

MINUTES TO PROVIDE FOR SALE AND
ISSUANCE OF BONDS

436775-21

Eagle Grove, Iowa

March 6, 2017

The City Council of the City of Eagle Grove, Iowa, met on March 6, 2017, at 7
o'clock P.m., at the City Hall, Eagle Grove, Iowa.

The meeting was called to order by the Mayor, and the roll was called showing the
following named Council Members present and absent:

Present: Johnson Lorenson Swain Weland Pangerm Vandewater

Absent: None

After due consideration and discussion, Council Member
Weland introduced the resolution next hereinafter set out and moved its
adoption, seconded by Council Member Pangerm. The Mayor put the
question upon the adoption of said resolution, and the roll being called, the following named
Council Members voted:

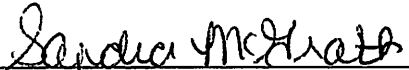
Ayes: Johnson Lorenson Swain Weland Pangerm Vandewater

Nays: —

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

....

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



Mayor

Attest:



City Clerk

RESOLUTION NO. 2017-12

Resolution authorizing and approving a Loan Agreement, providing for the issuance of \$485,000 General Obligation Corporate Purpose Bonds, Series 2017 and providing for the levy of taxes to pay the same

WHEREAS, the City of Eagle Grove (the "City"), in Wright County, State of Iowa, heretofore proposed to enter into a General Obligation Corporate Purpose Loan Agreement (the "Corporate Purpose Loan Agreement"), pursuant to the provisions of Section 384.24A of the Code of Iowa, and to borrow money thereunder in a principal amount not to exceed \$200,000 for the purpose of paying the costs, to that extent, of acquiring vehicles and radio equipment for the municipal police department and constructing a building for use in the operations of the municipal cemetery (the "Projects"), and pursuant to law and a notice duly published, the City Council has held a public hearing on such proposal on February 20, 2017; and

WHEREAS, the City also proposed to enter into a General Obligation Urban Renewal Loan Agreement (the "Urban Renewal Loan Agreement") and to borrow money thereunder in a principal amount not to exceed \$1,000,000 for the purpose of carrying out an urban renewal project in the Eagle Grove Downtown Urban Renewal Area consisting of providing tax increment financing support to fund an economic development grant program for the promotion of commercial construction activity in the City, and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of April 18, 2016, no petition had been filed with the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City; and

WHEREAS, pursuant to the provisions of Section 384.28 of the Code of Iowa, the City has combined the Corporate Purpose Loan Agreement and the Urban Renewal Loan Agreement into a single loan agreement (the "Loan Agreement"); and

WHEREAS, a certain Term Sheet (the "Term Sheet") has been prepared to facilitate the sale of \$485,000 General Obligation Corporate Purpose Bonds, Series 2017 (the "Bonds") in evidence of the obligation of the City under the Loan Agreement, and the City Council has approved the Term Sheet and has ratified its use by Speer Financial, Inc. (the "Financial Advisor"); and

WHEREAS, the Financial Advisor has recommended that the City negotiate the sale of the Bonds to Security Savings Bank, Eagle Grove, Iowa (the "Lender"); and

WHEREAS, it is now necessary to make final provision for the approval of the Loan Agreement and to authorize the issuance of the Bonds;

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

Section 1. It is hereby determined that the City, shall enter into the Loan Agreement with the Lender, in substantially the form which will be placed on file with the City, providing

for a loan to the City in the amount of \$485,000 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 Bonds are hereby authorized to be issued in evidence of the obligation of the City under the Loan Agreement, in the principal amount of \$485,000, to be dated the date of delivery to the Lender, such date anticipated to be March 21, 2017 and shall be payable as to both principal and interest in the manner hereinafter specified.

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

Principal of the Bonds shall be divided into twelve tranches, each payable on June 1 in each of the years, and in the respective principal amounts, and bearing interest from the dated date of the Bonds at the respective rates as follows:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
2018	\$30,000	1.20%	2024	\$40,000	2.70%
2019	\$35,000	1.45%	2025	\$40,000	2.90%
2020	\$70,000	1.75%	2026	\$45,000	3.10%
2021	\$35,000	2.00%	2027	\$45,000	3.30%
2022	\$35,000	2.25%	2028	\$35,000	3.50%
2023	\$35,000	2.50%	2029	\$40,000	3.60%

Accrued interest on the Bonds shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2017 and continuing to, and including, final maturity on June 1, 2029. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Payment of both principal of and interest on the Bonds shall be made to the registered owner appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the payment date and shall be paid to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest shall be payable only upon presentation and surrender of the Bonds to the Paying Agent.

The City reserves the right to optionally prepay part or all of the principal of the Bonds maturing on or after June 1, 2024, on any date on or after on June 1, 2023 upon terms of par and accrued interest. Notice of such redemption as aforesaid identifying the Bonds (or portion thereof) to be redeemed shall be sent to the registered owners thereof at the addresses shown on the City's registration books not less than 30 days prior to such redemption date.

The Bonds 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 fully registered Bonds without interest coupons. In case any officer whose

signature or the facsimile of whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds, 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 Bonds 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 Bonds 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 Bonds shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

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

(Form of Bond)

UNITED STATES OF AMERICA
 STATE OF IOWA WRIGHT COUNTY
 CITY OF EAGLE GROVE

GENERAL OBLIGATION CORPORATE PURPOSE BOND, SERIES 2017

\$485,000

RATE	MATURITY DATE	BOND DATE
VR%	June 1, 2029	March 21, 2017

The City of Eagle Grove (the “City”), in Wright County, State of Iowa, for value received, promises to pay in the manner hereinafter provided to

SECURITY SAVINGS BANK
 Eagle Grove, Iowa

or registered assigns, the principal sum of FOUR HUNDRED EIGHTY-FIVE THOUSAND DOLLARS, together with interest on the outstanding principal hereof from the date of this Bond, or from the most recent payment date on which interest has been paid, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto.

Principal of this Bond shall be divided into twelve tranches, each payable on June 1 in each of the years, and in the respective principal amounts, and bearing interest from the Bond Date, or from the most recent payment date on which interest has been paid, at the respective rates as follows:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
2018	\$30,000	1.20%	2024	\$40,000	2.70%
2019	\$35,000	1.45%	2025	\$40,000	2.90%
2020	\$70,000	1.75%	2026	\$45,000	3.10%
2021	\$35,000	2.00%	2027	\$45,000	3.30%
2022	\$35,000	2.25%	2028	\$35,000	3.50%
2023	\$35,000	2.50%	2029	\$40,000	3.60%

Accrued interest on this Bond shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2017 and continuing to, and including, final maturity on June 1, 2029. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both principal of and interest on this Bond are payable to the registered owner appearing on the registration books of the City maintained by the City Clerk (hereinafter referred to as the “Registrar” or the “Paying Agent”) at the close of business on the fifteenth day of the month next preceding the payment date in lawful money of the United States of America to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest will be payable only upon presentation and surrender of this Bond to the Paying Agent.

This Bond is issued by the City to evidence its obligation under a certain Loan Agreement, dated the date hereof (the "Loan Agreement"), entered into by the City for the purpose of (1) acquiring vehicles and radio equipment for the municipal police department; (2) constructing a building for use in the operations of the municipal cemetery; and (3) carrying out an urban renewal project in the Eagle Grove Downtown Urban Renewal Area consisting of providing tax increment financing support to fund an economic development grant program for the promotion of commercial construction activity in the City.

This Bond is issued pursuant to and in strict compliance with the provisions of Chapter 76 and Chapter 384 of the Code of Iowa, 2017, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of this Bond (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 Bond and the rights of the owner of this Bond.

The City reserves the right to optionally prepay part or all of the principal of the Bonds maturing on or after June 1, 2024, on any date on or after on June 1, 2023 upon terms of par and accrued interest. Notice of such redemption as aforesaid identifying the Bonds (or portion thereof) to be redeemed shall be sent to the registered owners thereof at the addresses shown on the City's registration books not less than 30 days prior to such redemption date. All principal so prepaid shall cease to bear interest on the prepayment date.

This Bond 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 Bond 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 Bond 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 Bond as the same will respectively become due; and that the total indebtedness of the City, including this Bond, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the City of Eagle Grove, Iowa, by its City Council, has caused this Bond to be executed by its Mayor and attested by its City Clerk, on March 21, 2017.

CITY OF EAGLE GROVE, IOWA

By (DO NOT SIGN)
Mayor

Attest:

(DO NOT SIGN)
City Clerk

ABBREVIATIONS

The following abbreviations, when used in this Bond, 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 Bond to

(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____, Attorney, to transfer this Bond 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 Bond in every particular, without alteration or enlargement or any change whatever.

Section 4. It is anticipated that closing of the borrowing transaction contemplated herein will be on or around March 21, 2017, provided, however, that execution of the Bonds and the Loan Agreement shall be undertaken 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, 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 needs to be adjusted, the City staff, 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.

Section 5. The proceeds (the "Loan Proceeds") to be received under the Loan Agreement shall be used to pay the costs of the Projects, and costs of issuance of the Bonds. Any Loan Proceeds remaining after the full payment of such costs shall be deposited in the Debt Service Fund and used to pay principal of and interest on the Bonds as the same become due. The City shall keep a detailed and segregated accounting of the expenditure of, and investment earnings on, the Loan Proceeds to ensure compliance with the requirements of the Internal Revenue Code, as hereinafter defined.

Section 6. 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 Bonds as the same become due, there is hereby ordered levied on all the taxable property in the City the following direct annual tax for collection in each of the following fiscal years, to wit:

For collection in the fiscal year beginning July 1, 2017, sufficient to produce the net annual sum of \$44,620;

For collection in the fiscal year beginning July 1, 2018, sufficient to produce the net annual sum of \$46,880;

For collection in the fiscal year beginning July 1, 2019, sufficient to produce the net annual sum of \$81,373;

For collection in the fiscal year beginning July 1, 2020, sufficient to produce the net annual sum of \$45,148;

For collection in the fiscal year beginning July 1, 2021, sufficient to produce the net annual sum of \$44,448;

For collection in the fiscal year beginning July 1, 2022, sufficient to produce the net annual sum of \$43,660;

For collection in the fiscal year beginning July 1, 2023, sufficient to produce the net annual sum of \$47,785;

For collection in the fiscal year beginning July 1, 2024, sufficient to produce the net annual sum of \$46,705;

For collection in the fiscal year beginning July 1, 2025, sufficient to produce the net annual sum of \$50,545;

For collection in the fiscal year beginning July 1, 2026, sufficient to produce the net annual sum of \$49,150;

For collection in the fiscal year beginning July 1, 2027, sufficient to produce the net annual sum of \$37,665; and

For collection in the fiscal year beginning July 1, 2028, sufficient to produce the net annual sum of \$41,440.

Section 7. A certified copy of this resolution shall be filed with the County Auditor of Wright 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 Bonds hereby authorized and for no other purpose whatsoever.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Bonds remain outstanding and unpaid, any funds of the City which may lawfully be applied for such purpose, including incremental property tax revenues, may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 6 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. The City hereby reaffirms its intent to use incremental property tax revenues for the payment of principal and interest on the Bonds to the extent that such debt service relates to the financing of authorized urban renewal project costs.

Section 8. 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 9. It is the intention of the City that interest on the Bonds 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 Bonds 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 Bonds as a "Qualified Tax Exempt Obligation" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.


Section 10. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 11. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved on March 6, 2017.



Mayor

Attest:


City Clerk

ATTESTATION CERTIFICATE

STATE OF IOWA
WRIGHT COUNTY
CITY OF EAGLE GROVE

SS:

I, the undersigned, City Clerk of the City of Eagle Grove, do hereby certify that as such 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 hearing on a certain Loan Agreement and the adoption of a resolution entitled "Resolution authorizing and approving a Loan Agreement, providing for the issuance of \$485,000 General Obligation Corporate Purpose Bonds, Series 2017 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 Bonds or to levy the taxes to pay the principal of and interest thereon.

WITNESS MY HAND this 6 day of March, 2017.



City Clerk

COUNTY FILING CERTIFICATE

STATE OF IOWA

SS:

WRIGHT COUNTY

I, the undersigned, County Auditor of Wright County, in the State of Iowa, do hereby certify that on the _____ day of _____, 2017, the City Clerk of the City of Eagle Grove 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 March 6, 2017, entitled: "Resolution authorizing and approving a Loan Agreement, providing for the issuance of \$485,000 General Obligation Corporate Purpose Bonds, Series 2017 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, 2017, and subsequent years as provided in the resolution.

WITNESS MY HAND this _____ day of _____, 2017.

County Auditor

OFFICIAL PROPOSAL FORM

City of Eagle Grove
 PO Box 165
 Eagle Grove, IA 50533

March 6, 2017
 Speer Financial, Inc.

Members of the City Council:

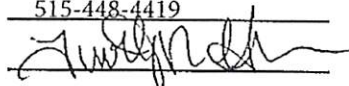
For the \$485,000 General Obligation Corporate Purpose Bonds, Series 2017 (the "Bonds") of the City of Eagle Grove, Wright County, Iowa, (the "City") as described in the annexed Term Sheet, which is expressly made a part hereof, we will pay you \$ 485,000.00 (no less than \$481,120) to the date of delivery. The Bonds are to bear interest at the following respective rates (each rate a multiple of 1/8 or 1/100 of 1%) for Bonds of each designated maturity.

AMOUNTS AND MATURITIES - JUNE 1

\$30,0002018	<u>1.20</u> %	\$35,0002022	<u>2.25</u> %	\$45,000..... 2026	<u>3.10</u> %
35,0002019	<u>1.45</u> %	35,0002023	<u>2.50</u> %	45,000..... 2027	<u>3.30</u> %
70,0002020	<u>1.75</u> %	40,0002024	<u>2.70</u> %	35,000..... 2028	<u>3.50</u> %
35,0002021	<u>2.00</u> %	40,0002025	<u>2.90</u> %	40,000..... 2029	<u>3.60</u> %

The Bonds are to be executed and delivered to us in accordance with the terms of this proposal accompanied by the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa. The City is to pay for the legal opinion. The Purchaser agrees to apply for CUSIP numbers and pay the fee charged by the CUSIP Service Bureau (if required), and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

PURCHASER INFORMATION

Name <u>Security Savings Bank</u> a Division of Farmers & Merchants Savings Bank	Direct Telephone No. <u>515-448-5111</u>
By <u>Timothy R. German, President</u>	Fax Number <u>515-448-4419</u>
Address <u>201 West Broadway Street</u>	Signature <u></u>
City <u>Eagle Grove</u>	Email Address <u>tgerman@fmbank.biz</u>
State/Zip <u>Iowa 50533</u>	

The foregoing proposal was accepted and the \$485,000 General Obligation Corporate Purpose Bonds, Series 2017, sold by resolution of the City of Eagle Grove, Iowa, on March 6, 2017.

ATTEST:

CITY OF EAGLE GROVE
 WRIGHT COUNTY, IOWA


 City Clerk


 Mayor

*Subject to change.

-----NOT PART OF THE BID-----
 (Calculation of true interest cost)

Gross Interest	\$	<u>94,417.50</u>
Less Premium/Plus Discount	\$	<u>-0-</u>
True Interest Cost	\$	<u>94,417.50</u>
True Interest Rate		<u>2.8791</u> %
TOTAL CERTIFICATE YEARS	3,249.31	
AVERAGE LIFE	6.700 years	