

February 13th, 2024

The meeting of the Board of Supervisors was called to order at 9:01 am by Chairman Heath Hansen. Present were Doug Sorensen, Rick Thompson, Heath Hansen, Lisa Frederiksen, Chassity Musfeldt, Nathan Walhert, Rob Welch, Bruce Haag, Kent Grabill, Tyler Thygesen, Todd Johnson, Janell Bluml, Deb Campbell, Ben Linde, Lora Anthofer, Dave Brand, John Hansen, Chris Swensen, Miranda Bills, Mitch Rydl, Michelle Kilmer, Alicia Bluml, Penny Schmidt, Mark Nissen, Megan Andersen, & Jerry Jensen.

Motion- Thompson Second- Sorensen to approve the agenda. Vote-all in favor. Discussion with Auditor on incomplete FY25 budgets from Supervisor. Auditor submitted spreadsheet of family contribution amounts per month in comparison to Audubon County (Audubon County: 104.66/mo; avg ISAC Counties: 300's-400's/month; Clerk of Court 271.92/mo; FSA approve 480/mo; Audubon School 100% paid by employee (1160.41 equivalency for Audubon County). Motion- Thompson Second- Sorensen to approve the agreement with Assured Partners acquisition of Midwest Group Benefits. Vote-all in favor. Motion- Sorensen Second- Thompson to approve the Annual MMP Updates for Nelson Site- AMVC RE LLC #58248 and G Hansen Site #62166. Vote-all in favor. A Department Head meeting was held at 9:30 am. The Soil and Water committee was represented by Lora Anthofer and Dave Brand. They held discussion on the decommission of PL566 structures. The project agreement was for fifty years but it is running out. They had questions on what would happen to the structures when the agreements are up. There will be an upcoming meeting with the attorney general to discuss this topic. Anthofer & Brand invited the Supervisors to attend the meeting. It was explained that if some of the structures were able to be eliminated on an individual basis it could help cut some expense. A structure inspection report was presented.

The City of Gray met with the Supervisors and was represented by Alicia Bluml & Penny Schmidt. They were asked if they had any concerns or issues. No major issues were mentioned right now. Discussion was held on the bridge leading to the old ballfield. It is in question on who owns it and how to handle removing it, as it is in poor condition.

Jerry Jensen asked Supervisors about the revenue received from the Wind Turbines and questioned the necessity of the construction of the E911 tower.

Mark Nissen, Board of Supervisor compensation board representative, met with the Supervisors to discuss the recommendations. Nissen explained how they came up with the formula and was happy with how it was working. Nissen inquired about the Supervisors having their own secretary instead of using the Auditor's office staff. He commented that the Auditor's office is extremely busy, with extra work being done for Supervisors. The Board was not sure on the legality of hiring their own secretary as they were under the assumption that it was the Auditor's office duty to fulfil that spot- will check into it.

Motion- Thompson Second- Sorensen to approve the meeting minutes of February 5th and 6th. Vote-all in favor. Motion- Thompson Second- Sorensen to approve the payment for water service repair. Vote-all in favor. Motion- Thompson Second- Sorensen to approve the deletion of dump truck #47. Vote-all in favor. Motion- Thompson Second- Sorensen to approve the approve the MOU for Secondary Roads and Union comp time from 40 hours to 80 hours. Vote-all in favor. Motion- Sorensen Second- Thompson to approve the dust control applicator agreement. Vote-all in favor. Engineer Rydl gave an update on Secondary Roads construction and maintenance activity. Vote-all in favor.

Custodian John Hansen discussed the installing shelving in the vault after the construction is finished. Supervisor Hansen asked about the broken handicapped sign. John Hansen said he would look into getting it replaced.

IT Director Ben Linde presented internet quotes for the temporary locations from Windstream. Motion- Sorensen Second- Thompson to approve the VM subscription & server support. Vote- all in favor. Motion- Sorensen Motion- Thompson to approve the purchase of server support. Vote-all in favor.

Attorney Swensen discussed the Armory lease agreement. It was proposed as a three-month term, and then can be revised after that as needed. Motion- Thompson Second- Sorensen to approve the lease with the Armory. Vote-all in favor. Discussion was held on a dollar amount to propose to the City of Audubon for the lease of the Memorial Building, and some office space at the new City Hall. Motion- Thompson Second- Sorensen to approve the proposal amount to the City of Audubon for \$40/day for the lease agreement. Vote-all in favor.

Discussion was held on the Kimballton library allocations from Audubon County. It was again brought to

the Supervisor’s attention that The City of Kimballton and the City of Elk Horn have signed a 28E agreement regarding the libraries since the Kimballton library has closed. The agreement went into effect later in 2023, but Audubon County has still been paying the City of Kimballton the quarterly allocations in the amounts of \$1,275 per quarter for a total of \$5,100 a year. City of Exira clerk Megan Andersen inquired about the funds and what will happen to the full amount, since Kimballton no longer has a library, and only \$500 from the allocation was to go to Elk Horn. County Attorney Swensen will be checking with the Kimballton City attorney. More discussion will follow at next week’s meeting.

Discussion on the Opioid resolutions was held with Attorney Swensen. Motion- Thompson Second- Sorensen to approve the official proposal for the General Fund note with Exchange State Bank in the amount of 2 million dollars. Vote-all in favor. Motion- Sorensen Second- Thompson to approve Resolution #2024-08 as follows. Vote-all in favor.

RESOLUTION 2024-08

Resolution authorizing and approving a Loan Agreement and providing for the issuance of a \$2,000,000 General Fund Note, Series 2024

WHEREAS, the Board of Supervisors (the “Board”) of Audubon County, Iowa (the “County”), heretofore proposed to enter into a loan agreement (the “General Fund Loan Agreement”) in a principal amount not to exceed \$2,000,000 pursuant to the provisions of Section 331.402 of the Code of Iowa for the general county purpose of paying the cost, to that extent, of undertaking improvements, repairs and renovations at the County Courthouse, including, but not limited to, an HVAC system overhaul (the “Project”), and has published notice of the proposed action and has held a discussion meeting thereon on January 2, 2024; and

WHEREAS, it is necessary at this time to authorize and approve the General Fund Loan Agreement and to make provision for the issuance of a General Fund Note, Series 2024 (the “Note”) in the principal amount of \$2,000,000, in evidence of the County’s obligation under the General Fund Loan Agreement;

NOW, THEREFORE, It Is Resolved by the Board of Supervisors of Audubon County, Iowa, as follows:

Section 1. The County hereby determines to enter into the General Fund Loan Agreement with Exchange State Bank, Exira, Iowa, as lender (the “Lender”), in substantially the form as has been placed on file with the County, providing for a loan to the County in the principal amount of \$2,000,000 for the purpose or purposes set forth in the preamble hereof.

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

Section 2. The Note is hereby authorized to be issued in evidence of the obligation of the County under the General Fund Loan Agreement in the principal amount of \$2,000,000, and shall be dated as of the date of its delivery to the Lender (anticipated to be February 28, 2024). The Note shall be initially issued as a single term Note with final maturity on June 1, 2034.

Section 3. During the period commencing on the Note Date and continuing to, and including, October 1, 2024 (the “Draw Period”), advances (each an “Advance”) on the Note may be requested by the Chairperson or the County Auditor in such amounts and at such times as are needed to pay costs of the Project. The date and amount of each Advance shall be entered by the Lender on a Schedule of Advances, and each Advance shall bear interest from the date of such entry. All principal not drawn as an Advance by the end of the Draw Period shall be applied as a mandatory prepayment of principal, and shall be applied in inverse order of maturity on terms of par, plus accrued interest.

Principal of the Note shall be payable in ten (10) annual installments due on June 1 in each of the years, and in the respective amounts, as follows:

<u>Year</u>	<u>Principal Installment</u>	<u>Year</u>	<u>Principal Installment</u>
2025	\$147,000	2030	\$205,000
2026	\$174,000	2031	\$213,000
2027	\$181,000	2032	\$222,000
2028	\$189,000	2033	\$231,000

2029	\$197,000	2034	\$241,000
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The Note bears interest at the rate of 4.15% per annum. Accrued interest on the Note shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2024 and continuing to, and including, final maturity on June 1, 2034. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The County Auditor is hereby designated as the registrar and paying agent for the Note and may be hereinafter referred to as the "Registrar" or the "Paying Agent."

Payment of principal of the Note shall be made to the registered owner appearing on the registration books of the County at the close of business on the fifteenth day of the month next preceding the payment date and shall be paid by check or draft mailed to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal shall be payable only upon presentation and surrender of the Note to the Paying Agent.

The County reserves the right to prepay principal of the Note in whole or in part at any time prior to and in any order of maturity on terms of par.

The Note shall be executed on behalf of the County with the official manual or facsimile signature of the Chairperson and attested with the official manual or facsimile signature of the County Auditor and shall be a fully registered Note without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Note shall cease to be such officer before the delivery of the Note, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Note shall be fully registered as to principal in the name of the owner on the registration books of the County kept by the Registrar, and after such registration, payment of the principal thereof shall be made only to the registered owner or its legal representatives or assigns. The Note shall be transferable only upon the registration books of the County upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The record and identity of any owners of the Note shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 4. The Note shall be in substantially the following form:
(Form of Note)

**UNITED STATES OF AMERICA
STATE OF IOWA
AUDUBON COUNTY
GENERAL FUND NOTE, SERIES 2024**

\$2,000,000

RATE	MATURITY DATE	NOTE DATE
4.15%	June 1, 2034	February 28, 2024

Audubon County (the "County"), Iowa, for value received, promises to pay on the maturity date of this Note to:

**Exchange State Bank
Exira, Iowa**

(the "Lender"), or registered assigns, in lawful money of the United States of America, the principal sum of TWO MILLION DOLLARS (\$2,000,000), together with interest on the outstanding principal hereof from the date of this Note, or from the most recent payment date on which interest has been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

During the period commencing on the Note Date and continuing to, and including, October 1, 2024 (the “Draw Period”), advances (each an “Advance”) on the Note may be requested by the Chairperson or the County Auditor in such amounts and at such times as are needed to pay costs of the Project. The date and amount of each Advance shall be entered by the Lender on a Schedule of Advances, and each Advance shall bear interest from the date of such entry. All principal not drawn as an Advance by the end of the Draw Period shall be applied as a mandatory prepayment of principal, and shall be applied in inverse order of maturity on terms of par, plus accrued interest.

This Note shall be initially issued as a single term Note (the “Note”) with final maturity on June 1, 2034. Principal of the Note shall be payable in ten (10) annual installments due on June 1 in each of the years, and in the respective amounts, as follows:

<u>Year</u>	<u>Principal Installment</u>	<u>Year</u>	<u>Principal Installment</u>
2025	\$147,000	2030	\$205,000
2026	\$174,000	2031	\$213,000
2027	\$181,000	2032	\$222,000
2028	\$189,000	2033	\$231,000
2029	\$197,000	2034	\$241,000

The Note bears interest at the rate of 4.15% per annum. Accrued interest on the Note shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2024 and continuing to, and including, final maturity on June 1, 2034. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both principal of and interest on this Note are payable to the registered owner appearing on the registration books of the County maintained by the County Auditor, Audubon County, Iowa (hereinafter referred to as the “Registrar” or the “Paying Agent”) at the close of business on the fifteenth day of the month next preceding the payment date in lawful money of the United States of America to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest shall be payable only upon presentation and surrender of this Note to the Paying Agent.

This Note is issued by the County, pursuant to a resolution adopted on February 13, 2024 (the “Resolution”) to evidence its obligation under a certain loan agreement, dated as of February 28, 2024 (the “General Fund Loan Agreement”), entered into by the County for the purpose of paying the cost, to that extent, of undertaking improvements, repairs and renovations at the County Courthouse, including, but not limited to, an HVAC system overhaul.

The County has covenanted to appropriate to the General Fund of the County, in each year so long as any of this Note is outstanding, sufficient funds to pay interest on and principal of the Note as such payments become due. This Note is not a “General Obligation Bond” as defined in Section 384.24(1) of the Code of Iowa, and this Note is not secured by the levy of an unlimited ad valorem property tax for the direct payment of principal of and interest thereon.

This Note is issued pursuant to and in strict compliance with the provisions of Chapters 76 and 331 of the Code of Iowa, 2023, 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 General Fund Loan Agreement and providing for the issuance and securing the payment of the Note, and reference is hereby made to the Resolution and the General Fund Loan Agreement for a more complete statement as to the source of payment of the Note and the rights of the owner of the Note.

The County reserves the right to prepay principal of the Note in whole or in part at any time prior to and in inverse order of maturity without penalty on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the date of prepayment.

This Note 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 Note 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 Note were and have been properly existent, had, done and performed in regular and due form and time; and that the total indebtedness of the County, including this Note, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, Audubon County, Iowa, by its Board of Supervisors, has caused this Note to be executed by its Chairperson and attested by its County Auditor, on February 28, 2024.

AUDUBON COUNTY, IOWA

By (DO NOT SIGN)
Chairperson, Board of Supervisors

Attest:

(DO NOT SIGN)
County Auditor

ABBREVIATIONS

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

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

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 Note 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 Note 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 Note in every particular, without alteration or enlargement or any change whatever.

SCHEDULE OF ADVANCES

Date of Advance	Amount Advanced	Remaining Principal Balance	Signature of Authorized Officer of Lender
February 28, 2024	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

Section 5. It is anticipated that closing of the borrowing transaction contemplated herein will be on or around February 28, 2024 provided, however, the Note 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 and delivery to the Lender, upon receipt of the loan proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the General Fund Loan Agreement is hereby ratified and confirmed in all respects. To the extent that the date of closing needs to be adjusted, the County Auditor, with advice from the Lender and Bond Counsel to the County, is hereby authorized to make such adjustment and to modify the transaction documents accordingly.

The Loan Proceeds shall be used to pay the costs of the Project and costs of issuance of the Note. Any Loan Proceeds remaining after the full payment of such costs shall be deposited in the General Fund and used to pay principal of the Note as the same becomes due. The County shall hold the Loan Proceeds in a distinct account and shall keep an accurate accounting of the investment and expenditure of such monies and any investment earnings thereon.

Section 6. It is the intention of the County that interest on the Note 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 Note 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 Note as "Qualified Tax Exempt Obligations" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 7. The Board of Supervisors hereby covenants to appropriate to the General Fund of the County, in each year so long as the Note is outstanding, sufficient funds to pay principal of such Note as such payments become due. The County hereby pledges its General Fund and the revenues from time to time deposited and available therein for the full and prompt payment of the principal of the Note.

In compliance with Section 331 of the Code of Iowa, it is hereby found that the maximum annual debt service owed on the Note, plus any corresponding amounts owed on other currently outstanding obligations secured exclusively with the General Fund of the County, does not exceed 10% of the last certified General Fund budget of the County.

Section 8. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

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

Passed and approved February 13, 2024.

/s/Heath Hansen
Chairperson, Board of Supervisors

Attest: /s/ Lisa Frederiksen
County Auditor

Motion- Thompson Second- Sorensen to approve claims to be paid as submitted by various departments in the amounts of \$9,923.45 and listed in a separate publication for the month of February claims. Vote-all in favor. Motion- Thompson Second- Sorensen to accept/file the Clerk of Court's January fees collected. Vote-all in favor. Motion- Thompson Second- Sorensen to approve the liquor license application for Winetime, LLC (Lucky Wife Wine Slushies). Vote-all in favor. Discussion between Auditor Frederiksen came into meeting to assist and explain their budget lines and how to account for the HVAC project out of ARPA Fund and General Funds—how to summarize fixed asset portion of the building versus the other relocation expenses. Sorensen indicated all other expenses will easily be covered by the approximate extra \$220,000 of general fund line of credit. Auditor said board needed to address how much of project will happen in current fiscal years versus FY25 and amend FY24 as needed. Meeting adjourned at 2:23 pm.

/s/Heath Hansen
Chairman, Board of Supervisors

Attest: /s/Chassity Musfeldt
Audubon County Auditor Clerk