

**MEETING DATE: 3/7/22**

**ITEM: 9C**

**AGENDA ITEM SUMMARY**

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**Subject: Resolution No. 29-22 approving loan for one day borrowing for FY23**

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Part of the FY23 budgeting process includes short term borrowing for various pieces of equipment, repairs and other allowed uses. We must hold a public hearing on consideration of entering into this loan agreement. 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 FY23 is \$163,925.

PD – ammo/guns	\$6,000
FD – Equipment Bunker Gear	\$22,250
PD – Equipment	\$43,200
PD/FD/Street – Clothing	\$12,600
Tornado siren replacement	\$4,500
Animal control cages	\$1,000
Streets – Tree removal costs	\$64,375
Nuisance Abatement – Demo	\$10,000
Total:	\$163,925

Public hearing on this issuance was set for tonight. We recommend approval of this resolution approving this issuance for FY23 short term borrowing items.

CITY OF CHARLES CITY

RESOLUTION NO. 29-22

Resolution taking additional action on proposal to enter into a Loan Agreement and providing for the levy of taxes to pay General Obligation Corporate Purpose Note

WHEREAS, the City of Charles City (the "City"), in Floyd County, State of Iowa has proposed 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 \$170,000 for the purpose of paying the costs, to that extent, of (1) acquiring equipment for the municipal police, fire and emergency services departments; (2) acquiring and installing emergency sirens; (3) constructing street and sidewalk improvements; (4) tree removal in public right-of-way; and (5) undertaking nuisance abatement, and has published notice of the proposed action and has held a hearing thereon on March 7, 2022; and

WHEREAS, it is now necessary to make provision for the levy of a debt service property tax in the 2022-2023 fiscal year for the payment of such principal and interest;

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

Section 1. The City Council hereby determines to enter into the Loan Agreement in the future and orders that the Note shall be issued in a principal amount not to exceed \$170,000 at such time, in evidence thereof. The City Council further declares that this constitutes the "additional action" required by Section 384.24A of the Code of Iowa.

Section 2. 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 the following direct annual tax:

For collection in the fiscal year beginning July 1, 2022,  
sufficient to produce the net annual sum of \$170,000.

Provided, however, that at the time the Note are issued, the actual tax levy amounts required to pay the principal of and interest on the Note in each year shall be determined based upon the interest rate or rates at which the Note are issued, and this resolution shall be supplemented by resolution of the City Council to provide for such actual and necessary tax levy amounts.

Section 3. A certified copy of this resolution shall be filed with the County Auditor of Floyd County, and said 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.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved March 7, 2022.

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Mayor

Attest:

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City Clerk