

Resolution No. 15-0319

A RESOLUTION REGARDING THE ISSUANCE OF NOT TO EXCEED \$8,000,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE AND REFUNDING BONDS (CHILDSERVE PROJECT), SERIES 2015, CALLING A PUBLIC HEARING ON THE PROPOSED ISSUANCE OF THE BONDS, AND DIRECTING PUBLICATION OF NOTICE OF THE HEARING.

WHEREAS, the City of Windsor Heights, Iowa (hereinafter referred to as the "City"), is a municipal corporation and political subdivision organized and existing under the laws and the Constitution of the State of Iowa (the "State"), and is authorized and empowered by Chapter 419 of the Code of Iowa, as amended (hereinafter referred to as the "Act"), to issue revenue bonds and loan the proceeds from the sale of said bonds to one or more parties to be used to defray all or a portion of the cost of acquiring, improving and equipping a "project" (as defined in the Act) located within eight miles of the corporate limits of the City; and

WHEREAS, the City has been requested by ChildServe Inc. and its subsidiaries (the "Borrower") to authorize and issue its Revenue Bonds pursuant to the provisions of the Act for the purpose of providing financing for the (A) refunding a portion of the Iowa Finance Authority's (the "Authority") Children's Care Facilities Revenue and Refunding Bonds (ChildServe Project) Series 2006, originally issued in the aggregate principal amount of \$19,920,000 in order to provide financing for (i) renovation and improvement of two existing facilities of the Borrower and construction of a connecting building, (ii) construction or conversion of seven group homes, (collectively, the "Series 2006 Project"); (iii) refunding the Authority's outstanding Children's Care Facilities Revenue Bonds (ChildServe Project) Series 2002A and Variable Rate Demand Children's Care Facilities Revenue Bonds (ChildServe Project) Series 2002B (the "2002 Bonds") originally issued to finance various facilities of the Borrower (the "Series 2002A Project" and, together with the Series 2006 Project, the "Existing Project"), (iv) funding a debt service reserve fund; (v) funding capitalized interest and (vi) paying costs of issuance, (B) funding a debt service reserve fund and (C) paying for costs associated with the issuance of the Bonds. The facilities included in the Existing Project are located at 5406 Merle Hay Road, Johnston, Iowa 50131, 5555 NW 55th Ave, Johnston, Iowa 50131, 7161 Wilshire Blvd, Windsor Heights, Iowa 50324, 2056 SW 35th Street, Ankeny, Iowa 50023, 2164/2168 SW 35th Street, Ankeny, Iowa 50023, 10305 Stonecrest Drive, Johnston, Iowa 50131, 6255 Morningside Drive, Johnston, Iowa 50131, 3100 SE Stone Ridge Drive, Grimes, Iowa 50111 and 5609 Greendale Road, Johnston, Iowa 50131; and

WHEREAS, it has been represented to the City that the amount necessary to refund the Existing Project, said capitalized interest and costs of issuance, will require the issuance by the City of not to exceed \$8,000,000 aggregate principal amount of its Revenue Bonds pursuant to the provisions of the Act; and

WHEREAS, it is proposed that the City issue not to exceed \$8,000,000 aggregate

principal amount of its Revenue and Refunding Bonds (ChildServe Project), Series 2015 (the "Bonds") pursuant to the Act and loan said amount to the Borrower under a Loan Agreement between the City and the Borrower (the "Loan Agreement"), the obligation of which will be sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds as and when the same shall become due; and

WHEREAS, before the Bonds may be issued, it is necessary to publish a notice of intention to issue the Bonds and conduct a public hearing on the proposal to issue the Bonds, all as required and provided for by Section 419.9 of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Borrower has requested that the City take initial official action with respect to the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WINDSOR HEIGHTS, IN THE COUNTY OF POLK, STATE OF IOWA:

Section 1. That in order to assist in the refunding of the Existing Project and in recognition of the benefits to the City and its residents resulting therefrom, the City declares its official intent to proceed with the necessary proceedings required to issue the Bonds.

Section 2. That the Windsor Heights, Iowa City Council meet at the Windsor Heights Council Chambers, 1133 66th Street, Windsor Heights, Iowa, on the 6th day of April, 2015 at 6:00 o'clock p.m., at which time and place a public hearing shall be held on the proposal to issue the Bonds referred to in the preamble hereof, at which hearing all local residents who appear shall be given an opportunity to express their views for or against the proposal to issue the Bonds.

Section 3. That the City Administrator is hereby directed to give notice of intention to issue the Bonds, setting forth the amount and purpose thereof, and the time when and place where the hearing will be held, by publication at least once not less than fifteen (15) days prior to the date fixed for the hearing, in the Des Moines Register, a newspaper published and having a general circulation within Windsor Heights, Iowa. The notice shall be in substantially the following form:

NOTICE OF PUBLIC HEARING AND INTENTION TO ISSUE
REVENUE AND REFUNDING BONDS
(CHILDSERVE PROJECT)
SERIES 2015

Notice is hereby given that a public hearing will be conducted before the City Council of Windsor Heights, Iowa (the "City") at the Windsor Heights Council Chambers, 1133 66th Street, Windsor Heights, Iowa, at 6:00 o'clock p.m., on April 6, 2015, on a proposal to issue not to exceed \$8,000,000 aggregate principal amount of the City's Revenue Bonds (ChildServe Project), Series 2015 (the "Bonds"), pursuant to the provisions of Chapter 419 of the Code of Iowa, as amended, and Sections 103 and 147 of the Internal Revenue Code of 1986, as amended, and to loan the proceeds thereof to ChildServe, Inc., ChildServe Habilitation Center Inc., ChildServe Homes Inc., ChildServe Medical Equipment & Supply Inc., ChildServe Therapy Inc., ChildServe Foundation Inc., ChildServe Community Options, Inc., ChildServe Homecare, Inc., and ChildServe Clinic Inc. (collectively, the "Borrower") for the purpose of (A) refunding a portion of the Iowa Finance Authority's (the "Authority") Children's Care Facilities Revenue and Refunding Bonds (ChildServe Project) Series 2006, originally issued in the aggregate principal amount of \$19,920,000 in order to provide financing for (i) renovation and improvement of two existing facilities of the Borrower and construction of a connecting building, (ii) construction or conversion of seven group homes, (collectively, the "Series 2006 Project"); (iii) refunding the Authority's outstanding Children's Care Facilities Revenue Bonds (ChildServe Project) Series 2002A and Variable Rate Demand Children's Care Facilities Revenue Bonds (ChildServe Project) Series 2002B (the "2002 Bonds") originally issued to finance various facilities of the Borrower (the "Series 2002A Project" and, together with the Series 2006 Project, the "Existing Project"), (iv) funding a debt service reserve fund; (v) funding capitalized interest and (vi) paying costs of issuance, (B) funding a debt service reserve fund and (C) paying for costs associated with the issuance of the Bonds. The facilities included in the Existing Project are located at 5406 Merle Hay Road, Johnston, Iowa 50131, 5555 NW 55th Ave, Johnston, Iowa 50131, 7161 Wilshire Blvd, Windsor Heights, Iowa 50324, 2056 SW 35th Street, Ankeny, Iowa 50023, 2164/2168 SW 35th Street, Ankeny, Iowa 50023, 10305 Stonecrest Drive, Johnston, Iowa 50131, 6255 Morningside Drive, Johnston, Iowa 50131, 3100 SE Stone Ridge Drive, Grimes, Iowa 50111 and 5609 Greendale Road, Johnston, Iowa 50131. The Existing Project and the facilities refinanced by the Bonds will be owned and operated by the Borrower.

Such Bonds, if issued, and the interest and premium, if any, thereon will be payable solely out the revenues derived from the Loan Agreement. The Bonds shall be limited obligations of the City payable solely from revenues received by the City, and secured by a pledge of the rights of the City under and pursuant to the Loan Agreement. The Bonds will represent and constitute, solely and exclusively, limited obligations of the City and will not represent, constitute or create an obligation, general or special, indebtedness, or moral obligation of the City within the meaning of any state constitutional provision or statutory limitations, and shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

All local residents who appear at said public hearing shall be given an opportunity to express their views for or against the proposal to issue the Bonds, and at said hearing, or any adjournment thereof, the City Council of the City shall adopt a resolution determining whether or

not to proceed with the issuance of the Bonds.

WINDSOR HEIGHTS, IOWA CITY COUNCIL

By: _____
City Administrator

Section 4. That in order that the Existing Project not be unduly delayed, the Borrower may make such commitments, expenditures and advances toward payment of the costs of the Existing Project as it considers appropriate, subject to reimbursement from the proceeds of the Bonds when and if issued and sold, but otherwise without liability on the part of the City. That all costs of the City in connection with issuance of the Bonds shall be the responsibility of the Borrower.

Section 5. THAT THE BONDS, IF AND WHEN ISSUED, SHALL BE LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM REVENUES RECEIVED BY THE CITY, AND SECURED BY A PLEDGE OF THE RIGHTS OF THE CITY UNDER AND PURSUANT TO THE LOAN AGREEMENT. THE BONDS WILL REPRESENT AND CONSTITUTE, SOLELY AND EXCLUSIVELY, LIMITED OBLIGATIONS OF THE CITY AND WILL NOT REPRESENT, CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, INDEBTEDNESS, OR MORAL OBLIGATION OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATIONS, AND SHALL NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

Section 6. That the officers of the City are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 7. That all resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 2nd day of March, 2015.

Diana Willits, Mayor

Attest:

Brett Klein, City Administrator

(SEAL)

STATE OF IOWA)
) SS:
COUNTY OF POLK)

I, Brett Klein, City Administrator of Windsor Heights, Iowa, do hereby certify that I have in my possession or have access to the complete corporate records of the City Council of said City; and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken with respect to the matters set forth therein by the City Council of said City on March 2, 2015, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that such meeting was duly and publicly held in accordance with the Notice of Meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council (a copy of the face sheet of said agenda being attached hereto) pursuant to the rules of the Council and the provisions of Chapter 21, Code of Iowa, as amended, upon reasonable advance notice to the public and media at least twenty-four (24) hours prior to the commencement of the meeting as required by said law and with members of the public in attendance. I further certify that the individuals named in the attached proceedings were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Council vacancies existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein to their respective positions.

WITNESS my hand and the seal of said City hereto affixed this 2nd day of March, 2015.

City Administrator of
Windsor Heights, Iowa

(SEAL)