

TEMPLETON CITY COUNCIL
SEPTEMBER 4, 2012
7:00 P.M. – TEMPLETON CITY HALL

The Templeton City Council met on this fourth day of September 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, Mark Bauer, & Doyle Engelen
Absent: Rick Hoffman

Others in attendance: Mayor Ken Behrens, City Clerk Rhonda Schwaller, Public Works Director Dale Prebeck, City Attorney Robert Peters, Joe Behrens, Denny Garvis, Bill Prebeck, Denise Eischeid, Don Irlbeck, Larry Sporrer, Attorney Dave Claypool from Dorsey & Whitney, Abbey Stangl, & John O'Brien from Manning Regional Healthcare Center.

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

At 7:00 p.m. Mayor Behrens opened the public hearing. The Council investigated and found that notice of intention to issue revenue bonds or notes, in one or more series, (the "Bonds") on behalf of the Manning Regional Healthcare Center, in an aggregate principal amount not to exceed \$10,000,000 had, as directed by the Council, been duly given according to law. This being the time and place specified in the notice for the conduct of a public hearing on the proposal to issue such Bonds, Mayor Behrens announced that all local residents attending the hearing would now be given an opportunity to express their views for or against the proposal to issue the Bonds. Local residents attending the hearing expressed their views, questions, & comments as follows:

- Manning Regional Healthcare Center is a 501(c)(3) organization under the Internal Revenue Code.
- Council discussed article from www.ehow.com regarding "What is Conduit Debt?" that was given to a council member by a resident of Templeton. Council requested clarification from Attorney Dave Claypool from Dorsey & Whitney regarding the following information that was printed in the article: *"When a city issues a conduit bond, the city takes on the default risk."* Mr. Claypool indicated that statement was inaccurate as per Chapter 419.3 of the Code of Iowa which states *"Bonds and interest coupons issued under authority of this chapter shall never constitute an indebtedness of the municipality, within the meaning of any state constitutional provision or statutory limitation, and shall not constitute nor give rise to a pecuniary liability of the municipality or a charge against its general credit or taxing powers. Such limitation shall be plainly stated on the face of each such bond."*
- Attorney Dave Claypool's qualifications:
 1. Partner in the Public Finance practice and head of the Dorsey Des Moines office.
 2. General municipal practice for over 30 years for cities, counties, school districts and special taxing districts in the issuance of general obligation, revenue, special assessment and tax increment financings, public financings for state authorities and state-wide associations, and private activity bond financings for manufacturing facilities, private colleges, hospitals, and other health care facilities, 501(c)(3) entities, and multi-family residential rental facilities.
 3. Dorsey & Whitney law firm celebrated its 100 year anniversary this year.
- Conduit bonds are temporary financing for a period of approximately 2 years.
- Manning Regional Healthcare Center has to demonstrate the hospital's ability to repay bond holders before they purchase the conduit bonds.
- The Manning Regional Healthcare Center was approved by the United States Department of Agriculture's (USDA) Rural Development Program for a 3.375% 40 year loan of \$21,000,000 for the construction of a replacement hospital.
- Attorney Dave Claypool addressed a question regarding default risk. In the event that there is a default in the payment of the principal or the interest on the bonds, then that would be an issue to be decided between the purchasers of the bonds and the Manning Regional Healthcare Center. The bond purchasers could proceed with foreclosure proceedings against any equity in the land or structure.
- Inspections are made regularly by the USDA and banks throughout the construction period.
- Manning Regional Healthcare Center will reimburse the City of Templeton for all reasonable and necessary direct out-of-pocket expenses which the City may incur, including, but not limited to, legal fees, printing and publication costs and filing fees.

City Clerk Schwaller indicated there were no additional oral or written comments received prior to the public hearing. Mayor Behrens closed the public hearing at 7:26 p.m. after all local residents who appeared at the hearing who desired to do so had expressed their views for or against the proposal to issue the Bonds. Council Member Ramsey introduced the following resolution and moved its adoption, seconded by Wieland; and after due consideration thereof by the Council, the Mayor put the question on the motion and upon the roll being called, the following named Council Members voted:

Ayes: Engelen, Wieland, Ramsey, & Bauer

Nays: None

Whereupon, the Mayor declared said motion duly carried and the resolution adopted as follows.

RESOLUTION NO. 997-12

RESOLUTION RELATING TO THE HOLDING OF A PUBLIC HEARING AND APPROVING PROCEEDINGS FOR THE ISSUANCE AND SALE OF REVENUE BONDS OR NOTES (MANNING REGIONAL HEALTHCARE CENTER PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000.

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, or any interest therein, 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

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 one or more series, in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds") for the purpose 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 under one or more loan agreements (the "Loan Agreements") between the Issuer and the Borrower, the obligations of which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds as and when the same shall be due and payable; and

WHEREAS, the Bonds, when 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 and interest and premium, if any, on the Bonds shall be payable solely out of the revenues derived from the aforementioned Loan Agreements; and

WHEREAS, notice of intention to issue the Bonds has, as directed by the City Council of the Issuer, been duly given in compliance with the Act and Section 147(f) of the Internal Revenue Code, and a public hearing has been held on the proposal to issue the Bonds at the time and place as specified in said notice and all objections or other comments relating to the issuance of the Bonds have been heard;

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

Section 1. It is hereby determined it is necessary and advisable that the Issuer proceed with the issuance of the Bonds, as authorized and permitted by the Act, and loan the proceeds of the sale of the Bonds to the Borrower, all upon terms and conditions mutually satisfactory to the Issuer and the Borrower. The Council shall proceed with the necessary proceedings relating to the issuance of the Bonds as soon as the required documentation has been prepared by Bond Counsel.

Section 2. At the public hearing conducted by the Council, pursuant to published notice, all persons who appeared were given an opportunity to express their views for or against the proposal to issue the Bonds.

Templeton Community Center project update:

- Denise Eischeid – manager of Templeton Community Center
- Manager’s Job Description:
 1. Coordinate & schedule events
 2. Clean building as needed
 3. Order & restock supplies
 4. Open & close building as needed
- Discussed rental fee schedule. No further action taken at this time.
- Presto X pest control service cancelled by Sacred Heart Church in July 2012.
- Aramark dust mop service cancelled by Sacred Heart Church on July 23, 2012.
- Discussed Manning Municipal Gas rates for commercial vs interruptible service. Mayor Behrens will contact Ken Spies to discuss in more detail.
- City Clerk Schwaller reported Hartford Steam Boiler Inspection & Insurance Company inspected boilers and found one of the boiler’s safety valves would not lift with the manual lift lever. The boiler was taken out of service by the inspector until safety relief valve is replaced. Official written report will be forwarded to the city as per inspector.
- Council discussed Dave Schoeppner Construction Company’s quote estimate for exterior block caulking in the amount of \$2,492.20. A motion was made by Bauer and seconded by Engelen to accept bid estimate in the amount of \$2,492.20 from Schoeppner Construction Company. All in favor, motion carried.
- Council Member Bauer updated the council regarding his conversation with Dan Hahn regarding removing the trees located on the west side of the community center. Mr. Hahn estimated \$3,500. Council informally approved but requested Council Member Bauer obtain a written estimate from Mr. Hahn.
- Council discussed hiring Simonson & Associates Architects from Des Moines, Iowa. No further action taken at this time.
- Set sale price for lockers at \$10.00 per locker.
- Pro Environmental Abatement, Inc. started asbestos abatement on Tuesday, September 4, 2012.

City Attorney Robert Peters updated the council regarding his conversation with Nationwide Advantage Mortgage Company Attorney David Elkins and Nationwide Advantage Mortgage Company Representative Karrie Neil regarding tree removal on property located at 133 N. 5th Avenue, Templeton, Iowa. No further action taken at this time.

Council Member Engelen introduced Resolution #996-12 – accepting the City Street Financial Report for fiscal year ending June 30, 2012 and moved for its adoption, seconded by Wieland; and after due consideration thereof by the Council, the Mayor put the question on the motion and upon the roll being called, the following named Council Members voted:

Ayes: Wieland, Ramsey, Engelen, & Bauer

Nays: None

Whereupon, the Mayor declared said motion duly carried and the resolution adopted.

Council Member Ramsey introduced Resolution #995-12 – a Resolution to transfer \$35,878.49 from Special Revenue Fund – Road Use Fund to General Fund for Farm to Market Extension revenue received from Carroll County during fiscal years July 1, 2004 through June 30, 2012 and moved for its adoption, seconded by Bauer; and after due consideration thereof by the Council, the Mayor put the question on the motion and upon the roll being called, the following named Council Members voted:

Ayes: Bauer, Wieland, Ramsey, & Engelen

Nays: None

Whereupon, the Mayor declared said motion duly carried and Resolution #995-12 adopted as follows.

Resolution No. 995-12

RESOLUTION TO TRANSFER

WHEREAS, the City of Templeton has a 28E Agreement with Carroll County regarding the maintenance of Farm to Market Extensions within the city’s corporate limits recorded at Inst. #002798 on August 25, 2005; and

WHEREAS, the 28E Agreement is based on past practice of the County maintaining the center 22 feet and the City maintaining the right of way beyond the center 22 feet; and

WHEREAS, the County will reimburse the City in an amount equal to the annual Road Use Tax Fund that is allocated for the maintenance of said Farm to Market Extensions less a maintenance fee of \$1,500 for each mile of Farm to Market Extension maintained by the County as per the 28E Agreement; and

WHEREAS, the City has been receipting the Farm to Market Extension revenue received from the County into a Special Revenue Fund – County Contribution – RUT #44652210-110; and

WHEREAS, the City should have been receipting the Farm to Market Extension revenue received from the County into the General Fund – County Contribution – General Fund #44652210-001; and

WHEREAS, the City Clerk is requesting authorization from the council to correct this error by making the appropriate transfer from the Special Revenue Road Use Tax Fund #110 to the General Fund #001 for the Farm to Market Extension revenue received totaling \$35,878.49 from the County during fiscal years July 1, 2004 through June 30, 2012. See breakdown for each fiscal year:

- \$4,929.71 F to M revenue received in fiscal year July 1, 2004 through June 30, 2005
- \$4,153.36 F to M revenue received in fiscal year July 1, 2005 through June 30, 2006
- \$3,921.83 F to M revenue received in fiscal year July 1, 2006 through June 30, 2007
- \$4,150.20 F to M revenue received in fiscal year July 1, 2007 through June 30, 2008
- \$2,458.69 F to M revenue received in fiscal year July 1, 2008 through June 30, 2009
- \$5,944.34 F to M revenue received in fiscal year July 1, 2009 through June 30, 2010
- \$5,028.13 F to M revenue received in fiscal year July 1, 2010 through June 30, 2011
- \$5,292.23 F to M revenue received in fiscal year July 1, 2011 through June 30, 2012

NOW THEREFORE BE IT RESOLVED that the City of Templeton City Council authorizes the transfer of \$35,878.49 from the Special Revenue Fund – Road Use Fund 110 to the General Fund 001 and all future receipts from the County for Farm to Market Extensions will be receipted into the General Fund.

Passed and Approved by the Templeton City Council this 4th day of September, 2012.

Ken F. Behrens, Mayor

ATTEST:

Rhonda Schwaller, City Clerk

A motion was made by Ramsey and seconded by Bauer to amend the 2012/2013 budget and set the public hearing date for Monday, October 1, 2012 at 7:00 p.m. at Templeton City Hall. All in favor, motion carried.

Council set Sunday, October 28, 2012 from 4:00 p.m. to 6:00 p.m. as the date and time for “Halloween Beggars Night”.

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

1. Approved Minutes from August 7, 2012
2. Approved July 2012 Treasurer’s Report.
 - \$102,423.95 revenue
 - \$ 70,946.70 expenditures
 - \$339,510.90 total cash & investments

FUND	RECEIPTS	DISBURSEMENTS
General	\$ 4,675.68	\$ 15,323.15
Road Use Tax	\$ 2,026.01	\$ 30,000.00
Employee Benefits	\$ 49.72	\$ 0.00
Local Option Tax	\$ 3,429.13	\$ 0.00
TIF	\$ 0.00	\$ 18,614.52
Debt Service	\$ 82.55	\$ 0.00
Capital Proj. – Community Center	\$ 84,667.00	\$ 107.36
Water	\$ 5,380.73	\$ 5,162.87
Sewer	\$ 2,098.84	\$ 1,738.80
Certificate of Deposit	\$ 0.00	\$ 0.00
Fire Truck Fund	\$ 14.29	\$ 0.00
Totals	\$ 102,423.95	\$ 70,946.70

- Approval of the Claims for August 2012 as listed:

12642	Aspinwall Cooperative	298.23	gas
12643	Carroll Refuse Service	1,585.65	garbage collection
12644	Mid American Energy	720.45	utilities
12645	Postmaster	135.00	postage - conduit bond letters
12646	Dale Prebeck	483.00	insurance allowance
12647	Rhonda Schwaller	332.06	insurance allowance
12648	Dale Prebeck	1,339.29	payroll
12649	Templeton Area Development	1.00	TADC 3rd Addition utility easement
12650	Carroll County Recorder	7.00	record TADC 3rd Addition utility easement
12651	Raccoon Valley Electric Coop.	40.00	sewer lagoon
12652	Templeton Telephone Co.	77.13	telephone & internet service
12653	Templeton Telephone Co.	56.10	Community Ctr. telephone purchase & service
12654	Manning Municipal Gas Dept.	54.98	utilities
12655	Manning Municipal Gas Dept.	34.49	Community Center utilities
12656	U.S. Cellular	54.78	cell phone
12657	De Lage Landen	122.25	printer/copier lease
12658	Brown Supply Co.	128.42	water valve box risers
12659	Postmaster	53.12	postage
12660	West Central IA Rural Water	2,021.75	697,000 gallons used
12661	Stanley E. Romey	44.81	payroll - community center
12662	Chase Prebeck	501.95	payroll
12663	Dale Prebeck	1,339.30	payroll
12664	Rhonda Schwaller	2,002.16	payroll
12665	IPERS	947.19	retirement fund
ACH	Templeton Savings Bank	1,771.75	August 2012 941 tax pymt.
12666	Access Systems	268.40	printer overage charge 5/30/12 to 8/29/12
12667	Central States Lab	617.81	sewer lagoon treatment
12668	Sacred Heart Church	198.62	Community Ctr. utilities - Mid American Energy
12669	Mid American Energy	90.50	riser connection fee
12670	Mid American Energy	2.67	TADC 3rd Addn. lift station utilities
12671	Blohm Inspection/Environmental	650.00	asbestos abatement bid procurement
12672	Iowa Prison Industries	83.10	street signs
12673	The Office Stop	75.50	misc. supplies
12674	Carroll County Treasurer	493.00	real estate taxes
12675	Rye Supply, Inc.	20.18	UPS charges
12676	Dorsey & Whitney	512.00	legal fees-Internal TIF advance-TADC 3rdAddn
12677	Templeton Hardware	13.98	misc. supplies
12678	Templeton Hardware	21.10	Community Ctr. misc. supplies

Citizen Forum: None

Fire Chief's Report: Sold 1979 Chev. tanker truck to Kevin Rupiper for \$2,500 on August 24, 2012.

Maintenance Report:

- Will be replacing the following street signs – 1st Avenue, 2nd Avenue, 4th Avenue, 5th Avenue, 3rd Street, & 5th Street.
- Replaced several residential water meters.
- Routine maintenance conducted on lawn mower.
- Will be replacing maintenance shop walk in door on north side.
- Will be scheduling routine maintenance on John Deere 7200 tractor with Horizon Equipment.

Mayor's Report:

- Received letter from Iowa Architectural Foundation explaining its Community Design Program.
- Council requested City Clerk post a notice on cable TV regarding operating golf carts on city streets.

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