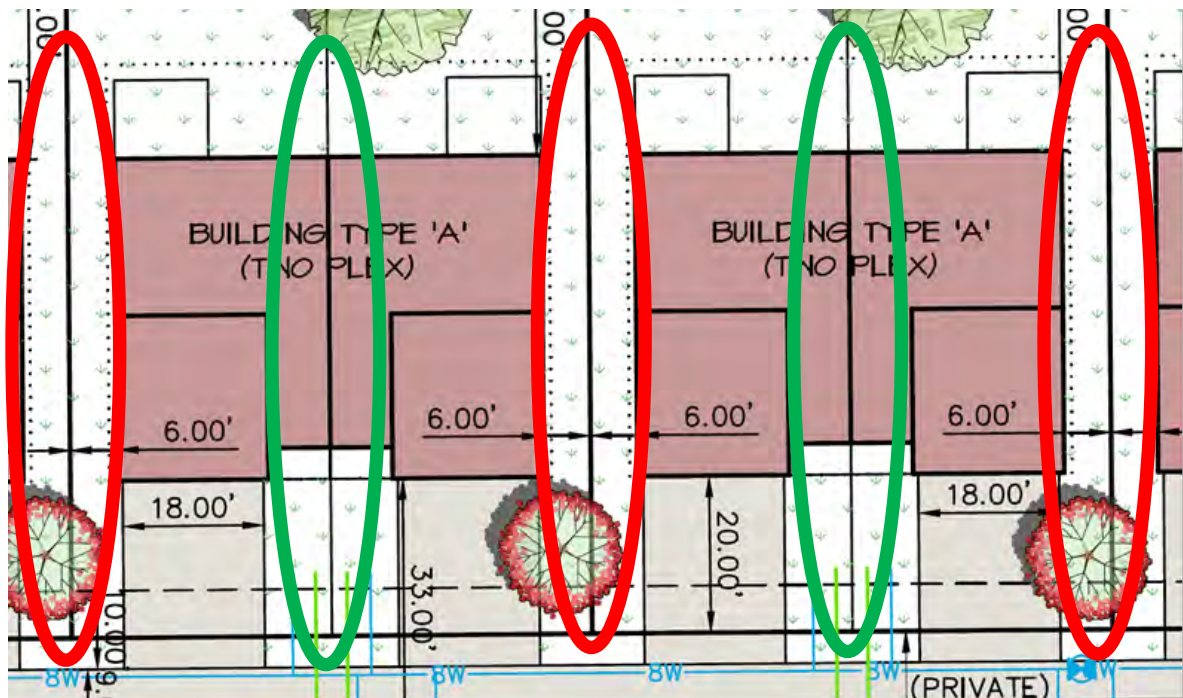


To **City of North Liberty Planning Commission**
 From **Ryan Rusnak, AICP**
 Date **November 25, 2024**
 Re **Request of the City of North Liberty for an Ordinance amending Chapter 168 of the North Liberty Code of Ordinances pertaining to residential district dimensional standards.**

North Liberty City staff has reviewed the subject submission, and offer comments presented in this memo.

1. Request Summary:

The City is proposing a minor update the RM dimensional standards due to an oversight to the recently adopted amendments to the Zoning Ordinance. The City requires lots to be subdivided after they are constructed so lot lines can be centered on the common wall. As written, a larger side setback would be required due to the City's process.



Lot line at the time of subdivision plat



Lot line after the subdivision plat

Table 168.02-B Dimensional Standards
SF = Square Feet, DU = Dwelling Unit, ' = Feet

	RD-8	RD-10	RM-8	RM-12	RM-21
Bulk (Prior to Subdividing into DU Individual Lots)					
Minimum Lot Area	10,000 SF	9,000 SF	21,780 SF	21,780 SF	21,780 SF
Minimum Frontage	40'	35'	75'	50'	50'
Minimum Lot Width	100'	80'	100'	80'	80'
Maximum Building Height	35'	35'	40'	40'	65'
Maximum Density	--	--	8 DU/Acre	12 DU/Acre	21 DU/Acre
Setbacks (Prior to Subdividing into Individual DU Lots)					
Minimum Required Front Yard	25'	25'	25'*	25'*	25'* **
Minimum Required Corner Side Yard	25'	25'	25'*	25'***	25'* **
Minimum Required Side Yard	8'	5'	5' if that side yard abuts RM District, otherwise 15'	5' if that side yard abuts RM District, otherwise 15'	10'**-
Minimum Required Rear Yard	30'	30'	30'	30'	30'***
Bulk (After Subdividing into Individual DU Lots)					
Minimum Lot Area	5,000 SF	4,500 SF	1,500 SF	1,500 SF	1,500 SF
Minimum Frontage	25'	20'	10'	10'	10'
Minimum Lot Width	50'	40'	15'	15'	15'
Maximum Building Height	35'	35'	40'	40'	40'
Setbacks (After Subdividing into Individual DU Lots)					
Minimum Required Front Yard	25'	25'	25'***	25'***	25'***
Minimum Required Corner Side Yard	25'	25'	25'***	25'***	25'***
Minimum Required Side Yard (Between Units)	0'	0'	0'	0'	0'
Minimum Required Side Yard (at the End of Units)	8'	5'	5' if that side yard abuts RM District, otherwise 15'	5' if that side yard abuts RM District, otherwise 15'	5'10'***
Minimum Required Rear Yard	30'	30'	30'	30'	30'***

*Townhouses may reduce setback to a minimum of 20' except when garage doors face a public street. Notwithstanding the foregoing, there shall be a minimum setback of 20' to any sidewalk or street edge
 **An additional foot of setback is required for every foot of building height over 45'

2. Zoning Map Amendment Approval Standards

Section 165.09(4)(D)(2) of the Zoning Ordinance sets for the approval standards for zoning text amendments.

Approval Standards. The Planning Commission recommendation and the City Council decision on any zoning text or map amendment is a matter of legislative discretion that is not controlled by any particular standard. However, in making their recommendation and decision, the Plan Commission and the City Council must consider the following standards. The approval of amendments is based on a balancing of these standards (staff commentary in italics).

Text Amendments.

- (a) The consistency of the proposed amendment with the Comprehensive Plan and any adopted land use policies.

It is staff's opinion that the proposed amendment is consistent with the Comprehensive Plan and adopted land use policies.

- (b) The extent to which the proposed amendment promotes the public health, safety, and welfare of the City.

It is staff's opinion that the proposed zonings would promote the public health, safety, and welfare of the City.

- (c) The consistency of the proposed amendment with the intent and general regulations of this Ordinance.

It is staff's opinion that the proposed amendment would be consistent with the intent and general regulations of this Ordinance.

- (d) Whether the proposed amendment corrects an error or omission, adds clarification to existing requirements, or reflects a change in policy or change in development trends or technology.

It is staff's opinion that the proposed amendment adds clarification to existing requirements and reflects changes in development trends.

- (e) The extent to which the proposed amendment creates nonconformities.

It is staff's opinion that the proposed amendment does not create any nonconformities, which is always a staff priority.

3. Public Input:

There are no formal objections to the request.

4. Staff Recommendation:

Finding:

1. The proposed amendment would achieve consistency with Section 165.09 of the Zoning Code.

Recommendation:

Staff recommends the Planning Commission accept the listed finding and forward the request for Ordinance amendment to the City Council with a recommendation for approval.

Suggested motion:

I move that the Planning Commission accept the listed finding and forward the Ordinance amendment to the City Council with a recommendation for approval.

Ordinance No. 2025-01

AMENDING CHAPTER 168 OF THE NORTH LIBERTY CODE OF ORDINANCES PERTAINING TO RESIDENTIAL DISTRICT DIMENSIONAL STANDARDS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LIBERTY, IOWA:

SECTION 1. AMENDMENT OF ORDINANCE. Subsection 5, Paragraph B of Section 168.02 and Table 168.02-B of the North Liberty Code of Ordinances, are amended to read as follows:

B. RD and RM Districts.

Table 168.02-B Dimensional Standards SF = Square Feet, DU = Dwelling Unit, ' = Feet					
	RD-8	RD-10	RM-8	RM-12	RM-21
Bulk (Prior to Subdividing into DU Individual Lots)					
Minimum Lot Area	10,000 SF	9,000 SF	21,780 SF	21,780 SF	21,780 SF
Minimum Frontage	40'	35'	75'	50'	50'
Minimum Lot Width	100'	80'	100'	80'	80'
Maximum Building Height	35'	35'	40'	40'	65'
Maximum Density	--	--	8 DU/Acre	12 DU/Acre	21 DU/Acre
Setbacks (Prior to Subdividing into Individual DU Lots)					
Minimum Required Front Yard	25'	25'	25'	25'	25' **
Minimum Required Corner Side Yard	25'	25'	25'	25'	25' **
Minimum Required Side Yard	8'	5'	5' if that side yard abuts RM District, otherwise 15'	5' if that side yard abuts RM District, otherwise 15'	10' **
Minimum Required Rear Yard	30'	30'	30'	30'	30' **
Bulk (After Subdividing into Individual DU Lots)					
Minimum Lot Area	5,000 SF	4,500 SF	1,500 SF	1,500 SF	1,500 SF
Minimum Frontage	25'	20'	10'	10'	10'
Minimum Lot Width	50'	40'	15'	15'	15'
Maximum Building Height	35'	35'	40'	40'	40'

Setbacks (After Subdividing into Individual DU Lots)					
Minimum Required Front Yard	25'	25'	25'**	25'**	25'**
Minimum Required Corner Side Yard	25'	25'	25'**	25'**	25'**
Minimum Required Side Yard (Between Units)	0'	0'	0'	0'	0'
Minimum Required Side Yard (at the End of Units)	8'	5'	5' if that side yard abuts RM District, otherwise 15'	5' if that side yard abuts RM District, otherwise 15'	10'**
Minimum Required Rear Yard	30'	30'	30'	30'	30'**
*Townhouses may reduce setback to a minimum of 20' except when garage doors face a public street. Notwithstanding the foregoing, there shall be a minimum setback of 20' to any sidewalk or street edge **An additional foot of setback is required for every foot of building height over 45'					

SECTION 2. REPEALER. All Ordinances and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

SECTION 3. SCRIVENER'S ERROR. The correction of typographical errors which do not affect the intent of the ordinance may be authorized by the City Clerk or the Clerk's designee without further public hearing.

SECTION 4. SEVERABILITY. If any section, provision or part of this Ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

SECTION 5. WHEN EFFECTIVE. This ordinance shall be in effect from and after its final passage, approval and publication as provided by law.

First reading on January 14, 2025.
 Second reading on _____.
 Third and final reading on _____.

CITY OF NORTH LIBERTY:

 CHRIS HOFFMAN, MAYOR

ATTEST:

I, Tracey Mulcahey, City Clerk of the City of North Liberty, hereby certify that at a meeting of the City Council of said City, held on the above date, among other proceedings, the above was adopted.

TRACEY MULCAHEY, CITY CLERK

I certify that the forgoing was published as Ordinance No. 2025-01 in *The Gazette* on the ____ of _____, _____.

TRACEY MULCAHEY, CITY CLERK



Greenbelt Trail Part 8 Rezoning



December 3, 2024

Chris Hoffman, Mayor
City of North Liberty
360 North Main Street
North Liberty IA 52317

Re: Request of Scanlon Family, LLC for a zoning map amendment (rezoning) from ID Interim Development District to RS-6 Single-Unit Residence District on approximately 12.25 acres. The property is located at the east terminus of Radcliffe Drive and is directly east of Arlington Ridge Subdivision - Parts Four and Six.

Mayor Hoffman:

The North Liberty Planning Commission considered the above-referenced request at its December 3, 2024 meeting. The Planning Commission took the following action:

Finding:

1. The rezoning request from ID Interim Development District to RS-6 Single-Unit Residence District would achieve consistency with the approval standards enumerated in Section 165.09 of the Zoning Code.

Recommendation:

The Planning Commission accepted the listed finding and forwards the zoning map amendment to the City Council with a recommendation for approval.

The vote for approval was 6-0.

Amy Yotty, Chairperson
City of North Liberty Planning Commission



To **City of North Liberty Planning Commission**
 From **Ryan Rusnak, AICP**
 Date **November 26, 2024**
 Re **Request of Scanlon Family, LLC for a zoning map amendment (rezoning) from ID Interim Development District to RS-6 Single-Unit Residence District and a preliminary subdivision plat on approximately 12.25 acres. The property is located at the east terminus of Radcliffe Drive and is directly east of Arlington Ridge Subdivision - Parts Four and Six. The purpose of the request is to facilitate future development of the property as single-family homes and related infrastructure.**

North Liberty City staff has reviewed the subject submission, and offer comments presented in this memo.

- 1. Request Summary:** The request is to facilitate the future development of 33 single-unit dwelling lots and related infrastructure on approximately 12.25 acres. This portion of the development (Greenbelt Trail Part 8) is likely several years out. Currently, Greenbelt Trail Parts 3 & 4 are under construction. However, Part 8 is within the same sanitary sewer basin as the other Parts and the developer wants to give some assurances that this portion of the property would be single-unit dwellings.



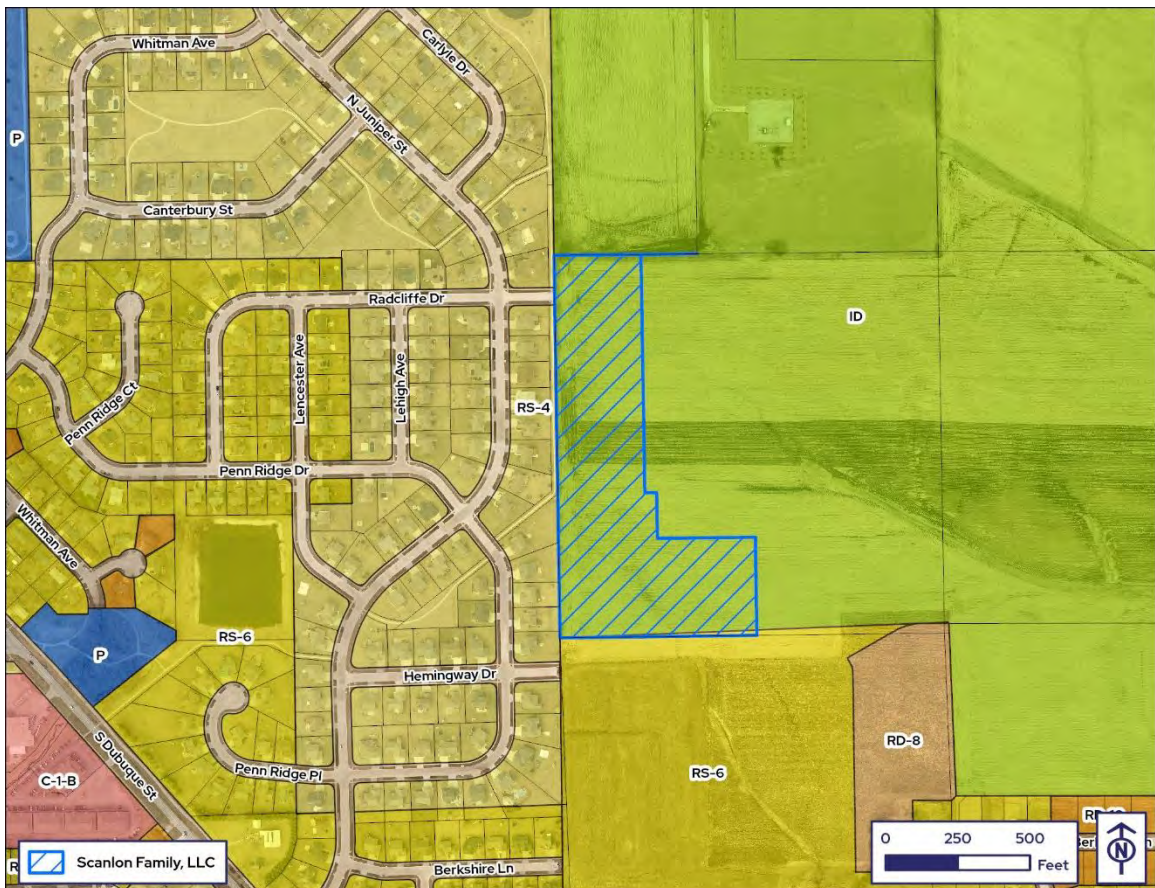
2. Current Zoning:

Current Zoning

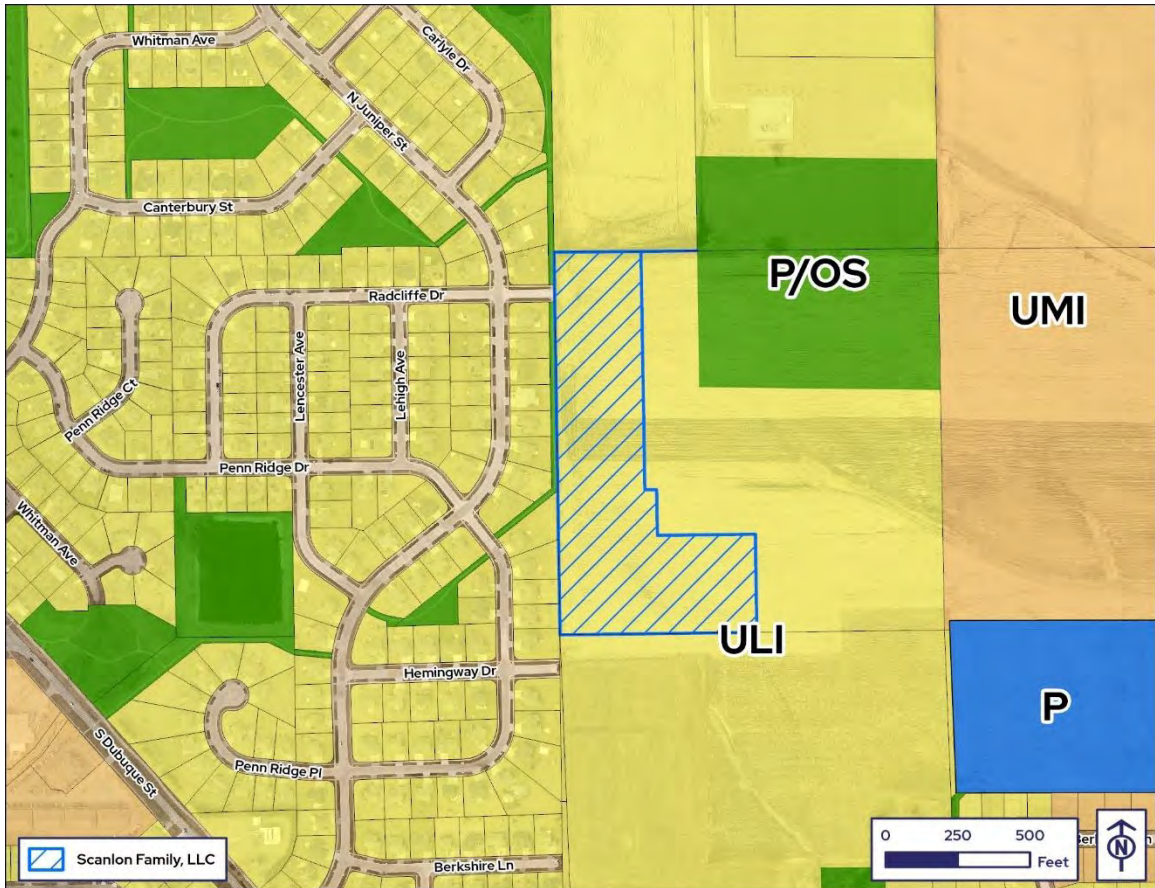
ID Interim Development District. The ID District is intended to preserve existing agriculture and other non-intensive uses to prevent premature development and non-orderly encroachment of higher intensity urban uses, and to help guide urban growth into suitable areas.

Proposed Zoning

RS-6 Single-Unit Residence District. The RS-6 District is intended to provide for and maintain moderate density single-unit residential neighborhoods. Limited non-residential uses that are compatible with the surrounding residential neighborhoods may be permitted in the RS-6 District.



3. Comprehensive Plan Future Land Use Map Designation: Urban Medium Intensity.



Urban Low Intensity Description

An efficient, walkable pattern of lower-density development. Compared to denser areas, ULI has more space and separation of uses, with farther distances between destinations and fewer shared amenities. Low-intensity areas can include a horizontal mix of primarily residential and limited non-residential uses at compatible lower densities and scales.

Residential

Emphasis on single-family detached and attached residential developments. Attached housing projects may primarily be at transition areas between arterial or collector streets, small scale commercial uses, and higher intensity districts.

Form and Features

- » General aggregate development density of 3 to 8 units per acre. Lot sizes can vary within developments to provide different housing types.
- » A framework of streets and open space should create neighborhoods and multiple access points for all types of transportation.
- » Open spaces, streets, and trail connections integrate with the larger community.

4. Public Input:

A virtual good neighbor meeting was held on November 19, 2024. A total of 19 people attended the meeting. Some topics of discussion include (staff commentary in *italics*):

- A. The timing of completion for Greenbelt Trail Parts 3 & 4, which is currently under construction.
The estimated completion date is late 2024 or early 2025.
- B. The timing of this phase of the development and the other portions of the Scanlon Family, LLC property.
This portion of the development (Greenbelt Trail Part 8) is likely several years out. Currently, Greenbelt Trail Parts 3 & 4 are under construction. However, this area is within the same sanitary sewer basin as the other Parts and the developer wants to give some assurances that this portion of the property would be single-unit dwellings. The portion of the property adjacent to North Liberty Road is located within a different sanitary sewer basin so this portion of the property may be further out for development.
- C. The timing of the Iowa City Community School District property along North Liberty Road.
Staff reached out to the District and they had no information to provide on the timing of construction.
- D. Other area improvements.
The North Liberty Road trail will be constructed in 2025.
- E. Drainage impacts, if any, of proposed Greenbelt Trail Part 8.
The preliminary plat shows storm intakes along the rear of the development to convey a portion of the stormwater into the Greenbelt Trail Part 8.
- F. Connection to the Arlington Ridge trail.
No connection is planned since the trail in Arlington Ridge is private.

There are no objections to the request.

5. Zoning Map Amendment Approval Standards

Section 165.09(4)(D)(1) of the Zoning Ordinance sets for the approval standards for zoning maps amendments.

Approval Standards. The Planning Commission recommendation and the City Council decision on any zoning text or map amendment is a matter of legislative discretion that is not controlled by any particular standard. However, in making their recommendation and decision, the Plan Commission and the City Council must consider the following standards. The approval of amendments is based on a balancing of these standards (ordinance language in italics and staff analysis in bold).

Map Amendments.

(a) The consistency of the proposed amendment with the Comprehensive Plan and any adopted land use policies.

Figure 3.4 within Connected to Tomorrow was utilized to determine which zoning district would be compatible with the Future Land Use Map.

Figure 3.4: Land Use Compatibility

TRADITIONAL LAND USES	AGRICULTURE (AG)	URBAN RESERVE (UR)	URBAN LOW INTENSITY (ULI)	URBAN MEDIUM INTENSITY (UMI)	URBAN HIGH INTENSITY (UHI)	COMMERCIAL/ INDUSTRIAL FLEX (FLX)	PUBLIC AND SEMI PUBLIC (PUB)	PARK AND OPEN SPACE (P, OS)
Agriculture	●	●						○
Rural residential		●						
Low-density residential			●	○				
Medium-density residential			●		○			
High-density residential				●	●	○		
Rural commercial		●						
Neighborhood commercial			○	●	●	●		
Community commercial				○	●	●		
Regional commercial					○	●		
Low/medium intensity office			○	●	●	●		
High-intensity office				○	●	●		
Limited industrial		○				●		
Heavy industrial						○		
Parks and civic uses	●	●	●	●	●	○	●	●
Major public/civic facilities					○	○	●	○
Residential density range (du/A*)	≤40	≤40	3-8	7-14	14+	14+	NA	NA

● Permitted ○ Permitted with special review
*Dwelling Units per Acre

It is staff's opinion that the proposed zoning would be compatible with the Comprehensive Plan and adopted land use policies.

(b) The compatibility with the zoning of nearby property.

It is staff's opinion that the proposed zoning would be compatible with nearby property.

(c) The compatibility with established neighborhood character.

It is staff's opinion that the proposed zoning would be compatible with established neighborhood character.

(d) The extent to which the proposed amendment promotes the public health, safety, and welfare of the City.

It is staff's opinion that the proposed zoning would promote the public health, safety, and welfare of the City.

(e) The extent to which the proposed amendment creates nonconformities.

It is staff's opinion that the proposed zoning would not create any nonconformities.

6. Site Plan Approval Standards:

Section 180.11(3)(A) of the North Liberty Code of Ordinances sets forth the preliminary subdivision plat submittal requirements and review (Ordinance language in *italics* and staff analysis in **bold**).

Preliminary Subdivision Plat Submittal Requirements and Review. The preliminary plat, in general, contains more information than the final plat, so that the subdivider and the City can ensure conformance with codes, master facility plans, and good planning and engineering practices. Though the preliminary plat is not recorded, it is approved by resolution of the City Council, and conditions for approval of the plat shall be addressed on any final plats of the same area.

A. *Preliminary Plat Contents. The application shall include a preliminary plat of the subdivision drawn to a scale of one inch to one hundred feet minimum, and shall show:*

(1) A location map to provide spatial reference, showing the outline of the area to be subdivided, existing streets and corporate limits in the vicinity, a north arrow and scale or note stating "not to scale," and other information that might help clarify where the plat is located as well as its surroundings and size relative to other City features;

This has been provided on the Preliminary Plat.

(2) Name of proposed subdivision and date;

This has been provided on the Preliminary Plat.

(3) Legal description and acreage;

This has been provided on the Preliminary Plat.

(4) Name and address of owner;

This has been provided on the Preliminary Plat.

(5) Names of the persons preparing the plat, owner's attorney, representative or agent, if any;

This has been provided on the Preliminary Plat.

(6) Existing and proposed zoning district classification of all land within the proposed subdivision and within about 200 feet of the subdivision;

Staff is not requiring this information on the Preliminary Plat.

(7) North point and graphic scale;

This has been provided on the Preliminary Plat.

(8) Contours at two-foot intervals or less, both existing and as generally proposed (subject to more refinement in subsequent construction plans);

This has been provided on the Preliminary Plat.

(9) *Building setback lines as required by the current or proposed zoning district classifications;*

This has been provided on the Preliminary Plat.

(10) *The approximate boundaries of areas of known flood levels or floodplains, areas covered by water, wooded areas, floodways, and all open channel drainage ways;*

This has been provided on the Preliminary Plat.

(11) *Locations, names, and dimensions of existing lot lines, streets, public utilities, water mains, sewers, drainpipes, culverts, watercourses, bridges, railroads and buildings within in the proposed subdivision and within about 200 feet of the subdivision;*

This has been provided on the Preliminary Plat.

(12) *Layout of proposed blocks, if used, and lots, including the dimension of each lot, and the lot and block number in numerical order;*

This has been provided on the Preliminary Plat.

(13) *Layout and dimensions of proposed streets, sidewalks, trails, alleys, utility and other easements, parks and other open spaces or reserved areas;*

This has been provided on the Preliminary Plat.

(14) *Grades of proposed streets and alleys;*

This has been provided on the Preliminary Plat. However, no new streets are proposed.

(15) *A cross-section of the proposed streets showing the roadway locations, the type of curb and gutter, the paving, and sidewalks to be installed;*

No new streets are proposed.

(16) *The layout of proposed water mains and sanitary sewer systems;*

No water or sanitary mains are proposed.

(17) *The drainage of the land, including proposed storm sewers, ditches, culverts, bridges and other structures;*

This has been provided on the Preliminary Plat.

(18) *Stormwater management facilities when applicable;*

There is an off-site stormwater management facility.

(19) *A signed certificate of the Johnson County Auditor for the subdivision name;*

This information has been provided.

(20) *Other special details or features that may be proposed or required.*

None required.

7. Additional information:

None.

8. Staff Recommendation:

Findings:

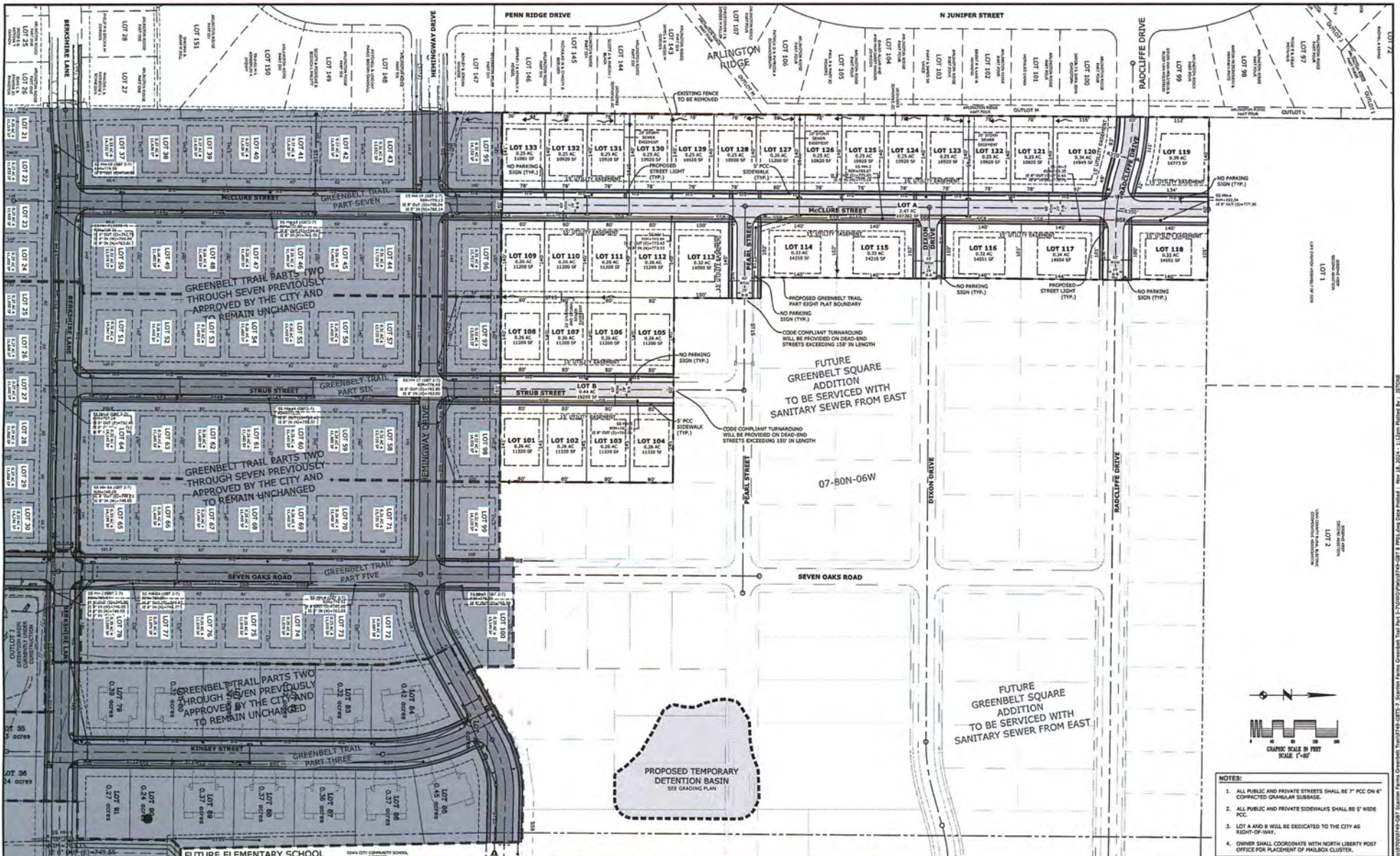
1. The rezoning request from ID Interim Development District to RS-6 Single-Unit Residence District would achieve consistency with the approval standards enumerated in Section 165.09 of the Zoning Code.
2. The preliminary subdivision plat would achieve consistency with Section 180.11(3)(A) and 180.12 of the North Liberty Code of Ordinances, which sets forth the preliminary subdivision plat submittal requirements and design standards, respectively.

Recommendation:

Staff recommends the Planning Commission accept the listed findings and forward the request for a zoning map amendment (rezoning) from ID Interim Development District to RS-6 Single-Unit Residence District and a preliminary subdivision plat on approximately 12.25 acres to the City Council with a recommendation for approval.

Suggested motion:

I move that the Planning Commission accept the listed findings and forward the zoning map amendment (rezoning) and preliminary subdivision plat to the City Council with a recommendation for approval.



DRAWN BY:	JOS
CHECKED BY:	LJM
APPROVED BY:	
DATE:	11/18/2024
FIELD BOOK:	

GREENBELT TRAIL
 North Liberty

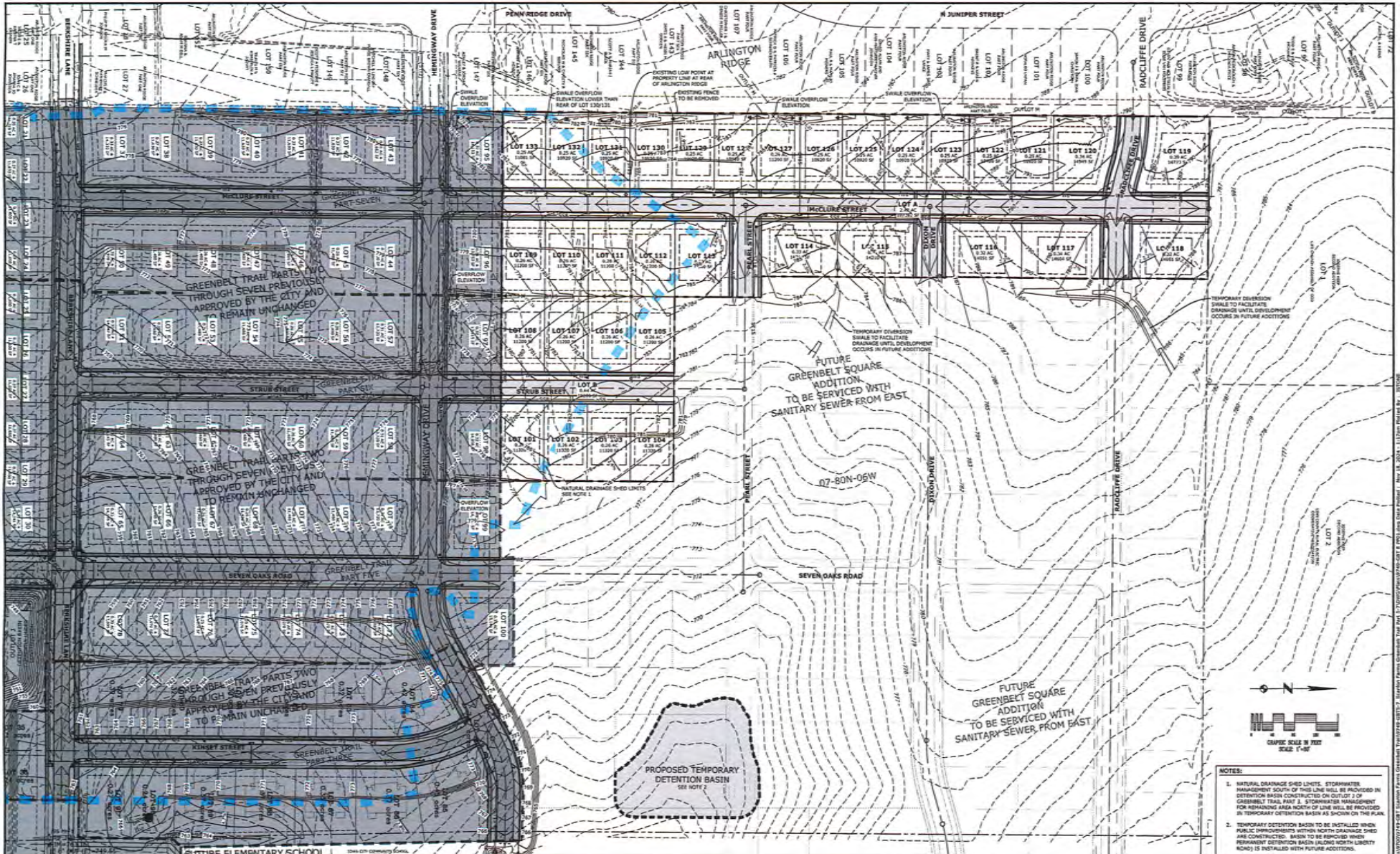
HALL & HALL ENGINEERS, INC.
 CIVIL ENGINEERING LANDSCAPE ARCHITECTURE
 LAND SURVEYING LAND DEVELOPMENT PLANNING

**GREENBELT TRAIL SUBDIVISION
 PART EIGHT**
 IN THE CITY OF NORTH LIBERTY, JOHNSON COUNTY, IOWA

PRELIMINARY PLAT	SHEET
	1
PROJECT NO: 9749-0815-7	

- NOTES:**
1. ALL PUBLIC AND PRIVATE STREETS SHALL BE 7" PCC ON 6" COMPACTED GRANULAR SUBBASE.
 2. ALL PUBLIC AND PRIVATE SIDEWALKS SHALL BE 5" WIDE PCC.
 3. LOT A AND B WILL BE DEDICATED TO THE CITY AS RIGHT-OF-WAY.
 4. OWNER SHALL COORDINATE WITH NORTH LIBERTY POST OFFICE FOR PLACEMENT OF MAILBOX CLUSTERS.

FILE: I:\projects\2024\9749-0815-7\Greenbelt Trail Part 8\DWG\9749-0815-7_SitePlan_Prelim.dwg Date Plotted: 11/18/2024 11:32:00 AM Plotter: P1 - 30x42



- NOTES:**
1. NATURAL DRAINAGE SHED LINES, STORMWATER MANAGEMENT SOUTH OF THIS LINE WILL BE PROVIDED IN DETENTION BASIN CONSTRUCTED ON COLLECT 1 OF GREENBELT TRAIL PART 1. STORMWATER MANAGEMENT FOR REMAINING AREA NORTH OF THIS LINE WILL BE PROVIDED IN TEMPORARY DETENTION BASIN AS SHOWN ON THE PLAN.
 2. TEMPORARY DETENTION BASIN TO BE INSTALLED WHEN PUBLIC IMPROVEMENTS WITHIN NORTH DRAINAGE SHED ARE CONSTRUCTED. BASIN TO BE REMOVED WHEN PERMANENT DETENTION BASIN ALONG NORTH LIBERTY ROAD IS INSTALLED WITH FUTURE ADDITIONS.

DRAWN BY:	029
CHECKED BY:	LRH
APPROVED BY:	
DATE:	11/18/2024
FIELD BOOK:	

GREENBELT TRAIL
North Liberty

HALL & HALL ENGINEERS, INC.
 1000 BOWEN ROAD, JOHNSON COUNTY, IOWA 50131
 PHONE: (515) 320-0700 FAX: (515) 320-2993
 CIVIL ENGINEERING LANDSCAPE ARCHITECTURE
 LAND SURVEYING LAND DEVELOPMENT PLANNING

**GREENBELT TRAIL SUBDIVISION
 PART EIGHT**
 IN THE CITY OF NORTH LIBERTY, JOHNSON COUNTY, IOWA

GRADING PLAN	SHEET
	2
PROJECT NO: 2049-GB15-7	

CAD FILE: I:\Projects\2024\2049-GB15-7\2049-GB15-7_8.dwg; GREENBELT TRAIL PART 1; 11/18/2024 11:30am; PLOTTED BY: J. HALL

Ordinance No. 2025-02

AN ORDINANCE AMENDING THE ZONING MAP DISTRICT DESIGNATION FOR CERTAIN PROPERTY LOCATED IN NORTH LIBERTY, IOWA FROM ID INTERIM DEVELOPMENT DISTRICT TO RS-6 SINGLE-UNIT RESIDENCE DISTRICT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LIBERTY, IOWA:

SECTION 1. AMENDMENT. The Official Zoning Map incorporated in Chapter 168.01(2) of the North Liberty Code of Ordinances is hereby amended such that the below-described property (the "Property") is assigned a zoning designation of RS-6 Single-Unit Residence District:

Request of Scanlon Family, LLC for a zoning map amendment (rezoning) from ID Interim Development District to RS-6 Single-Unit Residence District and a preliminary subdivision plat on approximately 12.25 acres. The property is located at the east terminus of Radcliffe Drive and is directly east of Arlington Ridge Subdivision - Parts Four and Six. The property is more particularly described as follows: Those portions of the Southwest Quarter of the Southeast Quarter (S.W.1/4-S.E.1/4) and the Southeast Quarter of the Southeast quarter (S.E.1/4-S.E.1/4) of Section Seven (7), Township Eighty (80) North, Range Six (6) West of the Fifth Principal Meridian, North Liberty, Johnson County, Iowa described as follows: Beginning at the Southwest Corner of said S.E.1/4-S.E.1/4; thence North 89°08'23" West on the South Line of said S.W.1/4-S.E.1/4, a distance of 1.41 feet; thence North 1°47'14" East, 54.83 feet to the West Line of said S.E.1/4-S.E.1/4; thence North 0°18'59" East on said West Line, 1268.64 feet to the Northwest Corner of said S.E.1/4-S.E.1/4; thence South 89°22'58" East on the North Line of said S.E.1/4-S.E.1/4, a distance of 300.74 feet; thence South 0°37'02" West, 140.00 feet; thence South 89°22'58" East, 1.81 feet; thence South 0°37'02" West, 344.17 feet; thence South 89°41'01" East, 1.50 feet; thence South 0°18'59" West, 340.00 feet; thence South 89°41'01" East, 38.50 feet; thence South 0°18'59" West, 160.00 feet; thence South 89°41'01" East, 341.50 feet; thence South 0°18'59" West, 339.41 feet to the South Line of said S.E.1/4-S.E.1/4; thence North 89°32'30" West on said South Line, 681.50 feet to the point of beginning. Described parcel contains 12.25 acres.

SECTION 2. CONDITIONS IMPOSED. At the December 3, 2024, meeting the Planning Commission accepted the listed finding and forwarded the request for a zoning map amendment to the City Council with a recommendation for approval with no conditions.

SECTION 3. RECORDATION. The City Clerk is hereby authorized and directed to record this ordinance at the Johnson County Recorder's office upon final passage and approval.

SECTION 4. REPEALER. All Ordinances and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

SECTION 5. SCRIVENER'S ERROR. The correction of typographical errors which do not affect the intent of the ordinance may be authorized by the City Clerk or the Clerk's designee without further public hearing.

SECTION 6. SEVERABILITY. If any section, provision or part of this Ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

SECTION 7. WHEN EFFECTIVE. This ordinance shall be in effect from and after its final passage, approval and publication as provided by law.

First reading on January 14, 2025.

Second reading on

Third and final reading on

CITY OF NORTH LIBERTY:

CHRIS HOFFMAN, MAYOR

ATTEST:

I, Tracey Mulcahey, City Clerk of the City of North Liberty, hereby certify that at a meeting of the City Council of said City, held on the above date, among other proceedings, the above was adopted.

TRACEY MULCAHEY, CITY CLERK

I certify that the forgoing was published as Ordinance No. 2025-02 in *The Gazette* on the ____ of _____, 2025.

TRACEY MULCAHEY, CITY CLERK