

City of Hills

Council Members

Bruce Endris
Steve Harris
Merle Hill
Thom Kirkpatrick
Cathy Knebel

201 N 1st St P O Box 345
Hills, Iowa 52235-0345
Phone 319-679-3197
Fax 319-679-3097
www.hills-ia.org

Mayor

Tim Kemp
City Administrator
Cathy Fitzmaurice-Hill
Deputy Clerk
Donna Hicks

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Hills City Council
Regular Meeting
Hills Fire Department Meeting Room @ 7:00 PM
April 11, 2016

1. Consent Agenda:

- a. Agenda
- b. Minutes - March 28, 2016
- c. Scheduled List of Claims
- d. Receipts from March 28, 2016 thru April 11, 2016

2. Public Comments

3. Business:

- a. Discussion and possible action re: Creating Community Center Board
- b. Discussion and possible action re: Contract with Johnson County Sheriff to provide law enforcement protection for the City of Hills
- c. Discussion and possible action re: Contract with LL Pelling Co to complete street improvements
- d. Discussion and possible action re: Entering 28e Agreement with Hills Fire Fighter's Association
- e. Possible Closed Session pursuant to Iowa Code Section 21.5(1)(j) to discuss acquisition of wastewater easements.

4. Reports:

- a. Mayor
- b. Attorney
- c. City Administrator
- d. Maintenance
- e. Fire Department
- f. Sewer

5. Adjournment

Hills City Council Meeting
March 28, 2016
7:00 PM
Hills Fire Station Meeting Room

The regular Hills City Council meeting was called to order by Mayor Tim Kemp at 7:00 p.m. on Monday, March 28, 2016 at the Hills Fire Station Meeting Room.

Council members present were: Bruce Endris, Steve Harris, Merle Hill, Thom Kirkpatrick and Cathy Knebel. Absent: None. Also present: Cathy Fitzmaurice-Hill, City Administrator, Erek Sittig, City Attorney, Ron Wolfe, City Maintenance and members of the public.

Consent Agenda: A Motion was made by Knebel and seconded by Kirkpatrick to approve the consent agenda approving Agenda items, minutes from the Meeting of March 14, 2016, Scheduled list of claims and receipts from March 14, 2016 thru March 28, 2016. Ayes:5. Motion carried.

Public Comment: None.

Business:

The Mayor opened the Public Hearing on the City's intent to proceed with Project that may require the acquisition of property rights at 7:02 p.m. He requested comments from the public. No comments were received. The Public Hearing was closed at 7:03 p.m.

The Council received the recommendation from P&Z to approve the Final Plat for Hills Commercial Park subject to the City receiving the escrow agreement and an easement agreement as requested by City Attorney.

The City has received a request from Hills Commercial Park to approve the Final Plat prior to the completion of the improvements. A bond in the amount of \$78,100 has been submitted to the City as required by Hills Code to allow approval prior to completion. Councilor Kirkpatrick questioned that the plan did not provide for driveways. Sittig explained that the developers anticipate selling off more than one lot and will not know where drives will be place until usage is known. He explained that this would be covered by the Subdividers Agreement and reviewed under a site plan. He will review the escrow agreement and easement. The Plat will then need to be recorded before land can be sold. A motion was made by Hill and seconded by Endris to approve the Final Plat for Hills Commercial Park subject to the City receiving an approved escrow agreement and easement prior to the Plat being recorded. Ayes: 5. Motion carried.

The City will need to file a Budget Amendment for FY16 to show all water expenses. A motion was made by Kirkpatrick and seconded by Knebel to set the public hearing for the Budget Amendment at the April 25, 2016 meeting, starting at 7:00 p.m. Ayes – 5. Motion carried.

A motion was made by Kirkpatrick and seconded by Knebel to enter into closed session at 7:32 p.m. pursuant to Iowa Code Section 21.5 to discuss acquisition of wastewater easements. Ayes-5. Motion carried.

A motion was made Hill and seconded by Kirkpatrick to end the closed session at 7:46 p.m. Ayes -5. Motion carried.

Resolution 2016-08 was presented declaring the City's intent to proceed with and authorizing the acquisition of property rights for the Hills Wastewater Improvement Project. A motion was made by Hill and seconded by Kirkpatrick to approve Resolution 2016-07. A roll call vote was taken. Ayes: 5. Resolution 2016-08 passed.

Reports:

Attorney: Erek has received a Plan from Karen Branson in regard to the nuisance property on Main Street. He will respond and set out the expectations of the City including bringing the property up to Code and providing for inspection.

Fire Chief: No report.

Maintenance: Ron reported that most of the work has been completed at the Hills Commercial Park.

Sewer: No report.

Administrator: Cathy offered information to the Council on Curbside Composting as offered by Johnson County Refuse. The City could make this available to residents along with the regular pick up. This is intended for food waste and can help reduce garbage taken to the landfill. She will provide information in the next newsletter to determine interest from residents.

Mayor: Mayor Kemp provided examples of possible City logos to the Council. He suggested we request input from residents before finalizing a logo. He also discussed the possibility of entering a 28e Agreement with the Fire Association to govern the rights and responsibilities of each entity.

A Motion was made by Knebel and seconded by Harris to adjourn the meeting at 7:50 p.m. Ayes:5. Motion carried.

Tim Kemp, Mayor

Cathy Fitzmaurice-Hill, City Administrator

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST GL ACCOUNT	CK SQ
HILLS BANK & TRUST GENERAL							
APR16	1	4/11/16	4/11/16	1010 CASEY'S GENERAL STORE CORPORAT FUEL	116.45 116.45	001 001-650-6331	1
				INVOICE TOTAL	116.45		
				VENDOR TOTAL	116.45		
APR16	1	4/11/16	4/11/16	1361 CATHY FITZMAURICE-HILL MILEAGE/WCRF	26.00 26.00	001 001-650-6331	1
				INVOICE TOTAL	26.00		
APR1616	1	4/11/16	4/11/16	INS REIMBURSEMENT	250.00 250.00	001 001-620-6183	1
				INVOICE TOTAL	250.00		
				VENDOR TOTAL	276.00		
APR16	1	4/11/16	4/11/16	1013 CITY OF IOWA CITY LIBRARY CONTRACT	804.83 804.83	001 001-410-6430	1
				INVOICE TOTAL	804.83		
				VENDOR TOTAL	804.83		
APR16	1	4/11/16	4/11/16	1320 CAPITAL ONE COMMERCIAL FOOD FOR TRAINING	44.56 44.56	001 001-620-6230	1
				INVOICE TOTAL	44.56		
				VENDOR TOTAL	44.56		
APR16	1	4/11/16	4/11/16	1280 DEERY BROTHERS IOWA CITY TRUCK REPAIRS #85	445.43 445.43	1115 001-150-6332	1
				INVOICE TOTAL	445.43		
				VENDOR TOTAL	445.43		
10135	1	4/11/16	4/11/16	1323 EMS PROFESSIONALS INC WIPES	16.52 16.52	1115 001-150-6505	1
				INVOICE TOTAL	16.52		
				VENDOR TOTAL	16.52		
APR1616	1	4/11/16	4/11/16	1064 HILLS INSURANCE AGENCY BAND INSURANCE	150.00 150.00	001 001-499-6440	1
				INVOICE TOTAL	150.00		
				VENDOR TOTAL	150.00		
169341	1	4/11/16	4/11/16	1389 HOLLAND LAW OFFICE PLC HILLS COM/BRANSON/HANSEN	1,864.90 1,864.90	001 001-640-6411	1
				INVOICE TOTAL	1,864.90		
				VENDOR TOTAL	1,864.90		

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST GL ACCOUNT	CK SQ
APR16	1	4/11/16	4/11/16	1315 IAMU DUES	305.00	001 001-650-6210	1
				INVOICE TOTAL	305.00		
				VENDOR TOTAL	305.00		
2943	1	4/11/16	4/11/16	1360 INTERSTATE ALL BATTERY CE BATTERY	7.99	1115 001-150-6505	1
				INVOICE TOTAL	7.99		
				VENDOR TOTAL	7.99		
APR16	1	4/11/16	4/11/16	1101 JOHNSON COUNTY SHERIFF POLICE PROTECTION	2,278.92	001 001-110-6420	1
				INVOICE TOTAL	2,278.92		
				VENDOR TOTAL	2,278.92		
68116016	1	4/11/16	4/11/16	1185 RACOM CORP RADIO REPAIR	22.50	1115 001-150-6350	1
				INVOICE TOTAL	22.50		
				VENDOR TOTAL	22.50		
APR16	1	4/11/16	4/11/16	1193 SHARON TELEPHONE 1/2 FIRE STATION 224	37.88	1115 001-150-6373	1
	2			1/2 FIRE STATION 224	37.87	001 001-650-6373	1
	4			MAINT BLDG 223	37.85	001 001-650-6373	1
	5			CLERK 513	136.26	001 001-650-6373	1
				INVOICE TOTAL	249.86		
				VENDOR TOTAL	249.86		
1161060-3	1	4/11/16	4/11/16	1195 SHIVE HATTERY HILLS COM/WCRF/HANSEN	1,197.71	001 001-699-6490	1
				INVOICE TOTAL	1,197.71		
				VENDOR TOTAL	1,197.71		
APR16	1	4/11/16	4/11/16	1234 SMOKE EATER PUBLICATIONS SUBSCRIPTIONS	40.00	1115 001-150-6230	1
				INVOICE TOTAL	40.00		
				VENDOR TOTAL	40.00		
109902	1	4/11/16	4/11/16	1347 STAR LEASING L.L.C. COPIER LEASE	106.48	001 001-650-6504	1
				INVOICE TOTAL	106.48		
				VENDOR TOTAL	106.48		
APR16	1	4/11/16	4/11/16	1219 VISA ANTIVIRUS	104.19	001 001-650-6419	1
				INVOICE TOTAL	104.19		

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST GL ACCOUNT	CK SQ
					VENDOR TOTAL	104.19	
					GENERAL	8,031.34	
WATER							
3863445	1	4/11/16	4/11/16	1388 HAWKINS, INC CHEMICALS	279.56 INVOICE TOTAL 279.56	600 600-810-6501	1
					VENDOR TOTAL	279.56	
APR16	6	4/11/16	4/11/16	1193 SHARON TELEPHONE TREATMENT PLANT 2439	198.39 INVOICE TOTAL 198.39	600 600-810-6373	1
					VENDOR TOTAL	198.39	
79421	1	4/11/16	4/11/16	1289 STATE HYGIENIC LABORATORY WATER TESTS	15.50 INVOICE TOTAL 15.50	600 600-810-6380	1
					VENDOR TOTAL	15.50	
APR16	1	4/11/16	4/11/16	1348 STEVE FLAKE WATER CONTRACT	2,675.00 INVOICE TOTAL 2,675.00	600 600-810-6010	1
					VENDOR TOTAL	2,675.00	
APR16	3	4/11/16	4/11/16	1216 U S POST OFFICE UTILITY BILL	43.99 INVOICE TOTAL 43.99	600 600-810-6508	1
					VENDOR TOTAL	43.99	
					WATER	3,212.44	
SEWER							
APR16	1	4/11/16	4/11/16	1034 BRUCE ENDRIS SEWER CONTRACT WAGES	850.00 INVOICE TOTAL 850.00	610 610-815-6010	1
					VENDOR TOTAL	850.00	
169342	1	4/11/16	4/11/16	1389 HOLLAND LAW OFFICE PLC EASEMENTS	207.00 INVOICE TOTAL 207.00	610 610-815-6411	1
					VENDOR TOTAL	207.00	
1202480	1	4/11/16	4/11/16	1287 KEYSTONE LABORATORIES SEWER TESTS	61.38	610 610-815-6380	1

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST	GL ACCOUNT	CK SQ	
				INVOICE TOTAL	61.38				
				VENDOR TOTAL	61.38				
APR16	3	4/11/16	4/11/16	1193 SHARON TELEPHONE LIFT STATION 2107	37.55	610	610-815-6373	1	
				INVOICE TOTAL	37.55				
				VENDOR TOTAL	37.55				
APR16	1	4/11/16	4/11/16	1216 U S POST OFFICE UTILITY BILL	43.98	610	610-815-6508	1	
				INVOICE TOTAL	43.98				
				VENDOR TOTAL	43.98				
				SEWER	1,199.91				
				LANDFILL/GARBAGE					
APR16	1	4/11/16	4/11/16	1100 JOHNSON COUNTY REFUSE, INC TRASH COLLECTION	1,263.50	670	670-840-6492	1	
				INVOICE TOTAL	1,263.50				
APR1616	1	4/11/16	4/11/16	TRASH BAGS	18.75	670	670-840-6535	1	
				INVOICE TOTAL	18.75				
				VENDOR TOTAL	1,282.25				
APR16	2	4/11/16	4/11/16	1216 U S POST OFFICE UTILITY BILL	43.98	670	670-840-6508	1	
				INVOICE TOTAL	43.98				
				VENDOR TOTAL	43.98				
				LANDFILL/GARB	1,326.23				
				HILLS BANK & TRUST TOTAL	13,769.92				
				TOTAL MANUAL CHECKS	.00				
				TOTAL E-PAYMENTS	.00				
				TOTAL PURCH CARDS	.00				
				TOTAL ACH PAYMENTS	.00				
				TOTAL OPEN PAYMENTS	13,769.92				
				GRAND TOTALS	13,769.92				

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*** CITY OF HILLS IA ***
GENERAL LEDGER REVENUE HISTORY REPORT
FROM 03/28/2016 TO 4/11/2016

OPER: CFH

PAGE 1

ACCOUNT NUMBER	ACCOUNT NAME	RECEIPT NO REF/DESCRIPTION	AMOUNT
DATE	JOURNAL RECEIVED FROM/ALPHA ID		
001-150-4705	DONATIONS		100.00
4/08/16	GL1478 CRAIG/AMY WELT	DONATIONS	----- 100.00
	ACCOUNT TOTAL		
001-950-4300	INTEREST		3.70
3/31/16	GL1470 HILLS BANK AND TRUST	CD INT - GEN 10134617	74.03
3/31/16	GL1472 HILLS BANK AND TRUST	CHECKING INT	----- 77.73
	ACCOUNT TOTAL		
110-210-4300	INTEREST		7.40
3/31/16	GL1470 HILLS BANK AND TRUST	CD INT - ROADS 10134633	----- 7.40
	ACCOUNT TOTAL		
121-950-4090	LOCAL OPTION TAX		5,007.90
4/01/16	GL1473 TREASURER, STATE OF IOWA	LOCAL OPTION TX LOST	----- 5,007.90
	ACCOUNT TOTAL		
600-810-4500	CHARGES/FEEES FOR SERVICES		100.00
3/30/16	UB3163 SA CASH POSTING		476.79
3/30/16	UB3163 WA CASH POSTING		10.00
4/01/16	UB3171 SA CASH POSTING		49.44
4/01/16	UB3171 WA CASH POSTING		186.90
4/04/16	UB3178 SA CASH POSTING		979.39
4/04/16	UB3178 WA CASH POSTING		20.00
4/06/16	UB3183 SA CASH POSTING		191.75
4/06/16	UB3183 SA CASH POSTING		88.88
4/06/16	UB3183 WA CASH POSTING		861.82
4/06/16	UB3183 WA CASH POSTING		129.54
4/06/16	UB3183 WA CASH POSTING		30.00
4/08/16	UB3187 SA CASH POSTING		190.00
4/08/16	UB3187 SA CASH POSTING		573.32
4/08/16	UB3187 WA CASH POSTING		817.65
4/08/16	UB3187 WA CASH POSTING		6.25
	ACCOUNT TOTAL		----- 4,711.73
600-810-4530	PENALTIES		54.00
3/30/16	UB3163 WA CASH POSTING		5.00
4/01/16	UB3171 WA CASH POSTING		5.00
4/04/16	UB3178 SA CASH POSTING		20.00
4/04/16	UB3178 WA CASH POSTING		15.00
4/06/16	UB3183 WA CASH POSTING		----- 99.00
	ACCOUNT TOTAL		
600-810-4560	SALES TAXES COLLECTED		

*** CITY OF HILLS IA ***
 GENERAL LEDGER REVENUE HISTORY REPORT
 FROM 03/28/2016 TO 4/11/2016

ACCOUNT NUMBER	ACCOUNT NAME	RECEIPT NO REF/DESCRIPTION	AMOUNT
DATE	JOURNAL RECEIVED FROM/ALPHA ID		
			34.21
3/30/16	UB3163 WA CASH POSTING		3.46
4/01/16	UB3171 WA CASH POSTING		69.51
4/04/16	UB3178 WA CASH POSTING		6.22
4/06/16	UB3183 WA CASH POSTING		62.24
4/06/16	UB3183 WA CASH POSTING		40.13
4/08/16	UB3187 WA CASH POSTING		57.43
4/08/16	UB3187 WA CASH POSTING		
	ACCOUNT TOTAL		273.20
500-810-4730	DEPOSITS		100.00
3/30/16	UB3160 WA CASH POSTING		
	ACCOUNT TOTAL		100.00
510-815-4300	INTEREST		9.43
3/31/16	GL1470 HILLS BANK AND TRUST	CD INT - SEWER 10180065	15.39
4/04/16	GL1476 CD INTEREST		
	ACCOUNT TOTAL		24.82
510-815-4500	CHARGES/FEES		814.05
3/30/16	UB3163 SW CASH POSTING		65.00
3/30/16	UB3163 SW CASH POSTING		35.00
4/01/16	UB3171 SW CASH POSTING		5.00
4/01/16	UB3171 SW CASH POSTING		804.50
4/04/16	UB3178 SW CASH POSTING		25.00
4/04/16	UB3178 SW CASH POSTING		50.00
4/06/16	UB3183 SW CASH POSTING		687.70
4/06/16	UB3183 SW CASH POSTING		15.00
4/06/16	UB3183 SW CASH POSTING		.77
4/06/16	UB3185 SW CASH POSTING		621.67
4/08/16	UB3187 SW CASH POSTING		626.86
4/08/16	UB3187 SW CASH POSTING		
	ACCOUNT TOTAL		3,750.55
610-815-4560	SALES TAX COLLECTED		3.50
4/06/16	UB3183 SW CASH POSTING		43.52
4/08/16	UB3187 SW CASH POSTING		
	ACCOUNT TOTAL		47.02
610-815-4820	PROCEEDS FROM DEBT/LOAN		245,753.00
4/01/16	GL1477 IOWA FINANCE AUTHORITY	SRF DISBURSEMEN	
	ACCOUNT TOTAL		245,753.00
670-840-4300	INTEREST		3.70
3/31/16	GL1470 HILLS BANK AND TRUST	CD INT - GARB 10134625	

ACCOUNT NUMBER	ACCOUNT NAME	RECEIPT NO REF/DESCRIPTION	AMOUNT
DATE	JOURNAL RECEIVED FROM/ALPHA ID		
670-840-4300	INTEREST		
	ACCOUNT TOTAL		3.70
670-840-4501	GARBAGE FEES		
3/30/16	UB3163 GB CASH POSTING		109.25
3/30/16	UB3163 GB CASH POSTING		60.00
4/01/16	UB3171 GB CASH POSTING		4.75
4/01/16	UB3171 GB CASH POSTING		5.00
4/04/16	UB3178 GB CASH POSTING		95.00
4/04/16	UB3178 GB CASH POSTING		25.00
4/06/16	UB3183 GB CASH POSTING		76.00
4/06/16	UB3183 GB CASH POSTING		10.00
4/06/16	UB3185 GB CASH POSTING		.77-
4/08/16	UB3187 GB CASH POSTING		66.50
4/08/16	UB3187 GB CASH POSTING		25.00
	ACCOUNT TOTAL		475.73
670-840-4502	GARBAGE BAGES		
3/31/16	GL1470 RESIDENT	GARBAGE TAGS	12.50
3/31/16	GL1470 BRANSON	GARBAGE TAGS	12.50
4/08/16	GL1478 RESIDENT	GARBAGE TAGS	30.00
4/08/16	GL1478 RESIDENT	GARBAGE TAGS	20.00
4/08/16	GL1478 ZEMAN	GARBAGE TAGS	10.00
4/08/16	GL1478 RESIDENT	GARBAGE TAGS	10.00
4/08/16	GL1478 RESIDENT	GARBAGE TAGS	13.75
	ACCOUNT TOTAL		108.75
	REPORT TOTAL		260,540.53

ORDINANCE NO. 2016-02

AN ORDINANCE AMENDING THE HILLS MUNICIPAL CODE BY ADDING
A NEW CHAPTER 23 THERETO ENTITLED "COMMUNITY CENTER BOARD"
ESTABLISHING A NEW ADMINISTRATIVE AGENCY FOR THE CITY OF HILLS

Be it enacted by the City Council of the City of Hills, Iowa:

SECTION 1. There is hereby adopted the following Chapter 23 entitled "Community Center Board":

23.01 HILLS COMMUNITY CENTER. The public community center for the City is known as the Hills Community Center. It is referred to in this chapter as the "community center". The City is the owner of the community center property.

23.02 BOARD CREATED. The Hills Community Center Board is hereby created to advise and assist the Council in the maintenance and management of the Hills Community Center. The Board shall consist of seven (7) members, which shall include both residents and nonresidents. Members shall not hold any elective office in the City government. Members shall be appointed by the Mayor with the approval of the Council. Subject to the approval of the Council, the Mayor may appoint one or two City Council members to serve as liaisons to advise the Board and communicate with other Council members and the Mayor on the activities of the Board. (Code of Iowa, Sec. 392.1)

23.03 TERM OF OFFICE. All members shall serve staggered five (5) year terms. To implement staggered terms, two members of the initial Board shall serve for two years, two members of the initial Board shall serve for three years and three members of the initial Board shall serve for five years. (Code of Iowa, Sec. 392.1)

23.04 VACANCIES. If a vacancy exists on the Board, caused by resignation or otherwise, a successor for the residue of the term shall be appointed in the same manner as the original appointee. (Code of Iowa, Sec. 392.1)

23.05 COMPENSATION. All members of the Board shall serve without compensation, except for their actual expenses, which shall be subject to the approval of the Council. (Code of Iowa, Sec. 392.1)

23.06 POWERS AND DUTIES.

1. Selection of Officers. The Board shall choose annually at its first regular meeting one of its members to act as Chairperson and another as Vice Chairperson, who shall perform all the duties of the Chairperson during the Chairperson's absence or disability. (Code of Iowa, Sec. 392.1)

2. Adopt Rules and Regulations. The Board shall adopt such rules and regulations governing its organization and procedure as it may deem necessary. (Code of Iowa, Sec. 392.1)

3. Community Center. The Board shall oversee the use, maintenance, and management of the community center. It shall have the power to make rules and regulations governing the use of the community center. (Code of Iowa, Sec. 392.1)

4. Fiscal Responsibility. The Board shall have full, complete, and exclusive authority to expend, for and on behalf of the City, all sums of money appropriated to it and to use and expend all gifts, donations or payments that are received by the City for the Community Center. (Code of Iowa, Sec. 392.1)

5. Limitation on Entering Contracts. The Board shall have no power to contract debts beyond the amount of its original or amended appropriations as approved by the Council for the present year. (Code of Iowa, Sec. 392.1)

6. Annual Report. The Board shall each year make a report to the Mayor and Council of its proceedings, with a full statement of its receipts and disbursements and the progress of its work during the preceding fiscal year. (Code of Iowa, Sec. 392.1)

Passed by the City Council of the City of Hills, Iowa, the _____ day of _____,
_____.

Tim Kemp, Mayor

ATTEST:

Cathy Fitzmaurice-Hill, City Clerk

First Reading: _____

Second Reading: _____

Third Reading: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing Ordinance No. 2016-02 was published as required by law on the _____ day of _____, _____.

SIGNED _____
Cathy Fitzmaurice-Hill, City Clerk

AGREEMENT

This Agreement entered into this 1st day of April,
2016 by Johnson County, Iowa, a municipal corporation, and the City of
Hills, Iowa, a municipal corporation.

Witnesseth that:

Whereas, the City of Hills, Iowa desires to have
Johnson County, Iowa provide it with law enforcement protection, and,

Whereas, Johnson County, Iowa is willing to provide said law
enforcement protection to the City of Hills, Iowa upon terms
and conditions hereinafter set forth,

Now therefore:

In consideration of the mutual covenants and agreements hereinafter set
forth, the parties hereto, legally intending to be bound hereby, do covenant and
agree for themselves and their respective successors and assigns as follows:

1. The County of Johnson, State of Iowa, through the Johnson
County Sheriff's Office will supply law enforcement protection to
the City of Hills, Iowa as follows:
 - a. Patrolling and performing other associated law enforcement
functions in and for the City of Hills totaling
approximately 12,826,92308 hours per week.
 - b. It is understood by the parties that the Johnson County
Sheriff's Office, in the performance of its duties under terms of
this Agreement, must necessarily perform some functions,
such as transporting prisoners to jail, appearing in court,
attending training sessions and working follow-up
investigations, outside of the city limits. As a result it is agreed
by the parties that the Sheriff's Office may deduct ten percent
of the hours contracted for from the total due to cover time
spent on city law enforcement matters conducted outside of the
city limits.
2. Law enforcement matters, including times of patrolling, are to be
mutually agreed upon and determined by the Johnson County
Sheriff and the Mayor of Hills, Iowa all as set

forth in Exhibit "A" attached and incorporated into this Agreement and made a part hereof.

3. In consideration of the services to be rendered and hereinabove set forth, the City of Hills, Iowa will pay Johnson County, Iowa at a rate of \$ 41.00 per hour or a total of \$ 27,347.00 per year to be payable in monthly installments of \$ 2,278.92 commencing on the 1st day of July, 2016. Said sums are to be paid directly to the Johnson County Sheriff's Office and will be credited and transmitted to the Johnson County Treasurer's Office.
4. It is understood that the Sheriff's Department may, from time to time, request an increase in the hourly rate charged for police services, and that such request for an increase shall be presented to the City Council in writing on or before January 1st of the beginning of the fiscal year in which the increase is to become effective. A modification of the hourly rate shall be accomplished by an addendum to this Agreement and shall not be considered a termination of the Agreement then in force.
5. The City of Hills agrees to pay incidental fees and charges, such as but not limited to, towing bills and dog kenneling charges, incurred in the normal course of law enforcement activities.
6. It is understood that either party may request an increase or a reduction in the number of hours per week for which the services are contracted. Such changes may be negotiated by mutual agreement of the parties at any time during the life of the Agreement. A modification of the number of hours of contract service shall be accomplished by an addendum to this Agreement and shall not be considered a termination of the Agreement then in force.
7. Should the City of Hills invest law enforcement authority in any other individual, group or organization, the Johnson County Board of Supervisors reserves the right to terminate this Agreement upon thirty days written notice to the City Council notwithstanding the termination provision of Section 8 of this Agreement.
8. This Agreement may be terminated after it has been in force for one year by either party giving the other party six months written notice of its intention to terminate said Agreement.

9. This Agreement to become effective on the 1st day of July, 2016, and continue thereafter until terminated as provided by this Agreement.

In witness whereof, the parties hereto have subscribed their signatures herein the day and year written.

Mayor, Hills

Chairperson, Johnson County

ATTEST:

ATTEST:

City Clerk, Hills

Auditor, Johnson County

EXHIBIT "A"

This memorandum is incorporated into and made part of the Agreement to which it is attached.

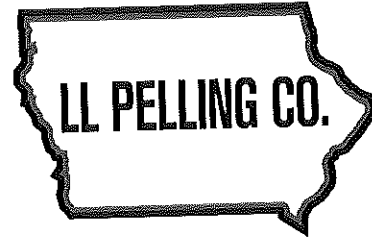
The purpose of this Exhibit is to constitute a memorandum of the law enforcement policy, regulations and other matters, as provided in Paragraph 2 of the foregoing Agreement.

1. Law enforcement services shall commence on July 1st, 2016, and shall terminate in accordance with the provisions of the foregoing Agreement.
2. The Mayor by mutual agreement with the Sheriff can designate the dates and times that the protected services are most desired in the City, according to the amount of hours purchased in the foregoing Agreement.
3. The Sheriff of Johnson County reserves the right to alter or change the times if, in his discretion, he feels that by doing so more adequate protection services will be rendered if such services should be conducted in a staggered time pattern rather than a specified definite routine.
4. The law enforcement services provided for in the foregoing Agreement shall not cover animal control duties.
5. In the event that a violation is committed which is not covered by the City ordinances, the Sheriff's Office shall retain discretion to file whatever applicable State misdemeanor charge fits the situation.
6. The City shall furnish the services of the City Attorney for the prosecution in all cases that are filed by the Sheriff's Office in violation of the ordinances of the City.
7. The Mayor shall make available, at all times, access to the ordinances of the City as embodied in the City Code, wherever same is kept.
8. The Sheriff shall furnish timely reports on all actual time worked and spent for the City pursuant to the Agreement.

The various conditions and performances set forth in Exhibit "A" may be modified or changed as conditions may warrant. In that event, all changes shall be mutually agreed upon by the Mayor and the Sheriff and shall be reduced to writing and attached to The Agreement and this Exhibit.

PROPOSAL

CITY OF HILLS
ATTN: CITY CLERK
PO BOX 345
HILLS, IA 52235-0345



WWW.LLPELLING.COM 1425 W. Penn Street P.O. Box 230 North Liberty, Iowa 52317 (319) 626-4600 FAX (319) 626-4605

WE PROPOSE TO DO THE FOLLOWING WORK AND/OR FURNISH THE MATERIALS AT THE UNIT PRICE QUOTED BELOW:

Page 1

RE: 2016 Sealcoat Work

Description of Work:

Type B Work

- B. Single seal coat consisting of:
- Power broom streets
 - Furnish and apply single seal coat of MC-3000 asphalt
 - Furnish, spread and roll 3/8" chips.

NOTES:

- Billing on final units completed.
- 2.4HR'S BROOM/SKID CLEAN MISC. STREETS AT \$160.00 PRE. HR = \$640.00

Authorized
Signature

Bob Donohoe

Note: This proposal may be withdrawn if not accepted within 30 da

All work & materials will be according to specifications submitted or per standard practices. Any alteration or deviation from the above specifications involving extra cost will become an extra charge over and above the estimate. Items bid per Unit of Measure are based on estimated quantities, and payment will be based on actual quantities placed. Payment is due upon receipt of invoice. 1 3/4% Service Fee will be charged on all past due accounts (21% per annum). Any expense incurred to collect past due accounts, including attorney fees, will be reimbursed by owner.

Acceptance of Proposal The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payment will be due upon receipt of invoice. I will retain the white copy for my records and return the yellow copy for authorization to schedule work.

Signature _____ Date _____

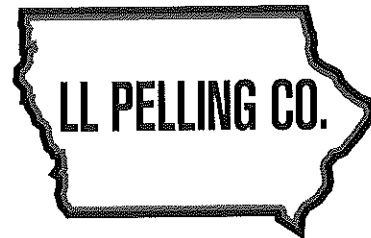
Signature _____ Date _____

"Committed to Excellence since 1948"

PROPOSAL

CITY OF HILLS
ATTN: CITY CLERK
PO BOX 345
HILLS, IA 52235-0345

Phone: (319) 679-3197
Fax: (319) 379-3097



WWW.LLPELLING.COM

1425 W. Penn Street P.O. Box 230 North Liberty, Iowa 52317

(319) 626-4600 FAX (319) 626-4605

WE PROPOSE TO DO THE FOLLOWING WORK AND/OR FURNISH THE MATERIALS AT THE UNIT PRICE QUOTED BELOW:

Page 2

Street	From	To	L (ft)	W (ft)	TYPE OF WORK (SY)		Total
					Type A	Type B	
LASSIE	MAIN	OAK	A			-	\$ -
			B	320	30		1,067
	MAIN	IOWA	A			-	\$ -
			B	688	31		2,370
EAST AVE.	IOWA	NORTH(EASTSIDE)	A			-	\$ -
			B	270	8		240
	BRADY	NORTH	A			-	\$ -
			B	80	42		373
	BRADY	MAIN	A			-	\$ -
			B	280	32		996
1 ST.	MAIN	OAK	A			-	\$ -
			B	335	46		1,712
2 ND.	MAIN	NORTH END	A			-	\$ -
			B	1424	21		3,323
3 RD.	ADAMS	NORTH(EASTSIDE)	A			-	\$ -
			B	60	8		53
	OAK	ADAMS(WESTSIDE)	A			-	\$ -
			B	680	8		604
Summary of Work			Unit of Measure	Quantity	Unit Cost	Total	

NOTES: Billing on final units completed.

Date: 4/1/2016

Authorized Signature Bob Donohou

Note: This proposal may be withdrawn if not accepted within 30 days

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Signature _____ Date _____

Signature _____ Date _____

"Committed to Excellence since 1948"

PROPOSAL

CITY OF HILLS
ATTN: CITY CLERK
PO BOX 345
HILLS, IA 52235-0345



WWW.LLPELLING.COM 1425 W. Penn Street P.O. Box 230 North Liberty, Iowa 52317 (319) 626-4600 FAX (319) 626-4605

WE PROPOSE TO DO THE FOLLOWING WORK AND/OR FURNISH THE MATERIALS AT THE UNIT PRICE QUOTED BELOW:

Page 3

Street	From	To	L (ft)	W (ft)	TYPE OF WORK (SY)		Total
					Type A	Type B	
	OAK	SOUTH	A	80	22	-	\$ -
			B			196	\$ 401.80
	BRADY	IOWA	A	355	28	-	\$ -
			B			1,104	\$ 2,263.20
4 TH.	IOWA	NORTH	A	50	24	-	\$ -
			B			133	\$ 272.65
	#102	NORTH(EASTSIDE)	A	50	8	-	\$ -
			B			44	\$ 90.20
	MAIN	SOUTH(WESTSIDE)	A	30	8	-	\$ -
			B			27	\$ 55.35
	ADAMS	SOUTH	A	80	16	-	\$ -
			B			142	\$ 291.10
ALLEY	1 ST.	EAST	A	60	20	-	\$ -
			B			133	\$ 272.65
	2 ND.	WEST	A	90	12	-	\$ -
			B			120	\$ 246.00
ADAMS	2 ND.	EAST	A	70	18	-	\$ -
			B			140	\$ 287.00
Summary of Work			Unit of Measure	Quantity	Unit Cost	Total	

NOTES: Billing on final units completed.

Date: 4/1/2016

Authorized Signature Bob Donohou

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Signature _____ Date _____

Signature _____ Date _____

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PROPOSAL

CITY OF HILLS
 ATTN: CITY CLERK
 PO BOX 345
 HILLS, IA 52235-0345



WWW.LLPELLING.COM

1425 W. Penn Street P.O. Box 230 North Liberty, Iowa 52317

(319) 626-4600 FAX (319) 626-4605

WE PROPOSE TO DO THE FOLLOWING WORK AND/OR FURNISH THE MATERIALS AT THE UNIT PRICE QUOTED BELOW:

Page 4

Street	From	To	L (ft)	W (ft)	TYPE OF WORK (SY)		Total
					Type A	Type B	
WASHINGTON	3 RD.	2ND.(SOUTHSIDE)	A				\$ -
			B	365	8		324
OAK	3RD.	EAST(SOUTHSIDE)	A				\$ -
			B	125	8		111
	2ND.	EAST(SOUTHSIDE)	A				\$ -
			B	100	8		89
	WEST END	EAST	A				\$ -
			B	70	24		187
FIRE DEPT.	PARKING		A				\$ -
			B	140	18		280
BRADY	#230	DIG	A				\$ -
			B	24	15		40
	#230	DIG	A				\$ -
			B	24	15		40
	3RD.	EAST(SOUTHSIDE)	A				\$ -
			B	80	8		71
	4 TH.	WEST	A				\$ -
			B	700	21		1,633
Summary of Work			Unit of Measure	Quantity	Unit Cost	Total	

NOTES: Billing on final units completed.

Date: 4/1/2016

Authorized Signature Bob Donohoe

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Signature _____ Date _____

Signature _____ Date _____

"Committed to Excellence since 1948"

PROPOSAL

CITY OF HILLS
 ATTN: CITY CLERK
 PO BOX 345
 HILLS, IA 52235-0345



WWW.LLPELLING.COM

1425 W. Penn Street P.O. Box 230 North Liberty, Iowa 52317

(319) 626-4600 FAX (319) 626-4605

WE PROPOSE TO DO THE FOLLOWING WORK AND/OR FURNISH THE MATERIALS AT THE UNIT PRICE QUOTED BELOW:

Page 5

Street	From	To	L (ft)	W (ft)	TYPE OF WORK (SY)		Total
					Type A	Type B	
IOWA	3RD.	4TH.	A			-	\$ -
			B	1193	21		2,784
	3RD.	WEST(SOUTHSIDE	A			-	\$ -
			B	650	10		722
	LASSIE	EAST(SOUTHSIDE	A			-	\$ -
			B	90	10		100
			A			-	\$ -
			B				-
			A			-	\$ -
			B				-
			A			-	\$ -
			B				-
			A			-	\$ -
			B				-
			A			-	\$ -
			B				-
			A			-	\$ -
			B				-

Summary of Work	Unit of Measure	Quantity	Unit Cost	Total
Type B Work	Square Yd	19,158	\$ 2.05	\$ 39,273.90
Cold Mix Patching	per ton	64.00	\$ 195.00	\$ 12,480.00
				\$ 51,753.90

NOTES: Billing on final units completed.

Date: 4/1/2016

Authorized Signature Bob Donohoe

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Signature _____ Date _____

Signature _____ Date _____

"Committed to Excellence since 1948"

HOLLAND LAW OFFICE PLC
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(319) 354-0331
(319) 354-0559
www.joehollandlawyer.com

C. Joseph Holland
jholland@icialaw.com

Erek P. Sittig
esittig@icialaw.com

March 25, 2016

Cathy Fitzmaurice-Hill
City of Hills
201 N 1st Street
P.O. Box 345
Hills, IA 52235-0345

Re: Hills Fire Association Audit

Dear Cathy:

You have asked me to review your findings regarding the Hills Fire Association finances and the most recent audit report published by the State Auditor's Office. I have reviewed your findings, and I have reviewed the Independent Accountant's Report on Applying Agreed-Upon Procedures for the Period October 1, 2013 Through September 30, 2014, published by the Office of Auditor of State, ("the Report") along with the authorities cited within the Report, and have identified three issues that should be separately addressed.

The first issue is whether public money may be given to private organizations. As noted in the Report, Article III, Section 31 of the Iowa Constitution states that "no public money or property shall be appropriated for local, or private purposes, unless such appropriation . . . be allowed by two thirds of the members elected to each branch of the general assembly." Though the Iowa Attorney General's Office has issued an advice letter to the Office of the Auditor indicating that the Supreme Court of Iowa has determined the quoted portion of Article III, Section 31, applies equally to cities as well as the State Legislature, the Supreme Court opinions cited for that proposition don't appear to truly bear that out.

In *Love v. City of Des Moines*, the plaintiff attempted to rely on a different part of Article III, Section 31 for the proposition that the price he was to be paid under a contract he had with the City of Des Moines could be increased, without any additional public benefit shown. Rather than rely on that provision of the Iowa Constitution, though, the Supreme Court cited what it called "[o]ne of the fundamentals of popular government": "that the power of taxation and the expenditure of taxes shall not be exercised for private benefit or for the purpose of mere gratuities to private interests." The Court held in that case "that no power exists in a city council to appropriate public moneys to private use without 'public benefit,'"

In *Willis v. City of Des Moines*, the plaintiff again argued that Article III, Section 31, applies to cities. In that case, taxpayers and residents of Des Moines objected to a change in an ordinance that moved the responsibility for security within the City's skywalk system from the business connected by the system to the City. Again, the question was one of consideration for a change in a contract, which mirrored the ordinance change. The Court again did not specifically address whether Article III, Section 31, applies to cities, but again focused on the language from the *Love* case regarding public benefit.

Neither of the Supreme Court cases even mentioned the language in the Report regarding two-thirds of the Iowa legislature approving spending money for private benefit. And in reviewing that language, it becomes difficult to see how it could apply to cities. The provision doesn't just prohibit money for *private* use without the approval of two-thirds of both houses of the Iowa legislature; it prohibits *local* appropriations, as well. If this provision applied to cities, cities would be unable to conduct business because every expenditure would have to be approved by the Iowa legislature.

Applying this provision to cities would also conflict with the idea of Municipal Home Rule. Article III, Section 38A, of the Iowa Constitution sets out that cities are granted the power to manage their own affairs, so long as they do so within the requirements of other laws of the State. Requiring the State legislature to approve all local and private appropriations of cities violates the spirit of Municipal Home Rule power.

What does clearly apply to cities is the idea that any appropriation must be for the public benefit. When a city spends money, part of the consideration it receives in return must be public benefit. Every wage paid, pen purchased, grant given, and infrastructure installed must contribute to the public good. This idea

allows a city to contribute tax proceeds to the school district, to the Fire Association, or to any organization that it determines to be bettering the community.

The second issue to be discussed is that of safeguarding public funds. Chapters 12B and 12C of the Code of Iowa address how a city may invest its money; and Section 384.20 of the Code of Iowa requires that all public money be accounted for. These are strict and conservative rules meant to protect the funds from the risks associated with some investments, and from those people who might attempt to steal public funds, in order to ensure the future viability of cities.

Part of the Auditor's issue with transfers to the Fire Association may be a lack of documentation, which would not have been in keeping with the requirements of Section 384.20. In addition, there are sometimes concerns that a city is transferring money to a private organization in order to avoid the stringent investment rules imposed on cities. These concerns partially explain the Auditor's recommendation that a 28E Agreement be formed between the City and the Fire Association, which would allow for the private organization to participate in decision-making regarding the funds, but would also keep the stringent investment and accounting rules in place.

The third and final separate issue to be addressed is that surrounding the intent of those who give money to an organization for a certain purpose. The Auditor seems to assume that the gifts of money and a vehicle were intended for the City, not the Fire Association. I have not reviewed that issue in-depth, but I imagine it's at least arguable the Auditor is technically correct.

When someone gives money to an organization earmarked for a certain purpose, the donor's intent is paramount. The organization to which the gift is given should not give the gift to another organization, even if that other organization will use the gift for the intended purpose, because the donor could have just as easily given the gift to that other organization. But, a 28E Agreement again allows the City to retain some control, and also allow another organization to have formal input on the use of such a gift. This is another main reason for the recommendation that a 28E Agreement be used in this case.

Here, if the gifts were meant for the City's fire department, they should not have been transferred to the Fire Association. The City should have retained

some control, whether it was by keeping the money or through a 28E Agreement for control of the gifts.

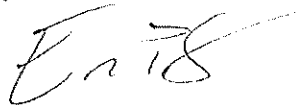
The question remains: What needs to be done to satisfy the Auditors regarding this matter? I see two possibilities: 1. The City demands the remainder of the money back from the Fire Association, or 2. The City and the Fire Association form a 28E Agreement for the purpose of managing the remainder of the gifts. It appears that the Auditor will accept either of these actions.

With either option, I think your review of the Fire Association's finances is complete. Your conclusion of the amount of the gifts remaining appears sound, and I would use it as a starting point for discussions with the Fire Association. You can either demand that amount back from the Fire Association or form a formal partnership through a 28E Agreement. One way to use the latter option would be to appoint a separate board to determine the use of the money. This board could be composed of two City Council members, two members of the Fire Association board, and three private citizens (to ensure an odd number and no deadlocked votes). Other combinations might also be acceptable.

I think it should be noted that the Auditor does not appear to indicate any intentional wrongdoing by anyone related to this matter. More than anything, this matter appears to have been caused by uncertainty about the nature of the Fire Department vs. the Fire Association, and a failure in the City's previous bookkeeping practices. Some of the rest of the report addresses those issues, and I know you have taken steps to comply with those requirements.

Please let me know if you have any questions or need anything further from me regarding this issue.

Very truly yours,



Erek P. Sittig
Attorney at Law