

TEMPLETON CITY COUNCIL  
SPECIAL COUNCIL MEETING  
NOVEMBER 15, 2013  
7:00 A.M. – TEMPLETON CITY HALL

The Templeton City Council met on this fifteenth day of November 2013 at 7:00 o'clock a.m. at City Hall, Templeton, Iowa. The meeting was called to order by Mayor Behrens, and the roll was called showing the following named Council Members present and absent:

Present: Jan Wieland, Dave Ramsey, Doyle Engelen, & Mark Bauer  
Absent: Rick Hoffman

Others in attendance: Mayor Ken Behrens  
City Clerk Rhonda Schwaller  
Public Works Director Dale Prebeck  
Joe Behrens

Approval of Agenda: A motion was made by Ramsey and seconded by Wieland to approve the agenda. All in favor, motion carried.

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

Ayes: Engelen, Bauer, Ramsey, & Wieland  
Nays: None

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

**RESOLUTION NO. 1033-13**

**Resolution amending Resolution No. 1026-13 authorizing and approving a Loan Agreement and providing for the issuance of a \$375,000 Community Center Pledge Revenue Note**

WHEREAS, pursuant to the provisions of Section 384.24A of the Code of Iowa, the City of Templeton (the "City"), in the County of Carroll, State of Iowa, heretofore proposed to enter into a loan agreement (the "Loan Agreement") payable solely from pledges of funds to be donated to the City and to borrow money thereunder in a principal amount not to exceed \$465,000 for the purpose of paying the cost, to that extent, of constructing, equipping and furnishing a Municipal Community Center (the "Project"), and has published notice of the proposed action and has held a hearing thereon on September 3, 2013;

WHEREAS, pursuant to Section 364.6 of the Code of Iowa, a city shall substantially comply with a procedure established by a state law for exercising a city power, and, if a procedure is not established by state law, a city may determine its own procedure for exercising the power; and

WHEREAS, no other provision of the Code of Iowa sets forth any procedures which are required to be followed by a city prior to entering into a loan agreement payable solely from pledges of funds to be donated to the City, and, accordingly, pursuant to Section 364.6 of the Code of Iowa, the City has heretofore determined that the provisions of and the procedures specified in Sections 384.24A and 384.25 of the Code of Iowa are appropriate to be followed by this Council prior to entering into the Loan Agreement; and

WHEREAS, on October 7, 2013, the City adopted Resolution No. 1026-13 approving and authorizing the Loan Agreement and providing for the issuance of a \$375,000 Community Center Pledge Revenue (the "Note"), and providing for the levy of taxes to pay the same; and

WHEREAS, the City has determined to draw the proceeds from the Note in a series of multiple advances instead of receiving such proceeds in a lump sum, and it is now necessary to amend Resolution No. 1026-13 to reflect this change and to make other related changes to the terms of the Note;

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

**Section A. Resolution No. 1026-13 is hereby amended to read as follows:**

Section 1. It is hereby determined that the City shall enter into the Loan Agreement with Templeton Savings Bank, Templeton, Iowa, as lender (the "Lender"), in substantially the form which will be presented to the City Council, providing for a loan in the maximum principal amount of \$375,000, for the purpose or purposes set forth in the preamble hereof.

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

Section 2. The Note is hereby authorized to be issued in the maximum principal amount \$375,000, and shall be dated as of the date of its delivery to the Lender (anticipated to be November 21, 2013) 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 Note and may be hereinafter referred to as the "Registrar" or the "Paying Agent".

The Lender has made a commitment to make advances under the Note in the maximum outstanding principal amount of \$375,000. Advances on the Note maybe requested by the Mayor or City Clerk in such amounts and at such times as are needed to pay the costs of the Project. The date and amount of each advance shall be entered by the Lender on the Schedule of Advances on the Note, and each advance shall bear interest from the date of such entry. Both outstanding principal of and interest on the Note, if not sooner paid, shall be due and payable in one installment at final maturity of the Note on June 1, 2017 (the "Maturity Date"), upon presentation and surrender of the Note to the Paying Agent. The Note bears interest at the rate of 3.50% per annum.

The City reserves the right to prepay principal of the Note in whole or in part at any time prior to and in any order of maturity on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the prepayment date. All payments made shall be applied first to accrued interest and next to principal outstanding.

The Note 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 a fully registered Note without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Note shall cease to be such officer before the delivery of the Note, 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.

Neither the Note nor the Loan Agreement shall be a general obligation of the City, nor payable in any manner by taxation, but shall be payable both as to principal and interest solely and only from pledges of private funds (the "Pledge Revenues") to be donated to the City in connection with the Project and deposited into a special fund which is hereby established (the "Community Center Pledge Obligation Fund"), which shall be used solely and only to pay costs of the Project, including the payment of principal of and interest on the Note, which Fund is hereby pledged for such purposes. To the extent that Pledge Revenues are received by the City prior to the Maturity Date, the City hereby covenants for the benefit of the Lender to apply such Pledge Revenues to the prepayment of its obligations under the Loan Agreement and the Note within 15-days of their receipt.

The Note 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 and interest thereof shall be made only to the registered owner, its legal representatives or assigns. The Note 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.

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

(Form of Note)

UNITED STATES OF AMERICA  
STATE OF IOWA COUNTY OF CARROLL  
CITY OF TEMPLETON  
COMMUNITY CENTER PLEDGE REVENUE NOTE

\$375,000

RATE	MATURITY DATE	NOTE DATE
3.50%	June 1, 2017	November 21, 2013

The City of Templeton, Iowa (the "City"), for value received, promises to pay on the Maturity Date to Templeton Savings Bank, Templeton, Iowa (the "Lender"), its successors or assigns, the principal sum of Three Hundred Seventy-Five Thousand Dollars (\$375,000), or so much thereof as is advanced by the Lender hereunder and noted on the Schedule of Advances hereon, in lawful money of the United States of America upon presentation and surrender of this Note to the City Clerk, Templeton, Iowa (hereinafter referred to as the "Registrar" or the "Paying Agent"), with interest thereon from the date of each advance until paid at the rate of 3.50% per annum, payable on the Maturity Date, or upon prepayment of this instrument as hereinafter provided. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The Lender has made a commitment to make advances (the "Advances") to the City in an aggregate principal amount not to exceed \$375,000 under this Note. Each such Advance made by the Lender shall be entered by the Lender on the Schedule of Advances and shall bear interest from the date of such entry.

The City reserves the right to prepay principal of this Note in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the prepayment date. All payments made on the Note will be applied first to accrued interest and next to outstanding principal.

This Note is issued by the City to evidence its obligation under a certain Loan Agreement, dated as of November 21, 2013 (the "Loan Agreement"), for the purpose of paying costs of constructing, equipping and furnishing a Municipal Community Center (the "Project").

This Note is issued pursuant to and in strict compliance with the provisions of the Code of Iowa, 2013, 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 Note (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 Note and the rights of the owners of this Note.



### ABBREVIATIONS

The following abbreviations, when used in this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common	UTMA _____
TEN ENT	-	as tenants by the entireties	As Custodian for _____
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common	(Minor) under Uniform Transfers to Minors Act _____ (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 Note to

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Please print or type name and address of Assignee)

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PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint \_\_\_\_\_, Attorney, to transfer this Note on the books kept for registration thereof with full power of substitution.

Dated: \_\_\_\_\_

Signature guaranteed:

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NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Note in every particular, without alteration or enlargement or any change whatever.

Section 4. The Note shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon it shall be delivered to the Registrar for registration and delivery to the Lender, upon receipt of the loan proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects.

The Loan Proceeds shall be used to (1) pay the costs of the Project and (2) pay the costs of issuance of the Note. To the extent that Loan Proceeds remain after the full payment of the costs set forth in (1) and (2) of this paragraph, such Loan Proceeds shall be used to pay principal of and interest on the Note. 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 5. It is the intention of the City that interest on the Note 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 Note 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 Note as a "Qualified Tax Exempt Obligation" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 6. It is anticipated that the Note shall be delivered to the Lender on November 21, 2013. To the extent that closing does not occur on that date, the City Clerk, with advice from bond counsel, shall reschedule closing for an alternate date as close to the original date as possible.

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.

**Section B. All resolutions, including Resolution No. 1026-13, and order or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.**

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

Passed and approved November 15, 2013.

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Mayor

Attest:

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City Clerk

STATE OF IOWA  
COUNTY OF CARROLL  
CITY OF TEMPLETON

SS:

I, the undersigned, do hereby certify that 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 the aforesaid corporate records and that the transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the adoption of a resolution entitled, "Resolution amending Resolution No. 1026-13 authorizing and approving a Loan Agreement and providing for the issuance of a \$375,000 Community Center Pledge Revenue Note," 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 or to issue the Note.

WITNESS MY HAND this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
City Clerk

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

Ayes: Ramsey, Engelen, Wieland, & Bauer  
Nays: None

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

**RESOLUTION NO. 1034-13**

**Resolution setting the date for public hearing on proposal to enter into a General Obligation Community Center Loan Agreement and borrow money thereunder in a principal amount not to exceed \$400,000**

WHEREAS, the City of Templeton (the "City"), in Carroll County, State of Iowa, proposes to enter into a General Obligation Community Center Loan Agreement (the "Loan Agreement") and borrow money thereunder in a principal amount not to exceed \$400,000 pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of constructing, equipping and furnishing a Municipal Community Center, and in lieu of calling an election thereon, the City desires to institute proceedings to enter into the Loan Agreement by causing a notice of such proposal to be published, including notice of the right to petition for an election, under the provisions of Section 384.26 of the Code of Iowa; 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 Loan Agreement and to give notice thereof as required by such law;

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

Section 1. The City Council shall meet on the 2<sup>nd</sup> day of December, 2013 at the Templeton City Hall, Templeton, Iowa, at 7:00 o'clock p.m., at which time and place a hearing will be held and proceedings will be instituted and action taken to enter into the Loan Agreement.

Section 2. The City Clerk is hereby directed to give notice of the proposed action on the 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 and not less than 10 nor more than 20 days before the date selected for the 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 BORROW MONEY THEREUNDER IN A PRINCIPAL  
AMOUNT NOT TO EXCEED \$400,000**

**(GENERAL OBLIGATION)**

The City Council of the City of Templeton, Iowa, will meet on the 2<sup>nd</sup> day of December, 2013 at the Templeton City Hall, Templeton, Iowa, at 7:00 o'clock p.m., for the purpose of taking public comment, instituting proceedings and taking action to enter into a loan agreement (the "Loan Agreement") in a principal amount not to exceed \$400,000 for the purpose of paying the costs, to that extent, of constructing, equipping and furnishing a Municipal Community Center.

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 384.26 of the Code of Iowa.

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

Rhonda Schwaller  
City Clerk

Section 4. All resolutions or parts of resolutions 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 November 15, 2013.

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Mayor

Attest:

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City Clerk



Council met with Todd Stadlander from Manning Insurance Agency to continue discussions regarding IRS Notice 2013-54 concerning employer reimbursements for all or part of employee healthcare premiums which are subject to the provisions of the Affordable Care Act. Two options are offered to establish compliance:

- Create a qualified group plan for the employees of the city of Templeton which would be subject to the administrative and underwriting requirements (minimum participation and contributions levels) of such a plan.
- Increase the employee wages the amount of reimbursement for the individual health insurance plans, recognizing this will increase the employee's tax liability.

Mr. Stadlander presented Wellmark Blue Cross and Blue Shield of Iowa group health insurance quotes. Mr. Stadlander recommended the council wait until we have more information regarding the whole impact of the Affordable Care Act. Mr. Stadlander stated there will probably be more changes in the next 45 days and also next year. No further action taken at this time.

At 7:35 o'clock a.m. and with no further business before the council at that time, they agreed to adjourn. Ramsey moved to adjourn and Engelen seconded the motion. All voted aye, motion carried.

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Ken F. Behrens, Mayor

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Rhonda Schwaller, City Clerk