

Fontanelle, Iowa
November 15, 1976

The City Council met in Special Session at the City Hall at 7:00p.m. with Mayor Betty V. Burcham presiding. Council Members present were: Art Baudler, Deane Darrow, Ralph Means and Keith Westphal. Absent: Randall Bond.

Two representatives from the Burroughs Corporation were present before the Council to discuss new and used billing machines. The present billing machine is not capable of computing enough to comply with the Iowa State Commerce Commission rules. No decision was taken on a different machine at the present time.

Mr. Tom Mehl of Robert E. Schweser Co, Des Moines, was present at the meeting, regarding the Electrical Bonds. He stated that it would probably be wise to go ahead with the bond sale, being as there was a good rate of interest. Mr. Mehl presented the following letter of intent.

LETTER OF INTENT

The City of Fontanelle, Iowa, is desirous of immediately selling Electric Revenue Bonds in the total principal amount of \$300,000, and Robert E. Schweser Company Incorporated has proposed to act as a special agent for the City in connection with the placement of the bonds. The parties hereby agree that Robert E. Schweser Company Incorporated of Des Moines, Iowa, Fiscal Agent for the City Council of the City of Fontanelle, Iowa is hereby authorized, as agent for the City, to undertake the placement with underwriters of \$300,000 Electric Revenue Bonds. The Company is hereby authorized to commit the City to deliver to the purchaser or purchasers the Electric Revenue Bonds of the City on the terms and conditions set out hereafter:

1. The bonds shall be dated December 1, 1976, be in \$5,000 denominations, shall mature December 1, 1977, through December 1, 1991 with interest payable June 1, 1977 and semiannually thereafter on December 1 and June 1 of each of the years respectively.
2. Bonds maturing December 1, 1987, through December 1, 1991, shall be optional for payment on December 1, 1986, and any interest payment date thereafter at par plus accrued interest.
3. Attached hereto as a part of this Letter of Intent is a proposed maturity schedule showing the average interest cost.
4. The covenants of the Bond Resolution shall contain provisions common to revenue financing such as requiring: annual audits, adequate insurance coverage, proper surety bonding of utility officials, proper accounting and bookkeeping procedures, maintenance of adequate rates and charges to provide sufficient funds for operation and maintenance protection of bondholders to operate the system and not sell, pledge, mortgage, lease, or otherwise encumber or endanger any of the property or equipment of said utility.
5. Delivery of these bonds shall be on or about December 1, 1976.

In consideration of the time and expense in connection with the placement of the bonds contemplated herein, the Company at the time the bonds have been placed with the purchaser or purchasers, will receive as compensation for performing this service any premium paid by said purchaser or purchasers. The Company agrees that the expenses in connection with this issue involving the printing of the bonds and other out-of-pocket expenses of the Company shall be paid for by the Company as required under their fiscal agreement with the City dated November 4, 1974. The preliminary official statement offering the bonds on behalf of the City will be filed with the City Clerk at the time of first offering the bonds and a complete recapitulation of the transaction will be filed with the City Clerk prior to closing.

If the proceeds of this entire issue have not been received by the City within 60 days of the date of this agreement, the authority for further placement shall cease unless the period has been extended by resolution of the City Council of Fontanelle, Iowa.

Respectfully submitted,

/s/by Tom B. Mehl

The foregoing Letter of Intent is hereby agreed to and accepted by the Mayor and City Council of the City of Fontanelle, Iowa this 15th day of November, 1976

ATTEST: *Evelyn M. Rohner*
Evelyn M. Rohner
City Clerk

Betty V. Burcham
/s/ Betty V. Burcham
Mayor

Schedule of Maturities and Interst Coupons

Year	Principal	Coupon	Interest Cost	Total Principal and Interest
1977	\$10,000	6.25%	\$18,770.00	\$28,770.00
1978	10,000	6.25	18,145.00	28,145.00
1979	15,000	6.25	17,520.00	32,520.00
1980	15,000	6.25	16,582.50	31,582.50
1981	15,000	6.25	15,645.00	30,645.00
1982	20,000	6.25	14,707.50	34,707.50
1983	20,000	6.25	13,457.50	33,457.50
1984	20,000	6.25	12,207.50	32,207.50
1985	20,000	6.25	10,957.50	30,957.50
1986	25,000	6.25	9,707.50	34,707.50
1987	25,000	6.25	8,145.00	33,145.00
1988	25,000	6.25	6,582.50	31,582.50
1989	25,000	6.20	5,020.00	30,020.00
1990	25,000	6.20	3,470.00	28,470.00
1991	30,000	6.40	1,920.00	31,920.00
	<u>\$300,000</u>		<u>\$172,837.50</u>	<u>\$472,837.50</u>

Average Interest-6.2622%
10 Year Option

Motion by Art Baudler that the Mayor be authorized to sign the letter of intent with Robert E. Schweser Co. Seconded by Deane Darrow Carried.

Mr. Mehl suggests that the City maintain an annual audit with the C.P.A. in order to establish a good cash flow statement. The State Auditor should be notified of this Audit.

Council Member Keith Westphal introduced and caused to be read Resolution No. 76.33 entitled, "Resolution approving statement in connection with the construction of improvements to the municipal Waterworks plant and system." Council Member Westphal moved that said resolution be adopted, seconded by Council Member Deane Darrow, and after due consideration thereof by the Council, the Mayor put the question and, the roll being called, the following voted: AYES: Art Baudler, Deane Darrow, Ralph Means and Keith Westphal. NAYS: None.

Whereupon, the Mayor declared the resolution duly adopted, as follows

RESOLUTION NO. 76.33

RESOLUTION APPROVING STATEMENT IN CONNECTION WITH
THE CONSTRUCTION OF IMPROVEMENTS TO THE MUNICIPAL
WATERWORKS PLANT AND SYSTEM.

WHEREAS, a statement has been filed with this Council for materials furnished and work performed under a contract for constructing improvements to the municipal waterworks plant and system, which statement has been approved by the Engineer for the Utility, and which has not been included in prior statements, as follows:

CONTRACT DATE	DATE OF STATEMENT	CONTRACTOR	AMOUNT OF STATEMENT
7/16/76	10/19/76	Hawkeye Engineering Const. Co.	
		Gross	\$62,916.84
		Less 10%	6,291.68
		Net	56,625.16

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Council of Fontanelle, Iowa, as follows:

Section 1. That the statement referred to in the preamble hereof be and the same is hereby approved as follows:

Contractor	Amount
Hawkeye Engineering Const. Co.	\$56,625.16

Section 2. That all resolutions or orders or parts thereof in conflict herewith be and the same are hereby repealed.

PASSED AND APPROVED this 15th day of November, 1976.

Attest: *Evelyn M. Rohner*
Evelyn M. Rohner
Clerk

Betty W. Burcham
Betty W. Burcham, Mayor

Council Member Keith Westphal introduced and caused to be read Resolution No. 76.33A entitled, "Resolutuion providing for the issuance of Water Revenue Pledge Orders." Council Member K. Westphal moved that said resolution be adopted, seconded by Council Member Deane Darrow, and after due consideration thereof by the Council, the Mayor put the question and, the roll being called, the following voted: AYES: Art Baudler, Deane Darrow, Ralph Means and Keith Westphal. NAYS: None

Whereupon, the Mayor declared the resolution duly adopted, as follows:

RESOLUTION NO. 76.33A

RESOLUTION PROVIDING FOR THE ISSUANCE OF WATER REVENUE PLEDGE ORDERS

WHEREAS, a statement for materials furnished and work performed under a contract for the construction of improvements to the municipal waterworks plant and system has been approved by this Council as follows:

Contractor	Amount
Hawkeye Engineering Construction Co.	\$56,625.16; and

WHEREAS, said contract provides that payments under said contract may be made by delivery to said contractor of temporary revenue obligations in the form of Pledge Orders payable solely and only out of the future net earnings of such municipal utility, and it is necessary and advisable that a Pledge Order be issued to said contractor in the approved amount;

NOW, THEREFORE,, Be It and It Is Hereby Resolved by the Council of Fontanelle, Iowa, as follows:

Section 1. That for the purpose of evidencing an amount payable the contractor for materials furnished and work performed under the contract referred to in the preamble hereof there be and there is hereby authorized to be issued Water Revenue Pledge Orders of the municipality in the form now on file with the Clerk, as follows:

Pledge Order

No.	Contractor	Amount of Pledge Order
1.	Hawkeye Engineering Const. Co.	\$10,000.00
2.	Hawkeye Engineering Const. Co.	10,000.00
3.	Hawkeye Engineering Const. Co.	10,000.00
4.	Hawkeye Engineering Const. Co.	10,000.00
5.	Hawkeye Engineering Const. Co.	10,000.00
6.	Hawkeye Engineering Const. Co.	6,625.16

Section 2. That said Pledge Orders shall be signed by the Mayor and attested by the Clerk, with the seal of the municipality affixed, and be issued and delivered to said contractor as aforesaid in payment of that part of the aforesaid improvements referred to in the aforesaid statement.

Section 3. That all resolutions or orders or parts thereof in conflict herewith be and the same are hereby repealed.

PASSED AND APPROVED this 15th day of November, 1976

Evelyn M. Rohner

Betty W. Burcham
Betty W. Burcham, Mayor

Attest: Evelyn M. Rohner
Clerk

Council Member Keith Westphal introduced and caused to be read Resolution No. 76.34 entitled, "Resolution approving statement in connection with the construction of improvements to the municipal waterworks plant and system." Council Member K. Westphal moved that said resolution be adopted, seconded by Council Member Deane Darrow and after due consideration thereof by the Council, the Mayor put the question and, the roll being called, the following voted: AYES: Art Baudler, Deane Darrow, Ralph Means and Keith Westphal NAYS: None

Whereupon, the Mayor declared the resolution duly adopted, as follows:

RESOLUTION NO. 76.34

RESOLUTION APPROVING STATEMENT IN CONNECTION WITH THE CONSTRUCTION OF IMPROVEMENTS TO THE MUNICIPAL WATERWORKS PLANT AND SYSTEM.

WHEREAS, a statement has been filed with this Council for materials furnished and work performed under a contract for constructing improvements to the municipal waterworks plant and system, which statement has been approved by the Engineer for the Utility, and which has not been included in prior statements, as follows:

<u>Contract Date</u>	<u>Date of Statement</u>	<u>Contractor</u>	<u>Amount of Statement</u>
7/16/76	11/10/76	Hawkeye Engineering Const. Co.	33,450.64

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Council of Fontanelle, Iowa, as follows:

Section 1. That the statement referred to in the preamble hereof be and the same is hereby approved as follows:

<u>Contractor</u>	<u>Amount</u>
Hawkeye Engineering Const. Co.	\$33,450.64

Section 2. That all resolutions or orders or parts thereof in conflict herewith be and the same are hereby repealed.

PASSED AND APPROVED THIS 15th day of November, 1976.

Betty V. Burcham

Betty V. Burcham, Mayor

Evelyn M. Rohner

Attest: Evelyn M. Rohner
Clerk

Council Member Keith Westphal introduced and caused to be read Resolution No. 76.34A entitled, "Resolution providing for the issuance of Water Revenue Pledge Orders." Council Member Westphal moved that said resolution be adopted, seconded by Council Member Deane Darrow, and after due consideration thereof by the Council, the Mayor put the question and, the roll being called, the following voted: AYES: Art Baudler, Deane Darrow, Ralph Means and Keith Westphal. NAYS: None

Whereupon, the Mayor declared the resolution duly adopted, as follows

RESOLUTION NO. 76.34A

RESOLUTION PROVIDING FOR THE ISSUANCE OF WATER REVENUE PLEDGE ORDERS.

WHEREAS, a statement for materials furnished and work performed under a contract for the construction of improvements to the municipal waterworks plant and system has been approved by this Council as follows:

<u>Contractor</u>	<u>Amount</u>
Hawkeye Engineering Construction Co.	\$33,450.64; and

WHEREAS, said contract provides that payments under said contract may be made by delivery to said contractor of temporary revenue obligations in the form of Pledge Orders payable solely and only out of the future net earnings of such municipal utility, and it is necessary and advisable that a Pledge Order be issued to said contractor in the approved amount;

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Council of Fontanelle, Iowa, as follows:

Section 1. That for the purpose of evidencing an amount payable the contractor for materials furnished and work performed under the contract referred to in the preamble hereof there be and there is hereby authorized to be issued Water Revenue Pledge Order of the municipality in the form now on file with the Clerk, as follows:

<u>Pledge Order No.</u>	<u>Contractor</u>	<u>Amount of Pledge Order</u>
7.	Hawkeye Engineering Construction Co.	\$10,000.00
8.	Hawkeye Engineering Construction Co.	10,000.00
9.	Hawkeye Engineering Construction Co.	10,000.00
10.	Hawkeye Engineering Construction Co.	3,450.64

Section 2. That said Pledge Orders shall be signed by the Mayor and attested by the Clerk, with the seal of the municipality affixed, and be issued and delivered to said contractor as aforesaid in payment of that part of the aforesaid improvements referred to in the aforesaid statement.

Section 3. That all resolutions or orders or parts thereof in conflict herewith be and the same are hereby repealed.

PASSED AND APPROVED THIS 15th day of November, 1976.

Betty V. Burcham
Betty V. Burcham, Mayor

Attest: *Evelyn M. Rohner*
Evelyn M. Rohner,
Clerk

Motion by Art Baudler that upon receipt of the proper amount of the checks due the Council will grant a Liquor License and a Cigarette Permit to Rend Nagrassus d/b/a Joey's Tavern. Seconded by Ralph Means Carried.

There being no further business, Motion by Ralph Means to Adjourn. Seconded by Deane Darrow. Carried.

Betty V. Burcham
Betty V. Burcham, Mayor

Attest: *Evelyn M. Rohner*
Evelyn M. Rohner, Clerk