

Floyd County Board of Supervisors Meeting
June 14, 2016, 9:00 AM

UNAPPROVED MINUTES

The Floyd County Board of Supervisors met in the Board Room of the Floyd County Courthouse with the following in attendance: Supv Kuhn, Supv Kamm and Supv Schwickerath.

Kamm/Schwickerath moved to approve the agenda as presented. Motion carried 3-0.

Public comments: Pastor Mike Downey informed the Board of Governor Branstad's proclamation to read the Bible at the state capitol over three days and requested that the same be done on the courthouse grounds. Downey was provided with a Use of Courthouse Grounds application.

Schwickerath/Kamm moved to approve the May 23 and 24 and June 1 and 8, 2016 minutes. Motion carried 3-0.

Kamm/Schwickerath moved to approve the following claims as presented: County #3672-3888 and Secondary Roads #17604-17648 and send notice to Bob Lincoln regarding three missing receipts lacking for his VISA statement that he is personally responsible for the costs or produce receipts and since this is the second time in two months the next time his card will be removed. Motion carried 3-0.

Schwickerath/Kamm moved to approve Resolution #18-16 Zoning Changes – Raymond Holzer-2nd Reading: Whereas, Raymond Holzer has filed with the Floyd County Zoning Commission (Commission) the required documentation to support an application to rezone a 15.39 acre parcel of property located in the southwest quarter of Section 2, Township 95 North, Range 16W of the 5th P.M., St Charles Township, Floyd County, Iowa from AG to R-1 for the purpose of future sale of residential lots. Whereas, on May 24, 2016 the Floyd County Board of Supervisors (Board) held a public hearing where no comments in support of or objection to the zoning change were submitted; and Whereas, the first reading of the application for a zoning change for the subject property was approved on the same day and a second reading was scheduled for June 14, 2016. Now therefore, upon the Floyd County Board of Supervisor's review of said information for the subject property the following actions were taken: approve the second reading of the application to rezone said property, waive the third reading of the application of said property, and approve the final reading and approve the application to rezone said property from AG to R-1. Motion carried 3-0.

Schwickerath/Kamm moved to set a public hearing on June 28 at 9:30 a.m. to consider an application by Matthew Nosbisch to rezone 4.31 acres of property from Ag to C-1 for the purpose of a prospective buyer to use the property to run a construction and petroleum lubricants business in N½ SW¼ of S27-T96N-R15W in Floyd Township. Motion carried 3-0.

Gail Arjes, Public Health/Home Health Care Director, provided information requesting that Floyd County be the fiscal agent of the Families Making Connections for the Nurtured Heart Program in FY17. The program fits in the public health scope and the county will retain 7% for administration of the grant. Schwickerath/Kamm moved to approve the Contract Declaration and Execution for The Nurtured Heart Approach between Iowa Department of Human Services and Floyd County. Motion carried 3-0.

Kamm/Schwickerath moved to approve the Iowa Community Development Block Grant Program Disaster Recovery Watershed Management Program Easement for the Beaver Creek Watershed projects, sites 2 and 3. Motion carried 3-0.

Kamm/Schwickerath moved to approve Res #19-16: Resolution authorizing and approving a Loan Agreement, providing for the issuance of \$6,375,000 General Obligation County Refunding Bonds, Series 2016A, directing the levy of taxes to pay the same and approving escrow agreement: WHEREAS, the Board of Supervisors (the "Board") of Floyd County, Iowa (the "County"), has previously issued \$7,690,000 General Obligation Taxable Urban Renewal County Road Improvement Bonds, Series 2010A, (the "2010A Bonds"); and WHEREAS, in the resolution authorizing the issuance of the 2010A Bonds, the County reserved the right to call for payment prior to maturity any or all of the 2010A Bonds maturing after June 1, 2018 (the "Callable Bonds"); and WHEREAS, the Board has heretofore proposed to issue General Obligation County Refunding Bonds, Series 2016A, pursuant to the provisions of Chapter 331 of the Code of Iowa, and has proposed to enter into a loan agreement (the "Loan Agreement") for the

purpose of paying the cost, to that extent, of advance refunding all of the Callable Bonds and has published notice of the proposed action and has held a hearing thereon; and WHEREAS, it has been proposed that the County enter into the Loan Agreement with Northland Securities, Minneapolis MN (the "Purchaser") and issue \$6,375,000 General Obligation County Refunding Bonds, Series 2016A (the "Bonds") in evidence of its obligations under the Loan Agreement; and WHEREAS, the Purchaser prepared a certain Bond Purchase Agreement (the "Bond Purchase Agreement") with respect to the Loan Agreement and the Bonds, and the Board has previously approved the Bond Purchase Agreement and has made provision for its execution and delivery; and WHEREAS, it is now necessary to take final action for approval of the Loan Agreement and the issuance of the Bonds, and to authorize the early redemption of the Callable Bonds; NOW, THEREFORE, Be It Resolved by the Board of Supervisors of Floyd County, Iowa, as follows: Section 1. The County shall enter into the Loan Agreement with the Purchaser in substantially the form as has been placed on file with the Board, providing for a loan to the County in the principal amount of \$6,375,000, for the purpose set forth in the preamble hereof. The Chair of the Board and County Auditor are hereby authorized and directed to sign the Loan Agreement on behalf of the County, and the Loan Agreement is hereby approved. Section 2. The Bonds are hereby authorized to be issued in evidence of the obligation of the County under the Loan Agreement, in the total aggregate principal amount of \$6,375,000, to be dated July 1, 2016, in the denomination of \$5,000 each, or any integral multiple thereof, maturing annually on June 1 in each of the years, in the respective principal amounts and bearing interest at the respective rates as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2019	\$525,000	2.00%	2024	\$580,000	2.00%
2020	\$535,000	2.00%	2025	\$590,000	2.00%
2021	\$545,000	2.00%	2026	\$600,000	2.00%
2022	\$555,000	2.00%	2027	\$615,000	2.00%
2023	\$565,000	2.00%	2029	\$1,265,000	2.00%

Section 3. Bankers Trust Company, Des Moines, Iowa, is hereby designated as the Registrar and Paying Agent for the Bonds and may be hereinafter referred to as the "Registrar" or the "Paying Agent". The County shall enter into an agreement (the "Registrar/Paying Agent Agreement") with the Registrar, in substantially the form as has been placed on file with the Board; the Chairperson and County Auditor are hereby authorized and directed to sign the Registrar/Paying Agent Agreement on behalf of the County; and the Registrar/Paying Agent Agreement is hereby approved. The County reserves the right to prepay part or all of the principal of the Bonds maturing in each of the years 2025 to 2029, inclusive, prior to and in any order of maturity on June 1, 2024, or on any date thereafter upon terms of par and accrued interest. Principal of the Bond maturing on June 1, 2029, is subject to mandatory redemption (by lot, as selected by the Registrar) on June 1, 2028, at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date, in the following principal amount: Year 2028-\$625,000 principal and Year 2029-\$640,000 (Maturity). If less than all of the Bonds of any like maturity are to be redeemed, the particular part of those Bonds to be redeemed shall be selected by the Registrar by lot. The Bonds may be called in part in one or more units of \$5,000. If less than the entire principal amount of any Bond in a denomination of more than \$5,000 is to be redeemed, the Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or mailed by certified mail to the registered owners thereof at the addresses shown on the County's registration books not less than 30 days prior to such redemption date. Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent. All of such Bonds as to which the County reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided, shall cease to bear interest on the redemption date. Accrued interest on the Bonds shall be payable semiannually on the first day of June and December in each year, commencing June 1, 2017. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest on the Bonds shall be made to the registered owners appearing on the registration books of the County 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 Bonds 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 Bond or Bonds at the office of the Paying Agent. The Bonds shall be executed on behalf of the County with the official manual or facsimile signature of the Chairperson of the Board and attested with the official manual or facsimile signature of the County Auditor, and shall be fully registered Bonds without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds, 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 Bonds shall not be valid or become obligatory for any purpose until the Certificate of Authentication thereon shall have been signed by the Registrar. The Bonds shall be fully registered as to principal and interest in the names of the owners on the registration books of the County kept by the Registrar, and after such registration, payment of the principal thereof and interest thereon shall be made only to the registered owners or their legal representatives or assigns. Each Bond shall be transferable only upon the registration books of the County 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 the owners of the Bonds shall be kept confidential as provided by Section 22.7 of the Code of Iowa. Section 4. Notwithstanding anything above to the contrary, the Bonds shall be issued initially as Depository Bonds, with one fully registered Bond for each maturity date, in principal amounts equal to the amount of principal maturing on each such date, and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). On original issue, the Bonds shall be deposited with DTC for the purpose of maintaining a book-entry system for recording the ownership interests of its participants and the transfer of those interests among its participants (the "Participants"). In the event that DTC determines not to continue to act as securities depository for the Bonds or the County determines not to continue the book-entry system for recording ownership interests in the Bonds with DTC, the County will discontinue the book-entry system with DTC. If the County does not select another qualified securities depository to replace DTC (or a successor depository) in order to continue a book-entry system, the County will register and deliver replacement bonds in the form of fully registered certificates, in authorized denominations of \$5,000 or integral multiples of \$5,000, in accordance with instructions from Cede & Co., as nominee for DTC. In the event that the County identifies a qualified securities depository to replace DTC, the County will register and deliver replacement bonds, fully registered in the name of such depository, or its nominee, in the denominations as set forth above, as reduced from time to time prior to maturity in connection with redemptions or retirements by call or payment, and in such event, such depository will then maintain the book-entry system for recording ownership interests in the Bonds. Ownership interest in the Bonds may be purchased by or through Participants. Such Participants and the persons for whom they acquire interests in the Bonds as nominees will not receive certificated Bonds, but each such Participant will receive a credit balance in the records of DTC in the amount of such Participant's interest in the Bonds, which will be confirmed in accordance with DTC's standard procedures. Each such person for which a Participant has an interest in the Bonds, as nominee, may desire to make arrangements with such Participant to have all notices of redemption or other communications of the County to DTC, which may affect such person, forwarded in writing by such Participant and to have notification made of all interest payments. The County will have no responsibility or obligation to such Participants or the persons for whom they act as nominees with respect to payment to or providing of notice for such Participants or the persons for whom they act as nominees. As used herein, the term "Beneficial Owner" shall hereinafter be deemed to include the person for whom the Participant acquires an interest in the Bonds. DTC will receive payments from the County, to be remitted by DTC to the Participants for subsequent disbursement to the Beneficial Owners. The ownership interest of each Beneficial Owner in the Bonds will be recorded on the records of the Participants whose ownership interest will be recorded on a computerized book-entry system kept by DTC. When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the County to DTC, and DTC shall forward (or cause to be forwarded) the notices to the Participants so that the Participants can forward the same to the Beneficial Owners. Beneficial Owners will receive written confirmations of their purchases from the Participants acting on behalf of the Beneficial Owners detailing the terms of the Bonds acquired. Transfers of ownership interests in the Bonds will be accomplished by book entries made by DTC and the Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except as specifically provided herein. Interest and principal will be paid when due by the County to DTC, then paid by DTC to the Participants and thereafter paid by the Participants to the Beneficial

Owners. Section 5. The Bonds shall be in substantially the following form: [SEE TEXT FORMAT IN THE COUNTY AUDITOR'S OFFICE.] Section 6. The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon shall be delivered to the Registrar for registration, authentication and delivery to or upon the direction of the Purchaser, upon receipt of the loan proceeds (the "Proceeds"), and all action heretofore taken in connection with the Loan Agreement and the sale of the Bonds is hereby ratified and confirmed in all respects. Section 7. Bankers Trust Company, as Registrar and Paying Agent for the 2010A Bonds is hereby authorized to take all action necessary to call the Callable Bonds for redemption on June 1, 2018 (the "Redemption Date"), and is further authorized and directed to give notice of such redemption by sending notice to each of the registered owners of the Callable Bonds to be redeemed at the addresses shown on the County's registration books, not less than 30 days prior to the Redemption Date. Section 8. As required by Chapter 76 of the Code of Iowa, and for the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there is hereby ordered levied on all the taxable property in the County in each of the years while the Bonds or any of them are outstanding, a tax sufficient for that purpose, and in furtherance of this provision, but not in limitation thereof, there is hereby levied on all the taxable property in the County the following direct annual tax for collection in each of the following fiscal years: For collection in the fiscal year beginning July 1, 2018, sufficient to produce the net annual sum of \$652,500; For collection in the fiscal year beginning July 1, 2019, sufficient to produce the net annual sum of \$652,000; For collection in the fiscal year beginning July 1, 2020, sufficient to produce the net annual sum of \$651,300; For collection in the fiscal year beginning July 1, 2021, sufficient to produce the net annual sum of \$650,400; For collection in the fiscal year beginning July 1, 2022, sufficient to produce the net annual sum of \$649,300; For collection in the fiscal year beginning July 1, 2023, sufficient to produce the net annual sum of \$653,000; For collection in the fiscal year beginning July 1, 2024, sufficient to produce the net annual sum of \$651,400; For collection in the fiscal year beginning July 1, 2025, sufficient to produce the net annual sum of \$649,600; For collection in the fiscal year beginning July 1, 2026, sufficient to produce the net annual sum of \$652,600; For collection in the fiscal year beginning July 1, 2027, sufficient to produce the net annual sum of \$650,300; For collection in the fiscal year beginning July 1, 2028, sufficient to produce the net annual sum of \$652,800. Section 9. A certified copy of this resolution shall be filed with the County Auditor, and the 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 County and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the County 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 Bonds 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 Bonds remain outstanding and unpaid, any funds of the County 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 Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 8 of this Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for said purpose and evidenced in the County's budget. Section 10. It is hereby determined that the County shall enter into an escrow agreement (the "Escrow Agreement") with the Registrar, as Escrow Agent, in such form as has been presented to the Board. The Escrow Agreement is hereby approved and the Chairperson and County Auditor are hereby authorized and directed to execute the Escrow Agreement on behalf of the County. The proceeds shall be deposited and invested in accordance with the terms of the Escrow Agreement, and, as set forth therein, when timely, shall be used to fund the redemption of the Callable Bonds. Section 11. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current available funds of the County in advance of taxes levied and when the taxes shall have been collected, reimbursement shall be made to such current funds in the sum thus advanced. Section 12. It is the intention of the County that interest on the Bonds 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 County 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 Bonds will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the County are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained. The County hereby designates the Bonds as "Qualified Tax Exempt Obligations" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code. Section 13. The Securities and Exchange Commission (the "SEC") has promulgated certain amendments to

Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the “Rule”) that make it unlawful for an underwriter to participate in the primary offering of municipal securities in a principal amount of \$1,000,000 or more unless, before submitting a bid or entering into a purchase contract for such securities, an underwriter has reasonably determined that the issuer or an obligated person has undertaken in writing for the benefit of the holders of such securities to provide certain disclosure information to prescribed information repositories on a continuing basis so long as such securities are outstanding. On the date of issuance and delivery of the Bonds, the County will execute and deliver a Continuing Disclosure Certificate pursuant to which the County will undertake to comply with the Rule. The County covenants and agrees that it will comply with and carry out the provisions of the Continuing Disclosure Certificate. Any and all of the officers of the County are hereby authorized and directed to take any and all actions as may be necessary to comply with the Rule and the Continuing Disclosure Certificate. Section 14. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict. Motion carried 3-0.

Schwickerath/Kamm moved to void the following claim disbursements/unredeemed warrants for FY15: General Fund: #19585 to the Illinois Secretary of State for \$12 and #20150 to Next Generation Technologies for \$100.32. Motion carried 3-0.

Kamm/Schwickerath moved to approve IDOT Federal-Aid Agreement for a Surface Transportation Program Project No STP-S-C034(96)—5E-34 for the blacktop north of Marble Rock. Motion carried 3-0.

Engineer’s Report: Dusten Rolando, County Engineer provided foreman’s minutes and his timesheet. Rolando will be meeting on site for the DD #1 issue. Crews have been grading roads. Spot rocking is being done at a minimum. Rock resurfacing is moving along. Design work continues on the blacktop north of Marble Rock. Rolando would like to proceed with design work on the road to the ethanol plant with hopes to let it next Spring. Work on T28 will start in August. The Rudd bridge project will cause a detour starting next week. Staff is continuing the design for south of the Rockford road. Work on the Floyd shed continues. Rolando updated the board on the flash flooding effect on roads. Posting in-house starts today for the Collection Site opening.

Schwickerath/Kamm motioned to adjourn. Motion carried 3-0.

ATTEST: _____
Gloria A. Carr
Floyd County Auditor

Mark A. Kuhn, Chair
Floyd County Board of Supervisors