

The City Council met on the 7th day of March, 1988 at 7:00 o'clock p.m. at the City Hall, in the City, pursuant to prior action of the Council and to law, for the purpose of considering and passing a resolution providing for the institution of proceedings to issue \$130,000 General Obligation Water Bonds and for the transaction of such other business as may come before the meeting.

The meeting was called to order by the Mayor and the roll being called, there were present the Mayor in the chair, and the following named Council Members: Albert Ehrenfried, Sally Sorensen, Gene Jacobsen and Robert Edwards. Absent: Kenneth Perry

The Council investigated and found that a notice of intention to institute proceedings for the issuance of the aforementioned bonds had been duly published as provided by law and that this is the time and place at which the Council shall receive oral or written objections from any resident or property owner of the City. The Clerk announced that no written objections from any resident or property owner of the City had been previously filed; the Mayor called for any oral or written objections from any resident or property owner of the City and there being none, the Mayor announced that the Council may take additional action for the issuance of the bonds.

Whereupon, a resolution was introduced by Council Member Gene Jacobsen under title of "Resolution providing for the issuance of \$130,000 General Obligation Water Bonds and providing for the levy of taxes to pay the same," and moved its adoption; seconded by Council Member Robert Edwards. After due consideration, the Mayor put the question on the motion and the roll being called, the following named Council Members voted: AYES: Albert Ehrenfried, Sally Sorensen, Gene Jacobsen and Robert Edwards. NAYS: None.

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

RESOLUTION NO. 88.3

RESOLUTION PROVIDING FOR THE ISSUANCE OF \$130,000 GENERAL OBLIGATION WATER BONDS AND PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME.

WHEREAS, the City of Fontanelle, Iowa (the "City") has heretofore proposed to contract indebtedness and issue \$130,000 General Obligation Water Bonds (the "Bonds") to provide funds to pay the cost, to that extent, of the construction, reconstruction, improvement, extension and equipping of the Municipal Waterworks System of the City, including the refunding of warrants issued by the City to pay costs in connection therewith, and pursuant to notice thereof heretofore given in strict compliance with the provisions of Chapter 384 of the Code of Iowa and hearing held thereon, and the Council may now proceed to take additional action for the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fontanelle, Iowa, as follows:

SECTION 1. Pursuant to Division 111 of Chapter 384 of the Code of Iowa, there are hereby authorized to be issued \$130,000 negotiable General Obligation Water Bonds (the "Bonds"), which Bonds will be offered for public sale at a time to be later fixed by the Council, and the proceeds of which will be used for the purpose as set out above. The Bonds shall be in the denomination of \$5,000 each, or any integral multiple thereof, dated the first day of June, 1988, and shall become due and payable on June 1 in each of the respective years and in the principal amounts and bear interest at the respective rates as follows:

<u>YEAR OF MATURITY</u>	<u>AMOUNT</u>	<u>INTEREST RATE PER ANNUM</u>	<u>YEAR OF MATURITY</u>	<u>AMOUNT</u>	<u>INTEREST RATE PER ANNUM</u>
1989	\$10,000	5.40%	1995	\$10,000	6.60%
1990	\$10,000	5.60%	1996	\$10,000	6.80%
1991	\$10,000	5.80%	1997	\$10,000	7. %
1992	\$10,000	6. %	1998	\$10,000	7.10%
1993	\$10,000	6.20	1999	\$15,000	7.20%
1994	\$10,000	6.40	2000	\$20,000	7.30%

provided, however, that the actual rate or rates of interest on the Bonds shall be determined at the time of their disposition and sale, and this resolution shall then be amended to provided that the Bonds bear such rate or rates as may then be fixed and determined by the City Council.

The City Clerk is hereby designated as the Bond Registrar and Paying Agent for the Bonds and may be hereinafter referred to as the "Bond Registrar" or the "Paying Agent"

The City reserves the right to call and redeem part or all of the Bonds maturing in each of the years 1986 to 2000, inclusive, prior to and in inverse order of maturity on June 1, 1995, or on any interest payment date thereafter on terms of par and accrued interest. 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 Bond 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 Bond 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 identifying the Bond or Bonds (or portion thereof) to be redeemed shall be given not less than thirty and not more than forty-five days prior to the date upon which it is proposed to prepay the Bonds or any of them by sending a notice by certified mail to the registered owners thereof at the addresses shown on the City's registration books.

All of the interest on the Bonds shall be payable December 1, 1988, and semiannually thereafter on the first day of June and December in each year. Payment of interest on the Bonds shall be made to the registered owners appearing on the bond registration books of the City at the close of business on the fifteenth day of the month next preceding the interest payment date and shall be paid by check or draft mailed 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 City with the official manual or facsimile signature of the Mayor and attested by the official manual or facsimile signature of the City Clerk and shall have the City's seal impressed or printed thereon, 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 such Bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

The Bonds shall be fully registered as to principal and interest in the names of the owners on the registration books of the City kept by the Bond Registrar, and after such registration, payment of the principal and interest thereof shall be made only to the registered owners, their legal representatives or assigns. Each Bond shall be transferable without cost to the registered owner thereof only upon the registration books of the City upon presentation to the Bond Registrar, together with either a written instrument of transfer satisfactory to the Bond Registrar or the assignment form thereon duly completed and 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.

The Bonds shall not be valid or become obligatory for any purpose until the Certificate of Authentication thereon shall have been signed by the Bond Registrar.

SECTION 2. The form of Bonds shall be substantially as follows:

(Form of Bond)
 UNITED STATES OF AMERICA
 STATE OF IOWA
 COUNTY OF ADAIR CITY OF FONTANELLE
 GENERAL OBLIGATION WATER BOND

No. _____ RATE _____ MATURITY _____ BOND DATE \$ _____
 June 1, 1988

The City of Fontanelle, in the County of Adair, State of Iowa, for value received, promises to pay on the maturity date of this bond to _____ or registered assigns the principal sum of _____ THOUSAND DOLLARS

in lawful money of the United States of America upon presentation and surrender of this bond at the office of the City Clerk, Fontanelle, Iowa (hereinafter referred to as the "Bond Registrar" or the "Paying Agent") with interest on said sum, until paid, at the rate per annum specified above from the date of this bond, or from the most recent interest payment date on which interest has been paid, on June 1 and December 1 of each year, commencing December 1, 1988, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Interest on this bond is payable to the registered owner appearing on the bond registration books of the City at the close of business on the fifteenth day of the month next preceding the interest payment date, and shall be paid by check or draft mailed to the registered owner at the address shown on such registration books.

This bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Bond Registrar. 297

This bond is one of a duly authorized series of bonds issued by the City of Fontanelle, pursuant to and in strict compliance with the provisions of Division III of Chapter 384 and Chapter 76 of the Code of Iowa, 1987, and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution of the City Council of the City duly passed, approved and recorded for the purpose of defraying the cost of the construction, reconstruction, improvement, extension and equipping of the Municipal Waterworks System of the City, including the refunding of warrants issued by the City to pay costs in connection therewith.

The City of Fontanelle reserves the right to call and redeem part or all of the bonds maturing in each of the years 1996 to 2000, inclusive, prior to and in inverse order of maturity on June 1, 1995, or on any interest payment date thereafter upon terms of par and accrued interest. 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 Bond 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 Bond 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 bonds or bonds (or portion thereof) to be redeemed shall be mailed by certified mail to the registered owners thereof at the addresses shown on the City's registration books not less than 30 nor more than 45 days prior to such redemption date. All of such bonds as to which the City 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.

This bond is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the City in the office of the Bond Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this bond to the Bond Registrar, together with either a written instrument of transfer satisfactory to the Bond Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The City, the Bond Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the City, the Bond Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It is Hereby Certified and Recited that all acts, conditions and things required by the laws and Constitution of the State of Iowa, to exist, to be had, to be done or to be performed precedent to and in the issue of this bond were and have been properly existent, had, done and performed in regular and due form and time; that provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the City for the payment of the principal and interest on this bond as the same will respectively become due; that the faith, credit, revenues and resources and all the real and personal property of the City are irrevocably pledged for the prompt payment hereof, both principal and interest; and that the total indebtedness of the City, including this bond, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the City of Fontanelle, Iowa, by its City Council, has caused this bond to be sealed with the facsimile of its official seal, to be executed with the duly authorized facsimile signature of its Mayor and attested by the duly authorized facsimile signature of its City Clerk, all the first day of June, 1988.

Attest: /s/ Evelyn M. Rohner, City Clerk
(Facsimile Seal)

CITY OF FONTANELLE, IOWA
/s/ Ralph D. Means, Mayor



On each bond there shall be a registration dateline and a Certificate of Authentication of the Bond Registrar in the following form:

Registration Date:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

/s/ Evelyn M. Rohner
City Clerk of the City of
Fontanelle, Iowa

The following abbreviations, when used in this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACT
TEN ENT - as tenants by the entireties	Custodian
JT TEN - as joint tenants with right of survivorship and not as tenants in common	(Cust) (Minor) under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the list above.

(An Assignment, in the form hereinafter set out, should be printed on each bond.)

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this bond to: _____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please print or type name and address of Assignee) and does hereby irrevocably appoint _____ Attorney, to transfer the said bond on the books kept for registration thereof with full power of substitution.
Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this bond in every particular, without alteration or enlargement or any change whatever.

SECTION 3. The Bonds shall be executed as herein provided as soon after their sale as may be and thereupon they shall be delivered to the Bond Registrar for registration, authentication and delivery to the purchaser, as determined at the time of the sale, upon receipt of the purchase price thereof, with accrued interest thereon, and all action heretofore taken in connection with the issuance of the Bonds is hereby ratified and confirmed in all respects.

SECTION 4. 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 be and there is hereby ordered levied on all the taxable property in the City 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 be and there is hereby levied on all the taxable property in the City the following direct annual tax for collection in each of the following fiscal years, to-wit:

For collection in the fiscal year beginning July 1, 1988, sufficient to produce the net annual sum of \$18,465;

For collection in the fiscal year beginning July 1, 1989, sufficient to produce the net annual sum of \$17,925;

For collection in the fiscal year beginning July 1, 1990, sufficient to produce the net annual sum of \$17,365;

For collection in the fiscal year beginning July 1, 1991, sufficient to produce the net annual sum of \$16,785;

For collection in the fiscal year beginning July 1, 1992, sufficient to produce the net annual sum of \$16,185;

For collection in the fiscal year beginning July 1, 1993, sufficient to produce the net annual sum of \$15,565;

For collection in the fiscal year beginning July 1, 1994, sufficient to produce the net annual sum of \$14,925;

For collection in the fiscal year beginning July 1, 1995, sufficient to produce the net annual sum of \$14,265;

For collection in fiscal year beginning July 1, 1996, sufficient to produce the net annual sum of \$13,585;

For collection in fiscal year beginning July 1, 1997, sufficient to produce the net annual sum of \$12,885;

For collection in fiscal year beginning July 1, 1998, sufficient to produce the net annual sum of \$11,175;

For collection in the fiscal year beginning July 1, 1999, sufficient to produce the net annual sum of \$16,095; provided however, that at the time of the disposition and sale of such Bonds the actual tax levy amount required to pay the principal of and interest on the Bonds in each year shall be determined based upon the interest rate or rates at which they are sold, and this resolution shall be amended by resolution of the City Council to provide for such actual and necessary tax levy amounts.

SECTION 5. A certified copy of this resolution shall be filed with the County Auditor of Adair County, and said Auditor shall be and 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 City and when collected, the proceeds of the taxes shall be converted into the debt service fund of the City 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. The amount received by the City as accrued interest on the Bonds shall be deposited into such special account and used to pay interest due on the Bonds on the first interest payment date.

SECTION 6. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current funds on hand in advance of taxes levied and when the taxes shall have been collected, reimbursement shall be made to such current funds in the sum advanced.

SECTION 7. It is the intention of the City 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 City 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 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 City are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

The City hereby designated the Bonds as "Qualified Tax Exempt Obligations" as that term is used in Section 265(b) (3) (B) of the Internal Revenue Code.

SECTION 8. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed to the extent of such conflict.

PASSED AND APPROVED THIS 7th day of March, 1988

Ralph D. Means

Ralph D. Means, Mayor

Evelyn M. Rohner

Attest: Evelyn M. Rohner, City Clerk

STATE OF IOWA

SS:

COUNTY OF ADAIR

I, the undersigned, County Auditor of the aforementioned County in the State of Iowa, do hereby certify that on the 9th day of March, 1988, the City Clerk of the City of Fontanelle filed in my office a certified copy of a resolution of such City shown to have been adopted by the Council and approved by the Mayor thereof on the 7th day of March, 1988, entitled: "Resolution taking additional action for the issuance of \$130,000 General Obligation Bonds and providing for the levy of taxes to pay the same", and that I have duly placed the copy of the resolution on file in my records.

I further certify that the taxes provided for in that resolution will in due time, manner and season be entered on the State and County tax lists of this County for collection in the fiscal year beginning July 1, 1988, and subsequent years as provided in the resolution.

WITNESS MY HAND and the seal of the County hereto affixed this 9th day of March, 1988.

/s/ Lorraine E. Homan
County Auditor

(Seal)

STATE OF IOWA

COUNTY OF ADAIR

SS:

CITY OF FONTANELLE

I, the undersigned, City Clerk of the aforementioned City, do hereby certify that as such 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 the aforesaid corporate records 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 relation to the authorization, issuance and disposition of these bonds.

I further certify that no objections were filed in my office and no objections of any kind were made to the matter of issuing the aforesaid bonds at the time and place set for hearing thereon.

WITNESS MY HAND and the seal of the City hereto affixed this 7th day of March, 1988.

Evelyn M. Rohner
Evelyn M. Rohner
City Clerk

(Seal)

PROCEEDINGS TO AUTHORIZE THE ISSUANCE OF WARRANTS.

Council Member Albert Ehrenfried introduced the resolution entitled, "Resolution providing for the issuance of Warrants in Connection with the construction of the Water Improvement Project", and moved that said resolution be adopted; seconded by Council Member Sally Sorensen. After due consideration thereof by the Council, the Mayor put the question on the motion and the roll being called, the following named Council Members voted: AYE: Albert Ehrenfried, Sally Sorensen, Gene Jacobsen and Robert Edwards. NAYS: None.

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

RESOLUTION NO. 88.4

RESOLUTION PROVIDING FOR THE ISSUANCE OF WARRANTS IN CONNECTION WITH THE CONSTRUCTION OF THE WATER IMPROVEMENT PROJECT

WHEREAS, the City of Fontanelle, Iowa, has authority to issue Warrants for the purpose of defraying costs in connection with the construction of the Water Improvement Project (hereinafter referred to as the "Project"); and

WHEREAS, to pay for authorized cost of the Project it is necessary to issue Warrants in an aggregate amount of \$100,000, pursuant to the provisions of Section 384.57 of the Code of Iowa;

NOW, THEREFORE, It is Resolved by the City Council of Fontanelle, Iowa, as follows:

SECTION 1. The Clerk is authorized and directed to issue \$100,000 Warrants (the "Warrants"), as authorized by Section 384.57 of the Code of Iowa, to R. G. Dickinson & Co., Des Moines, Iowa, in the aforementioned amount to be drawn on any fund or funds from which payment for such Project may be made, including, but not limited to, proceeds received from the sale of General Obligation Bonds and/or proceeds received from governmental grants and/or the future Net Revenues of the Municipal Waterworks System of the City. Said Warrants shall be signed by the Mayor and attested by the Clerk with the seal of the City affixed and delivered to the aforesaid, dated as of the date of their delivery to the purchaser, maturing on August 1, 1988, in the denomination of \$10,000 each, or any integral multiple thereof, and bear interest at the rate of Seven Per Cent (7%) per annum, payable semiannually on February 1 and August 1 of each year.

SECTION 2. The warrants shall be in substantially the form as attached to this resolution and shall be payable as to principal and interest in accordance with the terms set forth therein.

SECTION 3. It is the intention of the City that interest on the Warrants 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 City 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 applicable future laws, regulations, unpublished rulings and court decisions as may be necessary to insure that the interest on the Warrants will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the City are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

The City hereby designates the Warrants as "Qualified Tax Exempt Obligations" as that term is used in Section 265 (b) (3) (B) of the Internal Revenue Code.

SECTION 4. All resolutions or orders or parts thereof in conflict herewith be and the same are hereby repealed, to the extent of such conflict. PASSED AND APPROVED THIS 7th day of March, 1988.

Ralph D Means

Ralph D. Means, Mayor

Attest: Evelyn M. Rohner, City Clerk

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF IOWA
COUNTY OF ADAIR CITY OF FONTANELLE

WARRANT

This instrument is evidence that the City of Fontanelle, Iowa (the "City"), hereby promises to pay to R. G. Dickinson & Co., Des Moines, Iowa, its successors or assigns, the sum of _____ DOLLARS (\$ _____) payable on or before August 1, 1988, with interest thereon from the date hereof at the rate of Seven Per Cent (7%) per annum payable semiannually on February 1 and August 1, or upon prepayment of this instrument as hereinafter provided.

This instrument is one of a series of similar instruments issued by the City for the purpose of paying the costs in connection with the construction of improvements and extensions to the Municipal Waterworks System, designated as the Water Improvement Project, is issued under authority of Section 384.57 of the Code of Iowa, and is payable from any fund or funds from which payment for such work may be made, including, but not limited to, proceeds received from the sale of General Obligation Bonds and/or proceeds received from governmentals grants and/or future Net Revenues of the Municipal Waterworks System of the City.

The City reserves the right to prepay the amount represented hereby at any time prior to maturity hereof, with accrued interest to the date of such prepayment. Both principal and interest of this Warrant are payable at the office of the City Clerk, Fontanelle, Iowa.

IN WITNESS WHEREOF, the City has caused this instrument to be executed by its Mayor, and attested by its City Clerk, with the seal of said City affixed as of the ____ day of _____, 1988.

CITY OF FONTANELLE, IOWA
By _____
Mayor

Attest: _____
City Clerk
(Seal)

ASSIGNMENT

The attached Warrant in the amount of \$ _____ is hereby assigned to _____ in consideration of receipt by the undersigned from said assignee of the sum of \$ _____
Dated this _____ day of _____ 1988.

By _____

(Name) _____ (Title)

By _____

(Name) _____ (Title)

STATE OF IOWA
COUNTY OF ADAIR SS:
CITY OF FONTANELLE

I, the undersigned, being the duly qualified and acting Clerk of the aforementioned City, do hereby certify that as such Clerk I have in my possession or have access to the complete records of the Council of such City; that I have carefully compared the transcript hereto attached with the aforesaid records and that said transcript hereto attached is a true, correct and complete copy of all the corporate records relating to the issuance of Warrants, as shown therein.

WITNESS MY OFFICIAL SIGNATURE AND THE SEAL OF THE CITY HERETO AFFIXED THIS 7th day of March, 1988.

(Seal)

Evelyn M. Rohner, Clerk

ARBITRAGE CERTIFICATE

We, Ralph D. Means, Mayor, and Evelyn M. Rohner, City Clerk of the City of Fontanelle, Iowa (the "City"), do hereby certify with respect to the City's \$100,000 Warrants (the "Warrants"), presently being delivered by the City, as follows:

1. The City is issuing and delivering the Warrants simultaneously with the delivery of this certificate.

2. The Warrants are being issued for the purpose of paying costs in connection with the construction of the City's Water Improvement Project (hereinafter referred to as the "Project").

3. The City has entered into contracts for engineering services, construction materials and construction contracts for the Project, and the fees and costs to be paid thereunder are equal to at least 1½% of the total cost of the Project.

4. The work on the Project has begun and is expected to proceed hereafter with due diligence to completion.

5. At least 85 percent of the proceeds of the Warrants will have been expended for costs of the Project within three years from the date of the Warrants.

6. The amount received from the sale of the Warrants is \$100,000 (principal amount) and is necessary for and will be used to pay costs of the Project. The outstanding aggregate principal amount of warrants, project notes, or other tax exempt obligations previously issued with respect to this Project is \$30,000.

7. The total cost of the Project is estimated to be approximately \$322,867.75.

8. To our best knowledge and belief, there are no facts, estimates or circumstances which would materially change the foregoing conclusions.

9. On the basis of the foregoing, it is not expected that the proceeds of the Warrants will be used in a manner that would cause the Warrants to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated under that section or any predecessor section.

10. The City has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

11. The City does not currently have outstanding tax exempt obligations including the Warrants, issued during the current calendar year equal to or in excess of \$5,000,000 nor will the City issue additional tax exempt obligations during the remainder of the current calendar year which, when added to the City's current tax exempt obligations, including the Warrants, would be equal to or in excess of \$5,000,000.

IN WITNESS WHEREOF, we have hereunto affixed our hands and the seal of the aforementioned City, this _____ day of _____, 1988.*

Ralph D. Means, Mayor

Evelyn M. Rohner, Clerk

(Seal)

(*Please do not date this certificate. We will insert the actual date of delivery of the Warrants at the time of settlement.)

On March 7, 1988 the Council of the City of Fontanelle met for the purpose of conducting a public hearing on the proposed 1988-89 Budget as published. A quorum was present.

Notice of time and place of hearing had been published on February 24, 1988 in the FONTANELLE OBSERVER and the affidavit of publication was available to file with the county auditor.

The budget estimate was considered and taxpayers and citizens heard for and against said estimate as follows: None.

After giving opportunity for all desiring to be heard, the Council adopted the following budget resolution on a Motion by Albert Ehrenfried and seconded by Robert Edwards. Roll was called and the following voted:
 AYES: Albert Ehrenfried, Sally Sorensen, Gene Jacobsen and Robert Edwards.
 NAY: None.

Whereupon the Mayor declared the Resolution duly adopted as:

RESOLUTION NO. 88.5

A RESOLUTION ADOPTING THE ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 1989.

BE IT RESOLVED by the Council of the City of Fontanelle, Iowa:
The annual budget for the fiscal year ending June 30, 1989, as set forth in the Budget Summary Certificate and in the detailed budget in support thereof, showing the revenue estimates and appropriation expenditures and allocations to programs and activities for said fiscal year is adopted, and the clerk is directed to make the filings required by law and to set up the books in accordance with the summary and details as adopted.

COMMUNITY PROTECTION: \$53,000.

Police Operations \$41,000.
Fire & Rescue 12,000.

HUMAN DEVELOPMENT PROGRAM: \$14,060.

Library \$9,340.
Park & Recreation \$4,720.

HOME & COMMUNITY ENVIRONMENT: \$46,275.

Landfill \$6,275.
Streets \$40,000.

POLICY & ADMINISTRATION: \$30,450.

ROAD USE TAX: \$42,000.
FEDERAL REVENUE SHARING: \$8,200.
DEBT SERVICE: \$32,132.
TRUST & AGENCY: \$2,300.
WATER UTILITY FUND: \$95,000
SEWER UTILITY FUND: \$30,000
ELECTRIC UTILITY FUND: \$350,165.

TOTAL 1988/89 BUDGET: 703,582.

PASSED AND APPROVED ON March 7, 1988, by the following vote:

AYES: Albert Ehrenfried, Sally Sorensen, Gene Jacobsen and Robert Edward

Absent: Kenneth Perry.

NAY: None.

Ralph D Means

Ralph D. Means, Mayor

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

Motion by Robert Edwards to approve the Agenda as posted. Seconded by Gene Jacobsen. Carried.

Motion by Robert Edwards to approve the minutes of the last meetings as presented. Seconded by Albert Ehrenfried. Carried.

Motion by Gene Jacobsen to approve the Clerk's Report. Seconded by Sally Sorensen. Carried.

Motion by Albert Ehrenfried to pay all bills presented for payment. Seconded by Robert Edwards. Carried.

GENERAL FUND

First National Bank	349.83	Unity Welding & Supply	23.25
Treasurer, State of Iowa	45.98	Van Vleet Hardware	9.99
I.P.E.R.S.	124.49	Wallace Auto Supply	58.92
Delmer Miller	29.45	Adair County Historical Soc.	25.00
Dale Sickles	9.13	Office of Continuing Education	125.00
Merrill Jones	114.53	Ralph Means	11.20
Evelyn Rohner	234.02	Fontanelle Postmaster	18.08
Al's Garage	8.50	National Chemsearch	219.46
Al's Pest Control	12.00	Office Machines	5.32
Bridgewater Oil Co.	8.50	Lois Ehrenfried	11.94
Casey's General Store	121.85	Matt Parrott & Sons	35.57
Certified Power Train Specialists	52.64	First National Bank	40.50
Denny's Hydraulic Shop	25.00	Ia. State Printing Division	114.40
Diana Jacobson	68.45	Delmer Miller	63.44
Farmer's Co-op Co.	341.23	Dale Sickles	103.96
Farmer's Lumber Co.	72.25	Garry Miller	19.12
Fontanelle Observer	79.66	Melvin Smith	515.05
Greenfield Welding	119.25	Merrill Jones	103.54
Institute of Public Affairs	20.00	Evelyn Rohner	180.31
Matt Parrott & Sons	55.43	Atlantic News Telegraph	12.20
Metzger Sanitation	35.00	Midwest Radar & Equipment	35.00
Office Machines	7.08	Ia. Elec. Light & Power	328.46
Ralph Means	11.20	Don Carlos, Jungmann, Blessum and Hight	250.00
United Telephone System	118.34		

GENERAL FUND CONTINUED

Iowa Fire Consultants	81.70
Triple T Enterprises	18.25
Harter's Auto Body	118.00
Blue Cross-Blue Shield	215.28
Ia. Municipal Workmans Comp.	80.33
	<u>4887.08</u>

ROAD USE TAX

First National Bank	135.05
Treasurer, State of Iowa	20.71
I.P.E.R.S.	49.28
Dale Sickles	143.40
Dale Sickles	29.16
Delmer Miller	48.30
Garry Miller	15.29
R&A Sand Concrete	433.75
Schildberg Construction	570.60
First National Bank	40.50
Blue Cross-Blue Shield	80.33
	<u>1566.37</u>

WATER UTILITY

<u>TRANSFER TO SINKING</u>	2105.00
First National Bank	475.08
Treasurer, State of Iowa	72.51
I.P.E.R.S.	172.81
Treasurer, State of Iowa	201.44
Delmer Miller	141.11
Dale Sickles	53.88
ACCO Unlimited Corp.	672.00
Al's Garage	21.25
Casey's General Store	29.86
Dale Sickles	126.58
Delmer Miller	108.83
Farmer's Electric Co-op	750.20
Farmer's Lumber Co.	72.25
Garry Miller	45.97
Greenfield Welding	38.40
Hepler Grocery	8.04
United Telephone System	33.98
Van Vleet Hardware	47.22
Water Products Co. of Iowa	56.24
Fontanelle Postmaster	8.32
Lois Ehrenfried	35.64
Delmer Miller	105.91
Dale Sickles	73.61
Garry Miller	85.99
Evelyn Rohner	32.43
Office Machines Co.	7.97
Ia. Electric Light & Power Co.	20.01
Blue Cross-Blue Shield	98.59
	<u>5701.12</u>

LIBRARY SALARY

First National Bank	39.36
Cynthia McMorran	62.89
Joan Wallace	44.40
Genevive A. Dodds	13.87
Cynthia McMorran	62.89
Joan Wallace	44.40
Genevive A. Dodds	13.87
	<u>281.68</u>

Departmental Reports were heard and correspondence read.

Insurance was discussed. Delmer Miller ask if the City would pick up the Insurance from January through June since the boys had paid for their family police from July through December.

Motion by Gene Jacobsen to have the City pick up the family insurance policy retroactive for the past 3 months and the City will take the insurance policy over for the policy of the employees choice if they wish to change companies. Seconded by Robert Edwards, Carried.

Motion by Gene Jacobsen to approve the Bills presented by S.I.C.O.G. for the Water Project in the amount of \$43,538.11. Seconded by Albert Ehrenfried. Carried.

Motion by Albert Ehrenfried to authorize the Mayor to sign Draw Down #15. Seconded by Robert Edwards. Carried.

Motion by Gene Jacobsen to approve the closing of a 4 block area for the annual Bike-A-Thon. Seconded by Albert Ehrenfried. Carried.

ELECTRIC UTILITY

<u>TRANSFER TO SINKING</u>	2820.00
First National Bank	612.18
Treasurer, State of Ia.	95.89
I.P.E.R.S.	214.97
Treasurer, State of Ia.	750.25
Delmer Miller	241.17
Dale Sickles	64.49
Evelyn Rohner	191.46
Burger & Son	6.69
Casey's General Store	50.19
Dale Sickles	19.48
Delmer Miller	24.25
Farmer's Lumber Co.	72.25
Garry Miller	7.66
M.B.P.A.	179.30
Milbank Manufacturing	242.62
Stone Office Products	46.40
The McCaskey Co.	357.14
United Telephone System	52.53
Van Vleet Hardware	4.88
Wallace Auto Supply	70.17
W.E.S.C.O.	195.25
W.A.P.A.	3582.23
Fontanelle Postmaster	18.90
Farmer's Elec. Co-op	12.01
Lois Ehrenfried	79.16
S.I.M.E.C.A.	5005.38
Delmer Miller	212.70
Dale Sickles	73.61
Garry Miller	85.99
Evelyn Rohner	180.31
First National Bank	307.70
Ia. Elec. Lt. & Power	80.01
Blue Cross-Blue Shield	412.46
Ia. Municipal Workmans	
Comp	80.34
	<u>16450.02</u>

FEBRUARY RECEIPTS

General Fund	4890.17
Road Use Tax	2566.61
Debt Service	44.32
Water Utility	5418.66
Sewer Utility	2306.30
Electric Utility	20462.54
Library Salary	915.45
	<u>36604.05</u>

**See additional sheet for Sewer Expenditures.

SEWER UTILITY

First National Bank	132.55
Treasurer, State of Iowa	21.91
I.P.E.R.S.	46.44
Dale Sickles	123.68
All Tech	1295.41
Casey's General Store	20.92
Farmer's Lumber Co.	72.25
United Telephone System	16.29
Van Vleet Hardware	13.95
Fontanelle Postmaster	7.00
Lois Ehrenfried	35.64
Delmer Miller	29.68
Dale Sickles	143.40
Evelyn Rohner	32.43
Office Machines Co.	7.97
Ia. Elec. Light & Power	20.01
Blue Cross-Blue Shield	98.59
	<hr/>
	2118.12

Mike Cass representing the Community Betterment Committee met with the Council to get their opinion on projects that the Betterment Group would like to accomplish. They plan to get new Christmas decoration for the square, and they would also like to get a small piano for the Community Center. They would have fund raising projects for these items. Approval was given by the Council for them to go ahead. Mike also mentioned that the Carpet was in need of cleaning and would ask the Lions Club if they would pay half, since they use the center so often.

Motion by Robert Edwards to approve the building permits for Becky Johnson for a screened in patio and for Steve Marekman for a garage. Seconded by Gene Jacobsen. Carried.

Motion by Gene Jacobsen to send Lois Ehrenfried to the Clerk's Institute to be held in Ames from July 10th to July 17th. Seconded by Sally Sorensen. Carried.

Motion by Robert Edwards to donate \$25.00 to the Adair County Historical Society. Seconded by Sally Sorensen. Carried.

Melvin W. Smith was interviewed for the job of City Policeman. He has worked as a reserve for the Atlantic Police Department for 8 years and is qualified in several areas even though he has not been to the Academy.

Motion by Albert Ehrenfried to hire Melvin Smith for a 60 day trial period for \$18,000. for 50 hours per week and no overtime. Withdrawn for the lack of a second.

Motion by Robert Edwards to hire Melvin Smith till he gets through the Academy and then raise the salary to \$18,000. with insurance paid. Seconded by Sally Sorensen. This motion carried but was unexceptable by Mr. Smith.

Motion by Sally Sorensen to hire Melvin Smith at \$18,000 with no overtime and his insurance paid. Gene Jacobsen and Robert Edwards voted Nay. Albert Ehrenfried and Sally Sorensen voted Aye. There being a tie vote the Mayor cast an Aye tie breaking vote. His first tie breaking vote.

Council Member Gene Jacobsen introduced a Resolution entitled "A RESOLUTION APPROVING THE SOUTHERN IOWA REGIONAL HOUSING AUTHORITY'S MAKING APPLICATION FOR FUNDING" and moved for its adoption. Seconded by Sally Sorensen. Roll was called with the following votes: AYE: Robert Edwards, Albert Ehrenfried, Sally Sorensen and Gene Jacobsen. NAY: None.

Whereupon, the Mayor declared the Resolution duly adopted as:

RESOLUTION NO. 88.6

A RESOLUTION APPROVING THE SOUTHERN IOWA REGIONAL HOUSING AUTHORITY'S MAKING APPLICATION FOR FUNDING.

WHEREAS, the Southern Iowa Regional Housing Authority is making application for funding of additional rent assistance under the Section 8 Existing Program through the Department of Housing and Urban Development, and

WHEREAS, The Southern Iowa Regional Housing Authority has established a need for such additional assistance,

NOW, THEREFORE, be it resolved by the City Council of Fontanelle, Iowa that majority approval of the proposed program within its jurisdiction be granted based upon the requirements of Section 403A.5 of the Iowa Code.

In Testimony, Whereof, I have hereunto set my hand and seal of the City Council of Fontanelle, Iowa this 7th day of March, 1988.

Ralph D Means

Ralph D. Means, Mayor

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

Motion by Albert Ehrenfried to adjourn. Seconded by Gene Jacobsen. Carried.

Ralph D Means

Ralph D. Means, Mayor

Evelyn M Rohner
Attest: Evelyn M. Rohner, Clerk