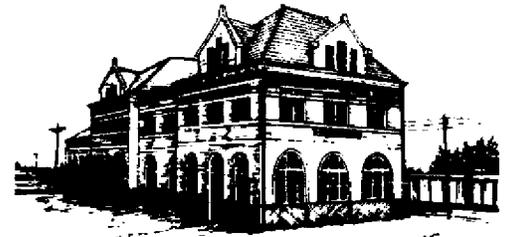


City of
CRESTON, IOWA

116 W. Adams • P.O. Box 449 • Creston, Iowa 50801-0449
Phone 641-782-2000 • Fax 641-782-6377



Creston's Restored Depot and City Hall

MAYOR: Warren Woods
COUNCIL: Larry Wynn, Randy White, Loyal Winborn, Betty Shelton, Marsha Wilson, Larry Wagner, Terri Koets
CITY CLERK: Lisa Williamson
CITY ADMINISTRATOR: Mike Taylor
CITY ATTORNEY: Skip Kenyon

Regular Meeting Agenda
City Hall/Restored Depot
Council Chambers
Tuesday, October 19, 2010
6:00 p.m.
Last updated: 10/15/2010 3:13 PM

1. **Call Meeting to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Consideration of Agenda**
5. **Consider Adoption of the Consent Agenda – NOTE: *These items are routine items and will be enacted by one motion without separate discussion unless a Council member requests an item be removed for separate consideration.***
 - a. **Minutes:** October 5, 2010 – Regular Meeting; October 12, 2010 – Special Meeting
 - b. **Claims and Fund Transfers:**
 - i. Total Claims - \$195,023.84
6. **Public Forum – *The Mayor and City Council welcome comments from the public on any subject pertaining to City business, including items on this agenda. You are asked to state your name and address for the record and to limit your remarks to 3 minutes in order that others may be given the opportunity to speak. The Order of Business is at the discretion of the Chair. No action will be taken.***
7. **New Business**
 1. Appointment with Fawn Miller to discuss 603 S Walnut
 2. Motion to Establish Third and Final Reading of Ordinance 11-128 – An ordinance amending provisions pertaining to Zoning Code – General Regulations, by adding Section 12, Chapter 168 – Wind Turbines
 3. Public Hearing for the sale of Iowana Hotel – 203 West Montgomery
 4. Resolution to approve the sale of Iowana Hotel to Hotel Iowana Limited Partnership
 5. Public Hearing to sell City-owned surplus properties – 308-310 North Division, 602 West Mills, 311 North Poplar
 6. Resolution to approve advertising to sell City-owned surplus properties – 308-310 North Division, 602 West Mills, 311 North Poplar
 7. Public Hearing to sell City-owned surplus properties in conjunction with the Neighborhood Stabilization Project – 605 West Adams, 622 North Birch, 503 West Irving

8. Resolution to approve advertising to sell City-owned surplus properties in conjunction with the Neighborhood Stabilization Project – 605 West Adams, 622 North Birch, 503 West Irving
9. Public Hearing for CDBG application for Creston Municipal Utilities
10. Resolution to authorize the Mayor to sign CDBG application for Creston Municipal Utilities
11. Resolution to authorize the Mayor to sign documentation to start the abatement process for the Iowana Hotel
12. Resolution to send notification to authorize environmental work to be done on the Iowana Hotel
13. Resolution to authorize the Mayor to sign Final CDBG Drawdown of \$71,361 for 2009 East Side Sewer Project
14. Resolution to terminate contract with SWI Construction to rehabilitate 407 S. Vine Street as part of the Neighborhood Stabilization Project
15. Resolution to award contract to rehabilitate 407 S. Vine Street as part of the Neighborhood Stabilization Project
16. Resolution to correct Resolution No. 66-11 – Fourth Amendment to Parking Agreement between Hotel Iowana and the City of Creston – should read *to replace December 31, 2011 with "June 30, 2012 provided that construction is at least 50% complete as of December 31, 2011" in Paragraph 8 of the Parking Agreement*
17. Resolution to special assess mowing nuisance billings due to non-payment
18. Resolution to approve amendment to the contract for auditing and consulting services
19. Motion to approve temporary street closing request by C.A.R.E. for Bright Eyes in the park, Saturday, October 30th from 4 pm – 8 pm, on McKinley Street from the north side of Stone Street Extension to the south side of Kirby Street

8. Other

9. Adjournment

SPECIAL MEETING OF THE CRESTON CITY COUNCIL OCTOBER 12, 2010

The Creston City Council met in special session at 5:15 o'clock P.M. on the above date in the Council Chambers of the City Hall Complex with Mayor Woods presiding.

Roll call being taken with the following Council members present: Wynn, White, Shelton and Wagner. Winborn, Wilson and Koets were absent.

Shelton moved seconded by Wagner to approve the agenda. All voted aye. Winborn, Wilson and Koets were absent. Motion declared carried.

A resolution was offered by Wynn seconded by White to set a Public Hearing on October 19, 2010, at 6:00 p.m. for the sale of the Iowana Hotel and authorize the Mayor and Clerk to execute the proper documentation. Shelton, Wagner, Wynn and White voted aye. Winborn, Wilson and Koets were absent. Resolution declared passed.

A resolution was offered by Shelton seconded by Wynn to approve a \$110,000, 32-year long-term, no interest loan with balloon payment at the end of the 32 years to Hotel Iowana Limited Partnership and authorize the Mayor and Clerk to execute the proper documentation. Wagner, Wynn, White and Shelton voted aye. Winborn, Wilson and Koets were absent. Resolution declared passed.

Wagner moved seconded by White to adjourn the meeting. All voted aye. Winborn, Wilson and Koets were absent. Motion declared carried. Council adjourned at 5:17 P.M.

Mayor

Attest:

City Clerk

REGULAR MEETING OF THE CRESTON CITY COUNCIL OCTOBER 5, 2010

The Creston City Council met in regular session at 6:00 o'clock P.M. on the above date in the Council Chambers of the City Hall Complex with Mayor Woods presiding.

Roll call being taken with the following Council members present: Wynn, Winborn, Shelton, Wilson, Wagner and Koets. White was absent.

Shelton moved seconded by Wilson to approve the agenda. All voted aye. White was absent. Motion declared carried.

Wilson moved seconded by Shelton to approve the consent agenda, which included approval of minutes of September 21, 2010 regular meeting; claims of \$167,988.54, fund transfers of \$108,044.26; and Liquor Licenses for Fareway and Eagles. All voted aye. White was absent. Motion declared carried.

No one spoke during Public Forum.

Wilson moved seconded by Shelton to establish Third and Final Reading of Ordinance No. 11-127 – An ordinance amending provisions pertaining to municipal infractions, Section 1, Chapter 4.04 – Civil Citations. Wagner, Koets, Wynn, Winborn, Shelton and Wilson voted aye. White was absent. Motion declared carried.

Wilson moved seconded by Wagner to establish Second Reading of Ordinance No. 11-128 – An ordinance amending provisions pertaining to Zoning Code – General Regulations, by adding Section 12, Chapter 168 – Wind Turbines. Koets, Winborn, Shelton, Wilson and Wagner voted aye. Wynn voted nay. White was absent. Motion declared carried.

Vern Hanson of MetroPlains gave Council an update of the Hotel Iowana Project. In general they are on the timetable that was presented in the beginning. Their goal is to close on the property prior to year-end this year. If all goes well, that goal will be on or about the first of December. They are currently in the process of working with various agencies that have oversight and overview on what they are doing, which includes the Iowa Finance Authority, the USDA Rural Development, their financing partners who would be dealing with both construction and the permanent lending, as well as whatever agency they are working with that has oversight on the environmental remediation that's relating to it. They will have an agreement that the project has to be completed by the end of 2011.

A resolution was offered by Winborn seconded by Wilson to approve requests of MetroPlains regarding the Hotel Iowana Project, which are

1. the short-term loan of \$110,575.60 received from the City be turned into a long-term (50-year), no interest loan, payable in \$2,211.51 annual increments
2. the City makes public improvements that are regarding sidewalks, curbs and accessibility routes at the Montgomery and Maple Street intersection
3. the City provides water, sanitary sewer and storm service to the building

and authorize the Mayor and Clerk to execute the proper documentation. Wynn, Winborn, Shelton, Wilson, Wagner and Koets voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Shelton to approve Fourth Amendment to Parking Agreement between Hotel Iowana and the City of Creston to replace December 31, 2011 with June 20, 2011, provided that construction is at least 50% complete as of December 31, 2011 in Paragraph 8 and authorize the Mayor and Clerk to execute the proper documentation. Wagner, Koets, Wynn, Winborn, Shelton and Wilson voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Winborn to approve a Development Agreement with Habitat for Humanity for the property located at 801 West Jefferson through the Neighborhood Stabilization Program and authorize the Mayor and Clerk to execute the proper documentation. Shelton, Wilson, Wagner, Koets, Wynn and Winborn voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Koets to approve Drawdown #2 of \$129,843 from the NSP Funds and authorize the Mayor and Clerk to execute the proper documentation. Winborn, Shelton, Wilson, Wagner, Koets and Wynn voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wagner seconded by Wilson to set a Public Hearing for October 19, 2010 at 6:00 p.m. to sell City-owned surplus properties – 308 and 310 North Division, 602 West Mills and 311 North Poplar and authorize the Mayor and Clerk to execute the proper documentation. Koets, Wynn, Winborn, Shelton, Wilson and Wagner voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Winborn to set a Public Hearing for October 19, 2010 at 6:00 p.m. to sell City-owned properties in conjunction with the Neighborhood Stabilization Project – 605 West Adams, 622 North Birch and 503 West Irving and authorize the Mayor and Clerk to execute the proper documentation. Shelton, Wilson, Wagner, Koets, Wynn and Winborn voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Shelton to set a Public Hearing for October 19, 2010 at 6:00 p.m. for CDBG application for Creston Municipal Utilities and authorize the Mayor and Clerk to execute the proper documentation. Wagner, Koets, Wynn, Winborn, Shelton and Wilson voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Winborn to authorize Greenfield City Attorney, Clint Hight, to act as Creston's City Attorney to prosecute a speeding ticket due to conflict of interest and authorize the Mayor and Clerk to execute the proper documentation. Wagner, Koets, Wynn, Winborn, Shelton and Wilson voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Koets to approve Payment Estimate #8 of \$19,648.37 to Haven's Construction for work completed on 2009 East Side Sewer Project and authorize the Mayor and Clerk to execute the proper documentation. Wynn, Winborn, Shelton, Wilson, Wagner and Koets voted aye. White was absent. Resolution declared passed.

A resolution was offered by Koets seconded by Shelton to approve recommendation of Park & Recreation Board to approve Payment Estimate #3 of \$64,086.05 to Betts & Beer

Construction Co. for work completed on the McKinley Park Safe Room and authorize the Mayor and Clerk to execute the proper documentation. Winborn, Shelton, Wilson, Wagner, Koets and Wynn voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Koets to approve Drawdown #5 from Safe Room Grant for \$62,823.50 and authorize the Mayor and Clerk to execute the proper documentation. Wynn, Winborn, Shelton, Wilson, Wagner and Koets voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Shelton to special assess mowing nuisance billings due to non-payment and authorize the Mayor and Clerk to execute the proper documentation. Wagner, Koets, Wynn, Winborn, Shelton and Wilson voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Wagner to review and accept sealed bids for surplus vehicles. Wagner amended the resolution seconded by Wilson to approve letting bids go to next highest bidder if highest bidder declines and authorize the Mayor and Clerk to execute the proper documentation. Koets, Wynn, Winborn, Shelton, Wilson and Wagner voted aye. White was absent. Resolution declared passed.

A resolution was offered by Wilson seconded by Koets authorizing Mayor to sign a DNR Wildland Fire Grant Application and authorize the Mayor and Clerk to execute the proper documentation. Wynn, Winborn, Shelton, Wilson, Wagner and Koets voted aye. White was absent. Resolution declared passed.

A resolution was offered by Shelton seconded by Wilson to approve proposal from Calhoun-Burns and Associates to conduct bridge structure inspections and authorize the Mayor and Clerk to execute the proper documentation. Koets, Wynn, Winborn, Shelton, Wilson and Wagner voted aye. White was absent. Resolution declared passed.

Under Other Items Councilperson Winborn requested the stop lights at the intersection of Townline and Lincoln be checked out due to delays in them.

Councilperson Wilson gave an update on behalf of the Image Enhancement Committee. She noted Callahan Real Estate, 105 S. Sumner Avenue, and Pearson Coen-Beaty Funeral Home, 809 W. Montgomery Street, have both done extensive upgrades on their businesses, inside and out.

Wilson moved seconded by Winborn to adjourn the meeting. All voted aye. White was absent. Motion declared carried. Council adjourned at 6:26 P.M.

Mayor

Attest:

City Clerk

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	GENERAL FUND	AMERICAN ADMINISTRATORS (PREMIUMS)	GRP 93001 PREMIUM-OCT'10	2,320.00
			TOTAL:	2,320.00
VEHICLE PROTECTION	GENERAL FUND	CARPENTER UNIFORM CO & DECATUR ELECTRONICS, INC STALKER CHEVROLET PETTY CASH - POLICE	COAT-EMBLEMS-HASHMARKS HANDHELD RADAR UNIT ALIGNMENT ON IMPALA #110-POSTAGE #111-POSTAGE #112-POSTAGE	389.95 550.00 138.45 5.54 5.54 1.73
		SUPREME CLEANERS TREAT AMERICA FOOD SERVICES	UNIFORM CLEANING-SEPT'10 MEALS FOR TRAINING CLASS	114.75 79.12
			TOTAL:	1,285.08
DETENTION & CORRECTNS	GENERAL FUND	UNION CO AUDITOR	LEC BILLING-SEPT'10	4,838.96
			TOTAL:	4,838.96
FIRE PROTECTION	GENERAL FUND	LANDERS, MICHAEL CRESTON CITY WATER WORKS FIRE SERVICE TRAINING BUREAU ALLIANT ENERGY-INT PWR&LGHT	REIMBURSEMENT WATER-FIRE TESTING FEES NATURAL GAS ELECTRICITY	388.93 10.16 100.00 25.39 581.22
		KRANTZ PLUMBING & HEATING MCI MEGA PREFERRED PETTY CASH - FIRE	2ND FURNACE FOR BAY LONG DISTANCE #1511-SLEDGE HAMMER-BLADE #1512-POSTAGE	1,108.91 4.34 48.13 11.08
		TRUE VALUE HARDWARE & RENTAL	GLAV PLUG GLAV PLUG-RND CAP RETURN GALV PLUG	4.49 19.98 2.70
			TOTAL:	2,299.93
BUILDNG & HSNQ SAFETY	GENERAL FUND	CRESTON PUBLISHING CO	5-DAY AD/SHOPPER AD	28.28
			TOTAL:	28.28
ANIMAL CONTROL	GENERAL FUND	CRESTON VET CLINIC PC	EUTHANIZE BORDIE COLLIE EUTHANIZE LARGE DOG	5.00 6.50
			TOTAL:	11.50
STREET LIGHTING	GENERAL FUND	ALLIANT ENERGY-INT PWR&LGHT ECHO GROUP INC	ELECTRICITY PLUG IN & COVERS	8,817.73 80.46
			TOTAL:	8,898.21
TRAFFIC SAFETY	GENERAL FUND	ALLIANT ENERGY-INT PWR&LGHT	ELECTRICITY	1,959.85
			TOTAL:	1,959.85
AIRPORT	GENERAL FUND	CRESTON PUBLISHING CO WASTE MANAGEMENT ALLIANT ENERGY-INT PWR&LGHT SOUTHWEST IOWA RURAL ELECTRIC WEST AVIATION INC	5-DAY AD/SHOPPER AD DUMPSTER-SEPT'10 ELECTRICITY ELECTRICITY-AIRPORT PER FBO CONTRACT PASS THRU-SEPT'10	28.28 61.96 568.80 33.00 1,354.17 230.88
			TOTAL:	2,277.09
SOLID WASTE CLCT/OSPSL	GENERAL FUND	WASTE MANAGEMENT PRAIRIE SOLID WASTE AGENCY RJ'S PORTABLES	GARBAGE COLLECT-SEPT'10 CLEAN UP @ 309 N DIVISION CLEAN UP @ 309 N DIVISION SERVICE PORTA-POTTIE	36,154.79 70.20 41.40 50.00

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			TOTAL:	36,316.39
RY SERVICES	GENERAL FUND	CRESTON CITY WATER WORKS	WATER-LIBRARY	15.49
			WATER-LINCOLN SCHOOL	7.12
		WASTE MANAGEMENT	DUMPSTER-SEPT'10	40.89
		ALLIANT ENERGY-INT PWR&LGHT	1001 W JEFFERSON-ELECTRICI	53.52
			1001 W JEFFERSON-NAT GAS	20.98
			NATURAL GAS	88.31
			ELECTRICITY	1,123.47
		MCI MEGA PREFERRED	LONG DISTANCE	10.40
		OFFICE DEPOT	BUBBLE MAILERS	45.29
			TOTAL:	1,405.47
PARKS	GENERAL FUND	CRESTON CITY WATER WORKS	WATER-MCKINLEY PARK	4.13
			WATER-TAYLOR PARK	4.13
			WATER-RAINBOW PARK	5.48
		WASTE MANAGEMENT	DUMPSTER-SEPT'10	77.04
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRICITY	723.74
		MCI MEGA PREFERRED	LONG DISTANCE	0.07
		MEDART INC	SET OF BLADES-JOHN DEER	66.12
		NAPA	OIL SEAL-BEARINGS	27.96
			OIL SEAL	6.98
		PRAIRIE SOLID WASTE AGENCY	WOOD SHINGLES	17.40
			TOTAL:	933.05
RECREATION	GENERAL FUND	CRESTON CITY WATER WORKS	WATER-MCKINELY BALLFIELD	4.13
			WATER-BILL SEARS FOUNTAIN	3.70
		WASTE MANAGEMENT	DUMPSTER-SEPT'10	76.70
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRICITY	124.94
		ROOT, HUNTER	REFEREE 8 GAMES	80.00
			TOTAL:	289.47
CEMETERY	GENERAL FUND	CRESTON AUTO PARTS INC	TAIL-LIGHT ASSEMBLY-BULBS	28.03
		WASTE MANAGEMENT	DUMPSTER-SEPT'10	61.96
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRICITY	165.29
		MCI MEGA PREFERRED	LONG DISTANCE	4.05
			TOTAL:	259.33
SWIMMING POOL	GENERAL FUND	ALLIANT ENERGY-INT PWR&LGHT	NATURAL GAS	36.49
			ELECTRICITY	445.14
			TOTAL:	481.63
ADMINISTRATIVE	GENERAL FUND	WOODS, WARREN	MILEAGE REIMBURSEMENT	103.00
			TOTAL:	103.00
FINANCIAL ADMINISTRATN	GENERAL FUND	ALL AMERICAN CHRISTMAS CO LLC	AMBER BULBS-LIGHTS	2,532.00
		BANKERS LEASING CO	COPIER LEASE-MAINTENANCE	325.65
		CRESTON CHAMBER OF COMMERCE	WELCOME SIGN-HWY 25	1,000.00
		CRESTON PUBLISHING CO	LEGAL ADS/NOTICES-SEPT'10	224.19
		IOWA LEAGUE OF CITIES	4-BUDGET REGISTRATIONS	120.00
		MATT PARROTT & SONS CO	2750 RECEIPT TICKETS	403.56
			LASER FORMS-1099 ENVELOPE	45.24
		MCI MEGA PREFERRED	LONG DISTANCE-CITY HALL	34.84
			LONG DISTANCE-FAXES	0.97
		MID-IOWA ENVIRONMENTAL	ASBESTOS REMOVAL	2,500.00
		OFFICE DEPOT	3 HOLE PUNCH	4.49

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			FLAGS-PAPER CLIPS-TPE RFL	32.04
		PETTY CASH - FINANCE	#1265-RECORDING FEES	42.00
			#1266-CLOCK & BATTERIES	16.96
		RAY AND ASSOCIATES INC	NEG/CONS SVC-OCT'10	691.67
		SHRED-IT DES MOINES	1-BAG SHRED	52.00
		TYLER TECHNOLOGIES	REGISTRATION-INCODE MTG	25.00
			TOTAL:	8,050.61
CITY HALL	GENERAL FUND	CRESTON CITY WATER WORKS	WATER-CITY HALL	25.91
		ALLIANT ENERGY-INT PWR&LGH	NATURAL GAS	95.91
			ELECTRICITY	921.64
		INNOVATIVE INDUSTRIES INC	JANITORIAL SVC-SEPT'10	360.00
		KONE INC (MOLINE)	CITY ELEV. MAINT 10/10-12/	175.59
		OFFICE DEPOT	2-CASES PAPER TOWELS	60.28
			TOTAL:	1,639.33
NON-DEPARTMENTAL	ROAD USE TAX	AMERICAN ADMINISTRATORS (PREMIUMS)	GRP 93001 PREMIUM-OCT'10	680.00
			TOTAL:	680.00
ROAD MAINTENANCE	ROAD USE TAX	ILLOWA COMMUNICATIONS	2-RADIO/ANTENNA'S	1,073.00
		AKIN BUILDING CENTER	1/2" REROD	47.50
		AMERICAN CONCRETE PRODUCTS INC	37.75 YDS M-4 NO ASH	4,747.88
			31.0 YDS M-4 NO ASH	3,907.50
		ARAMARK (LAUNDRY ACCTS)	LAUNDRY SERVICE	32.17
		CRESTON AUTO PARTS INC	AIR FILTERS	222.96
		CRESTON PUBLISHING CO	5-DAY AD/SHOPPER AD	113.10
		GARDEN & ASSOCIATES	ENG SVC COTTONWOOD	16,974.14
		ALLIANT ENERGY-INT PWR&LGH	NATURAL GAS	46.21
			ELECTRICITY	280.19
		IOWA PRISON INDUSTRIES	ROUND STREET SIGNS-POSTS	1,273.20
		MCI MEGA PREFERRED	LONG DISTANCE	3.76
		NAPA	BOTTLE OF O2	17.14
		O'HALLORAN INTERNATIONAL INC	DIP STICK	63.06
		AGRILAND FS INC	1225 GAL UNL @ 2.531	3,100.48
			1387.50 G DSL @ 2.44	3,386.89
			195.50 G DSL @ 2.611	510.45
		SCHILDBERG CONSTRUCTION COMPANY INC	15.85 TON CLASS D ROCK	168.01
			TOTAL:	35,967.64
SELF FUNDING INSURANCE PAYROLL TAX BENEFI		AMERICAN ADMINISTRATORS (PREMIUMS)	GRP 93001 PREMIUM-OCT'10	23,364.64
		TOTAL ADMINISTRATIVE SERVICES CORP	SVC PERIOD 12/01-12/31/10	97.00
			TOTAL:	23,461.64
MC KINLEY PARK RENOVAT RESTRICTED GIFTS-M SIRWA			250' 6" SDR21	990.00
			TOTAL:	990.00
CAPITAL PROJECTS	CAPITAL PROJECTS F HYGIENIC LABORATORY		WATER TESTING-HURLEY CRK	454.00
			TOTAL:	454.00
NON-DEPARTMENTAL	SEWER OPERATING FU	AMERICAN ADMINISTRATORS (PREMIUMS)	GRP 93001 PREMIUM-OCT'10	360.00
			TOTAL:	360.00
SEWER/WASTWTR SEWER OPERATING FU B M SALES			1 CASE TOWELS	95.50
		BERNING METAL DESIGN	2-CAPS	25.00
		CENTRAL PLAINS ELECTRIC	PUMP REPAIR	1,718.78
		CRESTON PUBLISHING CO	5-DAY AD/SHOPPER AD	28.28

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		WASTE MANAGEMENT	DUMPSTER-SEPT'10	75.14
		ZELLMER'S SOFT WATER	WATER SYSTEM SERVICE	158.01
		DIVISION OF LABOR	BOILER INSPECTION CERT.	25.00
		FIALA, TIM	REFUND	250.00
		HYGIENIC LABORATORY	2-NH3'S; BOD'S	108.00
			1-TSS; BOD	54.00
			HEAVY METALS	470.00
			1-BOD;TSS;NH3	72.00
			2-BOD;NH3'S	108.00
			1-BOD;TSS	54.00
			7-FECAL COLIFORM	175.00
			1-BOD;TSS;NH3;TKN;O&G	156.00
			1-BOD	36.00
			1-BOD;TSS	54.00
			PLANT METALS-NH3'S	152.00
			2-BOD'S	72.00
			2-NH3'S	36.00
			2-BOD'S;NH3'S	72.00
		ALLIANT ENERGY-INT PWR&LGHT	NATURAL GAS	670.76
			ELECTRICITY	6,739.77
		ECHO GROUP INC	1-BATTERY	48.15
		IOWA ASSOC OF MUNICIPAL UTILITIES	OPERATOR WORKSHOP	120.00
		IOWA RURAL WATER ASSOC	MUNICIPAL GIS TRAINING	10.00
		MCI MEGA PREFERRED	LONG DISTANCE	2.67
		NAPA	2-80/90 WT OIL	71.53
			10 GAL 80/90 GEAR OIL	136.90
			CLAMPS-HOSES-COUPLER	67.85
			SILICONE-LOCKWASHERS	4.98
		O'HALLORAN INTERNATIONAL INC	TRUCK TRANSMISSION RPR	4,619.93
		SERVICE TECHS INC	TRIMMER REPAIR	32.86
		UPS	POSTAGE	18.39
			POSTAGE	44.66
			TOTAL:	16,583.16
ANIMAL CONTROL	ANIMAL SHELTER *AG	CRESTON PUBLISHING CO	CARE ADS-SEPT'10	44.94
		CRESTON VET CLINIC PC	TREAT POUND KITTENS	87.40
			TOTAL:	132.34

===== FUND TOTALS =====

001	GENERAL FUND	73,397.18
110	ROAD USE TAX	36,647.64
112	PAYROLL TAX BENEFIT	23,461.64
166	RESTRICTED GIFTS-MCKNLY P	990.00
301	CAPITAL PROJECTS FUND	454.00
610	SEWER OPERATING FUND	16,943.16
953	ANIMAL SHELTER *AGENCY FU	132.34
GRAND TOTAL:		152,025.96

CITY OF CRESTON
 MANUAL CHECKS/DEBITS – PERIOD ENDING 10/19/10

POLICE DEPARTMENT FIRST NATIONAL BANK POLICE DEPARTMENT	STOP PAY FEE TOTAL \$ 25.00	25.00
RESTRICTED LIBRARY CORALVILLE MARRIOTT RESTRICTED LIBRARY	ROOM FOR ILA CONF. TOTAL \$ 386.40	386.40
NO DEPT ENTERED ELECTRONIC FEDERAL TAX TOTAL ADMINISTRATIVE SVC COLLECTION SERVICES NO DEPT ENTERED	TAX DEPOSIT FLEX TOTAL \$14,051.97	12,719.40 1,116.11 216.46
SELF FUNDING INSURANCE AMERICAN ADMINIS – CLAIMS (2) SELF FUNDING INSURANCE	INV CHECK RUN TOTAL \$28,534.51	28,534.51
GRAND TOTALS		\$42,997.88

Attach supporting documentation to the back of this form

STATE OF IOWA

GAX

BUDGET FY		General Accounting Expenditure								DOCUMENT NUMBER					
FY 2010		DATE 10/13/10				ACCTG PERIOD (mm/yy) 7/1/10									
VENDOR CODE						AGENCY NAME									
VENDOR NAME AND ADDRESS						BILL TO ADDRESS (ORDERING AGENCY)				SHIP TO ADDRESS					
Creston, Iowa 116 W. Adams P.O. Box 449 Creston, Iowa 50801						Iowa Department of Economic Development 200 E. Grand Ave. Des Moines, Iowa 50309									
TERMS		FOB		ORDER APPROVED BY				GOODS RECEIVED/SERVICES PERFORMED							
								DATE		INITIALS					
QUANTITY		VENDOR'S INVOICE NUMBER													
ORDERED	RECEIVED	UNIT OF MEASURE							UNIT PRICE	TOTAL PRICE					
			Request for Payment under CDBG Contract Number: 09-WS-013 Report Number: 3							\$71.36					
DOCUMENT TOTAL										\$ 71,361					
CLAIMANT'S CERTIFICATION						AGENCY CERTIFICATION									
I CERTIFY THAT THE ITEMS FOR WHICH PAYMENT IS CLAIMED WERE FURNISHED FOR STATE BUSINESS UNDER THE AUTHORITY OF THE LAW AND THAT THE CHARGES ARE REASONABLE, PROPER, AND CORRECT, AND NO PART OF THIS CLAIM HAS BEEN PAID.						I CERTIFY THAT THE ABOVE EXPENSE WERE INCURRED AND THE AMOUNTS ARE CORRECT AND SHOULD BE PAID FROM THE FUNDS APPROPRIATED BY:									
DATE 14-Oct-10 TITLE Mayor						CODE OR CHAPTER SECTION(S)									
CLAIMANT'S SIGNATURE						AUTHORIZED SIGNATURE									
THE FOLLOWING FIELDS ARE FOR STATE ACCOUNTING USE ONLY															
DOC TYPE (GAX)	DOC NUMBER		DOC DATE		ACCTG PRD	BUDGET FY	ACTION NEW/MOD	PO SHIP INSTR	GAX TYPE	INT IND	INT SELLER FUND	INT SEI AGC			
GAX									1						
VENDOR CODE		ADDR OVERRIDE	F/A INDICATOR	EFT IND	TEXT - po's only (Y/N)			TEXT (po's only)							
				Y											
REF DOC TYPE	REF DOC NUMBER		REF DOC LINE	COM LN	VEND INVOICE #		COMMODITY CODE		GS CONTRACT						
LINE	FUND	AGCY	ORG	SUB ORG	ACTV	FUNC	OBJT	SUB OBJT	JOB NUMBER	REP CAT	QUANTITY / UNITS	VD	DESCRIPTION	AMOUNT	LT
01	0340	269	4610				4125								
02															
03															
04															
05															
06															
07															

GAX

WARRANT #

AUDITED BY

DOCUMENT TOTAL

PAID DATE



**REQUEST FOR PAYMENT /
ACTIVITY STATUS**

**COMMUNITY DEVELOPMENT
BLOCK GRANT**

Recipient: City of Creston
 Contract Number: 09-WS-013
 Report Number: 3 Final
 Period Ending: 30-Aug-10

ACTIVITY CODE / TITLE	Federal CDBG Budget	CURRENT EXPENDITURES			TOTAL Requested to Date
		Expended Since Last Report	Less Program Income Applied	CDBG Reimbursable*	
55 Sewer Improvements	\$500,000	\$71,361	\$0	\$71,361	\$500,000
			\$0	\$0	\$0
			\$0	\$0	\$0
181 ADMIN	\$24,000	\$0	\$0	\$0	\$18,319
TOTALS	\$524,000	\$71,361	\$0	\$71,361	\$518,319
Less: IDED Funds Received:					\$446,958
Less: IDED Payments Pending:					\$0
NET REQUEST:					\$71,361

*DETAIL OF FEDERAL ACTIVITY COSTS				
Cost Type	This Request	Total to Date		
Engineer/Architect	\$0	\$0	Administration (SICOG)	\$ -
Construction	\$71,361	\$500,000	Project Eng/Observation	\$ -
TOTAL	\$71,361	\$500,000	Contractor-Havens Construction	\$ 71,361.00
			Project Misc Construction	
			Other-Legal	
				TOTAL \$ 71,361.00

LOCAL FINANCIAL INFORMATION				COMMENTS:
ACTIVITY CODE	Current Budget	Expended Since Last Report	Expended to Date	SUMMARY OF DRAW
55 Sewer Improvements	794,083.00	217,472.00	794,529.00	
				Engineering \$ -
				Construction \$71,361
				Other
				TOTAL \$ 71,361.00
0181 ADMIN	0.00	0.00	0.00	Release of Funds: 7/7/07
TOTAL	\$794,083	\$217,472	\$794,529	Local Delay Date:
				Cash On Hand: \$0

CONTRACT ACTIVITY STATUS		Activity Number:
On Schedule?: (Yes/No)	Yes	Narrative Description: Project completed. Total project cost with administration construction and engineering \$1,312,848. ~10,000 sanitary sewer in place, 35 manholes, 107 service connections and surface restoration.
Engin./Arch.: % complete	100%	
Construction: % complete	100%	
Actual Start Date:	July 7, 2009	
Est. Completion Date:	August 31, 2010	
Revised from prior report?	Yes	

CONTRACT ACTIVITY STATUS		Activity Number:
On Schedule?: (Yes/No)	Yes	Narrative Description:
Engin./Arch.: % complete	0%	
Construction: % complete	0%	
Actual Start Date:		
Est. Completion Date:		
Revised from prior report?	No	

Status of Special Conditions - Type X in cell with box if cleared:			
<input checked="" type="checkbox"/> 6.4 Excessive Force		6.6 Conditions	6.7 Conditions
Sent August 8, 2007		<input checked="" type="checkbox"/> DNR Approval	<input checked="" type="checkbox"/> Sub Agreement
<input checked="" type="checkbox"/> 6.5 R.A.R.A.			Sent August 7, 2007
Sent August 8, 2007		<input type="checkbox"/>	<input type="checkbox"/>



SOUTHERN IOWA COUNCIL OF GOVERNMENTS

Southern Iowa Development Group, Inc.
Southern Iowa COG Housing Trust Fund, Inc.

P.O. Box 102
101 East Montgomery St.
Creston, Iowa 50801-0102

Telephone 641.782.8491
Facsimile 641.782.8492
e-mail SICOG@sicog.com

Amy Lampe, Chairperson
Clarke County

Mark Olive, Vice-Chair
Adams County

Mike King, Secretary
Union County

David Ferris, Treasurer
Taylor County

J. R. Cornett
Decatur County

Joan Acela
Madison County

Kurt Shaha
Ringgold County

John Twombly
Adair, Bridgewater,
Fontanelle & Orient

Doyle Scott
Private Sector Representative

William Trickey
Private Sector Representative

Michelle Tullberg
Private Sector Representative

Beth Waddle
Private Sector Representative

William Higdon
Member-At-Large

October 7, 2010

SWI Construction
2451 Redwood Avenue
Lenox, IA 50851

RE: Creston NSP Rehabilitation Contract, 407 S Vine Street

Dear Mr. Barnette:

As the administrator of the City of Creston's NSP Rehabilitation Program, the Southern Iowa Council of Governments believes that it is in the best interest of the project to terminate the contract to rehabilitate the property at 407 S. Vine Street.

Under the terms of the contract, executed by your firm and the City, it clearly states specific provisions, which must be met by all parties. To date SWI Construction has failed to provide necessary documentation to implement the local NSP Rehabilitation Program, this includes but is not limited to: providing a current contractor registration number, responding to requests for information, promptly returning phone calls and providing necessary documentation to clear any debarred/suspended/or ineligible listing. Our office requested this information on August 30, 2010, and most recently on September 22, 2010. On this day we advised you that our office would consider potential recourse in this matter—including contract termination—if the number was not provided by September 24th.

Your firm's actions and repeated lack of contact or correspondence with the Southern Iowa Council of Governments constitutes an overt failure to perform the provisions of the rehabilitation contract.

The City of Creston and the Southern Iowa Council of Governments appreciate your interest in this program, and thank you bidding on this particular project, however your actions leave us no course but to terminate the agreement.

Respectfully,


Timothy Ostroski
Executive Director

Cc: Mayor Warren Woods, City of Creston



Grantsmanship

Planning

Technical Assistance

CONTRACT FOR RESIDENTIAL REHABILITATION
City of Creston
Neighborhood Stabilization Program

This Contract is entered into by and between the City of Creston, Iowa 50801, (hereinafter referred to as the "**City of Creston**") and Fredrickson Construction, 1131 Hawk Avenue, Creston, IA 50801 (hereinafter referred to as the "**CONTRACTOR**"). This Contract stipulates the terms by which the house at 407 S Vine Street in Creston, Iowa shall be rehabilitated as a part of the City of Creston's Neighborhood Stabilization Program.

GENERAL CONDITIONS

1. Each Bid and Proposal for the Project shall be opened at the date and time specified in the Invitation to Bid and shall be an irrevocable and continuing Bid and Proposal, which the City of Creston may accept for a thirty (30) day period from said date and time.
2. The Bid and Proposal shall be accepted by the Creston upon approval of program funds from the Community. If such program funds are not approved, the entire Bid and Proposal is null and void. The City of Creston has retained the Southern Iowa Council of Governments to provide assistance in the administration of this contract.
3. The Southern Iowa Council of Governments is obligated to issue a written Notice to Proceed. No work shall be commenced by the CONTRACTOR until such notice has been received.
4. The CONTRACTOR shall commence work within fifteen (15) days after issuance of the Notice to Proceed.
5. The CONTRACTOR shall satisfactorily complete all work within **(60)** calendar days after the issuance of the Notice to Proceed, unless an extension is granted by the Community in the form of a written change order. The City and Contractor recognize that time is of the essence in this agreement and the City will suffer additional losses if the work is not completed within the time specified. They also recognized the difficulties in a legal proceeding proving the actual loss suffered by the City if the work is not completed on time. Accordingly, instead of requiring any such proof, the City and Contractor agree that as liquidated damages for the delay (but not as a penalty) the Contractor shall pay to the City (deducted from the progress payment retention) TWENTY DOLLARS (\$20.00) for each day that expires after 75 days from the issue date on Notice to Proceed.
6. Payment under this Contract shall be:

Progress payments shall be made based on the percentage of work items completed, with an amount not to exceed twenty (20) percent withheld until such time all work is completed, inspected and approved by the Community's program administrator and the City of Creston. Requests for progress payments and final payment shall be made by using the standard forms provided by the Community and no payments shall be disbursed until all required lien waivers and manufacturer's warranties have been delivered by the CONTRACTOR to the Community or its Program Administrator, and the City of Creston and its Program Administrator has inspected, approved and verified the completed work claimed.
7. Measurements stated in the Proposal, Specifications, and Bid Document. The CONTRACTOR is responsible for making exact measurements to assure that the specific items called for in the Project Specifications or Drawings will be completely provided for. The intent of the Project Specifications is to serve as guidelines, and any omissions in the description of workmanship do not relieve the CONTRACTOR of delivering a completed project in a satisfactory workmanlike manner, in accordance with generally accepted practices.
8. The CONTRACTOR shall be required and agrees to:
 - A. Furnish evidence of the following minimum insurance coverage and limits:

<u>Class of Coverage</u>	<u>Bodily Injury</u>	<u>Property Damage</u>
Manufacturer and Contractors	\$100,000 / \$300,000	\$100,000
Independent Contractors	\$100,000 / \$300,000	\$100,000
Product (Including Completed Operations)	\$100,000 / \$300,000	\$100,000
Automobile (Owner, Hired or Leased)	\$100,000 / \$300,000	\$100,000
Workmen's Compensation	Statutory / \$100,000	

The CONTRACTOR shall submit a Certificate of Insurance Coverage to the City of Creston or its Program Administrator for approval, and no cancellation or change shall be permitted without a written notice of such change or cancellation, which must be presented to the Community or its Program Administrator ten (10) days prior to any such alteration.

If coverage is due to expire during the contract period, a new Certificate of Insurance Coverage shall be presented to the Community or its Program Administrator. It is further specifically stipulated that the contractor's insurance coverage shall include an endorsement, by the CONTRACTOR'S insurance carrier, that so far as the CONTRACTOR'S insurance coverage is concerned, it is specifically agreed that said insurance carrier shall never, in connection with any tort litigation arising under said coverage herein, assert the defense of non-liability based upon the fact that the City of Creston is a governmental instrumentality and is immune to suit.

- B. Obtain and pay all permits and licenses necessary for the execution and completion of the work and labor to be performed.
- C. Perform all work in accordance with the Project Specifications or Drawings (if applicable). Where the Project Specifications or Drawings (if applicable) are silent or ambiguous, the CONTRACTOR shall immediately contact the Community's Program Administrator for appropriate direction or instructions. If the Project Specifications or Drawings (if applicable) conflict with local codes or ordinances, the more stringent requirement shall apply. The rehabilitation of residential structures with assistance provided under this Contract is subject to Title IV of the Lead Based Paint Poisoning Prevention Act (42 USC 4831) as implemented through regulations contained in 24 CFR, Part 35. Only first class materials shall be used, unless otherwise specified.
- D. All contracts in excess of \$10,000 must include the following language, pursuant to Federal Executive Orders 11246 and 11375: "During the performance of this Contract, the CONTRACTOR agrees as follows:
 1. The CONTRACTOR will not be discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
 2. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
 3. The CONTRACTOR will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative

of the CONTRACTOR'S commitments under Section 202 of the Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The CONTRACTOR will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. The CONTRACTOR will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the CONTRACTOR'S non-compliance with the nondiscrimination clause of this Contract or with any such rules, regulations or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
7. The CONTRACTOR will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; Provided, however, that in the event the CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the CONTRACTOR may request the United States to enter into such litigation to protect the interest of the United States.
- E. The premises shall be kept clean and orderly by the CONTRACTOR during the course of the work, and all debris shall be removed at the completion of the work. Materials and equipment that are removed and replaced as part of the work shall belong to the CONTRACTOR, unless other arrangements are made and approved by the Community or its Program Administrator.
- F. Assignments or modifications of this Contract shall not be made without written consent from the City of Creston. Such a request shall be made in writing and shall be addressed to the Community's Program Administrator.
- G. Work performed under this Contract shall be guaranteed for a minimum period of one (1) year from the date of final acceptance. All manufacturers' and suppliers' written guarantees and warranties covering materials, supplies and equipment furnished under this Contract shall be given to the City of Creston in care of the Community's Program Administrator.
- H. The City of Creston and its Program Administrator shall be permitted to examine and inspect the work on a continuing basis.
9. The CONTRACTOR will defend, indemnify and hold harmless the City of Creston and its Program Administrator and its officers, commissioners and employees from liability and claims for damages because of bodily injury, death, property damage, sickness, disease or loss and expense arising from any of the CONTRACTOR'S actions under this Contract.
10. The CONTRACTOR shall protect, defend and indemnify the City of Creston from any claims for unpaid work, labor or materials. Payment shall not be due the CONTRACTOR until the Community's Program Administrator has received complete release of all liens arising out of this Contract or receipts in full covering all labor and materials for which a lien could be filed satisfactory to the City of Creston and to the satisfaction of the Community's Program Administrator.

11. No modification of this Contract shall be made except by written Change Order, signed by the CONTRACTOR, and approved by the City of Creston. Any changes made to this Contract without obtaining such approval shall be the CONTRACTOR'S liability. No work shall be done until written change orders are executed and signed.
12. No public official, or board or commission member of the City of Creston, or employee of Community's Program Administrator shall have any interest, direct or indirect, in this Contract.
13. The Contract consists of the:
 1. The Proposal, Specifications, and Bid Document
 3. The Contractor's Bid;
 4. The Notice of Award;
 5. The Notice to Proceed

14. Grievance and Dispute Resolution

Step 1: Any grievances or disputes arising between a property owner and the contractor(s) will initially be mediated by the community's program administrator and/or rehabilitation technician. It is the grieving (or disputing) party's obligation to contact the community's program administrator and/or rehabilitation technician with a detailed account of the issue(s) comprising the grievance or dispute. The program administrator and/or rehabilitation technician will make a determination of resolution on the issue(s) brought to their attention and convey to both the City of Creston and the contractor a course of action to be taken, in what time frame, and by whom.

Step 2: Should either party contest the community's program administrator's and/or rehabilitation technician's initial decision, a request for an appeal hearing by the community's City Council (Rehabilitation Committee) may be made. This request must be made in writing. The Community's Rehabilitation Committee will set a date, time and place for this appeal hearing and notify the parties of same. The Rehabilitation Committee will make their determination at, or shortly after, their meeting and convey their determination of resolution to the issue(s) raised, in writing, to both parties. The Rehabilitation Committee's determination will convey to both parties a course of action to be taken, in what time frame, and by whom.

Step 3: Should either party contest the Rehabilitation Committee's decision, a request to appeal this decision may be made to the community's governing body (i.e., mayor and city council; chair and board of supervisors; etc.). The decision of the community's governing body will be conveyed, in writing, to both parties. The governing body's determination will convey a course of action to be taken, in what time frame, and by whom. The decision of the community's governing body will be final and binding on all parties.

Step 4: In the event that the grievance or dispute remains unresolved to the satisfaction of either party, the right to file legal action remains the last and only recourse available to the grieving or disputing party.

Should a grievance or a dispute arise between either the City of Creston or the contractor and the community's program administrator and/or rehabilitation technician, the procedure to follow is the same as described above, except that Step 1 would be omitted.

Written grievances or disputes that are received by the IDED directly from a contractor or a representative of the contractor will be forwarded to the community for resolution. Resolution is to follow the above described process.

15. If the CONTRACTOR defaults or neglects to carry out the work in accordance with this Contract, or fails to perform any provision of this Contract, the City of Creston may, after seven (7) days written notice from the Community's Program Administrator to the CONTRACTOR and without prejudice to any other remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due the CONTRACTOR. If the unpaid balance of the contract sum exceeds the expense of finishing or correcting the work, such excess shall be paid to the CONTRACTOR. If such expense exceeds the unpaid balance of the Contract, the CONTRACTOR shall pay the difference to the City of Creston.

The City of Creston reserves the right, upon recommendation of the Community's Program Administrator,

to terminate this Contract for reasonable cause. Reasonable cause shall be generally defined as any action which demonstrates an unwillingness on the part of the CONTRACTOR to carry out the work in a timely and professional manner. Such actions may be explicit or implicit and include, but are not necessarily limited to:

- A. Failure by the CONTRACTOR to keep scheduled appointments with the City or the Community's Program Administrator.
- B. Flagrant disregard by the CONTRACTOR of the rights of the City of Creston under this Contract, including the misrepresentation of any provision of the Project Specifications or Drawings (if applicable).
- C. Consistent production of unacceptable work by the CONTRACTOR.

The Community's Program Administrator shall be the interpreter of the conditions of termination of this Contract and the sole judge of its performance. The Community's Program Administrator shall further provide the CONTRACTOR seven (7) days written notice of termination and the CONTRACTOR shall be compensated for all approved work performed up to the date of said notification.

- 16. Neither the final payment nor any provision of this Contract, nor partial or entire use of occupancy of the premises by a new OWNER shall constitute an acceptance of work not done in accordance with this Contract or relieve the CONTRACTOR of liability with respect to any express warranties or responsibility for faulty materials or installation. The CONTRACTOR shall promptly remedy any defects in the work performed hereunder, and pay for any damage to the building or its contents resulting therefore, which may appear within a period of one (1) year from the date of final acceptance of the work. The OWNER shall give prompt written notice of observed defects in materials or installation to the CONTRACTOR and to the Community's Program Administrator.
- 17. Final payment will be made to the CONTRACTOR when the Community's Program Administrator determines, within thirty (30) days after a final inspection, that all work provided for in the Contract has been satisfactorily completed in a satisfactory and workmanlike manner, and in accord with all other conditions of the Contract. The City of Creston hereby agrees to execute the necessary documents to release final payment once the Program Administrator has declared the CONTRACTOR'S performance complete and has approved final payment. If the City or CONTRACTOR wish to contest the Program Administrator's determination regarding final payment, procedures as set forth in Item #14 of this contract shall be followed.
- 18. Nothing contained herein shall establish the City of Creston in this Contract as other than a grantor of funds with authority to review and inspect work performed under this Contract to the end that funds will be efficiently used as intended for the betterment of the Community in general.
- 19. Prior to executing this Contract, the CONTRACTOR certifies that he or she has thoroughly inspected the premises and has determined the conditions of occupancy, availability of temporary utilities and identified any hazards or special conditions that might arise during the course of the work. If water, electricity or telephone service is connected to the premises at the time this Contract is executed, the City of Creston shall permit the CONTRACTOR to use any such services so connected without charge during the course of the work. The telephone may be used by the CONTRACTOR for non-toll calls only.

Any binding provisions between the City of Creston and CONTRACTOR shall be set forth in this Contract.

- 20. Should serious structural deficiencies and/or local code violations be found during the course of the work, and such deficiencies are such that they would not be apparent prior to the commencement of work to a skilled and prudent contractor experienced in the type of work hereunder, the CONTRACTOR shall not be required to correct any such deficiencies under this Contract unless a price adjustment is agreed upon by the City of Creston and CONTRACTOR and approved by the Community's Program Administrator through the issuance of a written change order.
- 21. The Contractor is fully responsible for the means and methods of executing the scope of work. The Contractor is specially trained in lead-safe work practices and lead hazard reduction and therefore agrees

- to hold the City and the agency harmless in the event of any fines from federal or local agencies concerning the lead hazard reduction-work. The CONTRACTOR agrees to immediately satisfy any and all fines or judgments presented by OSHA, EPA, the local or state health department, the applicable state lead-based paint activities certification and training program, and any other governmental agency having jurisdiction over lead hazard reduction work.
22. The CONTRACTOR certifies and represents that he or she is not now, nor has he or she ever been, barred from participating in federal contracts.
 23. The CONTRACTOR and subcontractors shall be prohibited from inducing, by any means, any person employed in the construction, completion or repair of the work to give up any part of the compensation to which he or she is entitled.
 24. The CONTRACTOR shall provide ready access to any books, documents, papers and records which are pertinent to a specific project for the purpose of making audit, examination, excerpts and transcriptions to the City of Creston, the Department of Housing and Urban Development, the Comptroller General of the United States, or any duly authorized representatives for a period not less than five (5) years from the date of project completion and acceptance.
 25. The CONTRACTOR agrees to comply with Section 3 of the Housing and Urban Development Act of 1968, set forth as follows:
 - A. The work to be performed under this Contract is on a project assisted basis under a program provided for by direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of said Section 3 clause. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.
 - B. The CONTRACTOR certifies that he or she is under no contractual or other disability which would prevent compliance with the Section 3 clause.
 - C. The CONTRACTOR shall include the Section 3 clause in every subcontract for work in connection with the project and shall, at the direction of the City of Creston or the Community's Program Administrator take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation. The CONTRACTOR shall not subcontract with any subcontractor where he or she has notice or knowledge that the latter has been found in violation of the Section 3 clause and shall not let any subcontract unless the subcontractor has first provided the CONTRACTOR a written statement of ability to comply with the Section 3 clause.
 - D. Each labor union or organization with which the CONTRACTOR has a collective bargaining agreement, contract or understanding, if any, shall be sent a notice advising the said organization of the CONTRACTOR'S commitment under the Section 3 clause. The CONTRACTOR shall post such notice in conspicuous places available to employees and applicants for employment or training.
 26. The CONTRACTOR agrees to comply with Section 109 of Title I of the Housing and Community Development Act of 1974 which provides that no person shall be excluded from participation (or employment) in, denied program benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with the Community's program funds on the basis of his or her race, color, religion or religious activities, sex or national origin.
 27. The CONTRACTOR agrees to comply with Title VI of the Civil Rights Act of 1964 which provides that no person shall be excluded from participation, denied benefits or subjected to discrimination because of race, color, religion, sex or national origin under any program or activity funded in whole or in part with the Community's program funds.
 28. The CONTRACTOR agrees to comply with the Title VIII of the Civil Rights Act of 1968 which provides that no person shall be discriminated against in the sale, rental, financing or provision of brokerage services for

housing because of race, color, religion, sex or national origin.

29. The CONTRACTOR agrees to comply with Executive Order 11063 which provides that no person shall be discriminated against in the sale, leasing, rental or disposition of residential property or use of occupancy under any program or activity receiving the Community's program funds because of race, color, religion, sex or national origin.
30. The CONTRACTOR, by entering into this Contract, does by said act warrant and represent, that to the best of their knowledge, no officer, employee, or agent of the City of Creston who exercises any function or responsibilities in connection with the carrying out of the project to which this Contract pertains, has any personal financial interest, direct or indirect, in this Contract.
31. The CONTRACTOR agrees to comply with the certification regarding government-wide restriction on lobbying as follows:
 - A. Title II of the Americans with Disabilities Act of 1990.
 - B. Iowa Civil Rights Act of 1965 (Iowa Executive Orders 34 and Iowa Code Chapter 19 B.7)
 - C. The Age Discrimination Act of 1975, as amended (42 U.S.C. 1601 et seq.)
 - D. Section 504 of the Rehabilitation Act of 1973, as amended (P.L. 93-112, 29 U.S.C.794)
 - E. Americans with Disabilities Act (P.L. 101-336, 42 U.S.C. 12101-12213)
 - F. Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).
 - G. Federal Executive Order 11246, as amended.
 - H. Federal Executive Order 11063, as amended by Executive Order 12259.

CERTIFICATION REGARDING GOVERNMENT-WIDE RESTRICTION ON LOBBYING. The CONTRACTOR certifies, to the best of its knowledge and belief, that:

- A. No Federal appropriated funds have been paid or will be paid by or on behalf of CONTRACTOR, to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Contractor shall complete and submit Standard Form LLL-"Disclosure Form to report Federal Lobbying" in accordance with its instruction.
- C. The CONTRACTOR shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required Certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

In consideration of the agreements herein set forth, the CONTRACTOR proposes to furnish and install all the materials, supplies or equipment and perform all the work described in, and in accordance with, the Contract identified in Section 15 of the General Conditions for the lump sum of \$23,300. This amount includes all sales taxes and other taxes.

The undersigned agree to all provisions of this Contract.

CONTRACTOR

Officer's Signature: _____ Date: _____

CITY OF CRESTON

Representative's Signature: _____ Date: _____

ATTESTED BY:

Program Administrator's Signature: _____ Date: _____

**FOURTH AMENDMENT TO THE PARKING AGREEMENT
BY AND BETWEEN
HOTEL IOWANA LIMITED PARTNERSHIP
AND
THE CITY OF CRESTON, IOWA**

THIS FOURTH AMENDMENT TO THE PARKING AGREEMENT BY AND BETWEEN HOTEL IOWANA LIMITED PARTNERSHIP AND THE CITY OF CRESTON, IOWA (the "Third Amendment") is made and entered into effective as of OCTOBER 19, 2010 by and between the undersigned parties.

RECITALS

WHEREAS, Hotel Iowa Limited Partnership ("Hotel Iowa LP") and the City of Creston, Iowa (the "City") entered into a Parking Agreement (the "Parking Agreement") on October 28, 2008 for twenty-four (24) parking spaces in the parking lot at the corner of the intersection of Montgomery Street and Pine Street in Creston, Iowa (together, the "Parking Spaces" and the "Parking Lot"), as described in Exhibit A attached hereto; and

WHEREAS, Hotel Iowa LP and the City previously amended the Parking Agreement on February 2, 2010 to allow a longer timeframe under Paragraph 8 of the Parking Agreement; and

WHEREAS, Hotel Iowa LP and the City previously amended the Parking Agreement on May 19, 2010 to extend the term of the agreement to 50 years; and

WHEREAS, Hotel Iowa LP and the City previously amended the Parking Agreement on August 9, 2010 to allow a longer timeframe under Paragraph 8 of the Parking Agreement to December 31, 2011; and

WHEREAS, Hotel Iowa LP and the City desire to further modify the Parking Agreement to allow a longer timeframe under Paragraph 8 of the Parking Agreement.

NOW THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Replace December 31, 2011 with "June 30, 2012, provided that construction is at least 50% complete as of December 31, 2011" in Paragraph 8 of the Parking Agreement.
2. All other terms and conditions in the Parking Agreement shall remain in full force and effect, pending future amendments to the Parking Agreement, if any.

IN WITNESS WHEREOF, this Second Amendment has been executed as of OCTOBER 19, 2010.

Hotel Iowa Limited Partnership,
an Iowa limited partnership
MetroPlains Partners, LLC
Its General Partner

BY: _____
Its: Co-President

City of Creston,
an Iowa municipal corporation

BY: _____
Its: Mayor

BY: _____
Its: City Clerk

EXHIBIT A

**Real Property
Legal Description**

Lot 327 through Lot 329, inclusive, all in the Original Town of Creston, Union County, Iowa.

RESOLUTION NO. ?? – 11

RESOLUTION TO SPECIAL ASSESS NUISANCE ABATEMENT CHARGES DUE TO NON-PAYMENT BY PROPERTY OWNERS:

WHEREAS, the Creston City Council was presented with an estimate and a list of mowing nuisance abatements for the Summer of 2010, and;

WHEREAS, the City's Mowing Ordinance is advertised in the local newspaper and posted each season, and;

WHEREAS, if the length of vegetation is 12 inches or taller by the 15th of each month, May through October, the City may mow said properties and charge the property owners, and;

WHEREAS, the City Administrator ordered the nuisances abated, and;

WHEREAS, the City Clerk billed the property owners and the City was never paid.

BE AND IT IS HEREBY RESOLVED that the Creston City Council approves that the charges shall be collected in the same manner as general property taxes for the properties legally described as –

411 ½ N Walnut – Lot 51, Swigert's 1 st , N-2; Parcel #24010-450-053-00	\$175.00
501 N Walnut – Lot 50, Swigert's 1 st ; Parcel #24010-450-051-00	\$175.00
407 S Birch – Lots 660 and 661 Original Plat; Parcel #24010-320-522-00	\$175.00

BE AND IT IS FURTHER RESOLVED that the Mayor and Clerk are hereby authorized to execute the proper documentation necessary.

BE AND IT IS FURTHER RESOLVED that any Resolution in conflict herewith is hereby repealed.

BE AND IT IS FURTHER RESOLVED that this Resolution be effective immediately upon its passage and approval by the Creston City Council.

DRAPER, SNODGRASS, MIKKELSEN & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

FAX (641) 782-8423

PHONE (641) 782-8421 — P.O. Box 7

MEMBERS - IOWA SOCIETY OF CPAs
AMERICAN INSTITUTE OF CPAs309 EAST MONTGOMERY STREET
CRESTON, IOWA 5080

August 25, 2010

To the Honorable Mayor and City Council
City of Creston, Iowa
Creston, IA 50801

We are pleased to confirm our understanding of the services we are to provide for the City of Creston, Iowa for the year ended June 30, 2010. We will audit the financial statements of the government activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements, of the City of Creston, Iowa as of and for the year ended June 30, 2010. Accounting standards generally accepted in the United States provide for certain required supplemental information (RSI), such as management's discussion and analysis (MD&A), to accompany the City of Creston, Iowa's financial statements. As part of our engagement, we will apply certain limited procedures to the City of Creston, Iowa's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and the schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Creston, Iowa and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility

for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [present the supplementary information with the audited financial statements OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatement may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However,

we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of our audit procedures to be performed. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and OMB Circular A-133.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Creston, Iowa's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other

applicable procedures described in the OMB Circular A-133 Compliance Supplement and related addenda for the types of compliance requirements that could have a direct and material effect on each of City of Creston, Iowa's major programs. The purpose of these procedures will be to express an opinion on City of Creston, Iowa's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees and Other

We understand that your employees will type all cash or other confirmations we request and will locate any invoices selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Draper, Snodgrass, Mikkelsen & Co., P.C. and constitutes confidential information. However, we may be requested to make certain workpapers available to requesting federal agencies and the Iowa Auditor of State's Office pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of Draper, Snodgrass, Mikkelsen & Co., P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to such parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other government agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by federal agencies or the State of Iowa. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

The audit report will be ready and available no later than October 1 and issued upon your request unless there are delays in closing the books or circumstances that prevent us from doing interim work, or other circumstances, in which case we may request an extension of the time to complete the audit.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Invoices will be rendered as work progresses and are payable upon presentation.

Our fee for the audit will not exceed the following:

Time fees	\$ 9,075
Single Audit Requirements	3,750
Out-of-pocket costs - report Reproduction and typing	<u>400</u>
Total fee	<u>\$13,225</u>

The preceding fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit and the City of Creston, Iowa's books are properly maintained and adjusted and Agency personnel agree to complete the schedules and duties in preparation for the audit as outlined in the enclosed attachment. If changes occur that significantly increase or decrease our responsibilities as auditors, such as increased program funding, new federal or state programs, new federal or state audit requirements or A-133 audit requirements, we will discuss the impact with you in advance and negotiate an increase or decrease in the fee accordingly.

Government Auditing Standards require that we provide you with a copy of our most recent quality control review report. Our 2009 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the City of Creston, Iowa's and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Draper, Snodgrass, Mikkelsen & Co., P.C.

Draper, Snodgrass, Mikkelsen & Co., P.C.

RESPONSE:

This letter correctly sets forth the understanding of the City of Creston, Iowa.

By: _____

Title: _____

System Review Report

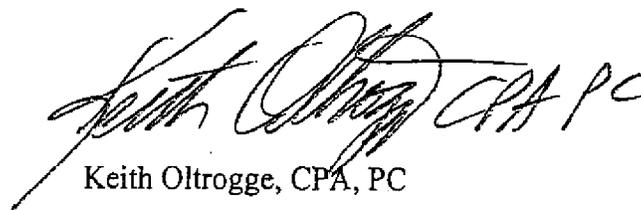
June 17, 2009

To the Shareholders
Draper, Snodgrass, Mikkelsen & Co, PC
And the Peer Review Committee of the Iowa Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Draper, Snodgrass, Mikkelsen & Co, PC (the firm) in effect for the year ended December 31, 2008. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an engagement performed under the *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Draper, Snodgrass, Mikkelsen & Co, PC in effect for the year ended December 31, 2008, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Draper, Snodgrass, Mikkelsen & Co, PC has received a peer review rating of *pass*.



Keith Oltrogge, CPA, PC