

**CITY OF COON RAPIDS, IOWA**  
**MUNICIPAL UTILITY BOARD OF TRUSTEES**

DECEMBER 28, 2016

The Board of Trustees of Coon Rapids Municipal Utilities met at 12:01 P.M., December 28, 2016 as per posted notice and rules of the Board at the Conference Room – “NOC” Network Operations Center, Coon Rapids, Iowa. Trustees present were Ron Brower, Doris Bass, Mary Schwaller and Harry Siegler. Absent: Terry Garnes.

Motion by Schwaller, Second by Bass with all voting “Aye” to approve the agenda.

The Chairperson announced that this was the time and place for the public hearing and meeting on the matter of the authorization of a Loan Agreement and the issuance of Not to Exceed \$2,750,000 Electric Revenue Capital Loan Notes, in order to provide funds to pay costs of improvements and extensions to the Municipal Electric Utility, including construction of a fiber-to-the-home fiber optic cable system and a new fiber frame in the Network Operations Center to serve the Municipal Electric Utility, and that notice of the proposed action by the Board to institute proceedings for the authorization of the Loan Agreement and the issuance of the Notes, had been published pursuant to the provisions of Sections 384.24A and 384.83 of the City Code of Iowa, as amended.

The Chairperson then asked the Secretary whether any written objections had been filed by any city resident or property owner to the proposal. The Secretary advised the Chairperson and the Board that no written objections had been filed. The Chairperson then called for oral objections to the proposal and none were made. Whereupon, the Chairperson declared the time for receiving oral and written objections to be closed.

The Board then considered the proposed action and the extent of objections thereto.

Whereupon, Board Member Bass introduced and delivered to the Secretary Resolution #2016-14 hereinafter set out entitled "RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE AUTHORIZATION OF A LOAN AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED \$2,750,000 ELECTRIC REVENUE CAPITAL LOAN NOTES," and moved:

- that the Resolution #2016-14 be adopted.
- to ADJOURN and defer action on the Resolution #2016-14 and the proposal to institute proceedings for the issuance of bonds to the meeting to be held at \_\_\_\_\_ o'clock \_\_\_\_\_.M. on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, at this place.

Board Member Schwaller seconded the motion. The roll was called and the vote was, Brower “Aye,” Bass “Aye,” Siegler “Aye,” Schwaller “Aye.” Garnes – Absent.

Whereupon, the Chairperson declared the measure duly adopted.

**RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE AUTHORIZATION OF A LOAN AGREEMENT AND THE ISSUANCE OF \$2,750,000 ELECTRIC REVENUE CAPITAL LOAN NOTES**

WHEREAS, pursuant to notice published as required by law, this Board has held a public meeting and hearing upon the proposal to institute proceedings for the authorization of a Loan Agreement and the issuance of Not to Exceed \$2,750,000 Electric Revenue Capital Loan Notes, for the purpose of paying costs of improvements and extensions to the Municipal Electric Utility, including construction of a fiber-to-the-home fiber optic cable system and a new fiber frame in the Network Operations Center to serve the Municipal Electric Utility, and has considered the extent of objections received from residents or property owners as to the proposal and, accordingly the following action is now considered to be in the best interests of the City and residents thereof:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MUNICIPAL ELECTRIC UTILITY OF THE CITY OF COON RAPIDS, STATE OF IOWA:

Section 1. That this Board does hereby institute proceedings and take additional action for the authorization of a Loan Agreement and issuance in the manner required by law of Not to Exceed \$2,750,000 Electric Revenue Capital Loan Notes, for the foregoing purpose.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the electric fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above loan

agreement. The amounts so advanced shall be reimbursed from the proceeds of the Loan Agreement not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the loan amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 28th day of December, 2016.

Board Member Siegler introduced Resolution #2016-15 entitled "RESOLUTION AUTHORIZING PERMANENT TRANSFER OF SURPLUS FUNDS FROM THE COON RAPIDS MUNICIPAL COMMUNICATIONS UTILITY TO THE COON RAPIDS MUNICIPAL ELECTRIC UTILITY" and moved that the same be adopted. Board Member Brower seconded the motion to adopt. The roll was called and the vote was, Brower "Aye," Bass "Aye," Siegler "Aye" Schwaller "Aye." Garnes – Absent.

Whereupon, the Chairman declared Resolution #2016-15 duly adopted as follows:

**RESOLUTION AUTHORIZING PERMANENT TRANSFER OF SURPLUS FUNDS FROM THE COON RAPIDS MUNICIPAL COMMUNICATIONS UTILITY TO THE COON RAPIDS MUNICIPAL ELECTRIC UTILITY**

WHEREAS, the Coon Rapids Municipal Communications Utility has on hand surplus available funds, after making all deposits into all funds required by the terms, covenants, conditions and provisions of outstanding revenue bonds, pledge orders and other obligations which are payable from the revenues of the Municipal Communications Utility in accordance with Section 384.89, Code of Iowa, as amended; and

WHEREAS, such surplus funds may be transferred to the Coon Rapids Municipal Electric Utility to be used by the Electric Utility for any lawful purpose; and

WHEREAS, such transfer of surplus funds does not and will not conflict with any of the requirements, terms, covenants, conditions or provisions of any resolution authorizing the issuance of revenue bonds, pledge orders or other obligations which are payable from the revenues of the Municipal Communications Utility; and

WHEREAS, it is deemed appropriate that the Communications Utility transfer such surplus funds to the Electric Utility on a permanent basis.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF COON RAPIDS MUNICIPAL UTILITIES:

Section 1. Pursuant to Section 384.89, City Code of Iowa, as amended, and Rule 2.5(5) of the rules promulgated by the City Finance Committee, funds of the Coon Rapids Municipal Communications Utility in the amount of \$650,000.<sup>00</sup> are found to be surplus funds available for permanent transfer to the City of Coon Rapids Municipal Electric Utility.

Section 2. Such funds shall be transferred to the Municipal Electric Utility on a permanent basis.

Section 3. In accordance with Section 384.89, City Code of Iowa, as amended, this surplus fund transfer shall be approved by the City Council.

PASSED AND APPROVED this 28th day of December, 2016.

The Board discussed the proposed terms of offering for the loan agreement. Staff presented loan proposals received by CRMU to the Board for discussion and evaluation. Staff also presented Public Financial Management's (PFM) proposal evaluation to the Board for review. Staff and PFM both recommended that the Board accept Iowa Savings Bank's financing proposal. Motion by Brower, Second by Schwaller with all voting "Aye" authorizing staff to have prepared the necessary documents for entering into a loan agreement pursuant to the requirements of Section 384.83 of the Code of Iowa.

The Board discussed Whiterock Corporate sponsorship and future marketing efforts for CRMU.

This notice is given at the direction of the Chairman pursuant to Chapter 28A, Code of Iowa and local rules of said governmental body.

**SEAL**

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Chairman, Board of Trustees

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Secretary, Board of Trustees