

MINUTES TO RECEIVE BIDS AND
SELL BONDS

439235-10

West Branch, Iowa

June 22, 2016

The City Council of the West Branch, Iowa, met on June 22, 2016, at 1:00 o'clock p.m., at the City Council Chambers, 110 N. Poplar Street, West Branch, Iowa.

The meeting was called to order by the Mayor, and the roll was called showing the following Council Members present and absent:

Present: Jordan Ellyson, Colton Miller, and Mary Beth Stevenson

Absent: Brian Pierce and Tim Shields.

This being the time and place fixed by the City Council for the consideration of bids for the purchase of the City's Taxable General Obligation Urban Renewal Bonds, Series 2016B the Mayor announced that bids had been received and canvassed on behalf of the City at the time and place fixed therefore.

Whereupon, such bids were placed on file, and the substance of such bids was noted in the minutes, as follows:

<u>Name and Address of Bidder</u>	<u>Final Bid</u>
UMB Bank, n.a., Kansas City, Missouri	2.2715%
Hutchinson, Shockley, Erley & Co., Chicago, Illinois	2.4143%
Bankers' Bank, Madison, Wisconsin	2.4989%
Northland Securities, Inc. Minneapolis, Minnesota	2.9941%

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

Ayes: Miller, Ellyson and Stevenson

Nays: None

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

RESOLUTION NO. 1481

Resolution Awarding Taxable General Obligation Urban Renewal Bonds, Series 2016B

WHEREAS, the City of West Branch (the “City”), in Cedar and Johnson Counties, State of Iowa has heretofore proposed to enter into a General Obligation Loan Agreement (the “Essential Purpose Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$500,000 for the purpose of paying the costs, to that extent, of constructing street, storm water drainage, sidewalk, water system and sanitary sewer system improvements and installing street signage and signalization (collectively, the “Essential Projects”), and has published notice of the proposed action and has held a hearing thereon on May 16, 2016; and

WHEREAS, the City has also heretofore proposed to enter into a General Obligation Loan Agreement (the “General Purpose Loan Agreement”), pursuant to the provisions of Section 384.24A of the Code of Iowa, and to borrow money thereunder in a principal amount not to exceed \$400,000 for the purpose of paying the costs, to that extent, of land acquisition and site preparation for economic development and in-fill redevelopment projects (the “General Purpose Project”), and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of May 16, 2016, no petition had been filed with the City asking that the question of entering into the General Purpose Loan Agreement be submitted to the registered voters of the City; and

WHEREAS, pursuant to the provisions of Section 384.24A of the Code of Iowa, the City also heretofore proposed to enter into a loan agreement (the “Park Project Loan Agreement”) and to borrow money thereunder in an amount not exceeding \$4,000,000 to provide funds to pay the cost, to that extent, of undertaking the West Branch Park Improvements Project, including ball diamonds; volleyball courts; lighting improvements; playground equipment; concessions, restroom and shelter facilities; recreation trails; landscaping; parking lots; and the installation of related public infrastructure improvements, and pursuant to law and duly published notice, has held a successful election on said proposal on November 3, 2016; and

WHEREAS, pursuant to law and the successful election on the Park Project Loan Agreement, the City now intends to use a portion of its borrowing authority thereunder to enter into an initial loan agreement (the “Initial Park Project Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$500,000 to pay the cost, to that extent, of funding the initial costs of the West Branch Park Improvement Project (the “Park Project”) (collectively hereinafter the Essential Purpose Projects, the General Purpose Project and the Park Project are referred to as the “Projects”); and

WHEREAS, the City retains the right to enter into the Park Project Loan Agreement, or derivatives thereof, and to thereby exercise its remaining authority to borrow up to \$3,500,000 thereunder in the future; and

WHEREAS, pursuant to Section 384.28 of the Code of Iowa, the City Council has combined the Essential Purpose Loan Agreement, the General Purpose Loan Agreement and the Initial Park Project Loan Agreement into a single loan agreement (the “Loan Agreement”); and

WHEREAS, it is necessary to divide the City's authority under the Loan Agreement into two separate series of bonds, General Obligation Corporate Purpose Bonds, Series 2016A (the "2016A Bonds") in the approximate principal amount of \$1,000,000, and Taxable General Obligation Urban Renewal Bonds, Series 2016B (the "2016B Bonds") in the approximate principal amount of \$400,000, each to be issued under its own respective loan agreement (respectively the "2016B Loan Agreement" and the "2016A Loan Agreement"); and

WHEREAS, a Preliminary Official Statement (the "P.O.S.") has been prepared to facilitate the sale of the 2016A Bonds and the 2016B Bonds, and the City Council has made provision for the approval of the P.O.S. and has authorized its use by Speer Financial, Inc. (the "Financial Advisor"); and

WHEREAS, pursuant to advertisement of sale, bids for the purchase of the 2016B Bonds to be issued in evidence of the City's obligation under the Loan Agreement were received and canvassed on behalf of the City and the substance of such bids noted in the minutes; and

WHEREAS, upon final consideration of all bids, the bid of UMB Bank, Kansas City, Missouri (the "Purchaser"), is the best, such bid proposing the lowest interest cost to the City for the 2016B Bonds;

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

Section 1. The bid of the Purchaser referred to in the preamble is hereby accepted, and the 2016B Bonds are hereby awarded to the Purchaser at the price specified in such bid, together with accrued interest.

Section 2. The form of agreement of sale/Official Bid Form (the "Sale Agreement") for the 2016B Bonds is hereby approved, and the Mayor and City Clerk are hereby authorized to execute the Sale Agreement for and on behalf of the City.

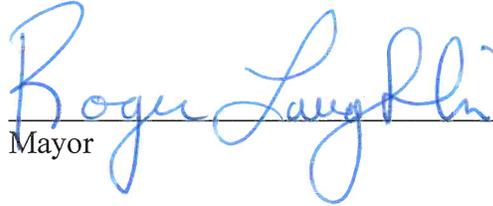
Section 3. The City shall enter into the 2016B Loan Agreement with the Purchaser in substantially the form as will be placed on file with the City Council, providing for a loan to the City in the principal amount of \$400,000 for the General Purpose Project set forth in the preamble hereof.

Section 4. Further action with respect to the approval of the 2016B Loan Agreement and the issuance of the Bonds is hereby adjourned to the City Council meeting to be held on June 27, 2016.

Section 5. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 6. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved June 22, 2016.



Mayor

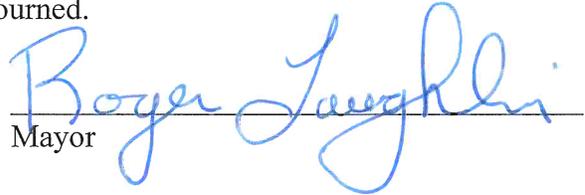
Attest:



City Clerk

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Upon motion and vote, the meeting was adjourned.



Mayor

Attest:



City Clerk

ATTESTATION CERTIFICATE:

STATE OF IOWA
COUNTIES OF CEDAR AND JOHNSON SS:
CITY OF WEST BRANCH

I, the undersigned, City Clerk of the City of West Branch, do hereby certify that as such City Clerk I have in my possession or have access to the complete corporate records of the City and of its Council and officers and that I have carefully compared the transcript hereto attached with those corporate records and that the transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the sale of Taxable General Obligation Urban Renewal Bonds, Series 2016B of the City evidencing the City's obligation under a certain Loan Agreement and that the transcript hereto attached contains a true, correct and complete statement of all the measures adopted and proceedings, acts and things had, done and performed up to the present time with respect thereto.

WITNESS MY HAND this 23rd day of June, 2016.



City Clerk

(Attach here a copy of the bid of the successful bidder.)

OFFICIAL BID FORM

City of West Branch
110 N Poplar Street
West Branch, IA 52358-0218

June 22, 2016
Speer Financial, Inc.
Facsimile: (319) 291-8628

Council Members:

For the \$400,000* Taxable General Obligation Urban Renewal Bonds, Series 2016B (the "Taxable Bonds"), of the City of West Branch, Cedar and Johnson Counties, Iowa (the "City"), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you \$ 397,640.00 (no less than \$396,800) bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%).

AMOUNTS* AND MATURITIES - JUNE 1

\$45,000.....2019	<u>1.55</u> %	\$50,000.....2022	<u>1.90</u> %	\$50,000.....2024	<u>2.20</u> %
45,000.....2020	<u>1.55</u> %	50,000.....2023	<u>2.20</u> %	55,000.....2025	<u>2.50</u> %
50,000.....2021	<u>1.90</u> %			55,000.....2026	<u>2.50</u> %

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: 19-20 Term Maturity 2020 Maturities: 23-24 Term Maturity 2024
Maturities: 21-22 Term Maturity 2022 Maturities: 25-26 Term Maturity 2026
Maturities: _____ Term Maturity _____

*Subject to principal adjustment in accordance with the Official Terms of Offering.

The Taxable Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa. The City will pay for the legal opinion. The Purchaser agrees to apply for CUSIP numbers and pay the fee charged by the CUSIP Service Bureau and will accept the Taxable Bonds with the CUSIP numbers as entered on the Taxable Bonds.

No good faith deposit is required.

Account Manager Information

Underwriter/Bank UMB Bank
Address 1010 Grand
Authorized Rep. Kristin Kozio
City IC State/Zip MO 64106
Direct Phone (816) 846-7223
FAX Number (816) 843-4325
E-Mail Address _____

Bidders Option Insurance

We have purchased insurance from:	
Name of Insurer (Please fill in)	
Premium: _____	
Maturities: (Check One)	
<input type="checkbox"/>	_____ Years
<input type="checkbox"/>	All

The foregoing bid was accepted and the Taxable Bonds sold by resolution of the City on June 22, 2016.

ATTEST:

[Signature]
City Clerk

CITY OF WEST BRANCH
CEDAR AND JOHNSON COUNTIES, IOWA
[Signature]
Mayor

NOT PART OF THE BID
(Calculation of true interest cost)

Gross Interest	\$ <u>86,858.17</u>
Less Premium/Plus Discount	\$ <u>2,360.00</u>
True Interest Cost	\$ <u>59,218.17</u>
True Interest Rate	<u>3.271512</u> %
TOTAL BOND YEARS	2,606.67
AVERAGE LIFE	6,517 Years

June 17, 2016

Matt Muckler
City Administrator/City Hall
West Branch, Iowa
Via Email

Re: Taxable General Obligation Urban Renewal Bonds, Series 2016B
Our File No. 439235-10

Dear Matt:

We have prepared and attach the necessary proceedings to be used at next week's Council meeting to report the bids received and to adopt the resolution approving the sale of Taxable General Obligation Urban Renewal Bonds, Series 2016B to the best bidder.

The attached resolution must be completed with the name of the purchaser, and Speer Financial, Inc. will tabulate the bid results and provide that name to you.

The proceedings attached include the following items:

1. Resolution awarding the sale of the Bonds and providing for the adjournment of action on the Loan Agreement to June 27, 2016 for adoption of the issuance resolution.
2. Attestation Certificate with respect to the validity of the transcript.

As these proceedings are completed, please return one fully executed copy to our office.

If you have any questions, please contact Emily Hammond or me.

Best regards,

John P. Danos

Attachments

cc: Maggie Burger
Diana VanVleet