



MINUTES TO PROVIDE ISSUANCE OF
NOTE

449124-30

Eldora, Iowa

January 8, 2019

The City Council of the City of Eldora, Iowa, met on January 8, 2019, at 6:00 p.m., at the at the City Hall Council Chamber, Eldora, Iowa. The meeting was called to order by the Mayor, and the roll was called showing the following members of the City Council present and absent:

Present: Jones, Priske, John, Hoy and Budweg

Absent: none

After due consideration and discussion, Council Member John introduced the following resolution and moved its adoption, seconded by Council Member Jones. The Mayor put the question upon the adoption of said resolution, and the roll being called, the following Council Members voted:

Ayes: Budweg, John, Priske, Jones and Hoy

Nays: none

Whereupon, the Mayor declared the resolution duly adopted, as hereinafter set out.

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At the conclusion of the meeting and upon motion and vote, the City Council adjourned.

David W. Dunn, Mayor

Attest:

Chandra Kyte, Deputy City Clerk

RESOLUTION NO. 01-19-2789

Resolution authorizing and approving a Loan Agreement, providing for the issuance of a \$180,000 General Obligation Ambulance Acquisition Note and providing for the levy of taxes to pay the same

WHEREAS, the City of Eldora (the “City”), in Hardin County, State of Iowa, heretofore proposed to enter into a loan agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$200,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of acquiring an ambulance for use by the municipal emergency services department (the “Acquisition”), and has published notice of the proposed action and has held a hearing thereon on November 27, 2018; and

WHEREAS, it is necessary at this time to authorize and approve the Loan Agreement and to make provision for the issuance of a General Obligation Ambulance Acquisition Note (the “Note”) in evidence of the obligation of the City under the Loan Agreement;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Eldora, Iowa, as follows:

Section 1. The City hereby determines to enter into the Loan Agreement with Hardin County Savings Bank, Eldora, Iowa, as lender (the “Lender”), providing for a loan to the City in the principal amount of \$180,000 for the purpose or purposes set forth in the preamble hereof.

The Mayor and City Clerk are hereby authorized and directed to sign the Loan Agreement on behalf of the City, and the Loan Agreement is hereby approved.

Section 2. The Note is hereby authorized to be issued in evidence of the obligation of the City under the Loan Agreement in the principal amount of \$180,000, and shall be dated as of the date of its delivery to the Lender (anticipated to be January 17, 2019) and shall be payable as to both principal and interest in the manner hereinafter specified.

Both principal of and interest on the Note shall be payable in 10 equal semi-annual installments in the amount of \$19,882 each due on each June 1 and December 1, commencing December 1, 2018 and continuing to, and including, December 1, 2023, with one final installment of all remaining principal and interest due thereon at final maturity on June 1, 2024. The Note bears interest at the rate of 3.25% per annum. All payments shall be applied first to the payment of interest due and next to the reduction of principal. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The City Clerk is hereby designated as the registrar and paying agent for the Note and may be hereinafter referred to as the “Registrar” or the “Paying Agent.”

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Payment of both principal of and interest on the Note shall be made to the registered owners appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the interest payment date and shall be paid to the registered owners at the addresses shown on such registration books. Principal of the Note shall be payable in lawful money of the United States of America to the registered owners or their legal representatives upon presentation and surrender of the Note at the office of the Paying Agent.

The City reserves the right to prepay principal of the Note in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the prepayment date.

The Note shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor and attested with the official manual or facsimile signature of the City Clerk and shall be a fully registered Note without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Note shall cease to be such officer before the delivery of the Note, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Note shall be fully registered as to principal and interest in the name of the owner on the registration books of the City kept by the Registrar, and after such registration, payment of the principal thereof and interest thereon shall be made only to the registered owner or its legal representatives or assigns. The Note shall be transferable only upon the registration books of the City upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The record and identity of any owners of the Note shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 3. The Note shall be in substantially the following form:

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Agreement and providing for the issuance and securing the payment of this Note (the "Resolution"), and reference is hereby made to the Resolution and the Loan Agreement for a more complete statement as to the source of payment of this Note and the rights of the owner of this Note.

The City reserves the right to prepay principal of this Note, in whole or in part, at any time prior to and in inverse order of maturity on terms of par and accrued interest. All principal so prepaid will cease to bear interest on the prepayment date.

This Note is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the City in the office of the Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Note to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The City, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the City, the Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified and Recited that all acts, conditions and things required by the laws and Constitution of the State of Iowa, to exist, to be had, to be done or to be performed precedent to and in the issue of this Note were and have been properly existent, had, done and performed in regular and due form and time; that provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the City for the payment of the principal of and interest on this Note as the same will respectively become due; and that the total indebtedness of the City, including this Note, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the City of Eldora, Iowa, by its City Council, has caused this Note to be executed by its Mayor and attested by its City Clerk, on the Note Date.

CITY OF ELDORA, IOWA

By (DO NOT SIGN)

Mayor

Attest:

(DO NOT SIGN)

City Clerk

ABBREVIATIONS

The following abbreviations, when used in this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UTMA	_____
			(Custodian)
TEN ENT	- as tenants by the entireties	As Custodian for	_____
JT TEN	- as joint tenants with		(Minor)
	right of survivorship and	under Uniform Transfers to Minors Act	
	not as tenants in common		_____
		(State)	

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Note to

City of Eldora, 1442 Washington Street, Eldora IA 50627
(Please print or type name and address of Assignee)

42-6004623

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF
ASSIGNEE

and does hereby irrevocably appoint _____,
Attorney, to transfer this Note on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed:

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Note in every particular, without alteration or enlargement or any change whatever.

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Section. 4. The Note shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon shall be delivered to the Registrar for registration and delivery to or upon the direction of the Lender, upon receipt of the loan proceeds (the “Loan Proceeds”), and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects. To the extent that the date of closing (anticipated to be January 17, 2019) needs to be adjusted, the City Clerk, with advice from the Lender and Bond Counsel to the City, is hereby authorized to make such adjustment and to modify the transaction documents accordingly.

The City shall deposit the Loan Proceeds, and any investment earnings thereon, in a separate, segregated fund and use them to pay the costs of the Acquisition and costs of issuance of the Note. Any Loan Proceeds remaining after the full payment of the costs of Acquisition shall be deposited in the Debt Service Fund and used to pay principal of and interest on the Note as the same become due. The City shall keep a detailed accounting of the investment and expenditures of such funds on the Acquisition.

Section. 5. For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Note as the same become due, there is hereby ordered levied on all the taxable property in the City in each of the years while the Note is outstanding, the following direct annual tax:

For collection in the fiscal year beginning July 1, 2019,
sufficient to produce the net annual sum of \$39,763;

For collection in the fiscal year beginning July 1, 2020,
sufficient to produce the net annual sum of \$39,763;

For collection in the fiscal year beginning July 1, 2021,
sufficient to produce the net annual sum of \$39,763;

For collection in the fiscal year beginning July 1, 2022,
sufficient to produce the net annual sum of \$39,763; and

For collection in the fiscal year beginning July 1, 2023,
sufficient to produce the net annual sum of \$39,763.

Section 6. A certified copy of this resolution shall be filed with the County Auditor of Hardin County, and the County Auditor is hereby instructed to enter for collection and assess the tax hereby authorized. When annually entering such taxes for collection, the County Auditor shall include the same as a part of the tax levy for Debt Service Fund purposes of the City and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the City and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Note hereby authorized and for no other purpose whatsoever.

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Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Note remains outstanding and unpaid, any funds of the City which may lawfully be applied for such purpose may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Note as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 5 of this Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for such purpose, and evidenced in the City's budget.

Section 7. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current funds on hand in advance of taxes levied and when the taxes shall have been collected, reimbursement shall be made to such current funds to the sum thus advanced.

Section 8. It is the intention of the City that interest on the Note be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the "Internal Revenue Code"). In furtherance thereof, the City covenants to comply with the provisions of the Internal Revenue Code as they may from time to time be in effect or amended and further covenants to comply with the applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Note will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the City are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

The City hereby designates the Note as a "Qualified Tax Exempt Obligation" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 9. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 10. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved on January 8, 2019.

David W. Dunn, Mayor

Attest:

Chandra Kyte, Deputy City Clerk

ATTESTATION CERTIFICATE

STATE OF IOWA
HARDIN COUNTY SS:
CITY OF ELDORA

I, the undersigned, Deputy City Clerk of the City of Eldora, do hereby certify that as such Deputy City Clerk I have in my possession or have access to the complete corporate records of the City and of its Council and officers and that I have carefully compared the transcript hereto attached with those corporate records and that the transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the adoption of a resolution entitled, "Resolution authorizing and approving a Loan Agreement, providing for the issuance of a \$180,000 General Obligation Ambulance Acquisition Note and providing for the levy of taxes to pay the same," and that the transcript hereto attached contains a true, correct and complete statement of all the measures adopted and proceedings, acts and things had, done and performed up to the present time with respect thereto.

I further certify that no appeal has been taken to the District Court from the decision of the City Council to enter into the Loan Agreement, to issue the Note or to levy the taxes to pay the principal of and interest thereon.

WITNESS MY HAND this 8th day of January, 2019.

Chandra Kyte, Deputy City Clerk

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COUNTY FILING CERTIFICATE

STATE OF IOWA

SS:

HARDIN COUNTY

I, the undersigned, County Auditor of Hardin County, in the State of Iowa, do hereby certify that on the _____ day of _____, 2019, the City Clerk of the City of Eldora filed in my office a certified copy of a resolution of the City shown to have been adopted by the City Council and approved by the Mayor thereof on January 8, 2019, entitled: "Resolution authorizing and approving a Loan Agreement, providing for the issuance of a \$180,000 General Obligation Ambulance Acquisition Note and providing for the levy of taxes to pay the same," and that I have duly placed the copy of the resolution on file in my records.

I further certify that the taxes provided for in that resolution will in due time, manner and season be entered on the State and County tax lists of this County for collection in the fiscal year beginning July 1, 2019, and subsequent years as provided in the resolution.

WITNESS MY HAND this _____ day of _____, 2019.

County Auditor