

MINUTES TO PROVIDE FOR THE
PRIVATE PLACEMENT AND
ISSUANCE OF BONDS

435926-44

Monticello, Iowa

February 16, 2026

The City Council of the City of Monticello, Iowa, met on February 16, 2026, at 6:00 p.m. at the Monticello Renaissance Center, 220 E. 1st Street, Monticello, Iowa.

The meeting was called to order by the Mayor, and the roll was called showing the following named Council Members present and absent:

Present: Josh Brenneman, Scott Brighton, Ben Duehr, Dave Goedken, Candy Langerman and Mary Phelan.

Absent: None.

After due consideration and discussion, Council Member Goedken introduced the resolution next hereinafter set out and moved its adoption, seconded by Council Member Brighton. The Mayor put the question upon the adoption of said resolution, and the roll being called, the following named Council Members voted:

Ayes: Goedken, Brighton, Brenneman, Phelan, Langerman and Duehr

Nays: None.

Whereupon, the Mayor declared the resolution duly adopted, as hereinafter set out.

RESOLUTION NO. 2026-21

Resolution authorizing and approving a Loan Agreement, providing for the placement and issuance of \$520,000 General Obligation Sewer Equipment Bond, Series 2026A and providing for the levy of taxes to pay the same

WHEREAS, the City of Monticello (the “City”), in Jones County, State of Iowa, pursuant to the provisions of Section 384.24A of the Code of Iowa, proposes to enter into a general obligation loan agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$650,000 for the purpose of paying the costs, to that extent, of acquiring a sewer jet/vac truck (the “Acquisition”); and pursuant to law and a notice duly published, the City Council has held a public hearing on such proposal on January 5, 2026; and

WHEREAS, the City intends to issue \$520,000 General Obligation Sewer Equipment Bonds, Series 2026A (the “Bonds”) in evidence of its obligation under the Loan Agreement and to place the Loan Agreement and the Bonds with a bank as lender; and

WHEREAS, upon due consideration and advice from the PFM Financial Advisors LLC (the “Municipal Advisor”) the private placement proposal of F&M Bank, Monticello, Iowa (the “Lender”), is the best; and

WHEREAS, it is necessary at this time to approve the Loan Agreement and to make provision for the placement and issuance of the Bonds;

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

Section 1. The proposal from the Lender referred to in the preamble hereof is hereby accepted; the Loan Agreement and the Bonds are hereby awarded to the Lender at the price specified in such proposal; the Mayor and City Clerk are hereby authorized to execute such documents as may be necessary to accept such proposal on behalf of the City; and all action heretofore taken in this regard is hereby ratified and affirmed. The Bonds shall be dated as of the date of their delivery to the Lender and shall be payable as to both principal and interest in the manner hereinafter specified.

Section 2. The City shall enter into the Loan Agreement with the Lender, in substantially the form as has been placed on file with the City Council, providing for a loan to the City in the principal amount of \$520,000, 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 3. The Bonds are hereby authorized to be issued in evidence of the obligation of the City under the Loan Agreement, in the principal amount of \$520,000, to be dated the date of delivery to the Lender, such date anticipated to be March 4, 2026. The Bonds shall be initially issued as a single term bond (the “Bond”) with final maturity on June 1, 2031, and with

mandatory periodic principal installments due on June 1 in each of the years and in such amounts as follows:

<u>Year</u>	<u>Principal Installment</u>
2027	\$91,000
2028	\$100,000
2029	\$105,000
2030	\$110,000
2031	\$114,000

Section 4. The City Clerk 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.”

Principal of the Bond shall bear interest at the rate of 4.50% per annum, from the dated date of the Bond or from the most recent date on which accrued interest has been paid, as hereinafter set forth. Interest on the Bond shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2026, and continuing to, and including, final maturity on June 1, 2031. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Payment of both principal of and interest on the Bond shall be made by wire or other means of electronic transfer of funds to the registered owner appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the payment date and shall be paid 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 the Bond to the Paying Agent.

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

The Bond shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor and attested with the official manual or facsimile signature of the City Clerk, and shall be a fully registered Bond without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Bond shall cease to be such officer before the delivery of the Bond, 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 Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication thereon shall have been signed by the Registrar.

The Bond 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 Registrar, and after such registration, payment of the principal thereof and interest thereon shall be made only to the registered owners or their legal representatives or assigns. The Bond shall be transferable only upon the registration books of the City 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 Bond shall be transferable by the registered owner only to (i) an affiliate of the registered owner, or (ii) banks, insurance companies or other financial institutions, or an affiliate thereof. Nothing herein shall be construed as a limitation on the right of the registered owner or its assignees to sell or assign participation interests in the Bond to one or more entities listed in clauses (i) and (ii) of the preceding sentence.

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

Section 5. The Bond shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF IOWA
JONES COUNTY
CITY OF MONTICELLO

GENERAL OBLIGATION SEWER EQUIPMENT BOND, SERIES 2026A

No. 1 \$520,000

RATE	MATURITY DATE	BOND DATE
4.50%	June 1, 2031	March 4, 2026

The City of Monticello (the “City”), in Jones County, State of Iowa, for value received, promises to pay in the manner hereinafter provided to

F&M Bank,
Monticello, Iowa

or registered assigns, the principal sum of FIVE HUNDRED TWENTY THOUSAND DOLLARS, together with interest on the outstanding principal hereof from the date of this Bond, or from the most recent payment date on which interest has been paid, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto.

This Bond has been initially issued as a single term bond with final maturity on June 1, 2031, and with mandatory periodic principal installments due on June 1 in each of the years and in such amounts as follows:

<u>Year</u>	<u>Principal Installment</u>
2027	\$91,000
2028	\$100,000
2029	\$105,000
2030	\$110,000
2031	\$114,000

Principal of this Bond shall bear interest at the rate of 4.50% per annum, from the dated date of the Bond or from the most recent date on which accrued interest has been paid, as hereinafter set forth. Interest on the Bond shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2026, and continuing to, and including, final maturity on June 1, 2031. 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 Bond is payable to the registered owner appearing on the registration books of the City maintained by the City Clerk (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 will be payable only upon presentation and surrender of this Bond to the Paying Agent.

This Bond is issued by the City to evidence its obligation under a certain Loan Agreement dated as of the date hereof (the “Loan Agreement”) entered into by the City for the purpose of paying the costs, to that extent, of acquiring a sewer jet/vac truck.

This Bond represents the entire series of General Obligation Sewer Equipment Bond, Series 2026A (the “Bonds”), issued pursuant to and in strict compliance with the provisions of Chapter 76 and Chapter 384 of the Code of Iowa, 2025, and all other laws amendatory thereof and supplemental thereto, and in conformity with the Resolution authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of this Bond (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 this Bond and the rights of the owner of this Bond.

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

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 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 City, 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 City, 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 City 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 City, including this Bond, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the City of Monticello, Iowa, by its City Council, has caused this Bond to be executed with the duly authorized facsimile signature of its Mayor and attested with the duly authorized facsimile signature of its City Clerk, as of March 4, 2026.

CITY OF MONTICELLO, IOWA

By (DO NOT SIGN)
Mayor

Attest:

(DO NOT SIGN)
City Clerk
Registration Date: March 4, 2026

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	_____
JT TEN	- as joint tenants with		(Minor)
	right of survivorship and	under Uniform Transfers to Minors Act	
	not as tenants in common		_____
			(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:

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. It is anticipated that closing of the borrowing transaction contemplated herein will be on or around March 4, 2026, provided, however, that execution of the Bond and the Loan Agreement shall be undertaken 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 or upon the direction of the Lender, upon receipt of the loan proceeds (the “Loan Proceeds”), and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects. To the extent that the date of closing needs to be adjusted, the City staff, with advice from the Municipal Advisor and Bond Counsel to the City, is hereby authorized to make such adjustment and to modify the transaction documents accordingly.

Section 7. The Loan Proceeds shall be used to pay the costs of the Acquisition and costs of issuance of the Bond. Any Loan Proceeds remaining after the full payment of such costs shall be deposited in the Debt Service Fund and used to pay principal of and interest on the Bond as the same become due. The City shall keep a detailed and segregated accounting of the expenditure of, and investment earnings on, the Loan Proceeds to ensure compliance with the requirements of the Internal Revenue Code, as hereinafter defined.

Section 8. For the purpose of providing the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Bond as the same become due, there is hereby ordered a levied on all the taxable property in the City, the following direct annual tax for the collection in each of the following fiscal years:

For collection in the fiscal year beginning July 1, 2026,
sufficient to produce the net annual sum of \$120,055;

For collection in the fiscal year beginning July 1, 2027,
sufficient to produce the net annual sum of \$119,305;

For collection in the fiscal year beginning July 1, 2028,
sufficient to produce the net annual sum of \$119,805;

For collection in the fiscal year beginning July 1, 2029,
sufficient to produce the net annual sum of \$120,080; and

For collection in the fiscal year beginning July 1, 2030,
sufficient to produce the net annual sum of \$119,130.

Section 9. A certified copy of this resolution shall be filed with the County Auditor of Jones 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 of and interest on the Bond 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 Bond 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 of

and interest on the Bond as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 8 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. 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 to the sum thus advanced.

Section 10. It is the intention of the City that interest on the Bond 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 the applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Bond 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 Bond as a "Qualified Tax Exempt Obligation" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 11. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 12. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved on February 16, 2026.

Jake Ellwood, Mayor

Attest:

Sally Hinrichsen, City Clerk

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At the conclusion of the meeting, and upon motion and vote, the City Council adjourned.

Jake Ellwood, Mayor

Attest:

Sally Hinrichsen, City Clerk

ATTESTATION CERTIFICATE

STATE OF IOWA
JONES COUNTY
CITY OF MONTICELLO

SS:

I, the undersigned, City Clerk of the City of Monticello, do hereby certify that as such City 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 those corporate records and that the transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the adoption of a resolution entitled “Resolution authorizing and approving a Loan Agreement, providing for the placement and issuance of \$520,000 General Obligation Sewer Equipment Bond, Series 2026A and providing for the levy of taxes to pay the same,” 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 with respect thereto.

I further certify that no appeal has been taken to the District Court from the decision of the City Council to enter into the Loan Agreement, to issue the Bonds or to levy the taxes to pay the principal thereof and interest thereon.

WITNESS MY HAND this 17th day of February, 2026.

Sally Hinrichsen, City Clerk

COUNTY FILING CERTIFICATE

STATE OF IOWA

SS:

JONES COUNTY

I, the undersigned, County Auditor of Jones County, in the State of Iowa, do hereby certify that on the _____ day of _____, 2026, the City Clerk of the City of Monticello filed in my office a certified copy of a resolution of the City shown to have been adopted by the City Council and approved by the Mayor thereof on February 16, 2026, entitled: “Resolution authorizing and approving a Loan Agreement, providing for the placement and issuance of \$520,000 General Obligation Sewer Equipment Bond, Series 2026A 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, 2026, and subsequent years as provided in the resolution.

WITNESS MY HAND this _____ day of _____, 2026.

County Auditor