

MEETING DATE: 3/1/21

ITEM: 9 G

AGENDA ITEM SUMMARY

Subject: Resolution No. 36-21- Setting Public hearings for one day borrowing authorizing loan and debt service levy

Part of the FY22 budgeting process includes short term borrowing for various pieces of equipment and repairs. We must hold two public hearings on consideration of entering into these loan agreements because some items are considered essential corporate purpose and some are general corporate purpose. Below is the breakdown of these items for which we intend to borrow funds and repay with the debt service levy. Total for all of these items for FY21 is \$300,433.

PD – ammo/guns	\$6,000
FD – Equipment Bunker Gear	\$15,000
PD – Equipment	\$24,000
PD/FD/Street – Clothing	\$12,600
PD – Vehicle Replacement Reserve	\$20,000
Tornado siren replacement	\$4,500
FD – Roof Reserve	\$25,000
FD- Ambulance Bay Remodel	\$60,000
Streets – Tree removal costs	\$30,000
Park & Rec – Tree removal costs	\$20,000
401 N. Main Street Building Remodel project	\$10,000
Nuisance Abatement – Demo	\$40,000
<u>The Learning Center -Cap. Project</u>	<u>\$33,333</u>
Total:	\$300,433

We recommend approval of the resolution authorizing future issuance of a G.O. loan and providing for a debt service levy to pay for this loan.

CITY OF CHARLES CITY

RESOLUTION NO. 36-21

Resolution setting the date for public hearing and additional action on proposal to enter into General Obligation Corporate Purpose Loan Agreements and to borrow money thereunder

WHEREAS, the City of Charles City (the "City"), in Floyd County, State of Iowa has proposes to enter into a loan agreement (the "Essential 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 \$175,000 for the purpose of paying the costs, to that extent, of (1) equipping the municipal police, public works and fire departments; (2) acquiring and installing emergency sirens; (3) undertaking tree removal in public parks and right-of-way; (4) undertaking nuisance abatement and/or acquisition, demolition and restoration of dangerous and dilapidated buildings; and (5) acquiring vehicles for the municipal police department (the "Essential Purpose Projects"), and it is necessary to fix a date of meeting of the City Council at which it is proposed to take action to enter into the Essential Purpose Loan Agreement and to give notice thereof as required by such law; and

WHEREAS, the City also proposes to enter into a loan agreement (the "General Purpose Loan Agreement") and to borrow money thereunder in a principal amount not to exceed \$130,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of (1) constructing improvements to municipal fire protection facilities; (2) contributing to the TLC facility remodel; and (3) undertaking improvements to the property situated at 401 N. Main (the "General Purpose Projects" and, together with the Essential Purpose Projects, the "Projects"), and it is now necessary to fix a date of meeting of the City Council at which it is proposed to take action to enter into the General Purpose Loan Agreement and to give notice thereof as required by such law, including notice of the right to petition for an election on such proposal pursuant to the provisions of Section 384.26 of the Code of Iowa;

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

Section 1. This City Council shall meet on March 15, 2021, at the council chambers, Charles City, Iowa, at 6:00 o'clock p.m., at which time and place hearings will be held and proceedings will be instituted and action taken to enter into the Loan Agreements described in the preamble hereof.

Section 2. The City Clerk is hereby directed to give notice of the proposed action on the Essential Purpose Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once, not less than four (4) and not more than twenty (20) days before the date of said meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO
ENTER INTO A LOAN AGREEMENT AND TO BORROW MONEY
THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED \$175,000

(GENERAL OBLIGATION)

The City Council of the City of Charles City, Iowa (the “City”), will meet on March 15, 2021, at the council chambers, Charles City, Iowa, at 6:00 o’clock p.m., for the purpose of instituting proceedings and taking action on a proposal to enter into a loan agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$175,000 for the purpose of paying the costs, to that extent, of (1) equipping the municipal police, public works and fire departments; (2) acquiring and installing emergency sirens; (3) undertaking tree removal in public parks and right-of-way; (4) undertaking nuisance abatement and/or acquisition, demolition and restoration of dangerous and dilapidated buildings; and (5) acquiring vehicles for the municipal police department.

Due to federal and state government recommendations in response to COVID-19 pandemic conditions, the meeting can alternatively be accessed via Zoom, which will be accessible at the following:

Meeting ID 787 065 8066 Via telephone 312-626-6799

In addition to electronic access, written comments may be filed or made prior to the meeting and will be recorded in the minutes.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa and will constitute a general obligation of the City.

At that time and place, oral or written objections may be filed or made to the proposal to enter into the Loan Agreement. After receiving objections, the City may determine to enter into the Loan Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter.

By order of the City Council of the City of Charles City, Iowa.

Trudy O’Donnell
City Clerk

Section 3. The City Clerk is hereby directed to give notice of the proposed action on the General Purpose Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once, not less than ten (10) and not more than twenty (20) days before the date of said meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO
ENTER INTO A LOAN AGREEMENT AND TO BORROW MONEY
THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED \$130,000

(GENERAL OBLIGATION)

The City Council of the City of Charles City, Iowa (the “City”), will meet on March 15, 2021, at the council chambers, Charles City, Iowa, at 6:00 o’clock p.m., for the purpose of instituting proceedings and taking action on a proposal to enter into a loan agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$130,000 for the purpose of paying the costs, to that extent, of (1) constructing improvements to municipal fire protection facilities; (2) contributing to the TLC facility remodel; and (3) undertaking improvements to the property situated at 401 N. Main.

Due to federal and state government recommendations in response to COVID-19 pandemic conditions, the meeting can alternatively be accessed via Zoom, which will be accessible at the following:

Meeting ID 787 065 8066

Via telephone 312-626-6799

In addition to electronic access, written comments may be filed or made prior to the meeting and will be recorded in the minutes.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa and will constitute a general obligation of the City.

The maximum rate of interest which may be payable under the Loan Agreement is 7% per annum.

At any time before the date fixed for taking action to enter into the Loan Agreement, a petition may be filed with the City Clerk of the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City, pursuant to the provisions of Section 284.26 of the Code of Iowa. If no such petition is filed, at the aforementioned time and place, oral or written objections may be filed or made to the proposal to enter into the Loan Agreement. After receiving objections, the City may determine to enter into the Loan Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter

By order of the City Council of the City of Charles City, Iowa.

Trudy O’Donnell
City Clerk

Section 4. Pursuant to Section 1.150-2 of the Income Tax Regulations (the “Regulations”) of the Internal Revenue Service, the City declares (a) that it intends to undertake the Projects which is reasonably estimated to cost approximately \$305,000, (b) that other than (i) expenditures to be paid or reimbursed from sources other than the issuance of bonds, notes or other obligations (the “Bonds”), or (ii) expenditures made not earlier than 60 days prior to the date of this Resolution or a previous intent resolution of the City, or (iii) expenditures amounting to the lesser of \$100,000 or 5% of the proceeds of the Bonds, or (iv) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, no expenditures for the Projects have heretofore been made by the City and no expenditures will be made by the City until after the date of this Resolution or a prior intent resolution of the City, and (c) that the City reasonably expects to reimburse the expenditures made for costs of the City out of the proceeds of the Bonds. This declaration is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

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 March 1, 2021.

Mayor

Attest:

City Clerk

