

CITY COUNCIL PROCEEDINGS

January 5, 2012

The City Council met at 5:00 p.m. in regular session with Mayor Larsen presiding. Council present: True, Bierbaum, Shepherd, Humann. Council absent: Tooley.

Guests in attendance: Izetta Dierking, Bob Martens, Herb Wood, LaVonne Wood, Adrian Griffith, Lynn Driver, Linda Booth, Justen Tooley, Janet Macdonald, Donna Bierbaum.

City staff in attendance: Jim Blum, Terri Abel.

Motion by True, seconded by Humann to approve the agenda. Ayes: Bierbaum, Shepherd, Humann, True. Carried.

Motion by Humann, seconded by True to approve the preceding month's minutes and Library minutes. Ayes: Shepherd, Humann, True, Bierbaum. Carried.

Motion by Shepherd, seconded by True to approve the Treasurer's and Clerk's reports. Ayes: True, Shepherd, Humann, Bierbaum. Carried.

Lynn Driver was present at the Council meeting to further discuss possible business incentives for his new business, Emma Jean's, which is located at 2117 Antique City Drive. Driver is in the process of converting the old Villager Restaurant into the new business.

Mayor Larsen prefaced the discussion by noting that there was a draft agreement available for Council review; the agreement had not yet been reviewed by the City Attorney. Larsen stated that after discussing possible business incentives with various townspeople, he had some reservations about some of the preliminary plans that had been made relative to possible business incentives. According to the Mayor, offering business incentives to new businesses is totally new territory for the present City Council and Mayor, and he felt that a great deal of research and thought should be given before any decisions are made. Larsen clarified that the draft agreement would essentially constitute a \$50,000.00 grant to Lynn Driver, payable over a period of five years with some stipulations regarding the payment of wages. Larsen also noted that there had been some discussion with Driver regarding the City's financial participation in 50% of the fees to extend a water line to the property, although that discussion was a separate issue from the agreement.

Shepherd stated that the draft agreement contained what was discussed during past committee meetings, including an incentive of \$50,000.00 paid over five years. She stated that the sales tax revenue that is collected through the sale of food and drinks at Emma Jean's would constitute revenue to the City. Larsen stated that most incentive agreements are written as forgivable loans, tax rebates, or tax abatement versus a grant. He commented that some agreements are payable from increment that is derived from a TIF District. In any event, Larsen felt that it would be advisable for the City to rely upon the expertise of attorneys who are knowledgeable in formulating such agreements.

It was clarified that at this time, it would be possible for the City Council to revise any of the details that had previously been discussed by the committee. The draft agreement, as compiled by Lynn Driver's attorney, would be open to any revisions requested by the City Council. Shepherd noted that she and Tooley had already wanted some verbiage in the agreement changed stating that the City wants to encourage economic development rather than new businesses as stated in the document. Lynn Driver noted that the draft agreement was prepared by his attorney based on Driver's interpretation of what was discussed at the last committee meeting. Driver stated that the document was intended to be used as a guideline for further discussion.

Larsen stated that as more citizens hear about the business incentive that is being considered for Lynn Driver, there will be more concerned citizens and business owners who are questioning the City's financial involvement in one business and not others. Larsen clarified that he felt that the City should be open to offering business incentives, perhaps not on such a large scale that is being considered for Driver, however. He stated that he is not opposed to offering an incentive to Lynn Driver; however, he suggested that the incentive be based more directly on the amount of property tax that is paid. Larsen said that the building was merely a shell when Driver purchased the property. There was a good chance, if Driver had not purchased the property, that the building would have been demolished leaving an empty lot. The valuation of the property would have been

lowered dramatically, lowering the City's tax revenue from the property. Larsen suggested that the City give up its tax revenue from the property for up to five years, in an attempt to encourage the development of a viable business on the property. He further recommended that Driver's total tax dollar be used as a guide for the agreement, not just the City's share of the tax dollar. In other words, the amount of the incentive would be based on 100% of the property taxes that are paid by Lynn Driver over a five-year period. Larsen did not recommend that the City make any definite decisions relative to business incentives without the expertise of the City Attorney or attorneys who are well-versed in such incentive agreements.

Humann indicated that she understood that any potential incentive agreement would most probably set a precedent for the future; however, she felt that the City should definitely encourage new businesses in an effort to ultimately draw and attract potential new residents and visitors to the community.

Lynn Driver reminded the Council members that his purchase agreement with U.S. Bank was subject to the City of Walnut providing some incentives. He stated that he made contact with the City, and he was sure that some sort of an agreement could be made between himself and the City, even though it might not be in the form of the proposed agreement.

The Mayor suggested that Abel contact an expert in this field. Larsen stated that he would like to see the money come through some form of a TIF agreement, rebating 100% of the tax dollar that is paid by the property owner. Abel noted that TIF could certainly be utilized to pay future years of the agreement; however, because of timing in TIF certification, it would not be possible to make the requested initial payment using TIF dollars. Driver stated that he had already requested a reassessment of the property; however, as improvements are made to the building, the reassessment might be close to the same as the current assessment. The amount of future property taxes will be based on the amount of the reassessment. Larsen noted that the amount of the first payment could essentially be determined once the mechanism of the agreement is in place.

Larsen suggested that the Council table further discussion until the next regular City Council meeting, giving Abel time to complete further research. Lynn Driver stated that the scope of his project constitutes a substantial investment and he questioned whether any other new businesses would qualify for such an incentive.

Abel indicated that she would contact a Des Moines attorney who is an expert in the field, and she would also discuss the matter with the City Attorney.

Janet Macdonald commented that she is attempting to sell her business, and she questioned whether there would be any incentives from the City available that she could mention to anyone who is interested in purchasing her property. Larsen felt that any incentives that might be offered by the City should be determined on a case-by-case basis, perhaps based on employment, wages paid, or the property tax that is generated. After a brief discussion concerning sales tax revenues, Abel noted that the amount of sales tax revenue that is generated through the local option sales tax would be quite small compared to the revenue that is generated to the City through property taxes.

Mayor Larsen stated that it makes sense to him for the City to give up a number of years of property tax revenue in order to gain a new business. Any agreement would be subject to the business remaining a viable business throughout the term of the agreement. Macdonald reported that she is in the process of opening a new business that offers reflexology and massage. Larsen stated that Macdonald would need to bring a proposal to the City Council, and any possible business incentives would be considered on a case-by-case basis. Humann suggested that perhaps it would be possible to fashion a template for potential business owners to complete when they are formulating a request for business incentives.

Adrian Griffith agreed that there should be an incentive policy in effect for every business, perhaps a percentage of tax rebates over a specified number of years, for example. Griffith felt that there should be a standard policy for all potential business owners. Adrian also stated that, in his opinion, the City should prepare all incentive agreements for consideration. Driver clarified that his attorney only drew up ideas that were developed through committee meetings; the proposed agreement was to be used as a guideline for further Council consideration.

Shepherd reiterated the direction for Abel to contact an attorney who has expertise in incentive agreements, using TIF as a method to fund any business incentive that is offered to Driver. Abel informed the Council members that any increment that is used to fund the incentive would most probably be increment that would be derived from the

entire TIF District, not just TIF revenue that is generated from the Driver property. Mayor Larsen again stated that he would be in favor of an agreement that would refund Driver back the tax dollars that he has paid for a specified number of years. Larsen felt that the City should offer Driver some type of incentive in order to keep the property a viable business in the community that continues to generate property tax dollars. He said that it would be important for the City to give up temporary property tax revenue for property tax revenue that will continue to be generated in the future. Larsen clarified that it would not be possible to enter into an agreement with Driver until further research has been completed. Abel noted that any payment that the Council would want to give to Driver to financially participate in the extension of the water line to his property could be accomplished with a mere motion. Driver said that he would be able to produce that figure by the next regular City Council meeting. The City Council had already previously discussed sample incentives that could be offered to businesses that are considering relocation to Walnut.

Driver provided a brief discussion concerning his request to Pottawattamie County for reassessment. Lynn stated that should the assessor look at the property today, it is possible that the assessment will be reduced. If the assessor waits longer into spring and more interior work has been completed, it is possible that the assessment will be increased. Mayor Larsen stated that it will be up to the City Council and the attorney to determine the mechanics of the agreement. Driver again reminded the Council members that a vacant lot generates much less property tax than an improved lot.

Lynn Driver's request for possible business incentives is to appear on the agenda for the next regular City Council meeting.

Motion by Shepherd, seconded by True to approve a Class C liquor license for Emma Jean's. Ayes: Humann, Bierbaum, True, Shepherd. Carried.

At this time of the meeting, Mayor Larsen officially welcomed Marye Bierbaum to the City Council.

Discussion followed concerning the disposal of solid waste. Herb and LaVonne Wood were present at the meeting to provide some insight.

Mayor Larsen provided a synopsis of the existing problem. It was previously reported that there will be an increase in landfill fees at the Pottawattamie County Transfer Station. Larsen reminded the Council members that the contract between the City of Walnut and Herb Wood of Walnut Sanitation states that Wood will pick up Walnut's residential trash and take the trash to the transfer station in Hancock. The City pays the tonnage fee directly to Pottawattamie County, which is currently \$50.00 per ton. The tonnage fee will increase to \$100.00 per ton, effective July 1, 2012. The City currently has a twenty-five year contract with Iowa Waste Systems to dispose of the City's trash at the landfill in Malvern at the current rate of \$23.50 per ton. Accordingly, all of the waste that is collected at the Pottawattamie County Transfer Station is ultimately transported to Malvern for disposal. The Mayor stated that the City's contract with Walnut Sanitation expires on December 31, 2012, which is essentially a six-month overlap with the increased tonnage fees at the transfer station. Mayor Larsen indicated that he had talked to Herb Wood about the possibility of transporting the City's solid waste to Malvern after July 1st; however, Herb had told him that he would prefer to continue to haul to Hancock for the last six months of his contract.

LaVonne Wood reported that there was a recent meeting in Hancock; the meeting resulted in Pottawattamie County purchasing the property on which the transfer station is located from the City of Hancock for \$1.00. In return, the City of Hancock receives four free dumps per year. There will be another meeting, which is scheduled for January 18, 2012, to further discuss details regarding the transfer station. LaVonne requested that the Council wait another month before making any decisions relative to solid waste until after the upcoming Pottawattamie County meeting. LaVonne felt that a firm decision would be made at the meeting concerning the amount of the tonnage fee at the transfer station. In any event, LaVonne stated that Herb does not want to transport the City's trash to Malvern. Wood does not want to purchase any additional equipment, especially since he has plans to retire at the end of the year. LaVonne requested that the City Council allow Herb to continue to haul to the Hancock Transfer Station for the last six months of his contract. Mayor Larsen noted that even if Herb were to be willing to go to Malvern, the City would have to pay him more money for the increased mileage. LaVonne stated that Herb would have to make two trips per week to Malvern.

LaVonne reported that she had personally discussed the matter with Kay Mocha, of Pottawattamie County. Mocha had told Wood that it has always been the goal of

Pottawattamie County to maintain a transfer station. Mocha had also told LaVonne that the County adopted a resolution to increase the transfer station fees to \$100.00 effective July 1, 2012; however, Kay had also stated that the increased fee could also change. LaVonne felt that facts will be clearer after the upcoming January 18th meeting.

Adrian Griffith reminded the Council members that the City has always received good service from Herb Wood, oftentimes over and above what is required. Griffith continued that Herb's good service has equated to the improved appearance of the community.

LaVonne Wood stated that she will keep the City informed of any decisions that are made at the upcoming meeting regarding the transfer station. She also said that she would be willing to attend the next City Council meeting to further discuss the matter. Discussion of solid waste disposal is to appear on the agenda for the next regular City Council meeting.

Tim Lockard of Russell, Iowa, the coordinator of the Walnut Antique Fall Festival, is hoping to expand the event in 2012, which is scheduled for September 14-16, 2012. He had previously requested permission to close additional streets for the vendors. Streets previously mentioned included Pearl Street, Highland Street, and Antique City Drive. At the last meeting, Mayor Larsen had stated that he would be willing to personally discuss the matter further with Lockard. Larsen reported that he understood that Lockard would be willing to utilize two half-blocks of Highland Street instead of closing one block of Antique City Drive. Antique City Drive would then remain open to traffic throughout the event, and Lockard would still be given the use of the equivalent of one block. Lockard could also use the parking area on both sides of Pearl Street from Antique City Drive east to the alley, the same as for the 2011 event. The City would actually close the Highland Street area and the Pearl Street area to traffic during the three days.

The Council members did not feel that the street closures would affect Janet Macdonald's new business because her building is east of the alley. They also felt that even though the Bear Trap is located within the closed area, the antique business would benefit from the increased foot traffic past her business that will be associated with the event. Larsen stated that he had told Lockard to leave room between the vendors so that visitors have access to the Bear Trap. Mayor Larsen noted that the employees of Walnut Communications would have to find somewhere else to park their personal vehicles during business hours on Friday of the Fall Festival.

Blum reported that he had recently talked to Tim Lockard. Lockard had requested that Blum measure the width of both Pearl Street and Highland Street. Mayor Larsen felt that the City should offer Tim the use of the two half-blocks of Highland Street depending on the number of vendors. He suggested that Lockard fill the half-block of Highland Street east of Antique City Drive first, using the west half-block of Highland Street only if there is not enough room for vendors on the east side.

Mayor Larsen noted that Lockard will be required to leave a fire lane down the center of the affected streets.

Motion by Shepherd, seconded by Humann to make the following street closings on September 14-16, 2012 in conjunction with the Walnut Antique Fall Festival: one-half block of Highland Street from Antique City Drive to the alley directly east of Antique City Drive; one-half block of Highland Street from Antique City Drive to the alley directly west of Antique City Drive; and one-half block of Pearl Street from Antique City Drive to the alley directly east of Antique City Drive. Ayes: True, Bierbaum, Humann, Shepherd. Carried.

Abel stated that she would publish notification of the street closings in the Walnut Bureau prior to the event.

Relative to Fire Department discussion, Fire Chief Justen Tooley was available at the Council meeting to answer any questions regarding the fire and ambulance budgets for FY 2012-2013. The Council members reviewed the proposed fire and ambulance budgets for FY 2012-2013. The proposed ambulance budget amounted to \$16,300.00, which was \$300.00 more than the ambulance budget for the current fiscal year. The Fire Department's proposed budget amounted to \$33,600.00, which was the same as the budget for the current fiscal year.

The line items for the Fire Department's \$33,600.00 budget break down as follows: dues, membership, schooling, and legal, \$1,000.00; general insurance, \$7,500.00; liability insurance, \$1,800.00; workers' compensation insurance, \$2,800.00; building repair, \$5,000.00; utilities, \$5,000.00; operation of vehicles, \$2,500.00; repair of

equipment, \$4,500.00; supplies and equipment, \$2,500.00; and firefighters medical, \$1,000.00.

The Fire Board has not yet approved the proposed Fire Department budget. The Fire Board will meet at the Fire Station at 5:30 p.m. on Monday, January 23, 2012 to review the proposed Fire Department budget. Shepherd, Tooley, and Mayor Larsen are the City's representatives on the Fire Board.

Motion by Shepherd, seconded by True to approve the proposed fire budget in the amount of \$33,600.00 for FY 2012-2013 contingent upon the approval of the Fire Board. Ayes: Shepherd, Humann, Bierbaum, True. Carried.

The proposed \$16,300.00 ambulance budget for FY 2012-2013 breaks down as follows: general insurance, \$1,000.00; liability insurance, \$800.00; EMT training and supplies, \$4,000.00; operation of vehicle, \$1,500.00; repair of vehicle and equipment, \$1,000.00; ambulance billing service, \$5,000.00; and mutual aid calls, \$3,000.00. The \$300.00 increase in the proposed budget resulted from changes in the line item allocations for EMT training and supplies, operation of vehicle, ambulance billing service, and mutual aid calls.

Motion by Humann, seconded by Shepherd to approve the proposed ambulance budget in the amount of \$16,300.00 for FY 2012-2013. Ayes: Bierbaum, True, Humann, Shepherd. Carried.

Abel reported that a bid letting had recently been held for rehabilitation work on two houses in conjunction with the Housing Rehabilitation Program. Contracts for the work will be on the agenda for approval at an upcoming City Council meeting.

The acquisition of 308 Atlantic Street remains in the hands of the City Attorney, who is working through the process to gain title to the property.

Abel reported that the process to gain title to 308 Atlantic Street requires the adoption of a resolution that would designate the City Clerk as the City's official to sign legal notices and documents. The Council members were provided with the appropriate resolution for their review.

Motion by Shepherd, seconded by True to adopt Resolution 12-01-01, A RESOLUTION DESIGNATING THE CITY CLERK AS THE CITY'S OFFICIAL TO SIGN LEGAL NOTICES AND DOCUMENTS. Ayes: Humann, True, Shepherd, Bierbaum. Carried.

Mayor Larsen reported that Larry Humann's term as a member of the Zoning Commission had expired. Humann had indicated that he would be willing to serve another term on the board. Humann's term would extend until January of 2019.

Motion by True, seconded by Shepherd to reappoint Larry Humann to a seven-year term on the Zoning Commission. Ayes: Bierbaum, True, Humann, Shepherd. Carried.

Motion by Humann, seconded by Shepherd to approve the following committee appointments and City Council committees: two-year appointment as City Clerk – Terri Abel; two-year appointment as City Superintendent – Jim Blum; two-year appointment as City Attorney – Richard Schenck; City Depository – Rolling Hills Bank & Trust; City Treasurer – Dona Grooms; Mayor Pro-Tempore – Darren Tooley; Community Protection – Fire Board, Ambulance, Civil Defense, Street Lights, Law Enforcement – Susan Shepherd and Darren Tooley; Human Development – Parks, Library, Animal Control – Kathy Humann and Cheryl True; Home and Community Environment – Water, Wastewater, Solid Waste – Marye Bierbaum and Susan Shepherd; Home and Community Environment – Streets and Alleys, Beautification, Weeds – Cheryl True and Kathy Humann, and Policy and Administration – City Development, Finances, Licenses, Permits, Ordinances, and Zoning – Darren Tooley and Susan Shepherd. Ayes: Shepherd, Humann, Bierbaum, True. Carried.

The Council members were provided with a copy of the State audit report for the year ended June 30, 2011 for their review. A copy of the audit report is available for review in the City Clerk's Office, in the Office of Auditor of State, and on the Auditor of State's website.

The Council members specifically reviewed the schedule of findings contained in the audit report, including any applicable recommendations and City responses. The findings related to the financial statements included a comment regarding the segregation of duties, which is a standard comment for small cities with a limited number of full-time employees.

The second finding noted the following weaknesses in the City's computer based systems: The City does not have a written policy for password privacy and

confidentiality of passwords and confidential information; a written policy requiring employees to change passwords every 60 to 90 days; a written policy maintaining password history to prevent employees from reusing the same password; a written policy ensuring only software licensed to the City is installed on computers; a written policy regarding the personal usage of City equipment and software; and a written policy governing the usage of the internet. Also, the City does not have a written disaster recovery plan. The recommendation stated that the City should develop written policies and procedures addressing the above items in order to improve the City's control over computer based systems. Also, a written disaster recovery plan should be developed and should be tested periodically. The City had responded that it will develop written policies for the City's computers and a written disaster recovery plan.

During the course of the discussion, Abel reported that she daily backs up the City's accounting and documents on two flash drives. The flash drives accompany her on her key chain. She also backs up the City's accounting records to an off-site location at least once a month.

Other findings related to required statutory reporting included a comment that the City had exceeded its budget by \$200.00 in the debt service function, which should have been amended before disbursements were allowed to exceed the budget. Abel stated that the overage resulted from an increase in the service fees charged in conjunction with the City's SRF loans.

The audit report also recommended that the City establish an updated investment policy which complies with the provisions of Chapter 12B.10 of the Code of Iowa, ensuring that all investments meet those requirements. According to the audit, investments totaling \$41,820.00 do not appear to comply with Chapter 12B.10 of the Code of Iowa. Abel stated that the investments are in conjunction with the Library Board's Edward Jones account. The problem should be rectified whenever the investment matures.

A final finding was made concerning the City's water revenue bonds. According to the audit, the provisions of the water revenue bonds require the City to pay for its water usage from the General Fund. The City does not currently pay for its water usage. In addition, sufficient user rates have not been established at a level to produce net revenues equal to at least 110% of the principal of and interest on the bonds as they become due, as required by bond provisions. The report recommendation stated that the City should ensure that City water usage is paid from the General Fund as required by the bond provisions. In addition, the City should implement utility rates which will allow net receipts to comply with bond provisions. The City's response stated that the City will endeavor to comply with the bond provisions relative to paying the City's usage of water. The City has already increased the maintenance fee for water which should allow net receipts to comply with bond requirements. Abel stated that essentially the City is not generating enough revenue to sustain the Water Department; the problem will become readily apparent during the review of the budget. According to Abel, it could become necessary to further increase water rates in order to generate additional revenue. Also according to the audit, in order to comply with the provision of the water revenue bonds, the City should be paying for its water usage. Abel stated that this provision would not amount to much money, except for the water usage that is associated with the splash pad. According to the auditor, the City should be paying itself for the water that is used at the splash pad. Abel indicated that she would include a transfer of funds in the upcoming budget to transfer money into the Water Fund to account for the water usage. This transfer would help to generate an increase in the fund balance for the Water Fund; however, it would in actuality be City money transferred from one fund to another. Nowhere in the requirements does it state how much the City has to charge itself for water, however. The City could determine a wholesale cost or a lump sum amount for its own usage, for example. Abel stated that she would calculate a transfer somewhere in the range of the increased cost that it took to produce the additional water that was used by the splash pad. Shepherd reminded the Council members that at one time, the Council had discussed the possibility of placing a donation box at the splash pad. She commented that any donations would help to cover the cost of the City's water. The suggestion was briefly discussed, including the inevitable problems that would result from such a donation box.

Motion by Shepherd, seconded by Humann to direct the City Clerk to prepare the appropriate policies as stated in the review section of the June 30, 2011 State Audit. Ayes: Bierbaum, Humann, True, Shepherd. Carried.

Discussion followed regarding the City's FY 2012-2013 budget with the Council giving its input regarding desired budgetary items. Abel noted that the preliminary budget will be reviewed at the February Council meeting, and the completed budget must be forwarded to Pottawattamie County and the State by March 15, 2012.

The Council members reviewed the Library's proposed budget for FY 2012-2013. The Library's proposed budget amounted to \$44,700.00, the same as the budget for the current fiscal year. Abel prefaced the discussion by stating that the Library Board is not planning to contribute any money to the City on behalf of the operation of the Library; however, the City would allocate the same contribution to the Library as it did for the current fiscal year. The Library has accumulated a fund balance, which will be decreased at the end of the upcoming fiscal year because of the decision that was made by the Library Board. The Library's proposed budget for the upcoming fiscal year has already been approved by the Library Board.

The line items for the Library's \$44,700.00 budget break down as follows: salaries, \$22,000.00; dues, membership, and training, \$600.00; building insurance, \$2,000.00; contract work, \$500.00; building repairs and new furnishings, \$3,000.00; utilities, \$3,800.00; books and videos, \$7,000.00; operating supplies, \$2,500.00; programming, \$500.00; technology, \$2,000.00; and Direct State Aid, \$800.00.

Motion by Shepherd, seconded by True to approve the proposed Library budget in the amount of \$44,700.00 for FY 2012-2013. Ayes: Bierbaum, Humann, True, Shepherd. Carried.

The Council members were provided with information regarding a preliminary FEMA flood insurance rate map and flood insurance study report for Pottawattamie County and the incorporated areas. A copy of all of the applicable information is on file at City Hall.

FEMA sent the preliminary copies to the City to give the community an opportunity for review. FEMA will be contacting the City to schedule a formal community coordination meeting to discuss the revised flood hazard information, ordinance adoption, and other frequently asked questions and concerns. In the meantime, FEMA encouraged the City to circulate the copies among elected officials, staff, and other interested individuals, giving them the opportunity to review the information thoroughly before the formal community coordination meeting. The review period provides community officials and citizens with an opportunity to become familiar with the information. Any comments must be submitted no later than 30 days from the date of the letter, which is December 21, 2011. Abel noted that there is very little floodplain located within the incorporated City limits. She also commented that the City had already adopted a Floodplain Management Ordinance within the past two years.

Relative to discussion of City maintenance, Blum provided the Council members with information pertaining to the City lagoons. He is concerned about the limits on ammonia and dissolved oxygen, which have been increasing steadily. A representative of the Iowa Rural Water Association looked at the lagoons; he and Blum completed a sludge test which revealed approximately 16" to 24" of sludge in the bottom of the lagoons. The sludge could account for some of the problem with ammonia and dissolved oxygen levels. He felt that it will eventually become necessary for the City to clean the lagoons; however, he had no idea what the procedure would cost. Thus far, the City has not failed any tests; however, the numbers have continued to increase, which will ultimately necessitate action by the City. Blum has made arrangements with another company to assess the problem. Jim stated that the City is operating on a 2001 wastewater permit, not unlike many other communities in Iowa. The Iowa Department of Natural Resources is making changes to its requirements for aerated lagoon systems. Jim questioned the advisability of making any large upgrades to the City's lagoon system at this time, especially when future requirements are imminent. He is planning to discuss the matter with the Iowa Department of Natural Resources. DNR is operating pilot studies at various locations throughout the State. In fact, Jim recently looked at a pilot project that is being conducted at Lenox. DNR is also tightening wastewater limits, which will most probably result in modifications to aerated lagoon systems. The City is currently in compliance with all requirements; however, Jim was concerned that he will have a problem in the spring of the year, when the limits are customarily higher.

Regarding Mayor items or announcements, Mayor Larsen announced that Mike Chapman, the editor and publisher of the Iowa History Journal, has completed a book about the life of Earl Caddock. Larsen reminded the Council members that they had previously approved an expenditure of \$3,000.00 for Chapman to write and publish the

book. In return, Chapman featured a full-page ad about Walnut in the latest issue of the Iowa History Journal. The advertisement has a value of \$800.00. The City also received 700 copies of the book, which will be for sale for \$7.95 plus tax at City Hall and at the Welcome Center. The Mayor stated that he plans to donate copies of the book to the Walnut Public Library and the school libraries at Walnut Community School, AHST, Harlan, and Atlantic. Larsen also reported that two copies will be donated to the Walnut Creek Historical Museum and the Peace Haven library; forty copies will be donated to the Caddock family for their use. The Council members concurred with the Mayor's plans.

Larsen urged each member of the City Council to take one of the Caddock books for their personal use. The book is about the life and athletic career of Earl Caddock, who was one of the greatest wrestlers in American history. Caddock lived most of his life in Iowa, and Walnut in particular. He is also buried in Walnut; some of the family still lives in the community. Larsen commended Mike Chapman for a fine job of portraying Caddock's life and accomplishments.

Mayor Larsen requested suggestions from the members of the City Council and the public for a spring or summer dedication designating Pearl Street as Earl Caddock Memorial Drive. Chapman started a business on Pearl Street. Larsen suggested that the City subsequently install signs on Pearl Street designating the street as the Earl Caddock Memorial Drive, even though the official name of the street would not be changed from Pearl Street. The dedication event would feature a speech from Mike Chapman, including a few words from the Mayor. The dedication would include a ribbon cutting, with Mike Chapman on hand for book signing. On a final note, Mayor Larsen requested and invited community involvement with planning the event.

Relative to Council items or announcements, the Council members were provided with information concerning part two of the Municipal Leadership Academy, which will be held in the form of online training from 6:00 p.m. until 8:30 p.m. on Thursday, January 12, 2012. Bierbaum, True, and Humann all attended the first part of the training; they are all eligible to attend part two.

Bierbaum volunteered to perform a quarterly inspection of City property.

Shepherd reported that there is a street light out in front of property that is owned by Tim Suhr. Abel stated that she would report the outage. Residents are able to telephone MidAmerican with street light problems or they can report the problem to City Hall. The old-fashioned street lights on Antique City Drive belong to the City; any problems with the old-fashioned street lights should be reported to City Hall.

There was a brief discussion concerning the City's website. True questioned who is in charge of updating the City's website. Abel clarified that City staff is in charge of updating the majority of the website; however, Kathy Humann is in charge of updating the information pertaining to the community businesses. True indicated that there are a few businesses that need to be updated on the website, including the actual business pages and the business directory section of the website. Both Humann and Abel stated that they would make an effort to update the site. Humann commented that she would like to see more announcements of upcoming events featured, including church dinners and any special events that are being held in the community. City Hall staff and Humann all have the capability of putting announcements on the site; all of them will pay more attention to including various community activities on the local events section of the front page. Abel stated that she will publish an article in the Walnut Bureau informing the public that they should call City Hall with any local events they would like to see included on the website. Abel also reminded the Council members that Bob Hilligas had requested that the City feature a monthly business on the front page of the website. Abel had agreed to Bob's request; however, it would be up to each individual business owner to provide City Hall with content and pictures. Thus far, none of the local businesses had taken advantage of Bob's idea. Humann also suggested that City Hall occasionally change the pictures that scroll on the home page of the site. Abel requested that Humann email any pictures to City Hall that she would like to have included. A final suggestion was made about including information pertaining to the Earl Caddock book on the website, perhaps in the announcement section of the home page and also in the history section.

There were no public items or announcements.

Gross wages for 2011 paid to employees are as follows: Terri Abel, \$45,259.86; Shannon Wood, \$11,322.80; James Blum, \$43,806.82; Wayne Rush, \$31,389.69; Margo

Matthies, \$13,510.00; Michelle Tooley, \$4,424.25; Judy Schrecengost, \$1,789.00; and Sherry Jacobsen, \$364.00.

Motion by Shepherd, seconded by Bierbaum to pay the following bills and issue warrants for the same. Ayes: Shepherd, Humann, Bierbaum, True. Carried.

#18045 Terri Abel, wages	1,113.68
#18046 James Blum, wages	1,086.19
#18047 Wayne Rush, wages	862.49
#18048 Shannon Wood, wages	364.63
#18049 Marye Bierbaum, reimbursement for 5 th Quarter expenses	244.13
#18050 Cardmember Service, training; engraved bricks	2,933.61
#18051 Iowa Division of Criminal Investigation, EMT criminal background	75.00
#18052 John Johnson, CPR certification	20.00
#18053 Wellmark Blue Cross Blue Shield, employee insurance	5,415.23
#18054 Terri Abel, wages	1,113.68
#18055 James Blum, wages	1,086.19
#18056 Wayne Rush, wages	862.49
#18057 Shannon Wood, wages	210.79
#18058 Herb Wood, hauling; rent of dumpsters; recycling fees	3,010.00
#18059 U.S. Postmaster, postage for fluoride notices	150.92
#18060 U.S. Postmaster, billing postage	112.52
#18061 Terri Abel, wages	1,124.22
#18062 James Blum, wages	1,096.19
#18063 Sherry Jacobsen, wages	71.18
#18064 Margo Matthies, wages	838.88
#18065 Wayne Rush, wages	870.47
#18066 Judy Schrecengost, wages	460.51
#18067 Shannon Wood, wages	466.61
#18068 Terri Abel, wages	353.83
#18069 James Blum, wages	784.09
#18070 Wayne Rush, wages	126.11
#18071 Alex Air Apparatus, fire hose	1,329.95
#18072 Avoca Building Material Center, electrical box covers	4.50
#18073 Cappel's, antifreeze; furnace filters	18.14
#18074 Carley Drug Co., shipment of water sample	7.86
#18075 Center Point Large Print, books	41.34
#18076 City of Atlantic, sewer testing	440.00
#18077 Counsel Office & Document, copier maintenance	148.00
#18078 Countryside Trucking, trucking rock	137.70
#18079 Cummins Central Power, Water Plant generator repair	216.23
#18080 Danko Emergency Equipment, truck repair	24.24
#18081 Des Moines Stamp Mfg. Co., date stamp	70.00
#18082 Dona Grooms, Treasurer fee	100.00
#18083 Feekes & Son, Inc., furnace repair – Water Plant	217.00
#18084 Gale, books	58.53
#18085 Greve Petroleum Service, Water Plant generator fuel	346.94
#18086 Henningsen Construction, cold patch	28.75
#18087 IMFOA, membership dues	30.00
#18088 Ingram Library Services, books	211.49
#18089 Iowa Library Association, membership fees	45.00
#18090 Iowa One Call, One Call locates	6.30
#18091 IPERS, withholdings	1,546.23
#18092 James Blum, building permit fees	10.00
#18093 Jessica Newcomb, cleaning City Hall	50.00
#18094 Justen Tooley, ambulance supplies	30.00
#18095 Kasperbauer Cleaners, Inc., cleaning floor mats	47.03
#18096 Kum & Go, fuel	659.50
#18097 Margo Matthies, DVD	21.36
#18098 Matt Parrott, supplies	27.88
#18099 McCarthy Landscape & Design, install donor engraved bricks	1,210.75
#18100 Medivac – Atlantic, ambulance mutual aid	150.00
#18101 MidAmerican Energy Co., gas & electricity	3,778.49
#18102 Penworthy, books	101.72

#18103	Pottawattamie County Animal Control, July-December 2011	1,315.50
#18104	Pottawattamie County Animal Shelter, 2012 dog tags	26.25
#18105	Pott. County Sheriff's Office, Jan., Feb., Mar., 2012 police protection	3,836.88
#18106	Pott. Co. Treasurer, 23.39 tons landfill	1,249.50
#18107	Quill Corporation, supplies	121.31
#18108	Salvo, Deren, Schenck & Lauterbach, consults	688.00
#18109	Snyder & Associates, Inc., engineering fees	1,805.00
#18110	Sports Illustrated for Kids, 2-year subscription	20.00
#18111	State Hygienic Laboratory, water testing	433.00
#18112	Super Foods, supplies	37.76
#18113	Treasurer of State, 4 th quarter sales tax	2,475.16
#18114	Treasurer, State of Iowa, State withholdings	1,194.29
#18115	U.S. Postmaster, postage	88.00
#18116	Verizon Wireless, cell phones	131.02
#18117	Walnut Bureau, publication	293.46
#18118	Walnut Creek Fertilizer, herbicide	93.75
#18119	Walnut Merchant's Association, Christmas garland	30.00
#18120	Walnut Telephone Co., phone; fax; Internet	240.85
#127E	Iowa Finance Authority, interest due – Water Treatment G.O. note	13,560.00
#128E	Iowa Finance Authority, interest due – Water Treatment revenue note	3,585.00
#129E	Internal Revenue Service, Federal withholdings	821.13
#130E	Internal Revenue Service, Social Security withholdings	1,236.89
#131E	Internal Revenue Service, Medicare withholdings	344.94
#132E	Employee Benefit Systems, insurance handling fee	77.49
#133E	Employee Benefit Systems, insurance partial self-funding	1,474.62
#134E	Rolling Hills Bank & Trust, ACH fee	10.00
#135E	EMS Billing Services, Inc., ambulance billing service	117.52

Summary of Receipts: General, 46,451.35; Mun. Ent., 4,014.00; Road Use Tax, 5,761.96; Trust & Agency, 2,628.43; Water, 9,682.78; Sewer, 3,268.27; Customer Water Deposit, 201.07; Water Revenue Bond Sinking Fund, 1,650.00; Local Option Capital Improvements Fund, 5,407.99; TIF Fund, 1,916.69; Ransom Subfund, 152.96; IPAIT Fire Account, .28; IPAIT Library Account, .66; TOTAL: 81,136.44.

Meeting adjourned, 6:55 p.m.

Gene Larsen
Mayor

Terri L. Abel
City Clerk