

TEMPLETON CITY COUNCIL
AUGUST 26, 2019
7:00 P.M. TEMPLETON CITY HALL

The Templeton City Council met on this twenty-sixth day of August 2019 at 7:00 p.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: Doyle Engelen, Dave Ramsey, Joe Irlbeck, & Mark Bauer

Absent: Kelli Morrow

Others in Attendance: Ken F. Behrens, Dale Prebeck, Rhonda Schwaller, & JoDee Sailer

Approval of Agenda: A motion was made by Engelen and second by Ramsey to approve the agenda. All present voted in favor of the motion and the motion as carried.

Citizen Forum: None

JoDee Sailer addressed the council regarding feral cat population. Council Member Engelen will contact Animal Rescue and report back.

At 7:10 p.m. Mayor Behrens opened the public hearing for fiscal year July 1, 2019 through June 30, 2020 budget amendment. Mayor Behrens asked for comments or discussion on the proposed amendment. City Clerk indicated there were no written or oral objections heard on the budget amendment. At 7:11 p.m. Mayor Behrens closed the public hearing. Council Member Engelen introduced and made a motion for the adoption of Resolution #1235-19 setting the budget amendment estimates for fiscal year July 1, 2019 through June 30, 2020 and City Clerk was directed to make the necessary filings as required by law, seconded by Irlbeck. Roll call taken.

Ayes: Irlbeck, Engelen, Bauer, & Ramsey

Nays: None

Whereupon, Mayor Behrens declared motion carried and resolution passed.

The City Council investigated and found that notice of the intention of the Council to conduct a public hearing on the urban renewal plan amendment had been published according to law and as directed by the Council and that this is the time and place at which the Council shall receive oral or written objections from any resident or property owner of the City. All written objections, statements, and evidence heretofore filed were reported to the City Council, and all oral objections, statements, and all other exhibits presented were considered.

The following named persons presented oral objections, statements, or evidence as summarized below; filed written objections or statements, copies of which are attached hereto; or presented other exhibits, copies of which are attached hereto: None

There being no further objections, comments, or evidence offered, the Mayor announced the hearing closed.

Council Member Irlbeck moved the adoption of a resolution entitled "Resolution to Approve Urban Renewal Plan Amendment for the Templeton Urban Renewal Area," seconded by Council Member Bauer. After due consideration, the Mayor put the question on the motion and the roll being called, the following named Council Members voted:

Ayes: Engelen, Bauer, Irlbeck, & Ramsey

Nays: None

Whereupon, the Mayor declared the resolution duly adopted and signed approval thereto.

RESOLUTION NO. 1236-19

Resolution to Approve Urban Renewal Plan Amendment for the Templeton Urban Renewal Area

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa cities by Chapter 403 of the Code of Iowa (the "Urban Renewal Law"), a municipality must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the municipality and that the rehabilitation, conservation, redevelopment, development or a combination thereof, of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the municipality; and

WHEREAS, this City Council of the City of Templeton, Iowa (the "City"), by prior resolution established the Templeton Urban Renewal Area (the "Urban Renewal Area") and adopted an urban renewal plan (the "Plan") for the governance of projects and initiatives therein; and

WHEREAS, an amendment (the "Amendment") to the Plan has been prepared which authorizes the undertaking of a new urban renewal project in the Urban Renewal Area consisting of using tax increment financing to pay a portion of the costs of acquiring certain real property and furnishing and equipping an existing building thereon for use as a public works facility; and

WHEREAS, notice of a public hearing by the City Council on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing on August 26, 2019; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Carroll County and the Carroll Community School District; the consultation meeting was held on the 5th day of August, 2019; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

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

Section 1. The Amendment, attached hereto and made a part hereof, is hereby in all respects approved.

Section 2. It is hereby determined by this City Council as follows:

A. The activities proposed under the Amendment conform to the general plan for the development of the City;

B. The economic development initiatives and projects proposed under the Amendment are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

C. It is not anticipated that families will be displaced as a result of the City's undertakings under the Amendment. Should such issues arise with future projects, then the City will ensure that a feasible method exists to carry out any relocations without undue hardship to the displaced and into safe, decent, affordable and sanitary housing.

Section 3. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved August 26, 2019.

Ken F. Behrens
Mayor

Attest:

Rhonda Schwaller
City Clerk

CITY OF TEMPLETON, IOWA

URBAN RENEWAL PLAN AMENDMENT
TEMPLETON URBAN RENEWAL AREA

August, 2019

The Urban Renewal Plan (the “Plan”) for the Templeton Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purpose of identifying a new urban renewal project to be undertaken in the Urban Renewal Area.

1) Identification of Projects. By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following project description:

Name of Project: Public Works Building Project

Name of Urban Renewal Area: Templeton Urban Renewal Area

Date of Council Approval of Project: August 26, 2019

Description of Project and Project Site: The City will undertake the acquisition, furnishing and equipping of a new public works building (the “Public Works Building Project”) on certain real property situated in the Urban Renewal Area and bearing Carroll County Property Tax Parcel Identification Number 14-16-151-018 (the “Public Works Building Property”). The completed Public Works Building Project will have a direct, positive impact on increased and improved commerce and development in the Urban Renewal Area through the provision of enhanced public works facilities.

Description of Public Infrastructure: It is not anticipated that the City will undertake additional public infrastructure improvements in connection with Public Works Building Project.

Description of Properties to be Acquired in Connection with the Project: The City will acquire the Public Works Building Property and easement territory and rights-of-way as are necessary to successfully undertake the Public Works Building Project.

Description of Use of TIF: It is anticipated that the City will pay for the Public Works Building Project with borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, a portion of the City’s obligations incurred will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City’s use of incremental property tax revenues for the Public Works Building Project will not exceed \$330,000.

Analysis of Use of TIF: In accordance with the requirement of Section 403.5(2)(b)(1) of the Code of Iowa, the City has analyzed its proposed use of incremental property tax revenues for the funding of the Public Works Building Project and alternative development and funding options for the Public Works Building Project. The results of that analysis are summarized as follows:

A) Alternate Development Options: The City Council has determined that a need exists for the provision of new and improved public works facilities in the Urban Renewal Area. The City’s ability to fulfill its role in in the maintenance of public infrastructure and public property is diminished by inadequate, outdated and undersized administration and facilities. There is no conceivable way for the City to outsource or privatize services provided by the public works department, and the use of the Public Works Building Property as the site for the Public Works Building Project is an optimal use for this land. Promoting other types of development on the Public Works Building Property will not meet the public need being addressed by the Public Works Building Project.

B) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues: Local Option Sales and Services Tax Revenues are currently unavailable to assist with the Public Works Building Project because such Revenues have been allocated to other projects in the City. If local option sales and services tax revenues become available in the future, the City will consider the use of such revenues to pay a portion of the costs of the Public Works Building Project.

* General Fund: The City is at its \$8.10 per thousand levy limit for the General Fund, and the annual proceeds from this levy are fully committed to maintain the operational integrity of the City. The City cannot access its General Fund reserves to aid in funding the Public Works Building Project without risking unsound fiscal practice.

* Capital Improvements Levy: The City does not have a Capital Improvements Levy available, and the imposition of such additional levy would require a successful referendum, which is not feasible at this time.

* Debt Service Levy: The City intends to issue a general obligation note (the "Note") to pay the costs of the Public Works Building Project. The City may use incremental property tax revenues derived from the Urban Renewal Area to pay a portion of the principal of and interest on the Note. The use of incremental property tax revenues would lessen the burden on individual tax payers that will result from a spike in the debt service levy rate and will shift that burden onto valuation increases resulting from the City's successful economic development initiatives which are improved by the provision of enhanced public works facilities.

* Utility Surpluses: The City does not have identified surpluses in its sewer and water utility funds that could aid in the funding of the Public Works Building Project.

2) Required Financial Information. The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$1,284,310</u>
Outstanding general obligation debt of the City:	<u>\$ 162,048</u>
Proposed debt to be incurred under the August, 2019 Amendment*:	<u>\$ 330,000</u>

*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.

This being the time and place specified for taking action on the proposal to enter into a General Obligation Public Works Building Acquisition Loan Agreement (the "Loan Agreement") and borrow money thereunder in a principal amount not to exceed \$330,000, the City Clerk announced that no petition had been filed asking that the question of entering into such Loan Agreement be taken to an election. Whereupon, the Mayor announced that the City Council may proceed with the authorization of the Loan Agreement.

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

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

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

RESOLUTION NO. 1237-19

Resolution authorizing and approving a Loan Agreement, providing for the issuance of a \$330,000 General Obligation Public Works Building Acquisition Note and providing for the levy of taxes to pay the same

WHEREAS, the City of Templeton (the “City”), County of Carroll, State of Iowa, heretofore proposed to enter into a General Obligation Public Works Building Acquisition Loan Agreement (the “Loan Agreement”) and borrow money thereunder in a principal amount not to exceed \$330,000 pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of acquiring a building for use as a municipal public works facility (the “Acquisition”), and as of August 26, 2019, no petition had been filed with the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City; and

WHEREAS, it is necessary at this time to authorize and approve the Loan Agreement and to make provision for the issuance of a \$330,000 General Obligation Public Works Building Acquisition Note (the “Note”), in evidence of the City’s obligation under the Loan Agreement;

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

Section 1. The City shall enter into the Loan Agreement with Templeton Savings Bank, Templeton, Iowa (the “Purchaser”), in substantially the form as has been placed on file with the City Council, providing for a loan to the City in the principal amount of \$330,000, for the purpose set forth in the preamble hereof.

The Mayor and City Clerk are hereby 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 evidence of the obligation of the City under the Loan Agreement, in the principal amount of \$330,000, and shall be dated as of the date of its delivery to the Purchaser (anticipated to be September 12, 2019) Principal of the Note shall be payable in ten (10) annual installments due on June 1 in each of the years, and in the respective amounts, as follows:

<u>Year</u>	<u>Principal Amount</u>
2020	\$30,000
2021	\$31,000
2022	\$31,000
2023	\$32,000
2024	\$33,000
2025	\$33,000
2026	\$34,000
2027	\$35,000
2028	\$35,000
2029	\$36,000

Section 3. 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.”

Principal of the Note shall bear interest at the rate of 2.25% per annum from the date of the Note, or from the most recent date on which interest has been paid as hereinafter set forth. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Accrued interest on the Note shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2019 and continuing to, and including, final maturity on June 1, 2029.

Payment of both principal of and interest on the Note shall be made to the registered owners appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the interest payment date and shall be paid to the registered owners at the addresses shown on such registration books. Principal of the Note shall be payable in lawful money of the United States of America to the registered owners or their legal representatives upon presentation and surrender of the Note at the office of the Paying Agent.

The City reserves the right to prepay principal of the Note in whole or in part at any time prior to and in inverse order of maturity without penalty on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the date of prepayment.

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.

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 thereof and interest thereon shall be made only to the registered owner or 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.

The record and identity of any owners of the Note shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 4. 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**

GENERAL OBLIGATION PUBLIC WORKS BUILDING ACQUISITION NOTE

\$330,000

RATE	MATURITY DATE	NOTE DATE
2.25%	June 1, 2029	September 12, 2019

The City of Templeton (the "City"), in the County of Carroll, State of Iowa, for value received, promises to pay in the manner hereinafter provided to

Templeton Savings Bank,
Templeton, Iowa (the "Lender")

or registered assigns, the principal sum of THREE HUNDRED THIRTY THOUSAND DOLLARS, together with interest on the outstanding principal hereof from the date of this Note, or from the most recent payment date on which interest has been paid, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto.

Principal of this Note shall be payable in ten (10) annual installments due on June 1 in each of the years, and in the respective amounts, as follows:

<u>Year</u>	<u>Principal Amount</u>
2020	\$30,000
2021	\$31,000
2022	\$31,000
2023	\$32,000
2024	\$33,000
2025	\$33,000
2026	\$34,000
2027	\$35,000
2028	\$35,000
2029	\$36,000

This Note bears interest at the rate of 2.25% per annum. Accrued interest on this Note shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2019 and continuing to, and including, final maturity on June 1, 2029. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both principal of and interest on this Note are payable to the registered owner appearing on the registration books of the City maintained by the City Clerk (hereinafter referred to as the "Registrar" or the "Paying Agent") at the close of business on the fifteenth day of the month next preceding the payment date in lawful money of the United States of America to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest will be payable only upon presentation and surrender of this Note to the Paying Agent.

This Note is being issued by the City to evidence its obligation under a certain loan agreement, dated the date hereof (the "Loan Agreement"), entered into by the City for the purpose of paying the costs, to that extent, of acquiring a building for use as a municipal public works facility.

This Note is issued pursuant to and in strict compliance with the provisions of Chapter 76 and Chapter 384 of the Code of Iowa, 2019, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council dated August 26, 2019 (the "Resolution") authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of this Note, 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 owner of this Note.

The City reserves the right to prepay principal of the Note in whole or in part at any time prior to and in inverse order of maturity without penalty on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the date of prepayment.

This Note is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the City in the office of the Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Note to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The City, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the City, the Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified and Recited that all acts, conditions and things required by the laws and Constitution of the State of Iowa, to exist, to be had, to be done or to be performed precedent to and in the issue of this Note were and have been properly existent, had, done and performed in regular and due form and time; that provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the City for the payment of the principal of and interest on this Note as the same will respectively become due; and that the total indebtedness of the City, including this Note, does not exceed any constitutional or statutory limitations.

The Loan Proceeds to be received under the Loan Agreement shall be used to pay the costs of the Acquisition and costs of issuance of the Note. Any Loan Proceeds remaining after the full payment of such costs shall be deposited in the Debt Service Fund and used to pay principal of and interest on the Note as the same become due. 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 6. 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 in each of the years while the Note is outstanding, the following direct annual tax:

For collection in the fiscal year beginning July 1, 2020,
sufficient to produce the net annual sum of \$37,750;

For collection in the fiscal year beginning July 1, 2021,
sufficient to produce the net annual sum of \$37,053;

For collection in the fiscal year beginning July 1, 2022,
sufficient to produce the net annual sum of \$37,355;

For collection in the fiscal year beginning July 1, 2023,
sufficient to produce the net annual sum of \$37,635;

For collection in the fiscal year beginning July 1, 2024,
sufficient to produce the net annual sum of \$36,893;

For collection in the fiscal year beginning July 1, 2025,
sufficient to produce the net annual sum of \$37,150;

For collection in the fiscal year beginning July 1, 2026,
sufficient to produce the net annual sum of \$37,385;

For collection in the fiscal year beginning July 1, 2027,
sufficient to produce the net annual sum of \$36,598; and

For collection in the fiscal year beginning July 1, 2028,
sufficient to produce the net annual sum of \$36,810.

Section 7. A certified copy of this resolution shall be filed with the Carroll County Auditor, and the County 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.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Note remains outstanding and unpaid, any funds of the City which may lawfully be applied for such purpose, may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Note as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 6 of this Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for such purpose, and evidenced in the City's budget.

Section 8. The interest or principal and both of them falling 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 to the sum thus advanced.

Section 9. 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 10. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 11. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved on August 26, 2019.

Ken F. Behrens, Mayor

Attest:

Rhonda Schwaller
City Clerk

Council discussed installation of sidewalks at 632 W. 2nd Street. Consensus of council agreed they need to be installed by the original owner as per signed restrictive covenants agreement. Mayor Behrens will contact property owner who built the house.

Motion by Bauer, second by Irlbeck to approve Brett Weitl’s building permit application to replace & widen driveway. Motion carried.

Dale Prebeck presented list of property owners who have tree branches overhanging sidewalks and streets. Property owners will be notified by letter.

At 7:45 o’clock p.m. and with no further business before the council at that time, they agreed to adjourn. Engelen moved to adjourn and Irlbeck seconded the motion. All voted aye, motion carried.

Ken F. Behrens, Mayor

Rhonda Schwaller, City Clerk