

EXECUTIVE COUNCIL OF IOWA AGENDA

State Capitol - Robert D. Ray Conference Room (G09) 10:00 a.m.

JUNE 18, 2018

1. Approval of minutes of meeting held May 29, 2018.
2. Litigation Expense Fund – Page 1
TAB #1
3. Iowa Code §7D.10 – Page 1
TAB #2
4. Outside CPA – Page 1
TAB #3
5. Leases – Pages 1-2
6. Emergency Allocations – Page 2
7. Payment of Cost Items (1 of 2) – Pages 3-5
8. Payment of Cost Items (2 of 2) – Page 5

2. Litigation Expense Fund

- A. Request from the Attorney Generals' office on behalf of the Department of Revenue to transfer unused funds from the FY 2018 Litigation Expense Fund to FY 2019 in the amount of \$250,000.00

TAB # 1

3. Iowa Code §7D.10

- A. Attorney General's office request Payment for Expenses under Iowa Code §7D.10 in the amount of \$17,022.31

TAB # 2

4. Outside CPA Firm

- A. Request from Mary Mosiman, Auditor of State to employ the services of outside CPA firms to perform the periodic examinations for the cities listed below for the period ending June 30, 2018

Firm:	Cities:	Amount
Gronewold, Bell, Kyhnn	Boxholm, Little Rock, Marathon, Nemaha, Rodney	\$17,980
Hogan Hansen	Castana, Clare, Correctionville, Jolley, Larrabee	\$20,000
O'Connor Brooks	Alta Vista, Balltown, Floyd, Holy Cross, North Buena Vista	\$18,000
Rachelle Thompson, CPA	Earling, McClelland, Pisgah, Prescott, Westphalia	\$14,325
Faller, Kincheloe & Co.	Agency, Deep River, Dixon, Kirkville, Parnell	\$19,400

TAB # 3

5. Leases

- A. Lease between DNR and American River Transportation Co. LLC
Date of Lease: Five years, expiring May 31, 2023
Legal Description: A parcel consisting of approximately 1000 feet of river frontage by 105 feet in depth located at Mississippi River mile marker 607.5 in Section 7, Township 91 North, Range 1 West of the 5th P.M., in Clayton County. The site contains two existing 15 ton anchors and two seven pipe piling clusters located approximately 100 feet from the Iowa bank used as a barge tie-off.
Purpose: Barge fleetling
Annual Fee: \$4,221.00

Noel Hindt, Assistant Attorney General, has reviewed the above lease and approved the lease as to form.

- B. Lease between DNR and American River Transportation Co. LLC
Date of Lease: Five years, expiring May 31, 2023
Legal Description: A parcel consisting of approximately 1200 feet of river frontage by 210 feet in depth located at Mississippi River mile marker 636.2 in Section 10, Township 95 North, Range 3 West of the 5th P.M., in Clayton County. The site contains nineteen deadmen buried 40 feet inland and ten feet deep in the Iowa bank consisting of eight foot steel I-beams and four foot square concrete blocks used as a barge tie-offs.
Purpose: Barge fleeting
Annual Fee: \$9,650.31

Noel Hindt, Assistant Attorney General, has reviewed the above lease and approved the lease as to form.

- C. Lease between DNR and K.A. Steel Chemicals, Inc. d/b/a Olin Chlor Alkali Products and Vinyls
Date of Lease: Five years, expiring May 31, 2023
Legal Description: A parcel consisting of approximately 120 feet of river frontage by 35 feet in depth located at Mississippi River mile 451.2 in Section 22, Township 76 North, Range 2 West of the 5th P.M., in Muscatine County. The site contains an existing dock/walkway consisting of footings for columns supporting a pier and piping.
Purpose: Barge loading and unloading.
Annual Fee: \$378.00

Noel Hindt, Assistant Attorney General, has reviewed the above lease and approved the lease as to form.

6. Emergency Allocations

- A. Department of Administrative Services is requesting allocation in the amount of \$7,876.44. On May 16, 2018 power blips at Ankeny Labs damaged equipment. Request is to cover repair costs.

The State Auditor's Office has reviewed this request and recommends allocation, subject to audit of actual invoices.

- B. Department of Natural Resources is requesting an emergency allocation in the amount of \$6,471.61. On August 23rd and 24th, 2016 floods damaged Pikes Peak State Park and Yellow River State Forest. Request is to cover repair costs not covered by FEMA.

The State Auditor's Office has reviewed this request and recommends allocation, subject to audit of actual invoices.

7. **Payment of Cost Items (1 of 2)**

- A. Department of Natural Resources\$11,554.27
Drainage taxes for the following counties:

Allamakee	\$1,292.00
Cerro Gordo	\$55.00
Clay	\$15.00
Clinton	\$2,701.00
Fremont	\$5.00
Hamilton	\$1,564.99
Hancock	\$7.00
Louisa	\$56.00
Muscatine	\$2,522.00
Pottawattamie	\$3,238.00
Worth	\$98.28

Noel Hindt, Assistant Attorney General, has reviewed this request and recommends payment.

- B. Department of Natural Resources\$8,913.78
On September 3, 2017 a break-in at the Yellow State Forest caused damage to shop and also items were stolen. Request was to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment and this allocation closed.

- C. Department of Natural Resources.....\$24,907.31
On July 24, 2017 a theft occurred at Lacy Keosauqua State Park which involved a Civilian Conservation Corps Statue. Request was to cover repair costs.

The State Auditor's Office has reviewed this request and recommends payment. This represents full and final payment and this allocation closed.

- D. Davis, Brown, Koehn, Shors & Roberts, P.C.....\$435.00
215 10th Street, Suite 1300
Des Moines, IA 50309-3993
Special Counsel for Copyright, Trademark & Patent Issues

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the funds of Department of Transportation.

- E. Shindler, Anderson, Goplerud & Weese, P.C.....\$687.50
5015 Grand Ridge Drive, Suite 100
West Des Moines, IA 50265
Peregrine Financial Group (PFG) Bankruptcy

Jeffrey S. Thompson, Solicitor General, Solicitor General has reviewed this invoice and recommends payment. Payment will be made by UNI.

- F. Simmons Perrine Moyer Bergman PLC.....\$369.50
115 Third Street SE, Suite 1200
Cedar Rapids, IA 52402
Tobacco Settlement Authority

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the Tobacco Settlement Authority.

- G. Gray Miller Persh, LLP.....\$2,627.10
1200 New Hampshire Ave., N.W.
Washington, D.C. 20036
Iowa Public Television

Eric Tabor, Chief Deputy Attorney General, has reviewed this invoice and recommends payment. Payment will be made from the funds of Iowa Public Television.

- H. Patterson Law Firm L.L.P.....\$288.00
729 Insurance Exchange Building
505 Fifth Avenue
Des Moines, IA 50309-2390
Jasmina Tartic v. Department of Justice – Attorney General, State of Iowa and Second Injury Fund of Iowa

Eric Tabor, Chief Deputy Attorney General, has reviewed this invoice and recommends payment. Payment will be made from the Second Injury Fund.

- I. Foley & Lardner, LLP.....\$12,924.10
321 North Clark Street
Chicago, IL 60654
Legal Advice to OCIO

Eric Tabor, Chief Deputy Attorney General, has reviewed this invoice and recommends payment. Payment will be made from the funds of the OCIO.

- J. Foley & Lardner, LLP.....\$462.00
321 North Clark Street
Chicago, IL 60654
Legal Advice to OCIO

Eric Tabor, Chief Deputy Attorney General, has reviewed this invoice and recommends payment. Payment will be made from the funds of the OCIO.

8. Payment of Cost Items (2 of 2)

- A. LaMarca & Landry, P.C.....\$4,402.92
1820 N.W. 118th Street, Suite 200
Des Moines, IA 50325
Godfrey v. State of Iowa et al, civil rights complaint

Jeffrey S. Thompson, Solicitor General, has reviewed this invoice and recommends payment. Payment will be made from the General Fund.

THOMAS J. MILLER
ATTORNEY GENERAL

JEFFREY S. THOMPSON
SOLICITOR GENERAL



IOWA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

TAB # 1

1305 E. WALNUT ST.
DES MOINES, IA 50319
Main: 515-281-5164 • Direct: 515-281-4419
Email: Jeffrey.Thompson@ag.iowa.gov
www.iowaattorneygeneral.gov

June 5, 2018

Victoria Newton
Executive Secretary
Executive Council
State Capitol
L-O-C-A-L

Re: Litigation Expense Fund

Dear GeorgAnna:

The Department of Revenue requests that the Executive Council transfer funds to the Litigation Expense Fund to pay anticipated litigation expenses for the next fiscal year. The Litigation Expense Fund is "created in the state treasury" and "shall be used for the payment of litigation expenses incurred by the state to defend property valuations established by the director of revenue" Iowa Code section 441.73(1). The Executive Council "shall transfer for the fiscal year beginning July 1, 1992, and each fiscal year thereafter, from funds established in sections 425.1 and 426.1 an amount necessary to pay litigation expenses." Iowa Code section 441.73(4). The funds referenced in these sections are: the Homestead Tax Credit Fund (§ 425.1) with an unspecified standing appropriation and the Agricultural Land Credit Fund (§ 426.1) with a standing appropriation of \$39,100,000 the first \$10,000,000 of which is transferred into the Family Farm Tax Credit Fund.

The balance in the Fund is capped by statute. "The amount in the fund for each fiscal year shall not exceed seven hundred thousand dollars. The executive council shall determine annually the proportionate amounts to be transferred from the two separate funds. At any time when no litigation is pending or in progress the balance in the litigation expense fund shall not exceed one hundred thousand dollars." Iowa Code § 441.23(4).


The Director of the Department of Revenue requests that a total of \$250,000 be transferred into the Litigation Expense Fund for FY'19 from these sources on the following basis:

78% - (\$195,000) - Homestead Tax Credit Fund under § 425.1; and
22% - (\$ 55,000) - Agricultural Land Credit Fund under § 426.1.

The amount of the request is based on estimates from outside counsel of the potential litigation costs during the 2019 fiscal year and estimated litigation costs attributed to the Attorney General's office. Litigation anticipated in the 2019 fiscal year will include litigation involving the replacement tax as well as potential challenges involving pipeline and railroad valuations.

Generally, a transfer of funds at the start of each fiscal year is offset by any amount carried over from the previous fiscal year. The Department estimates a carryover from the 2018 fiscal year of approximately \$420,000 in unused funds. The transfer of an additional \$250,000 will bring the total to \$670,000 and will replenish the Litigation Expense Fund sufficiently to cover estimated litigation expenses without exceeding the maximum statutory cap of \$700,000. *See Iowa Code § 441.73(4).*

Sincerely,



JEFFREY S. THOMPSON
Solicitor General

THOMAS J. MILLER
ATTORNEY GENERAL

ERIC TABOR
CHIEF DEPUTY ATTORNEY GENERAL



IOWA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

1305 E. WALNUT ST.
DES MOINES, IA 50319
Main: 515-281-5164 • Direct: 515-281-5191
Email: Eric.Tabor@ag.iowa.gov
www.iowaattorneygeneral.gov

May 11, 2018

Ms. Victoria Newton
Executive Secretary
Executive Council
State Capitol
L-O-C-A-L

Re: Request for Payment of SVP Court Costs

Dear Victoria:

Our Office requests Executive Council approval for payment pursuant to Iowa Code section 7D.10 for court costs and expenses incurred in prosecuting civil commitments under Iowa Code chapter 229A for the Sexually Violent Predator (SVP) program.

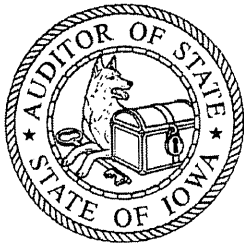
In addition to the cost of employee salaries, travel and support devoted to this program, the Office incurs substantial expenses for expert witnesses. These expenses have increased substantially due to the growing number of chapter 229A commitments. Section 7D.10 authorizes payment of court costs and expenses by the Executive Council “[i]f sufficient funds for court costs have not been appropriated to a state department, or if sufficient funds are not otherwise available for such purposes within the budget of a state department.” There is no specific appropriation for these expenses and sufficient funds are not otherwise available.

Therefore, pursuant to Iowa Code section 7D.10, the Office requests Executive Council approval of payment of \$17,022.31 in expert witness fees (invoices enclosed).

Sincerely yours,

ERIC TABOR
Chief Deputy

Encl.



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

TAB # 3

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

June 8, 2018

Victoria Newton, Secretary
Executive Council of Iowa
State Capitol Building
L O C A L

Dear Victoria:

I respectfully request permission of the Executive Council to employ the services of the following CPA firms to perform the periodic examinations for the cities listed below for the period ending June 30, 2018 as required in Chapter 11 of the Code of Iowa.

Firm Name	Cities Included in Agreement	Cost
Gronewold, Bell, Kyhnn	Boxholm, Little Rock, Marathon, Nemaha, Rodney	\$ 17,980
Hogan Hansen	Castana, Clare, Correctionville, Jolley, Larrabee	20,000
O'Connor Brooks	Alta Vista, Balltown, Floyd, Holy Cross, North Buena Vista	18,000
Rachelle Thompson, CPA	Earling, McClelland, Pisgah, Prescott, Westphalia	14,325
Faller, Kincheloe & Co.	Agency, Deep River, Dixon, Kirkville, Parnell	19,400
	Total	<u>\$ 89,705</u>

The total reimbursement for the periodic examinations shall not be for more than \$89,705. Copies of the proposed Agreements are attached.

Your assistance in this matter is greatly appreciated.

Sincerely,

Mary Mosiman, CPA

MM/dd
Attachment