



MINUTES TO AUTHORIZE LEASE-PURCHASE AGREEMENT

436775-30

Eagle Grove, Iowa

April 15, 2019

The City Council of the City of Eagle Grove, Iowa, met on April 15, 2019, at 6:30 p.m., at the Eagle Grove City Hall Council Chambers in the City.

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

Present: Pamperin, Schild, Middleton, Weland

Absent: Vandewater, Jergens

This being the time and place specified for taking action on the proposal to enter into a lease-purchase agreement, the City Clerk announced that no written objections had been placed on file. Whereupon, the Mayor called for any written or oral objections, and there were none.

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

Ayes: Pamperin, Schild, Middleton, Weland

Nays:

Whereupon, the Mayor declared the resolution duly adopted, as follows:

RESOLUTION NO. 2019-37

Resolution authorizing and a General Obligation Fire Truck Acquisition Lease-Purchase Agreement with lease payments thereunder in a principal amount not to exceed \$793,055 and providing for the levy of taxes to pay the same

WHEREAS, pursuant to the provisions of Section 364.4 of the Code of Iowa, the City of Eagle Grove (the "City"), in Wright County, State of Iowa, has heretofore proposed to contract indebtedness and enter into a General Obligation Fire Truck Acquisition Lease-Purchase Agreement (the "Lease-Purchase Agreement") with lease payments thereunder in a principal amount not to exceed \$850,000, for the purpose of paying the cost, to that extent, of acquiring a fire truck (the "Acquisition"), and has published notice of the proposed action and has held a hearing thereon on April 15, 2019; and

WHEREAS, it is now necessary to authorize the Lease-Purchase Agreement and provide for the levy of a debt service property tax for the funding of payments thereof;

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

Section 1. The Lease-Purchase Agreement with PNC Equipment Finance, LLC in substantially the form as has been presented to and considered by this City Council and containing substantially the same terms and provisions set forth therein, is hereby approved. The Mayor and City Clerk are hereby authorized and directed to make such changes thereto as they, with the advice of bond counsel, deem necessary and to execute and deliver the Lease-Purchase Agreement and to execute any and all other documents and do any and all things deemed necessary in order to accomplish the purposes of the Lease-Purchase Agreement and this resolution.

Section 2. The Lease-Purchase Agreement provides for twelve (12) equal annual lease payments (the "Payments") in the amount of \$88,119.40 each, due on May 3 in each of the years 2020 through 2031, inclusive, as set forth in Schedule A-1 of the Agreement.

Section 3. For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the Payments, there is hereby ordered levied on all the taxable property in the City in each of the years while the Lease-Purchase Agreement is outstanding, a tax sufficient for that purpose as follows:

For collection in the fiscal year beginning July 1, 2020,
sufficient to produce the net annual sum of \$88,120; and

For collection in the fiscal year beginning July 1, 2021,
sufficient to produce the net annual sum of \$88,120; and

For collection in the fiscal year beginning July 1, 2022,
sufficient to produce the net annual sum of \$88,120 and

For collection in the fiscal year beginning July 1, 2023,
sufficient to produce the net annual sum of \$88,120; and

For collection in the fiscal year beginning July 1, 2024,
sufficient to produce the net annual sum of \$88,120; and

For collection in the fiscal year beginning July 1, 2025,
sufficient to produce the net annual sum of \$88,120; and

For collection in the fiscal year beginning July 1, 2026,
sufficient to produce the net annual sum of \$88,120; and

For collection in the fiscal year beginning July 1, 2027,
sufficient to produce the net annual sum of \$88,120; and

For collection in the fiscal year beginning July 1, 2028,
sufficient to produce the net annual sum of \$88,120; and

For collection in the fiscal year beginning July 1, 2029,
sufficient to produce the net annual sum of \$88,120; and

For collection in the fiscal year beginning July 1, 2030,
sufficient to produce the net annual sum of \$88,120.

Section 4. A certified copy of this resolution shall be filed with the County Auditor of Wright County, and said Auditor shall be and 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 County and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the County and set aside therein as a special account to be used solely and only for the payment of the Lease Purchase Agreement hereby authorized and for no other purpose whatsoever.

Section 5. The Lease Purchase Agreement 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 in the sum thus advanced.

Section 6. It is the intention of the City that interest on the Lease Purchase Agreement 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 Lease Purchase Agreement 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 Agreement as a "Qualified Tax Exempt Obligation" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 7. All resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 8. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved April 15, 2019.



Mayor

Attest:



City Clerk

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On motion and vote, the meeting adjourned.

Sander McGeath
Mayor

Attest:

Byrne Davis
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 16 day of April, 2019, 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 April 15, 2019, entitled: "Resolution authorizing and approving a General Obligation Fire Truck Acquisition Lease-Purchase Agreement with lease payments thereunder in a principal amount not to exceed \$793,055 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, 2020, and subsequent years as provided in the resolution.

WITNESS MY HAND this 16 day of April, 2019.



County Auditor