

**PROCEEDINGS OF THE WASHINGTON COUNTY BOARD OF SUPERVISORS MEETING
TUESDAY, SEPTEMBER 11, 2018**

Chairperson Abe Miller called the meeting to order at 9:30 a.m. in the Courthouse chambers in regular session. Items on the agenda included the following: appointment of various commission, board, and committee members; Washington County Recycling update – Lynn Whaley, WEMIGA Waste Systems; discussion and action regarding proposed amendment to the agreement among WEMIGA Waste Systems, City of Washington, and Washington County for operation of Washington County Recycling Center; discussion and action regarding Memorandum of Understanding with YMCA for use of proposed new Washington YMCA facility; discussion and action regarding correspondence to Enhance Iowa expressing support of YMCA construction proposal; discussion and action regarding Resolution 18-45 to authorize the issuance of \$3,365,000 General Obligation bonds; discussion and action on plan to fund Communication/Emergency Operation Center building; public comment; adjourn. Supervisors Richard Young, Stan Stoops, Jack Seward, Jr., and Bob Yoder were also present.

Others attending were: Mary Zielinski, The News; Dave Hotle, Washington Evening Journal; Zach Ulin, KCII Radio; Cyndie Sinn, County IT/Budget Director; Jeff Garrett, County Treasurer; Jennine Wolf, County Environmental Health Director; John Gish, County Attorney; Marissa Reisen, County Emergency Management Director; Ryan Schlabaugh and Amy Schulte, Washington County YMCA; Brent Hinson, Washington City Administrator; Lynn Whaley, WEMIGA Waste Systems; Amber Williams, Board of Supervisors Administrative Assistant; and citizens Bill Miller, Karyl Miller, Charlotte Stalder, Denny Stalder, Ed Weeks, and Les Zickefoose.

All motions were passed unanimously by those Supervisors in attendance unless noted otherwise.

On motion by Stoops, seconded by Seward, the Board voted to approve the agenda as published.

On motion by Stoops, seconded by Yoder, the Board voted to approve a certificate of appointment as Reserve Deputy Sheriff for Jordan Farrier beginning August 31, 2018 and ending December 31, 2020.

Lynn Whaley, on behalf of WEMIGA Waste Systems, briefed the Board on recent activity at the Washington County Recycling Center during the month of August 2018. During the month WEMIGA processed 72.32 landfill tons, 38.72 recyclable tons, 23 appliances, 11 televisions and other electronic devices, 5 tires, and no used oil. Total landfill tons for the month of August 2017 were 77.35. Whaley reported that the old fence on the north side of the property had been removed and that installation of support poles for the new fence had been completed with installation of metal sheeting scheduled to take place later in the week. Future projects include installation of a concrete drive, repair of a portion of fencing damaged by a fallen tree, and repair of rafters damaged by a recycling truck. Whaley reported progress is also being made with regard to a revision of the 28E Agreement between the County, City of Washington, and WEMIGA Waste Systems for operation of the Washington County Recycling Center. The revision is in response to the present situation of WEMIGA having to pay to dispose of certain recyclables. The Board took no formal action.

County Attorney John Gish provided the Board with a timeline as to negotiations between the County, the City of Washington, and WEMIGA Waste Systems with regard to consideration to an amendment between the parties due to recent changes in the recycling market that have had an adverse effect on profitability. On July 10, 2018, the Board approved an amendment to the contract that reflected changes in the recycling market with the amendment taking effect 60 business days after the date that the amendment was passed by the third and final party to the amendment. On August 22, 2018 the City of Washington passed an amendment that differed from the amendment passed by the Board. According to Gish the version passed by the City removed the language stating the amendment would not take effect until 60 business days after passage and replaced it with language stating the amendment would take effect retroactive to May 1, 2018. Gish stated the May 1, 2018 date called for in the City version is not possible due to language contained in the original contract that requires a 60 business day waiting period. However Gish also stated that the possibility still exists to make the amendment retroactive by modifying the language in the amendment to state that the May 1, 2018 retroactive date would apply after the 60 business day waiting period comes to an end. On motion by Seward, seconded by Stoops, the Board voted to approve the amendment to the contract for recycling between Washington County, the City of Washington, and WEMIGA Waste Systems as presented and to authorize the Chair to sign the amendment on behalf of the Board.

The Board briefly discussed a memorandum of understanding with the Washington County YMCA for use of the proposed new Washington YMCA facility as an emergency shelter and learned, based on input from Gish, that a final draft is not required at this time. He stated that while all parties that would be involved favor such an agreement, completion and approval of such an agreement can be accomplished at a later date. Young stated that in discussing the matter with Y Board member Ryan Schlabaugh he learned that the YMCA would like to include all three of its Washington County facilities in such a memorandum of understanding. The Board took no formal action.

The Board resumed consideration of a request for a funding commitment from the Washington County YMCA. At its meeting on September 4, 2018 the Board was presented with a request for a \$5,000 contribution toward a proposed YMCA project involving construction of a new YMCA facility in Washington. The funds would be used specifically for the construction costs of a concrete pad for

placement of a back-up power generator along with the costs necessary to enable the generator to be used. In return, the YMCA would provide the entire facility to be used as an emergency shelter and gathering spot in case of an emergency. The YMCA has applied for \$900,000 in grant funding from Enhance Iowa and the Board learned that a \$5,000.00 county contribution would greatly enhance the likelihood of the grant request being approved. Discussion occurred with regard to the wording of the support letter and the Board noted that wording in the letter states that the \$5,000.00 in support is contingent upon assurance from the Y that the building, once completed, may be used by the County in the event of an emergency. Seward stated the \$5,000 county contribution was not a charitable contribution but rather instead an opportunity to acquire something of value for the entire county at a very reasonable price. Young stressed that the proposed agreement with the YMCA is completely different and separate than another plan being considered by the Board related to space in a new Communications building to house an emergency operations center. On motion by Seward, seconded by Yoder, the Board voted to approve a letter from the Washington County Board of Supervisors to Enhance Iowa regarding a commitment for the YMCA project in Washington and to authorize the Chair to sign the letter on behalf of the Board. The vote on the motion: Aye-Yoder, Young, Seward, Stoops; Nay-Miller.

On motion by Young, seconded by Seward, the Board voted by way of roll call vote to approve Resolution 18-45 as follows and to authorize the Chairperson to sign Resolution 18-45 on behalf of the Board.

RESOLUTION 18-45

Resolution authorizing and approving a Loan Agreement, providing for the issuance of \$3,365,000 General Obligation County Communication Equipment Bonds, Series 2018A, and directing the levy of taxes to pay the same

WHEREAS, the Board of Supervisors (the “Board”) of Washington County, Iowa (the “County”), has heretofore proposed to enter into a loan agreement (the “Loan Agreement”), pursuant to the provisions of Section 331.402 of the Code of Iowa, for the purpose of financing the acquisition of emergency services communication equipment, and has published notice of the proposed action and has held a hearing thereon; and

WHEREAS, it has been proposed that the County enter into the Loan Agreement with Northland Securities, Minneapolis MN (the “Purchaser”) and issue \$3,365,000 General Obligation County Communication Equipment Bonds, Series 2018A (the “Bonds”) in evidence of its obligations under the Loan Agreement; and

WHEREAS, the Purchaser prepared a certain Bond Purchase Agreement (the “Bond Purchase Agreement”) with respect to the Loan Agreement and the Bonds, and the Board has previously approved the Bond Purchase Agreement and has made provision for its execution and delivery; and

WHEREAS, it is now necessary to take final action for approval of the Loan Agreement and authorization of the issuance of the Bonds;

NOW, THEREFORE, Be It Resolved by the Board of Supervisors of Washington County, Iowa, as follows:

Section 1. The County shall enter into the Loan Agreement with the Purchaser in substantially the form as has been placed on file with the Board, providing for a loan to the County in the principal amount of \$3,365,000, for the purpose set forth in the preamble hereof.

The Chairperson of the Board and County Auditor are hereby authorized and directed to sign the Loan Agreement on behalf of the County, and the Loan Agreement is hereby approved.

Section 2. The Bonds are hereby authorized to be issued in evidence of the obligation of the County under the Loan Agreement, in the total aggregate principal amount of \$3,365,000, to be dated September 26, 2018, in the denomination of \$5,000 each, or any integral multiple thereof, maturing on June 1 in each of the years, in the respective principal amounts and bearing interest at the respective rates as follows:

<u>Interest Rate Per</u>			<u>Interest Rate Per</u>		
<u>Date</u>	<u>Principal Amount</u>	<u>Annum</u>	<u>Date</u>	<u>Principal Amount</u>	<u>Annum</u>
2019	\$540,000	3.00%	2024	\$315,000	4.00%
2020	\$270,000	3.00%	2025	\$325,000	3.00%
2021	\$280,000	4.00%	2026	\$335,000	4.00%
2022	\$290,000	4.00%	2027	\$350,000	4.00%
2023	\$300,000	4.00%	2028	\$360,000	4.00%

Section 3. Bankers Trust Company, Des Moines, Iowa, is hereby designated as the Registrar and Paying Agent for the Bonds and may be hereinafter referred to as the “Registrar” or the “Paying Agent”. The County shall enter into an agreement (the “Registrar/Paying Agent Agreement”) with the Registrar, in substantially the form as has been placed on file with the Board; the Chairperson and County Auditor are hereby authorized and directed to sign the Registrar/Paying Agent Agreement on behalf of the County; and the Registrar/Paying Agent Agreement is hereby approved.

The County reserves the right to prepay part or all of the Bonds maturing in each of the years 2027 and 2028 prior to and in any order of maturity on June 1, 2026, or on any 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 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 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 Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or mailed by certified mail to the registered owners thereof at the addresses shown on the County’s registration books not less than 30 days prior to such redemption date. Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent. All of such Bonds as to which the County 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.

Accrued interest on the Bonds shall be payable semiannually on the first day of June and December in each year, commencing June 1, 2019. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest on the Bonds shall be made to the registered owners appearing on the registration books of the County at the close of business on the fifteenth day of the month next preceding the interest payment date and shall be paid to the registered owners at the addresses shown on such registration books. Principal of the

This Bond is one of a series of General Obligation County Communication Equipment Bonds, Series 2018A (the "Bonds"), issued in the aggregate principal amount of \$3,365,000 by the County to evidence its obligation under a certain Loan Agreement, dated as of September 26, 2018 (the "Loan Agreement"), entered into by the County for the purpose of paying the cost, to that extent, of financing the acquisition of emergency services communication equipment.

The Bonds are issued pursuant to and in strict compliance with the provisions of Sections 331.402(3) and 331.443 of the Code of Iowa, 2017, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the County Board of Supervisors authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of the Bonds (the "Resolution"), and reference is hereby made to the Resolution and the Loan Agreement for a more complete statement as to the source of payment of the Bonds and the rights of the owners of the Bonds.

The County reserves the right to prepay part or all of the Bonds maturing in each of the years 2027 and 2028, prior to and in any order of maturity on June 1, 2026, or on any 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 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 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 Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or mailed by certified mail to the registered owners thereof at the addresses shown on the County's registration books not less than 30 days prior to such redemption date. Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent. All of such Bonds as to which the County 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 County in the office of the Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Bond to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The County, the 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 County, the 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 County for the payment of the principal of and interest on this Bond as the same will respectively become due; and that the total indebtedness of the County, including this Bond, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, Washington County, Iowa, by its Board of Supervisors, has caused this Bond to be executed with the duly authorized facsimile signature of its Chairperson and attested with the duly authorized facsimile signature of its County Auditor, all as of September 26, 2018.

WASHINGTON COUNTY, IOWA
By (DO NOT SIGN)
Chairperson, Board of Supervisors

Attest:

(DO NOT SIGN)
County Auditor

Registration Date: (Registration Date)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution.

BANKERS TRUST COMPANY
Des Moines, Iowa
Registrar

By (Authorized Signature)
Authorized Officer

ABBREVIATIONS

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	UTMA _____ (Custodian)
TEN ENT	-	as tenants by the entireties	As Custodian for _____ (Minor)
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common	under Uniform Transfers to Minors Act _____ (State)

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

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Bond to

(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____, Attorney, to transfer this Bond on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed:

(Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signatures to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.)

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 6. The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon shall be delivered to the Registrar for registration, authentication and delivery to or upon the direction of the Purchaser, upon receipt of the loan proceeds (the "Proceeds"), and all action heretofore taken in connection with the Loan Agreement and the sale of the Bonds is hereby ratified and confirmed in all respects.

Section 7. 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 is hereby ordered levied on all the taxable property in the County 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 is hereby levied on all the taxable property in the County the following direct annual tax for collection in each of the following fiscal years:

For collection in the fiscal year beginning July 1, 2019, sufficient to produce the net annual sum of \$377,050;

For collection in the fiscal year beginning July 1, 2020, sufficient to produce the net annual sum of \$378,950;

For collection in the fiscal year beginning July 1, 2021, sufficient to produce the net annual sum of \$377,750;

For collection in the fiscal year beginning July 1, 2022, sufficient to produce the net annual sum of \$376,150;

For collection in the fiscal year beginning July 1, 2023, sufficient to produce the net annual sum of \$379,150;

For collection in the fiscal year beginning July 1, 2024, sufficient to produce the net annual sum of \$376,550;

For collection in the fiscal year beginning July 1, 2025, sufficient to produce the net annual sum of \$376,800;

For collection in the fiscal year beginning July 1, 2026, sufficient to produce the net annual sum of \$378,400;

For collection in the fiscal year beginning July 1, 2027, sufficient to produce the net annual sum of \$374,400.

Section 8. A certified copy of this resolution shall be filed with the County Auditor, and the 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 County and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the County 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.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Bonds remain outstanding and unpaid, any funds of the County which may lawfully be applied for such purpose may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 7 of this Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for said purpose and evidenced in the County's budget.

Section 9. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current available funds of the County in advance of taxes levied and when the taxes shall have been collected, reimbursement shall be made to such current funds in the sum thus advanced.

Section 10. It is the intention of the County 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 County 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 the 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 County are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

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

Section 11. The Securities and Exchange Commission (the "SEC") has promulgated certain amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule") that make it unlawful for an underwriter to participate in the primary offering of municipal securities in a principal amount of \$1,000,000 or more unless, before submitting a bid or entering into a purchase contract for such securities, an underwriter has reasonably determined that the issuer or an obligated person has undertaken in writing for the benefit of the holders of such securities to provide certain disclosure information to prescribed information repositories on a continuing basis so long as such securities are outstanding.

On the date of issuance and delivery of the Bonds, the County will execute and deliver a Continuing Disclosure Certificate pursuant to which the County will undertake to comply with the Rule. The County covenants and agrees that it will comply with and carry out the provisions of the Continuing Disclosure Certificate. Any and all of the officers of the County are hereby authorized and directed to take any and all actions as may be necessary to comply with the Rule and the Continuing Disclosure Certificate.

Section 12. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Seward explained that the Board is continuing to consider a plan suggested by Attorney Bob Josten of Dorsey and Whitney, Des Moines, to create a rural urban renewal area and in turn issue bonds for the construction costs of a new Communications building. The rules for borrowing for such construction costs in an urban renewal area are subject to a reverse referendum which means that a public referendum does not have to occur unless a petition is presented calling for a vote. The tentative schedule currently being considered would result in the receipt of funds in late October or early November. The Board took no formal action.

There was no public comment.

At 9:28 a.m. on motion by Yoder, seconded by Young, the Board voted to adjourn.

ATTEST:

ABE C. MILLER
Chairperson, Board of Supervisors

DANIEL L. WIDMER
County Auditor