

RESOLUTION NO. 23-31

Resolution authorizing and approving a Loan Agreement, Combining Loan Agreements and Authorizing a \$250,000 General Obligation Loan Agreement and providing for the levy of taxes to pay the same

WHEREAS, the City of Grand Mound (the “City”), in Clinton County, State of Iowa heretofore proposed to enter into a general obligation loan agreement (the “2022 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 \$242,000 for the purpose of paying the costs, to that extent, of constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements (the “Projects”), and pursuant to law and duly published notice of the proposed action has held a hearing thereon on September 12, 2022; and

WHEREAS, the City also proposed to enter into an additional general obligation loan agreement (the “2023 Loan Agreement” and together with the 2022 Loan Agreement, the “Loan Agreements”), 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 \$8,000 for the purpose of paying the costs, to that extent, of constructing the Projects; and pursuant to law and duly published notice of the proposed action has held a hearing thereon on October 9, 2023; and

WHEREAS, pursuant to Section 384.28 of the Code of Iowa, the City Council intends to combine the Loan Agreements into a single loan agreement; and

WHEREAS, Clinton County, Iowa (the “Lender”) has provided the City with a certain Memorandum of Understanding, titled: *Iowa Project No. HSIP-SWAP-CO23(133)-FJ-23* (the “Loan Agreement”) for approval and execution with respect to the Loan Agreement described herein;

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

Section 1. The Loan Agreements are hereby combined into the Loan Agreement. The City hereby determines to enter into the Loan Agreement with the Lender, providing for a loan to the City in the principal amount of \$250,000 for the purpose or purposes set forth in the preamble hereof.

The Mayor and City Clerk are hereby authorized and directed to sign the Loan Agreement on behalf of the City, and the Loan Agreement is hereby approved.

Section 2. The City hereby authorizes an obligation under the Loan Agreement in the principal amount of \$250,000. Principal owed under the Loan Agreement shall be payable in ten (10) equal annual installments of \$25,000, due on June 1 in each year, commencing June 1, 2025 and continuing to and including June 1, 2034 (the “Maturity Date”). Principal under the Loan Agreement shall not bear interest.

The City reserves the right to prepay principal of under the Loan Agreement in whole or in part at any time prior to and in any order of maturity.

Section 3. For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal under the Loan Agreement as the same becomes due, there is hereby ordered levied on all the taxable property in the City in each of the years while the principal under the Loan Agreement is outstanding, the following direct annual tax:

For collection in the fiscal year beginning July 1, 2024, sufficient to produce the net annual sum of \$25,000;

For collection in the fiscal year beginning July 1, 2025, sufficient to produce the net annual sum of \$25,000;

For collection in the fiscal year beginning July 1, 2026, sufficient to produce the net annual sum of \$25,000;

For collection in the fiscal year beginning July 1, 2027, sufficient to produce the net annual sum of \$25,000;

For collection in the fiscal year beginning July 1, 2028, sufficient to produce the net annual sum of \$25,000;

For collection in the fiscal year beginning July 1, 2029, sufficient to produce the net annual sum of \$25,000;

For collection in the fiscal year beginning July 1, 2030, sufficient to produce the net annual sum of \$25,000;

For collection in the fiscal year beginning July 1, 2031, sufficient to produce the net annual sum of \$25,000;

For collection in the fiscal year beginning July 1, 2032, sufficient to produce the net annual sum of \$25,000; and

For collection in the fiscal year beginning July 1, 2033 sufficient to produce the net annual sum of \$25,000.

Section 4. A certified copy of this resolution shall be filed with the County Auditor of Clinton County, and the County 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 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 under the Loan Agreement 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 principal balance under the Loan Agreement remains outstanding and unpaid, any funds of the City which may lawfully be applied for such purpose may be appropriated, budgeted and, if received, used for the payment of the principal under the Loan Agreement the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 5 of this Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for such purpose, and evidenced in the City's budget.

Section 5. The principal 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 to the sum thus advanced.

Section 6. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved on October 9, 2023.

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Mayor

Attest:

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City Clerk