

TEMPLETON CITY COUNCIL
AUGUST 7, 2012
7:00 P.M. – TEMPLETON CITY HALL

The Templeton City Council met on this seventh day of August 2012 at 7:00 o'clock 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: Jan Wieland, Dave Ramsey, Rick Hoffman, Mark Bauer, & Doyle Engelen

Absent: None

Others in attendance: Mayor Ken Behrens, City Clerk Rhonda Schwaller, Public Works Director Dale Prebeck, City Attorney Robert Peters, Joe Behrens, Attorney Dave Claypool from Dorsey & Whitney, Abbey Stangl and John O'Brien from Manning Regional Healthcare Center

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

Attorney Dave Claypool from Dorsey & Whitney and representatives Abbey Stangl and John O'Brien from the Manning Regional Healthcare Center approached the council to explain the authority and procedures relating to the issuance of tax-exempt bonds by the City on behalf of Manning Regional Healthcare Center for the purpose of financing a replacement hospital and associated improvements. The estimated cost of the project is \$21,000,000. The Hospital is asking the City to issue conduit bonds in the amount of \$10,000,000 so the Hospital can borrow money at a significantly lower tax-exempt interest rate because federal and state law allows a City to issue tax-exempt bonds on behalf of certain nonprofit entities like the Hospital. Without the City (or another governmental entity), the Hospital cannot borrow money at a tax-exempt rate which is a significant savings for the Hospital. The City's involvement is simply as the issuer of the conduit bonds, and the City is NOT giving or granting any City funds to the Hospital. The conduit bonds are purchased by one or more banks (the "Lenders"), and the Lenders provide the money to the Hospital to finance the project. Dave Claypool indicated this is a legal process authorized by Chapter 419 of the Code of Iowa and used throughout Iowa by cities to assist nonprofit entities to borrow money at significantly lower interest rates.

Key points:

1. Under Iowa law, the conduit bonds are NOT a debt of the City.
2. Under Iowa law, the City has NO liability or responsibility to repay the conduit bonds; the Hospital is solely responsible to pay the Lenders under the loan documents.
3. NO City funds or tax dollars are being given to the Hospital. Property taxes will not increase due to issuance of conduit bonds.
4. The City is not responsible for any ongoing monitoring or collecting of payments; the Hospital repays the Lenders directly.
5. The Hospital is making this request to obtain a lower interest rate on the loan to finance its Project.
6. The Hospital is responsible for paying the City for any direct costs incurred by the City, such as costs for copying, postage or publication of notices, related to the issuance of the conduit bonds. The Hospital has also offered to pay a fee to the City to issue these conduit bonds.
7. The City of Manning, Iowa is also being asked to issue conduit bonds for the Hospital in an amount of \$11,000,000.

Council Member Ramsey introduced and made a motion to approve Resolution #994-12 – a Resolution authorizing the execution of a Memorandum of Agreement with Manning Regional Healthcare Center, and fixing a date for a hearing on the proposed issuance of revenue bonds or notes pursuant to Chapter 419 of the Iowa Codes, seconded by Wieland. Roll call taken:

Ayes: Engelen, Wieland, Ramsey, Bauer, & Hoffman

Nays: None

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

RESOLUTION NO. 994-12

A Resolution authorizing the execution of a Memorandum of Agreement with Manning Regional Healthcare Center, and fixing a date for a hearing on the proposed issuance of revenue bonds or notes pursuant to Chapter 419 of the Iowa Code.

WHEREAS, the City of Templeton, State of Iowa (the "Issuer"), is a municipal corporation and political subdivision of the State of Iowa authorized and empowered by the provisions of Chapter 419 of the Code of Iowa, as amended (the "Act"), to issue revenue bonds or notes for a project located within, or within eight miles of, the Issuer for the purpose of financing the cost of acquiring, by construction or purchase, land, buildings, improvements and equipment suitable for the use of any facility for an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code") which is exempt from federal income tax under Section 501(a) of the Code (a "Tax Exempt Organization") and to refund any bonds issued pursuant to the Act and any existing indebtedness relating to such facilities and paying costs of issuance associated therewith; and

WHEREAS, the Issuer has been requested by Manning Regional Healthcare Center (the "Borrower"), a Tax Exempt Organization, to issue its revenue bonds or notes in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds") for the purpose of providing funds to the Borrower for the purposes of (a) financing the acquisition, construction, equipping and furnishing of an approximately 67,000 square foot replacement hospital, clinic and recovery center, ancillary parking areas, landscaping, a maintenance building, other land and building improvements, and associated site work and buildings to be located at 1550 6th Street, Manning, Iowa (the "Project"), (b) funding any necessary reserve funds and (c) paying the costs of issuance and other associated costs and expenses relating to the Bonds; and

WHEREAS, it is proposed to finance the foregoing through the issuance of the Bonds and to loan the proceeds from the sale of the Bonds to the Borrower pursuant to a Loan Agreement between the Issuer and the Borrower, the obligations of which will be sufficient to provide for a portion of the financing the Project, funding any reserve funds and paying for costs of issuance; and

WHEREAS, the Bonds, if issued, shall be limited obligations of the Issuer, and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, and the principal of, interest and premium, if any, on the Bonds shall be payable solely out of the revenues derived from the Loan Agreement; and

WHEREAS, a Memorandum of Agreement in the form and with the contents set forth in Exhibit A attached hereto, has been presented to the Issuer under the terms of which the Issuer agrees, subject to the provisions of such Agreement, to pursue proceedings necessary under the Act to issue the Bonds for such purpose;

NOW, THEREFORE, IT IS RESOLVED by the City Council of the Issuer, as follows:

Section 1. The Memorandum of Agreement in the form and with the contents set forth in Exhibit A attached hereto is hereby approved, and the Mayor is hereby authorized to execute said Memorandum of Agreement and the City Clerk is hereby authorized to attest the same and to affix the seal of the Issuer thereto; said Memorandum of Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit A attached hereto.

Section 2. Officials of the Issuer are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of the Memorandum of Agreement.

Section 3. This Council shall meet on the 4th day of September, 2012, at the Council Chambers, City Hall in Templeton, Iowa, at 7:00 o'clock p.m., at which time and place any resident or property owner of the Issuer may present oral or written objections on the proposal to issue the Bonds referred to in the preamble hereof.

Section 4. The Clerk is hereby directed to give notice of intention to issue the Bonds, setting forth the amount and purpose thereof, the time when and place where the hearing will be held, by publication at least once not less than fifteen (15) days prior to the date fixed for the hearing, in a newspaper published and having a general circulation within the Issuer. The notice shall be in substantially the following form:

NOTICE OF INTENTION TO ISSUE REVENUE BONDS OR NOTES

The City Council of Templeton, Iowa, (the "Issuer") will meet on the 4th day of September, 2012, at 7:00 o'clock p.m., at the Council Chambers, City Hall, 108 South Main Street, in Templeton, Iowa, for the purpose of conducting a public hearing on the proposal to issue revenue bonds or notes, of the Issuer in the aggregate principal amount not to exceed \$10,000,000 (the "Bonds") and to loan said amount to Manning Regional Healthcare Center (the "Borrower"), for the purpose of providing funds to the Borrower for the purposes of (a) financing the acquisition, construction, equipping and furnishing of an approximately 67,000 square foot replacement hospital, clinic and recovery center, ancillary parking areas, landscaping, a maintenance building, other land and building improvements, and associated site work and buildings to be located at 1550 6th Street, Manning, Iowa (the "Project"), (b) funding any necessary reserve funds and (c) paying the costs of issuance and other associated costs and expenses relating to the Bonds. The Project will be owned by the Borrower.

The Bonds, when issued, will be limited obligations and will not constitute general obligations of the Issuer nor will they be payable in any manner by taxation, but the Bonds will be payable solely and only from amounts received by the Issuer pursuant to a Loan Agreement between the Issuer and the Borrower, the obligations of which will be sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds as and when the same shall become due.

At the time and place, oral or written objections from any resident or property owner of the Issuer may be presented. At such meeting or any adjournment thereof, the Issuer shall adopt a resolution determining whether or not to proceed with the issuance of the Bonds. Written comments may also be submitted to the Issuer at the City Hall, P.O. Box 106, 108 South Main Street, Templeton, Iowa 51463. Written comments must be received by the above hearing date.

By order of the City Council of Templeton, Iowa.

Rhonda Schwaller
City Clerk

Section 5. On the basis of representations of the Borrower, the Issuer declares (a) that the Borrower intends to undertake the Project; (b) that other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, or (ii) expenditures made not earlier than 60 days prior to the date of this Resolution, 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 Treasury Regulations, no expenditures for the Project have heretofore been made by the Borrower and no expenditures will be made by the Borrower until after the date of this Resolution; and (c) that the Borrower reasonably expects to reimburse the expenditures made for costs of the Project out of the proceeds of the Bonds. This declaration is a declaration of official intent adopted pursuant to Section 1.150-2 of the Treasury Regulations.

Section 6. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved August 7, 2012.

Ken F. Behrens
Mayor

Attest:

Rhonda Schwaller
City Clerk

STATE OF IOWA
COUNTY OF CARROLL
CITY OF TEMPLETON

SS:

I, the undersigned, do hereby certify that I am the duly appointed, qualified and acting City Clerk of the aforementioned City and that as such I have in my possession or have access to the complete official records of said City and of its Council and officers; and that I have carefully compared the transcript hereto attached with the aforesaid official records and that said transcript hereto attached is a true, correct and complete copy of all of the official records showing the action taken by the City Council of said City to authorize the execution of a Memorandum of Agreement by and between Manning Regional Healthcare Center and said City and to set a public hearing date as set forth therein.

WITNESS my hand and the seal of said City hereto affixed this 7th day of August, 2012.

Rhonda Schwaller
City Clerk

(Seal)

EXHIBIT A MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is between the City of Templeton, Iowa (the "Issuer") and Manning Regional Healthcare Center (the "Borrower").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

(a) The Issuer is authorized by Chapter 419 of the Code of Iowa, as amended (the "Act") to issue revenue bonds or notes for a project located within, or within eight miles of, the Issuer for the purpose of financing the cost of acquiring, by construction or purchase, land, buildings, improvements and equipment suitable for the use of any facility for an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code") which is exempt from federal income tax under Section 501(a) of the Code (a "Tax Exempt Organization"), refunding any bonds issued pursuant to the Act and any existing indebtedness relating to such facilities, and paying costs of issuance associated therewith.

(b) The Borrower, a Tax Exempt Organization, wishes to obtain satisfactory assurance from the Issuer that, subject to the public hearing required by the Act and Section 147(f) of the Code, and to due compliance with all requirements of law and the obtaining of all necessary consents and approvals and to the happening of all acts conditions and things required to exist, happen or be performed precedent to and in connection therewith in due time, form and manner as required by law, such bonds or notes will be issued by the Issuer in a principal amount not to exceed \$10,000,000 (the "Bonds") financing the acquisition, construction, equipping and furnishing of an approximately 67,000 square foot replacement hospital, clinic and recovery center, ancillary parking areas, landscaping, a maintenance building, other land and building improvements, and associated site work and buildings to be located at 1550 6th Street, Manning, Iowa (the "Project"), (b) funding any necessary reserve funds and (c) paying the costs of issuance and other associated costs and expenses relating to the Bonds.

2. Undertakings on the Part of the Issuer.

(a) The Issuer will begin the proceedings necessary to authorize the issuance of the Bonds in an aggregate principal amount not to exceed \$10,000,000.

(b) Subject to due compliance with all requirements of law, including the provisions of and the public hearing required by the Act, it will cooperate with the Borrower in the issuance and sale of such Bonds, and the proceeds from the issuance of such Bonds shall be loaned to the Borrower upon such terms sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds, as and when the same shall become due all as shall be authorized by law and mutually satisfactory to the Borrower and the Issuer.

(c) The Issuer shall determine when, in what amount, and if the Bonds may be issued without causing the Issuer to lose its qualification as a "qualified small issuer" within the meaning of Section 265(b)(3)(C) of the Code.

3. Undertakings on the Part of the Borrower.

(a) It will use all reasonable efforts to cooperate with the Issuer and comply with the Act and all other provisions of law relating to the Project and the issuance and sale of such Bonds.

(b) It will enter into a Loan Agreement with the Issuer under the terms of which it will obligate itself to pay to the Issuer sums sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds as and when the same shall become due and payable, such instrument to contain other provisions required by law and such other provisions as shall be mutually acceptable to the Issuer and the Borrower.

(c) It will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertaking or as it may deem appropriate in pursuance thereof.

4. General Provisions.

(a) All commitments on the part of the Issuer and the Borrower herein are subject to the condition that on or before one year from the date hereof (or such other date as shall be mutually agreed to) the Issuer and the Borrower shall have agreed to mutually acceptable terms relating to the issuance and sale of such Bonds, and mutually acceptable terms and conditions of the documents and proceedings referred to in paragraphs 2 and 3 hereof.

(b) The Borrower agrees that it will reimburse the Issuer for all reasonable and necessary direct out-of-pocket expenses which the Issuer may incur at its request arising from the execution of this Agreement and the performance by the Issuer of its obligation hereunder, including, but not limited to, legal fees, printing and publication costs and filing fees arising from the execution of this Agreement and the performance, or preparation to perform by the Issuer of its obligations hereunder, done at the request of the Borrower, whether or not such Bonds are issued. In addition, the Borrower shall pay a fee, if requested by the Issuer, in an amount agreeable to the Issuer to be paid at the time of the closing of the Bonds.

(c) All commitments of the Issuer hereunder are further subject to the conditions that the Issuer, and its elected and appointed officials, shall in no event incur any liability for any act or omission hereunder, and that such Bonds described herein shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers.

The execution of this Memorandum of Agreement by the Issuer is not intended to nor does it create a binding commitment on the part of the Issuer to proceed with the issuance of the Bonds. It is further understood that the issuance of the Bonds is subject to further review by the City Council of the Issuer and compliance with all provisions of the Act, including the holding of a public hearing with respect thereto.

(d) Preparation of all resolutions, agreements, instruments, certificates, or other documents in final form for adoption and execution shall be the sole responsibility of Bond Counsel.

(e) In the event Sections 145 and 146 of the Code restrict the aggregate principal amount of Bonds for Tax-Exempt Organizations which the Issuer may issue in any calendar year, the Issuer may, in its discretion, rescind its commitments under Paragraph 2 hereof, without liability on the part of the Issuer.

Dated this ____ day of August, 2012.

CITY OF TEMPLETON, IOWA

By: _____
Ken F. Behrens
Mayor

Attest:

Rhonda Schwaller
City Clerk

(Seal)

MANNING REGIONAL HEALTHCARE CENTER

By: _____
Authorized Representative

Mayor Behrens updated the council on the Templeton Community Center capital campaign - approximately \$725,000 pledged and committed to the renovation of the center.

Joe Behrens from Region XII Council of Governments presented Blohm Inspection & Environmental Services bid comparison of asbestos abatement for the Templeton Community Center. Bids received from the following:

\$62,120.00.....Pro Environmental Abatement, Inc., Des Moines, IA
\$75,690.00.....Wheeler Contracting, Inc., Omaha, NE
\$81,960.00.....August Enterprises LLC, Jefferson, IA
\$93,224.00.....REW Services Corporation, Ankeny, IA

A motion was made by Bauer and seconded by Engelen to award bid to Pro Environmental Abatement, Inc., Des Moines, Iowa in the amount of \$62,120.00 and authorize City Attorney Robert Peters, Joe Behrens, & Randy Blohm to write a contract to include the following information at a minimum and also obtain signatures:

- Proof of insurance from Pro Environmental Abatement, Inc.
- Proof of license and registration with the State of Iowa from Pro Environmental Abatement, Inc.
- Work to start after September 4, 2012.
- Work to be completed by November 1, 2012
- Hold harmless language

Seconded by Engelen. All in favor, motion carried.

Joe Behrens from Region XII Council of Governments explained Iowa Brownfield Redevelopment Program Community Assistance Grant Contract from the Iowa Department of Natural Resources for asbestos removal at the Templeton Community Center. Contract amount: 50% cost share – not to exceed \$10,000. A motion was made by Ramsey approving the contract and authorizing Mayor Behrens to sign the contract on behalf of the City of Templeton, seconded by Bauer. All in favor, motion carried.

Council discussed exterior caulking of Templeton Community Center. No further action taken.

Council discussed reimbursing Sacred Heart Church \$192.18 for utility services from June 19, 2012 through July 19, 2012 for the Templeton Community Center. The \$192.18 is half of the total bill from Mid-American Energy in the amount of \$384.36. Consensus of council was to split the Mid American Energy bill with Sacred Heart Church until the meter is split out. Currently the electrical meter serves both the Sacred Heart Church and the Templeton Community Center.

Council reviewed applications for employment from Denise Eischeid and Harold Schumann for the position at the Templeton Community Center. A motion was made by Engelen and seconded by Bauer to offer the position to Denise Eischeid. Wage set at \$10.00 per hour. Starting date: September 1, 2012. All in favor, motion carried.

A motion was made by Bauer and seconded by Hoffman approving The Still's application for a Class "C" Liquor License with Sunday Sales and Catering Privileges. All in favor, motion carried.

Council discussed twenty foot (20') utility easement for Lots 6, 7, 8, 9, 10, 11, & 12 of the TADC 3rd Addition. Council requested City Clerk Schwaller create a utility easement and forward to City Attorney Robert Peters for review and approval. Once approved by City Attorney, utility easement document will be forwarded to the Templeton Area Development Corporation for consideration.

Council discussed trees located at 133 N. 5th Avenue, Templeton, Iowa. Trees are a visibility danger and a hazard to the public. City Attorney Robert Peters will look into.

A motion was made by Hoffman and seconded by Bauer to approve building permit application from Daryl Engelen for a concrete slab on property located at 124 S. Main St. All in favor, motion carried.

Council recognized building permit application from Michael Novak for a fence. On June 18, 2012 Zoning Administrator Dale Prebeck and on July 11, 2012 Council Members Mark Bauer, Janice Wieland, & Doyle Engelen reviewed and approved the application and drawing and found it to be in compliance with the City of Templeton's Zoning Ordinances.

Council recognized building permit application from Jerome & Ivadell Langel for a deck. On July 2, 2012 Zoning Administrator Dale Prebeck and Council Members Mark Bauer, Doyle Engelen, & Rick Hoffman reviewed and approved the application and drawing and found it to be in compliance with the City of Templeton's Zoning Ordinances.

Regular council meeting scheduled for Monday, September 3, 2012 will be changed to Tuesday, September 4, 2012 due to Labor Day holiday.

Mayor Behrens requested any comments or corrections to be made to the Consent Agenda. A motion was made by Bauer and seconded by Hoffman to approve the Consent Agenda. All in favor, motion carried.

1. Approved Minutes from July 2, 2012
2. Approved June and July 2012 Financial Review.
3. Approved June 2012 Treasurer's Report.
 - \$106,124.28 revenue
 - \$143,056.98 expenditures
 - \$308,033.65 total cash & investments

FUND	RECEIPTS	DISBURSEMENTS
General	\$ 60,428.84	\$ 22,219.65
Road Use Tax	\$ 3,752.90	\$ 89.04
Employee Benefits	\$ 32.96	\$ 10,102.88
Local Option Tax	\$ 3,429.13	\$ 41,771.99
TIF	\$ 0.00	\$ 28,924.55
Debt Service	\$ 28,979.27	\$ 29,984.71
Capital Proj. – Community Center	\$ 0.00	\$ 0.00
Water	\$ 4,643.02	\$ 5,413.57
Sewer	\$ 1,924.45	\$ 1,630.59
Certificate of Deposit	\$ 0.00	\$ 0.00
Fire Truck Fund	\$ 2,933.71	\$ 2,920.00
Totals	\$ 106,124.28	\$ 143,056.98

- Approval of the Claims for July 2012 as listed:

12600	Aspinwall Cooperative	94.66	gas
12601	Templeton Hardware	48.66	ballast & misc. supplies
12602	Swan Lake State Park	30.00	summer rec. – night crawlers
12603	Treasurer - State of Iowa	945.89	2nd qtr. 2012 sales tax
12604	Carroll Refuse Service	1,585.65	garbage collection
12605	Mid American Energy	691.01	utilities
12606	Raccoon Valley Electric Coop.	40.00	sewer lagoon
12607	Templeton Telephone Co.	79.99	telephone & internet service
12608	Dale Prebeck	483.00	insurance allowance
12609	Rhonda Schwaller	332.06	insurance allowance
12610	Dale Prebeck	1,339.30	payroll
12611	Postmaster	107.36	postage - alumni letters
12612	Postmaster	90.00	postage
12613	Manning Municipal Gas Dept.	52.72	utilities
12614	U.S. Cellular	54.78	cell phone
12615	De Lage Landen	128.37	printer/copier lease
12616	West Central IA Rural Water	2,428.75	845,000 gallons used
12617	Dale Prebeck	1,339.30	payroll
12618	Rhonda Schwaller	2,355.83	payroll
12619	IPERS	1,021.28	retirement fund
ACH	Templeton Savings Bank	1,835.32	July 2012 941 tax pymt.
12620	Engelen Computer Service	119.90	maint.shop-cable,surge protector, install printer
12621	Templeton Hardware	444.76	City Hall A/C board, electrical permit, & misc.
12622	Iowa Dept. of Nat'l Resources	210.00	annual NPDES permit fee
12623	Gemplers	49.15	pick up tool
12624	Iowa One Call	16.20	18 one calls
12625	Herald Publishing Company	20.22	asbestos abatement publication notice

12626	Blue Space Creative	312.74	envelopes
12627	West Central Cooperative	12.81	Tordon
12628	Oriental Trading	237.50	arts in the park supplies
12629	Rhonda Schwaller	429.13	summer rec supplies
12630	Sara Langel	68.90	arts in the park supplies
12631	Sara Langel	290.00	instructor - arts in the park & tennis
12632	Trophies Plus, Inc.	71.06	summer Olympics medals
12633	Blue Space Creative	994.71	Community Center trifold brochure & design
12634	Manning Insurance Agency	1,886.00	Community Center insurance
12635	Manning Municipal Gas Dept.	30.71	Community Center utilities
12636	Templeton Telephone Co.	21.10	Community Center telephone
12637	Cardmember Services	41.15	shop towels, wheelbarrow tire, tire tube, WD-40
12638	The Office Stop	48.36	misc. supplies
12639	Clear Choice Windows	535.00	City Hall window - final pymt.
12640	Sacred Heart Church	192.18	Community Ctr. utilities - Mid American Energy

Citizen Forum: None

Maintenance Report:

- Volunteer trees cut down.
- Cleaned out curb & gutter radiuses.
- Replacing a few residential water meters.
- Will be replacing traffic & street signs.

Mayor's Report:

- Called West Central Cooperative regarding anhydrous tank's relief valve popping off. West Central responded promptly.

At 8:50 o'clock p.m. and with no further business before the council at that time, they agreed to adjourn. Hoffman moved to adjourn and Bauer seconded the motion. All voted aye, motion carried.

Ken F. Behrens, Mayor

Rhonda Schwaller, City Clerk