

MINUTES TO AUTHORIZE LOAN TO DRAINAGE DISTRICT #15

436775-25

Eagle Grove, Iowa

April 15, 2019

The City Council of the City of Eagle Grove, Iowa, met on April 15, 2019, at 6:30 o'clock P.M., at the City Hall, Eagle Grove, Iowa. The Mayor presided and the roll was called showing the following Council Members present and absent:

Present: Middleton, Weland (via phone) Jergens, Pamperin and Schild

Absent: Vandewater

The matter of approving a certain financing agreement and authorizing a loan to Drainage District #15 was considered by the Council.

Council Member _____ introduced and moved the adoption of the resolution hereinafter set out, seconded by Council Member _____; and after due consideration thereof by the Council, the Mayor put the question upon the adoption of the resolution and the roll being called, the following named Council Members voted:

Ayes: All ayes

Nays: _____

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

RESOLUTION NO. 2019-40

Resolution authorizing and approving a Financing Agreement with Drainage District #15 and providing for a loan to the District in a principal amount not to exceed \$200,000

WHEREAS, pursuant to the provisions of Section 468.322 of the Code of Iowa, the Board of Supervisors of Wright County, Iowa, has previously transferred control of Drainage District #15 (the "District") to the City Council of the City of Eagle Grove, Iowa (the "City") by resolution; and

WHEREAS, the District is planning to undertake a project which will be known as the Drainage District #15 Project (the "Project"); and

WHEREAS, the District has hired I&S Group, Inc. to undertake the planning and design work (the "Preliminary Costs") for such Project; and

WHEREAS, in conjunction with the Project, the Board will reclassify the District and levy assessments and issue drainage district warrants (the "Warrants") to pay the costs of the Project; and

WHEREAS, the District does not have funds on hand to pay the Preliminary Costs until the reclassification is completed, the assessments are levied and the Warrants are issued; and

WHEREAS, pursuant to the provisions of Section 468.153 of the Code of Iowa, the City has agreed to provide financing for the Preliminary Costs through a loan (the "Loan") to the District in a principal amount not to exceed \$200,000; and

WHEREAS, a certain financing agreement (the "Financing Agreement") has been prepared to set forth the terms of the Loan and the understanding between the City and the District, and it is now necessary to make provision for the approval of the Financing Agreement and its execution and delivery; and

WHEREAS, it is now necessary to make final provision for the approval of the Loan;

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

Section 1. The City Council hereby approves the Financing Agreement with the District in substantially the form attached hereto as Exhibit A, providing for the Loan to the District in the maximum principal amount of \$200,000 for the purpose or purposes set forth in the preamble hereof.

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

Section 2. The Loan, in the maximum principal amount of \$200,000, shall be dated as of April 23, 2019, shall mature on October 1, 2020 (the "Maturity Date"), and shall bear

interest at the rate of 3.70% per annum, payable on the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 3. Advances on the Loan may be requested by the Chairperson or the Board of Trustees in such amounts and at such times as are needed to pay the Preliminary Costs. The date and amount of each advance shall be entered by the City on the Schedule of Advances on the Financing Agreement, and each advance shall bear interest from the date of such entry.

The District reserves the right to prepay principal of the Loan in whole or in part on any date prior to maturity upon terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the redemption date.

Section 4. The proceeds anticipated to be received under the Warrants shall be appropriated to the payment of the Loan. If the District does not issue the Warrants, the Loan shall be payable from assessments levied on benefitted properties within the District, as reclassified, and the District shall covenant to reclassify the District and levy the assessments in the future.

Section 5. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 6. 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.

Sanchea McQuath
Mayor

Attest:

Byrce Davis
City Clerk

STATE OF IOWA
WRIGHT COUNTY

SS:
CITY OF EAGLE GROVE

I, the undersigned, City Clerk of the City of Eagle Grove, Iowa, do hereby certify that attached hereto is a true and correct copy of the proceedings of the City Council relating to the approval of a certain Financing Agreement, as referred to therein.

WITNESS MY HAND this 15th day of April, 2019.



City Clerk