

AGENDA
CITY COUNCIL MEETING
July 2, 2020
500 N. 20th Street
5:30 P.M.

1. Call to Order.
2. Pledge of Allegiance.
3. Roll Call.
4. Mayor's Correspondence:
5. Citizen's Request.
6. Consent Agenda.
 - Minutes of the Keokuk Municipal Airport meeting of June 15, 2020;
 - Minutes of the Council Workshop & regular City Council meeting of June 18, 2020;
 - Special Events Permit for Jon Morris, 1 Navaho Dr., Fireworks Display, July 17, 2020 – 2:00-11:00 p.m.;
 - Liquor License for Wal-Mart Supercenter #1431, 300 North Park Dr, effective July 21, 2020 – Class E Liquor License with Sunday Sales;
 - Cigarette Permit for Site Food Mart, July 1, 2020 – June 30, 2021;
 - Motion to pay bills and transfers listed in Register No.'s 5151-5153;

Old Business

7. **Tabled Item:** Consider resolution authorizing acquisition of surface and overhead avigation easement from JLM Farms pursuant to purchase agreement.
 - (a) Motion to remove from table.
 - (b) Consider resolution authorizing acquisition of surface and overhead avigation easement from JLM Farms pursuant to purchase agreement.

New Business

8. Consider resolution adopting revised purchasing policy for the City of Keokuk.
9. Consider resolution approving petty cash and change funds for fiscal year 2020-2021.
10. Consider resolution approving the Investment Policy for fiscal year 2020-2021 for the City of Keokuk.
11. Consider resolution approving the allocation of funds from the Hotel/Motel Tax based on the amount estimated for FY 2020-2021.
12. Consider resolution approving City Department and number of permanent personnel for each department for FY 2020-2021.

13. Consider resolution approving and authorizing and providing for the issuance and securing the payment of the \$695,000 solid waste revenue capital loan notes, series 2020, of the City of Keokuk, Iowa, and providing for a method of payment of the note; approval of the tax exemption certificate.
14. Consider resolution authorizing indefinite term lease for land with the BNSF Railway Company.
15. Consider resolution correcting Fiscal Year 2020-2021 salaries for personnel of the Keokuk Public Library.
16. Motion to approve the location of the dog park in the southeast corner of River View Park with final layout to be determined.
17. Boards & Commissions.
18. Staff Reports:
19. New Business:
20. Adjourn meeting.

13. Consider resolution approving and authorizing and providing for the issuance and securing the payment of the \$695,000 solid waste revenue capital loan notes, series 2020, of the City of Keokuk, Iowa, and providing for a method of payment of the note; approval of the tax exemption certificate.
14. Consider resolution authorizing indefinite term lease for land with the BNSF Railway Company.
15. Consider resolution correcting Fiscal Year 2020-2021 salaries for personnel of the Keokuk Public Library.
16. Motion to approve the location of the dog park in the southeast corner of River View Park with final layout to be determined.
17. Boards & Commissions.
18. Staff Reports:
19. New Business:
20. Adjourn meeting.

Keokuk Municipal Airport Meeting Minutes

The Keokuk Municipal Airport Commission met on 6/15, 2020 in the Pilot's Lounge of the airport at 3:31 PM. Members present were:

Worden X Lawson X McDowell X Michaelson X Pfaffe X

Also, in attendance was Janice Gobble, Flint Hawes, Ray Ott, Robert Helenthal

Approval of minutes:

Motion by: Donza Second by: Bobby AYES: 4 NAYS: 0 (Jerry not yet present)

Item 1:

Subject: Miscellaneous Equipment (2002 Grand Marquis Courtesy car \$2000; Joy bar-long \$160; Bracket tow bar w/adapters TH53 \$500; 3 pin A/C jumper cable \$50; 24-12-6 volt used charger booster \$100; Small air compressor \$120; Unicom base station radio \$300)

Motion: Donza recommended purchasing everything on the Miscellaneous Equipment from Lindner except the car.
Total cost: \$1230.00

Motion by: Bobby Second by: Mark AYES: 4 NAYS: 0 (Jerry not yet present)

Item 2:

Subject: Internet Operational System (Four Netgear switches; Linksys Router; Three UniFi Access points)

Motion: Purchase the Internet Operational System from Lindner for \$280.00

Motion by: Donza Second by: Rick AYES: 5 NAYS: 0 (Jerry present)

Item 3:

Subject: Office furniture/phone (Large desk with glass cover in terminal office; Computer desk on east wall in office desk area; Cabinet on south wall in office desk area; Working phone in office desk area 524-6203)

Motion: Purchase office furniture/phone for \$150.00

Motion by: Donza Second by: Bobby AYES: 5 NAYS: 0

Discussion Items:

The purchase of the courtesy car is on hold until we hear back from Robert about issues involving insurance and non-City employee driving a City owned car. The City Council needs to decide this and will get back to us.

Robert signed and turned in to City a bill to purchase the Miscellaneous Equipment from Lindner.

The new budget was discussed. There are many questions, i.e. What are "FAA Grants \$695,000"? Donza will ask Cole.

There was discussion about purchasing the inventory of oil, but the original list was the RETAIL price Lindner would have charged. Donza said we would only pay the COST of the oil. Janice said she would provide said list of COSTS. The current list total is: \$1552.68. Janice has subsequently provided at new revised list with total: \$1242.58

There was discussion again about the \$50.00 after hours call-in charge. Until we can get a credit card reader on the fuel pumps, we will adopt that policy, and it will be posted and NOTAMed to give pilots a heads up before they make a call. Flint said he would call Russ to see if he would be interested in working on Saturday from 8am to 12noon.

Streator father and son came out to look at the FBO and Manager position earlier in the day. Nobody who was there was impressed with the "interview".

Manager's Report:

Donza requested that Manager's Reports be sent out via email prior to the meeting, so Commissioners, and others, could pre-read before the meetings.

Discussed hangar leases from other area airports and possibly drafting our own lease agreement. We would agree that the lessee MUST have insurance (Maybe only liability?) We need to think about getting dead beats out of the hangars and having all lessee sign new updated leases.

Robert stated that we definitely need to get our grounds equipment INSIDE to protect from elements when not in use, possibly parking them in the community hangar "when room is made".

There was discussion about building a new terminal or renovating our current one with a three-year plan. It was pointed out that we need to renovate ceilings, flooring, countertops, bathroom, and get some furniture. Donza asked for a list of recommendations for renovation from Ray. Robert assured that anything we need, send him a list and we will get it.

Ray and Flint mentioned that they had trained on Airport operations on Thursday and Friday with Mike Ball, whose last day was Friday, but apparently, Mike has been around on his own time since then. THANK YOU, Mike!

Flint mentioned that he was looking into using an iPad to use with fuel sales and inventory control. He said he would look into purchasing one. He will also be looking into getting credit card readers for our fuel pumps from Hoener.

The EAA (Experimental Aircraft Association) chapter from Burlington will have a Fly-In this Saturday, June 20, from 9am till 11am with coffee and donuts at the Keokuk Airport. It was thought that maybe we could sell some hangar space, sell fuel and advertise our great Airport.

Adjournment: Motion by: Donza

Second by: Jerry

Time: 5:24pm

**MEETING MINUTES
COUNCIL WORKSHOP
JUNE 18, 2020
5:30pm**

Present in person: Richardson, O'Connor, Altheide, Dade, Helenthal, Andrews, Greenwald, Bryant. Present by phone: Dunek

Absent: Payne

Staff present in person: O'Donnell, Ludwig, Broomhall, Peevler, R. Helenthal, Weis.

Staff present by phone: Hinton

- 1) Discussed a dog park on the east side of Riverview Park and heard from Keokuk Park Foundation members in favor of the project.
- 2) Discussed the local preference option in the current purchasing policy.
- 3) Reviewed the council meeting agenda.
- 4) Adjourned at 6:08 p.m.

MINUTES
CITY COUNCIL MEETING
June 18, 2020
500 N. 20th Street
6:30 P.M.

The City Council of the City of Keokuk met in regular session on June 18, 2020 at 500 N. 20th Street. Mayor Thomas L. Richardson called the meeting to order at 6:30 p.m. There were eight council members present, one absent. Mike O'Connor, Linda Altheide, Devon Dade, John Helenthal, Steve Andrews, Michael Greenwald, and Roger Bryant were present. Susan Dunek was present by phone. Ron Payne was absent. Staff in attendance: City Administrator Cole O'Donnell, City Clerk Jean Ludwig, Community Development Director Pam Broomhall, Public Works Director Robert Helenthal, and Bridge, Park, Cemetery and Sanitation Manager Bob Weis were present. Chief of Police Dave Hinton was present by phone.

CITIZEN'S REQUEST: Ed West, Jr. voiced his concerns about the Plaza Cinema closing.

Motion made by O'Connor, second by Helenthal to approve the agenda, including the consent agenda. (8) AYES, (0) NAYS. Motion carried.

- Minutes of the Council Workshop & regular City Council meeting of June 4, 2020;
- Minutes of the Keokuk Municipal Airport meeting of June 10, 2020;
- Cash Receipts and Treasurers Report for June 2020;
- **RESOLUTION NO. 109-20:** Approving a Liquor License for Casey's General Store #2636, 3530 Main Street, effective July 1, 2020 – Class E Liquor License with Sunday Sales;
- **RESOLUTION NO. 110-20:** Approving a Liquor License for Casey's General Store #2595, 326 Main Street, effective July 1, 2020 – Class E Liquor License with Sunday Sales;
- **RESOLUTION NO. 111-20:** Approving a Liquor License for The Hawkeye, 105 N. Park Drive, effective July 7, 2020 – Class C Liquor License with Outdoor Service & Sunday Sales;
- **RESOLUTION NO. 112-20:** Approving a Liquor License for The Bar 914, 914 Main Street, effective July 7, 2020 – Class C Liquor License with Outdoor Service & Sunday Sales;
- Special Events Permit for Lake Cooper Foundation for the Big Dam Street Festival @ Victory Park on August 25-30, 2020;
- Sidewalk Display Permit for The Athletic Center, 521 Main Street;
- Motion to pay bills and transfers listed in Register No.'s 5148-5150;

Old Business

Tabled Item: Consider resolution authorizing acquisition of surface and overhead avigation easement from JLM Farms pursuant to purchase agreement.

Motion to remove from table: Remains on the table for lack of motion.

New Business

Mayor Richardson opened the public hearing at 6:37 p.m. for the sale of City owned real estate located at 811 Exchange Street, pursuant to Iowa Code Chapter 364.7. A public hearing notice was published in the Daily Gate City on June 10, 2020.

COMMENTS: A \$50.00 bid was received from a neighbor.

No further comments were received. Mayor Richardson closed the public hearing at 6:38 p.m.

Motion made by Helenthal, second by Bryant to approve the following proposed **RESOLUTION NO. 113-20:** “A RESOLUTION APPROVING THE SALE OF CITY OWNED REAL ESTATE LOCATED AT 811 EXCHANGE STREET, PURSUANT TO IOWA CODE CHAPTER 364.7.”

(8) AYES, (0) NAYS. Motion carried.

Mayor Richardson opened the public hearing at 6:38 p.m. on the authorization of a loan agreement and the issuance of not to exceed \$ 695,000 Solid Waste Revenue Capital Loan Notes, of Keokuk, Iowa. A public hearing notice was published in the Daily Gate City on June 10, 2020.

O'Donnell gave an overview of the loan agreement. No other comments were received. Mayor Richardson closed the public hearing at 6:39 p.m.

Motion made by Helenthal, second by Greenwald to approve the following proposed **RESOLUTION NO. 114-20:** “A RESOLUTION AUTHORIZING A LOAN AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED \$ 695,000 SOLID WASTE REVENUE CAPITAL LOAN NOTES, OF KEOKUK, IOWA.” (8) AYES, (0) NAYS. Motion carried.

Motion made by O'Connor, second by Bryant to approve the following proposed **RESOLUTION NO. 115-20:** “A RESOLUTION APPROVING A CONTRACT WITH SEIRPC FOR TRANSIT SERVICES.” (8) AYES, (0) NAYS. Motion carried.

Motion made by Helenthal, second by Altheide to approve the following proposed **RESOLUTION NO. 116-20**: “A RESOLUTION SETTING FISCAL YEAR 2020-2021 SALARIES FOR PERSONNEL OF THE CITY OF KEOKUK EFFECTIVE JULY 1, 2020.”

(8) AYES, (0) NAYS. Motion carried.

Motion made by Greenwald, second by Helenthal to approve the following proposed **RESOLUTION NO. 117-20**: “A RESOLUTION APPROVING EARLY RETIREMENT AGREEMENT WITH JEAN LUDWIG.” (8) AYES, (0) NAYS. Motion carried.

Motion made by Greenwald, second by Helenthal to approve the following proposed **RESOLUTION NO. 118-20**: “A RESOLUTION APPROVING PERMANENT ENCROACHMENT FOR DAN GLASGOW, DBA THE CELLAR.” (8) AYES, (0) NAYS. Motion carried.

Motion made by Helenthal, second by Altheide to accept resignation from City Council Member.

(7) AYES, (1) ABSTAIN-Greenwald, (0) NAYS. Motion carried.

Motion made by Bryant, second by Dunek to fill the vacancy on City Council by appointment.

(8) AYES, (0) NAYS. Motion carried.

Motion made by Helenthal, second by Dunek to authorize courtesy car at the airport. (8) AYES, (0) NAYS. Motion carried.

BOARDS & COMMISSIONS: Motion made by O’Connor, second by Bryant to accept the resignation of Doug Clippert from the Rand Park Pavilion Commission, Park and Recreation Advisory Board and the Depot Commission. (8) AYES, (0) NAYS. Motion carried.

Second report of nomination to the Depot Commission: Richard Beard, one-year term to expire 06/01/2021.

Final report of nomination to the Depot Commission: Sandy Seabold, Mike Hickey and John Tweedy, 4-year term to expire 06/01/2024. Motion to approve by O’Connor, second by Bryant. (8) AYES, (0) NAYS. Motion carried.

STAFF REPORTS: O’Donnell reported on the following: Airport Managers, ambulance service, COVID-19, and landfill.

There being no further business, Mayor Richardson adjourned the meeting at 7:04 p.m.

Make It Yours
KEOKUK
I O W A

**SPECIAL EVENTS APPLICATION &
HOLD HARMLESS AGREEMENT**

Please complete all sections of this application. An incomplete application will be returned to applicant. Once all required documentation and signatures are received, only then will it be considered by the City Administrator, Police Chief, Fire Chief and Public Works Director for final approval. Application must be submitted at least **30 days** prior to the date of the event.

Some permits for events may require additional time for approval
(For example: Parades requiring use of a state highway)

PLEASE RETURN TO: Keokuk Municipal Building to the Attention of the City Administrator

1. **APPLICANT INFORMATION**

Applicant: Jon Morris
Name/Event: My Firework Display
Coordinator: Jon Morris
Mailing Address: 1 Navaho Dr
Daytime Phone #: 319 670 0706 Evening Phone #: _____
Email Address: zipi97@yahoo.com

2. **EVENT INFORMATION**

Type of Event:
Fireworks

Days/Dates of Event:
7/17/20

Time(s) of Event: (include Set Up/Tear Down Time)
2pm - 11pm

Event Location:
My Property @ end of Cleveland Ave

Will event require an alcohol license or require modification of an existing license? Yes No

3. **REQUEST INFORMATION (Check All Applicable Lines)**

If you are requesting the closing of a city street, a lane must be maintained for emergency vehicles at all times.

- Temporarily park in a "No Parking" area (specify location :)
- Temporarily close a street for a block party (specify street :)
- Temporarily install structure in street right-of-way
- Permanently install structure in street right-of-way
- Use of City Park (specify park :)
- Parade (attach map of route and indicate streets to be closed)
- Walk/Run (attach map of route and indicate streets to be closed)
- Banner (specify location :)
- Tent(s) to be used – over 400 sq ft or canopies over 1,000 sq ft
- Fireworks (specify location :) *END OF CLEVELAND AVE*
- Other (please specify :)

4. **ITEMS REQUESTED FROM THE CITY OF KEOKUK (\$25 rental fee required per item requested)**

- Street barricades
- Emergency "No Parking" Signs
- Other (please specify :)

5. **SOUND SYSTEMS**

NOTE: You must comply with the City of Keokuk Code of Ordinances and any requirements attached to this permit.

Duration of event: _____

Please indicate if the following will be used:

- | | |
|---|---|
| <input type="checkbox"/> Amplified Sound/Speaker System | <input type="checkbox"/> Recorded Music |
| <input type="checkbox"/> Public Address System | <input type="checkbox"/> Live Music |

6. **SANITATION**

Applicant is responsible for the clean-up of the event area immediately following the event, including trash removal from the site.

Will additional restrooms be brought to the site? ____ Yes No If yes, how many? _____

Please name the individual, organization, or contractor responsible for clean-up and trash removal:

Contact Person: Self Address: _____

Daytime Phone: _____ Evening Phone: _____

7. **SECURITY**

Certified personnel are required by the Chief of Police at the applicant's expense for all events requiring an alcohol license. At a minimum, 2 police officers certified in the State of Iowa will be required, no exceptions. What type of security will be provided?

____ Number of Off-Duty Police Officers

Names:

8. **INSURANCE**

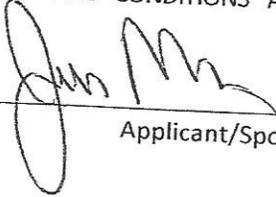
Applicant shall obtain and maintain a general liability insurance policy naming the City of Keokuk as additional insured using form IL7305 so as not to waive Owner's Governmental Immunity when conducting an event on **public property**. For events requiring an **alcohol license**, the minimum amount of coverage in the general liability insurance policy shall be \$2,000,000 general aggregate, \$1,000,000 personal injury and \$1,000,000 each occurrence. For all other events held on **public property**, the minimum amount of coverage for the general liability insurance policy will be \$500,000. This application will not be considered by the City of Keokuk until the proper insurance certificate is submitted and approved by the City Administrator.

____ Certificate of Insurance provided and accepted Certificate of Insurance not required

9. AGREEMENT

In consideration of the City of Keokuk, Iowa, granting permission for the activity described above, the undersigned indemnifies and holds harmless the City of Keokuk, Iowa, its employees, representatives and agents against all claims, liabilities, losses or damage for personal injury and/or property damage or any other damage whatsoever on account of the activity described above and/or deviation from normal City regulations in the area. The undersigned further agrees to indemnify and hold harmless the City of Keokuk, Iowa, its employees, representatives and agents against any loss, injury, death or damage to person or property and against all claims, demands, fines, suits, actions, proceedings, orders, decrees and judgments of any kind or nature and from and against any and all costs and expenses including reasonable attorney fees which at any time may be suffered or sustained by the undersigned or by any person who may, at any time, be using or occupying or visiting the premises of the undersigned or the above-referenced public property or be in, on or about the same, when such loss, injury, death or damage shall be caused by or in any way result from or rising out of any act, omission or negligence of any of the undersigned or any occupant, visitor, or user of any portion of the premises or shall result from or be caused by any other matters or things whether the same kind, as, or of a different kind that the matters or things above set forth. The undersigned hereby waives all claims against the city for damages to the building or improvements that are now adjacent to said public property or hereafter built or placed on the premises adjacent to said property or in, on or about the premises and for injuries to persons or property in or about the premises, from any cause arising at any time during the activity described above. The undersigned further agrees to comply with all the rules, regulations, terms and conditions established by the City of Keokuk, Iowa.

THE UNDERSIGNED HAS READ AND FULLY UNDERSTANDS THIS DOCUMENT, INCLUDING THE FACT IT IS RELEASING AND WAIVING CERTAIN POTENTIAL RIGHTS, AND VOLUNTARILY AND FREELY AGREES TO THE TERMS AND CONDITIONS AS SET FORTH HEREIN.



Applicant/Sponsor Signature

6/24/2020

Date

DEPARTMENT APPROVALS

The request has been reviewed by the undersigned and recommended for approval with the condition as noted:

POLICE DEPARTMENT

Signature: _____ Date: _____

Recommended Conditions: _____

FIRE DEPARTMENT

Signature: _____ Date: _____

Recommended Conditions: _____

PUBLIC WORKS DEPARTMENT

Signature: _____ Date: _____

Recommended Conditions: _____

OTHER

Signature: _____ Date: _____

Recommended Conditions: _____

CITY ADMINISTRATOR APPROVAL (City Council Approval)

City Administrator Signature Date Approved: _____ Denied: _____

CONDITIONS IMPOSED: _____

Date of City Council Approval (if required): _____

Personal Liability and Medical Payments

Premium for Personal Liability and Medical Payments \$170.00

Coverage Description

Limit

Medical Payments to Others \$25,000

Liability \$1,000,000

Extra Coverages

Limit

Liability Loss Assessment \$1,000

Insured Locations

1 NAVAHO DR KEOKUK Lee Jackson IA 52632-2022

SECTION 26-5-65 KEOKUK Lee Jackson IA 52632 22 acres

SECTION 27-5-65 KEOKUK Lee Jackson IA 52632 6 acres



FARM BUREAU FINANCIAL SERVICES

Insurance • Investments

Renewal Declarations - Place With Your Policy

THIS IS NOT A BILL

**Farm Bureau Property & Casualty
Insurance Company**
5400 University Avenue
West Des Moines, Iowa 50266-5997

First Named Insured
JONATHAN MORRIS
1 NAVAHO DRIVE
KEOKUK, IA 52632

Policy Number 7795840
Policy Period 02-14-2020 to 02-14-2021

Your Farm Bureau Agent
KARI R GROGAN
319-524-3114

Farm Bureau Member's Choice Policy

Customer Service 866-399-3237
Claims Hotline 800-226-6383

This declarations is a part of the policy and shows the coverages
that are provided during the specified policy period.

Named Insured(s)

JONATHAN MORRIS

Summary of Coverage

Annual Premium

Property/Liability Coverage \$1,141.42

Policy Discounts

Protective Devices
Financial Services

Property Claim Free
Paid In Full

Policy Forms & Endorsements

PKXX.J0001.0510

PKIA.SGENL.1214

PKIA.SGENS.0510

PKIA.SLIAB.0113

PKIA.MPLIA.0919

PKIA.SPROP.1216

PKIA.MDWLG.0919

PKIA.MHHPP.0711



RESOLUTION NO.

WHEREAS, Application has been made by Walmart Inc., LLC for a Class E Liquor License with Sunday Sales for Wal-Mart Supercenter #1431, 300 North Park; **AND**

WHEREAS, Iowa Code Chapter 123 and Section 4.16.030 of the Keokuk Municipal Code require that the City Council conduct a formal investigation into the good moral character of the applicant; **AND**

WHEREAS, such an investigation has been conducted.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA:

THAT, Walmart Inc. has been found to be of good moral character and meets the requirements of Section 123.40 of the Code of Iowa; and that the Class E Liquor License with Sunday Sales for Wal-Mart Supercenter #1431, 300 North Park, effective July 21, 2020, be approved and endorsed to the Iowa Alcoholic Beverage Division.

Passed this 2nd day of July, 2020.

CITY OF KEOKUK, LEE COUNTY, IOWA

By: _____
THOMAS L. RICHARDSON, MAYOR

ATTEST: _____
JEAN LUDWIG, CITY CLERK

Instructions on the reverse side

For period (MM/DD/YYYY) 01 / July / 2020 through June 30, 21

I/we apply for a retail permit to sell cigarettes, tobacco, alternative nicotine, or vapor products:

Business Information:

Trade Name/DBA Amity inc / Site Food Mart.
Physical Location Address 1301 Main Street City Keokuk ZIP 52632
Mailing Address 1301 Main Street City Keokuk State IA ZIP 52632
Business Phone Number 319 524 3454

Legal Ownership Information:

Type of Ownership: Sole Proprietor Partnership Corporation LLC LLP
Name of sole proprietor, partnership, corporation, LLC, or LLP Amity inc
Mailing Address 1301 Main Street City Keokuk State IA ZIP 52632
Phone Number 319 524-3454 Fax Number _____ Email _____

Retail Information:

Types of Sales: Over-the-counter Vending machine
Do you make delivery sales of alternative nicotine or vapor products? (See Instructions) Yes No
Types of Products Sold: (Check all that apply)
Cigarettes Tobacco Alternative Nicotine Products Vapor Products

Type of Establishment: (Select the option that best describes the establishment)

Alternative nicotine/vapor store Bar Convenience store/gas station Drug store
Grocery store Hotel/motel Liquor store Restaurant Tobacco store
Has vending machine that assembles cigarettes Other _____

If application is approved and permit granted, I/we do hereby bind ourselves to a faithful observance of the laws governing the sale of cigarettes, tobacco, alternative nicotine, and vapor products.

Signature of Owner(s), Partner(s), or Corporate Official(s)

Name (please print) DARBARA SINGH Name (please print) _____
Signature Darbora Singh Signature _____
Date 6-16-2020 Date _____

Send this completed application and the applicable fee to your local jurisdiction. If you have any questions contact your city clerk (within city limits) or your county auditor (outside city limits).

FOR CITY CLERK/COUNTY AUDITOR ONLY – MUST BE COMPLETE

- Fill in the amount paid for the permit: 75.-
- Fill in the date the permit was approved by the council or board: 7-2-20
- Fill in the permit number issued by the city/county: 2020-12
- Fill in the name of the city or county issuing the permit: Keokuk, Lee, Co.
- New Renewal

Send completed/approved application to Iowa Alcoholic Beverages Division within 30 days of issuance. Make sure the information on the application is complete and accurate. A copy of the permit does not need to be sent; only the application is required. It is preferred that applications are sent via email, as this allows for a receipt confirmation to be sent to the local authority.

- Email: iapledge@iowaabd.com
- Fax: 515-281-7375

PAYMENT OF THE FOLLOWING CLAIMS FOR THE CITY ARE APPROVED AND CLAIMS FOR THE LIBRARY AND AIRPORT ARE ACKNOWLEDGED FOR THE PURPOSE OF PAYING THE SEMI-MONTHLY BILLS FOR THE COUNCIL MEETING OF JULY 2, 2020.

REGISTER NO. 5151

AMI PIPE & SUPPLY	SUPPLIES	\$ 59.00
BARCO MUNICIPAL PRODUCTS, INC.	SIGNS/FREIGHT	\$ 350.80
BEARING HEADQUARTERS CO.	PARTS	\$ 454.40
GRAY QUARRIES, INC	ROADROCK	\$ 1,589.63
JIM BAIER, INC	PARTS	\$ 111.96
ERIC E. SUTER	SERVICE CALL @ POLICE DEPT	\$ 65.00
RIVER CITY PARTS, INC.	PARTS	\$ 10.50
HEADCO MACHINE WORKS	PARTS/MATERIALS	\$ 875.00
LAWSON PRODUCTS, INC.	SUPPLIES	\$ 602.19
KERR FABRICATORS, INC.	PARTS/SUPPLIES	\$ 20.16
SHERWIN-WILLIAMS CO.	SUPPLIES/PAINT	\$ 153.67
J & S ELECTRONICS BUSINESS,INC	LABOR @ LIBRARY	\$ 974.14
S. J. SMITH WELDING SUPPLY	TANK RENTAL	\$ 96.41
KEYSTONE LABORATORIES, INC.	TEST SAMPLES	\$ 926.10
TASKE FORCE, INC.	TEMPORARY HELP	\$ 3,472.50
BAKER & TAYLOR BOOKS	BOOKS KEOKUK PUBLIC LIBRARY	\$ 313.11
MCFARLAND-SWAN OFFICE CITY	LIBRARY SUPPLIES	\$ 24.50
ALLIANT	ELECTRIC BILL	\$ 23,917.54
HACH COMPANY	LAB SUPPLIES	\$ 258.14
CENTURY LINK	SERVICE	\$ 172.35
PILOT GROVE SAVINGS BANK	RENT	\$ 3,500.00
LEE COUNTY RECORDER/REGISTRAR	DOCUMENT RECORDING	\$ 66.00
LINDNER AVIATION, INC.	AIRPORT SUPPLIES/EQUIPMENT	\$ 3,510.00
IOWA DEPT. OF PUBLIC SAFETY	TERMINAL BILLING	\$ 300.00
MEYERS PLUMBING	LABOR/MATERIAL	\$ 262.97
MODJESKI & MASTERS, INC.	BRIDGE INSPECTION	\$ 725.00
VAN METER INDUSTRIAL	PARTS/SUPPLIES	\$ 191.53
RESERVE ACCOUNT	REFILL POSTAGE	\$ 150.00
ELECTRIC PUMP	LABOR/PARTS/TRAVEL/FREIGHT	\$ 1,129.60
SOUTHEASTERN COMMUNITY COLLEGE	CLASSES	\$ 329.00
CONNECTION INSURANCE	INSURANCE	\$ 4,025.00
GATE CITY SEED COMPANY	SUPPLIES	\$ 15.99
HUFFMAN MACHINE & WELDING, INC	SUPPLIES/PARTS	\$ 665.94
ENDERLE HEATING & A/C COMPANY	LIBRARY SUPPLIES/LABOR	\$ 909.45
DOWNEY'S FIRE EQUIPMENT	EXTINGUISHERS/INSPECTIONS	\$ 672.10
KEOKUK ART CENTER	HOTEL/MOTEL SUPPORT	\$ 7,140.00
KEOKUK AREA CONVENTION AND	HOTEL/MOTEL SUPPORT	\$ 30,000.00
KEOKUK FINE ARTS COUNCIL	HOTEL/MOTEL SUPPORT	\$ 12,100.00
IOWA LEAGUE OF CITIES	MUNICIPAL ACADEMY	\$ 195.00
MSKI	HOTEL/MOTEL SUPPORT	\$ 22,500.00
HOERNER YMCA	MEMBERSHIPS	\$ 3,008.00

REGISTER NO. 5152

GOLDSTEIN-SCHWARTZ, INC	SUPPLIES	\$ 1,541.40
R.L. HOENER COMPANY	PARTS	\$ 565.60
SECRETARY OF STATE	NOTARY PUBLIC	\$ 30.00
PER MAR SECURITY SERVICES	SECURITY MONITORING	\$ 201.96
RAIRDEN AUTO SALVAGE, INC.	TOWING SERVICE	\$ 250.00
L & W QUARRIES	WASHED CHIPS	\$ 1,449.53
YOUNGGREN SHOES	WORK BOOTS	\$ 360.00
FAMILY DISCOUNT SHOES	WORK BOOTS	\$ 106.99
MIDWEST BREATHING AIR L.L.C.	AIR TEST/FIRE DEPT SUPPLIES	\$ 795.80
FASTENAL COMPANY	PARTS/SUPPLIES	\$ 202.38
JAMES K. NEFF	LABOR/MATERIAL	\$ 979.86
STRATEGIC INSIGHTS COMPANY	CAPITAL PLANNING SOFTWARE	\$ 1,875.00
REECE'S HEATING & AIR	SERVICE CALL @ FIRE DEPT	\$ 95.23
YSI INCORPORATED	LAB SUPPLIES	\$ 240.00
WAL-MART COMMUNITY/GEGRB	SUPPLIES	\$ 402.52
TOTAL SOLUTIONS, INC.	IT ENG/OFFSITE BACKUP	\$ 793.93
KOCH OFFICE GROUP	SCNA PRO LICENSE @ LIBRARY	\$ 300.00
MEDIACOM	SERVICE @ VEHICLE MAINT	\$ 68.99
MUNICIPAL EMERGENCY SERVICES	FIRE DEPT SUPPLIES	\$ 99.60
HILL'S PET NUTRITION SALES,INC	SUPPLIES	\$ 21.40
BRITE-WAY WINDOW SERVICE	SERVICE KEOKUK PUBLIC LIBRARY	\$ 16.00
DIVISION OF LABOR	REINSPECTION FEE	\$ 300.00
MACQUEEN EQUIPMENT, INC.	PARTS/FREIGHT	\$ 781.51
TWO RIVERS VETERINARY CENTER	ANIMAL SERVICES	\$ 352.25
KLINGNER & ASSOCIATES, P.C.	PROFESSIONAL SERVICES	\$ 225.00
RAND PARK PAVILION	HOTEL/MOTEL SUPPORT	\$ 7,500.00
WINDSTREAM	SERVICE	\$ 928.84
DOORS INC.	BATTERY BACK UP BOARDS	\$ 628.00
NFPA	FIRE CHIEF MEMBERSHIP	\$ 1,345.50
LIBERTY UTILITIES MIDSTATES	SERVICE	\$ 213.15
JETCO, INC.	LABOR/MILEAGE @ WPC	\$ 1,614.69
DIANNE STANLEY	MONTHLY MANAGER FEE @ GRAND	\$ 442.25
INTERSTATE BILLING SERVICE,INC	PARTS	\$ 81.12
ARMSTRONG TRACTOR LLC	PARTS	\$ 61.39
CALEB ATTERBERG	REIMBURSEMENT	\$ 26.85
IMWCA	DEPOSIT WORK COMP 20-21	\$ 90,169.00
ICMA MEMBERSHIP RENEWALS	CITY ADMINISTRATOR DUES	\$ 1,060.90
VISA	CARD SERVICES	\$ 624.41
KEOKUK MILLS, LLC	TARGETED JOBS TAX CREDIT	\$ 4,081.17
FP MAILING SOLUTIONS	LIBRARY POSTAGE METER	\$ 89.85
LAKE COOPER FOUNDATION	HOTEL/MOTEL SUPPORT	\$ 5,000.00
JANICE LINDNER	REIMBURSE GRAND THEATER	\$ 44.00
STANDARD & ASSOCIATES, INC	LAW ENFORCEMENT TESTING	\$ 67.00
CUMMINS CENTRAL POWER	INSPECTION	\$ 663.43
COMPRISE TECHNOLOGIES, INC.	SOFTWARE RENEWAL @ LIBRARY	\$ 481.00

REGISTER NO. 5153

ANSELL HEALTHCARE PRODUCTS LLC	WPC SUPPLIES	\$ 518.00
JIM WOLFF	LABOR @ VERITY	\$ 1,272.00
JOSEPH FIERCE	GRAND THEATER JANITORIAL	\$ 306.00
STEVEN R LONG	CITY HALL JANITORIAL SERVICE	\$ 300.00
SANDRA SEABOLD	REIMBURSE DEPOT SUPPLIES	\$ 16.88
IOWA ONE CALL	ONE CALL CHARGES	\$ 124.30
DENNIS CLARK	MOWING VARIOUS PROPERTIES	\$ 1,255.00
CARLA CELANIA	REIMBURSE DEPOT SUPPLIES	\$ 159.43
ATI	PARTS - WPC	\$ 209.63
NEWBERRY LANDSCAPING LLC	MOWING VARIOUS PROPERTIES	\$ 1,650.00
MCCLURE ENGINEERING CO	PROFESSIONAL SERVICES AIRPORT	\$ 17,902.50
CARRIE MILLER	PORTABLE TOILET RENTAL	\$ 320.00
MARVIN L. PEZLEY	AIRPORT MOWING/MAINT	\$ 655.00
LEXIPOL LLC	LAW ENFORCEMENT WORKSHOP	\$ 11,617.00
ROBERT & JILL GULL	AVIGATION EASEMENT	\$ 21,400.00
S&P GLOBAL MARKET INTELLIGENCE	CAP LOAN NOTE SERIES A	\$ 481.00
MICHAEL BALL	AIRPORT DUTIES	\$ 980.00
DAVID STUDER	REIMBURSEMENT	\$ 40.00
Accounts Payable Total		\$ 312,226.92

RESOLUTION NO.

**RESOLUTION AUTHORIZING ACQUISITION OF
SURFACE AND OVERHEAD AVIGATION EASEMENT
FROM JLM FARMS
PURSUANT TO PURCHASE AGREEMENT**

WHEREAS, the City of Keokuk wishes to acquire a surface and overhead avigation easement adjacent to the Keokuk Municipal Airport, owned by JLM Farms, and legally described and depicted on the attached Avigation Easement Exhibit, hereby incorporated into this resolution by this reference; and,

WHEREAS, the acquisition of the surface and overhead avigation easement is necessary for planned public improvements at the airport site; and,

WHEREAS, JLM Farms, owner of record of the above-referenced property, is agreeable to deed the surface and overhead avigation easement to the City of Keokuk for **Twenty One Thousand Seven Hundred Dollars and 00/100 Dollars (\$21,700)**; and,

WHEREAS, a copy of the negotiated surface and overhead avigation easement and legal description are attached to this resolution, hereby incorporated into this resolution by this reference; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA, as follows:

Section 1. The Mayor and City Clerk are hereby authorized and directed to sign this resolution.

Section 2. McClure Engineering, Midwest ROW Services and City staff are hereby authorized to prepare and execute any document necessary to effectuate this acquisition and have recorded at the Lee County Register of Deeds office.

PASSED, APPROVED, AND ADOPTED this 2nd day of July, 2020.

Thomas L. Richardson, Mayor

Attest.

Jean Ludwig, City Clerk

ADOPTED:



COUNCIL ACTION FORM

Date: July 2, 2020

Presented By: O'Donnell

Subject: Purchase Policy Amendment Agenda Item: _____

Description:

Our purchase policy allows the council to invoke local preference, in certain situations, when the bid of a local vendor is no more than 10% greater than the lowest bidder. In the past, Council has invoked local preference for two separate sewer projects. This caused extended discussion on the appropriateness of the 10% as, in one case, accepting the local bid added significant expense to the project. At the June 18, 2020 work session, the Council discussed change the local preference clause to limit the allowable difference between the low bid and the local bid. This change will help to insure that local bidders are not taking advantage of the local preference and are submitting a true competitive bid. The propose changes are as follows:

For projects/purchases \$99,999.00 or less, the amount of the quotation of the vendor located within the City of Keokuk is not more than 3% or \$1,500, whichever is less, greater than the amount of the low quotation of the vendor located outside of the City limits.

For projects/purchases \$100,000 or more, the amount of the quotation of the vendor located within the City of Keokuk is not more than 2% or \$3,000, whichever is less, greater than the amount of the low quotation of the vendor located outside of the City limits.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES NO CIP Project Number: _____

RESOLUTION NO. _____

**A RESOLUTION ADOPTING REVISED PURCHASING POLICY FOR THE
CITY OF KEOKUK**

WHEREAS, the City of Keokuk, Iowa has previously adopted a Purchasing Policy in order to establish guidelines to promote efficient use of limited resources and ensure sound financial stewardship; and

WHEREAS, said Purchasing Policy has been revised as to Local Preference.

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA, that the revised Purchasing Policy is hereby adopted.

PASSED, APPROVED, AND ADOPTED this 2nd day of July, 2020

Mayor –Thomas L. Richardson

ATTEST:

Jean Ludwig, City Clerk

Purchasing Policy

Pursuant to Resolution No.:

Keokuk City Council

The intent of the Purchasing Policy is to establish guidelines to promote efficient use of limited resources and ensure sound financial stewardship.

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INTRODUCTION

Purpose

The City of Keokuk Purchasing Policy is hereby created to:

1. Clarify certain procedures and safeguards governing purchases of supplies and services by the City.
2. Provide for increased public confidence in the procedures followed in City purchasing decisions.
3. Ensure the fair and equitable treatment of all persons who are involved with the City's purchasing procedures.
4. Provide increased economy in City purchasing activities and maximize the purchasing value of public monies for the City.

Definitions

Emergency Purchase: A purchase of a good or service made when time is of the essence due to a sudden, unforeseen critical situation which requires the immediate purchase of the good or service in order to rectify the critical situation.

Horizontal Infrastructure: Public improvements such as roads, streets, bridges and culverts.

Responsible Bidder: Requirement in public procurement which focuses on the bidder, meaning the bid is submitted by a bidder who has the financial and technical ability to perform and complete the required work as indicated by the bidder's submitted bid materials, references, the City's past experiences with the bidder, and any other relevant factor.

Responsive Bid: Requirement in public procurement which focuses on the bid and is a check to ensure the bidder agrees to all that is required in the plans, specifications and other requirements of the project and timely and completely responds to the bid as required by the City.

Responsive, Responsible Bidder: The bidder who provides a bid which complies with all applicable specifications set forth by the City, and which undertakes to fulfill the specifications in a manner recognized as "responsible" under the law, and at the lowest price among the competing bids.

Vertical Infrastructure: Public improvements such as buildings, parking facilities, utilities, and trails.

Purchasing Responsibilities

City Council

1. Adopt the annual operating budget to determine levels of expenditure by fund, department, and program, including capital expenditures.
2. Review, adopt, approve, and/or award capital, and contractual service purchases over \$35,000.
3. Review, adopt, approve, and/or award purchases of new and used equipment over \$46,000.

City Administrator

1. Ensure budgeted levels for each fund are not exceeded.
2. Approve all purchases between \$15,000 and \$35,000.
3. Present purchasing recommendations to the Council for purchases over \$46,000.
4. Approve purchases of new and used equipment \$35,000 - \$46,000 which has been approved for purchase that year in the City's capital projects. Notify Council of purchase at next regularly scheduled meeting.
5. Coordinate purchases between departments.
6. Ensure compliance with City of Keokuk purchasing policy and local, state and federal laws.

City Clerk

1. Monitor expenditures and advise City Administrator of monthly expenditure rates.
 - a. Design and maintain any and all necessary purchasing forms.
 - b. Maintain a list of City personnel authorized to make purchases.

Department Heads

1. Inform all personnel in their department of these purchasing policies.
2. Ensure budgeted levels for line items are not exceeded.
3. Plan purchases (including budgeted items) in order to allow the department sufficient time to obtain proposals or quotations, determine best vendor, and issue contracts.
4. Submit requisitions to the Finance Department.
5. Approve purchases less than \$15,000.

Staff-level Employees

1. All employees must be authorized by their department head to make purchases prior to exercising the authority to purchase.
 - a. Certain employees may be granted a standing purchasing limit by their Department Head. Employees will not be granted a standing purchasing limit that exceeds the limit of their Department Head.
 - b. Employees also may be given approval by their department head on a case-by-case basis to make certain purchases.
2. Employees who have been approved to make minor purchases are encouraged to make such purchases from local vendors within the City limits.
3. When making purchases, employees are to put their signature and department name on the invoice. All invoices need to be turned in to the employees' respective departments on a daily basis.

Note: Items that are budgeted are still subject to the procedures set forth in this document.

POLICY

Public Improvement Projects

State requirements will be followed for all public improvement projects for horizontal and vertical infrastructure. Iowa Code Chapter 26 should be consulted to ensure that the City is complying with the current competitive bid thresholds. The minimum thresholds for horizontal and vertical infrastructure into the foreseeable future as of the date of this policy are as follows:

<u>Horizontal Infrastructure</u>		
Amount	Approval Required	Procurement Method
Up to \$46,999	City Administrator	Request for Quotes or Request for Proposal
\$47,000 and Greater	City Council	Competitive Bid

<u>Vertical Infrastructure</u>		
Amount	Approval Required	Procurement Method
Up to \$54,999	City Administrator	Request for Quotes or Request for Proposal
\$55,000 to \$134,999	City Council	Competitive Quote
\$135,000 and Greater	City Council	Competitive Bid

Process for Competitive Bids

1. City Engineer prepares plans and specifications and calculates the estimated total cost of the project.
2. If the estimated total cost of a public improvement project exceeds the competitive bid threshold, the City Council shall approve a resolution to approve construction of the improvement, to set a public hearing and to direct advertisement bids.
3. City Council holds a public hearing on the plans, specifications, form of contract and estimated cost of the project.
4. **Advertisement for Bids.** If the estimated total cost of a public improvement project exceeds the competitive bid threshold, the City shall advertise for sealed bids for the proposed public improvement by posting a notice to bidders not less than thirteen and not more than forty-five days before the date for filing bids in a relevant contractor plan room service with statewide circulation, in a relevant construction lead generating service with statewide circulation, and on an internet site sponsored by either a governmental entity or a statewide association that represents the governmental entity.

5. **Bid Opening** – Bids shall be opened by an appropriate representative of the City. The amount of each bid shall be announced, and other relevant information shall be recorded along with the name of each bidder.
6. **Bid Evaluation** – Bids shall be evaluated based on the requirements set forth in the Notice to Bidders, which may include criteria to determine acceptability, such as inspection, testing, quality, and suitability for a particular purpose.
7. **Award** – The contract shall be awarded or rejected by the City Council with reasonable promptness. Award may be made to the lowest, responsible bidder who submits a responsive bid. The City reserves the right to reject all bids, accept a higher bid for any practical reason (after stating said reason in writing).

Additional details regarding the requirements of bids for public improvements are found in Chapter 26 of the Iowa Code.

Process for Competitive Quotes

1. Engineer prepares plans and specifications and calculates the estimated total cost of the project.
2. Staff provides plans and specifications to at least two contractors regularly engaged in the required work.
3. Notification is provided to the contractors designating a time, place, and manner for returning quotations, which may be received by fax, email or in-person. These quotations are not required to be sealed.
4. Engineer or other assigned staff member may make a recommendation to the City Council to award the contract to the party submitting the lowest responsive, responsible quote, or to reject all quotes.
5. Council considers and approves a resolution awarding the quote.
6. If the work can be performed by employees of the City, the City may file a competitive quotation for the work to be performed in the same manner as a contractor. For purposes of comparing the City's quote to a contractor's quote, the amount of estimated sales tax and fuel tax in the contractor's quote must be deducted from the contractor's quote. If no quotes are received from any contractor, or if the City's estimated cost to do the work is less than the lowest responsive, responsible quote, the City may authorize its employees to perform the work.

Additional details regarding the requirements of bids for public improvements are found in Chapter 26 of the Iowa Code.

Goods and Services

Purchases Exceeding \$46,000

Contracts for goods or services exceeding \$46,000 shall be awarded by the City Council through competitive bidding or a competitive quote process (some exclusions to City Council approval are contained in this policy). When deemed legal by the city attorney, a competitive quote process may be approved by the city administrator.

Process for Obtaining Council Approval

1. All purchases or service contracts totaling more \$46,000 shall require a separate agenda item.

2. All purchases or service contracts shall be accompanied by a written recommendation from the City Administrator or appropriate department head for award.

Purchasing Between \$15,000 and \$35,000

Purchases of goods or services greater than \$15,000 but less than \$35,000 will require at least three documented attempts to receive price quotes and require the Department Head to submit applicable documentation to the Administration Office. Quotes may be solicited in person, by telephone, from websites, or in writing, but the solicitation must be documented in writing for the purchase to be authorized. A purchase order must be signed by the Department Head prior to ordering.

Purchases under \$15,000

Purchases of goods or services totaling less than \$15,000 shall not require multiple quotes if the prices are considered to be reasonable. Informal quotes are encouraged. No purchase order is required.

General Procedures for Competitive Bidding for Purchases Not Qualifying as Public Improvement Projects

1. **Invitation for Bids** – An invitation for bids shall be mailed or emailed to those vendors on the established vendor list that have indicated an interest in bidding on City product or service contracts being bid and shall be posted on the City’s web page at least 7 days in advance (when available) of the due date for submission of bids. Items requiring publication in the newspaper will also be published at least 4 days in advance of the due date for submission of bids. The notice shall be filed with the City Clerk and shall be open to public inspection. Bid bonds may be required if determined by the City Administrator.
2. **Bid Opening** – Bids shall be opened by an appropriate representative of the city. The amount of each bid shall be announced, and other relevant information shall be recorded along with the name of each bidder.
3. **Bid Evaluation** – Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability, such as inspection, testing, quality, and suitability for a particular purpose.
4. **Award** – The contract shall be awarded or rejected with reasonable promptness. Award may be made to the lowest responsible bidder who submits a responsive bid. The City reserves the right to reject all bids, accept a higher bid for any practical reason (after stating said reason in writing), and/or enforce local preference.

Local Preference

The City may consider local preference when purchasing goods and services from suppliers located within the City limits of Keokuk under the following conditions:

1. The goods or services offered by a vendor located within the City limits or the State of Iowa must be equal to or exceed the minimum specifications required.
2. For projects/purchases \$99,999.00 or less, the amount of the quotation of the vendor located within the City of Keokuk is not more than 103% or \$1,500, whichever is less, greater than the amount of the low quotation of the vendor located outside of the City limits.
- ~~2.3.~~ For projects/purchases \$100,000 or more, the amount of the quotation of the vendor located within the City of Keokuk is not more than 2% or \$3,000, whichever is less, greater than the amount of the low quotation of the vendor located outside of the City limits.
- ~~3.4.~~ Local preference does not apply to public improvement projects pursuant to Chapter 26 of the Iowa Code.

Reoccurring Purchases

For services or products that are required more than once a year, the aggregate total of the purchases will be used to determine the purchasing procedures that should be followed.

Reoccurring purchases will not be subject to the competitive sealed bid process, unless requested by the City Administrator.

Real Estate Acquisition

1. An appraisal is required:
 - a. Unless there are other means available to determine a fair value; or
 - b. The acquisition price is less than \$50,000.
2. The City Council must approve all contracts for property acquisition over \$25,000.
3. Outside of normal city council approval, the Mayor may approve the purchase of real property (less than \$25,000) and the City Administrator may approve the purchase of real property (less than \$25,000).

Vendor List

1. The City shall maintain a list of vendors who have expressed an interest in being notified of City bid contracts. The list shall be maintained by the City Clerk and organized by type of product or service.
2. The City of Keokuk shall comply with and shall only do business with contractors and vendors who comply with all Federal and State laws, executive orders, and rules and regulations that govern public contracts.
3. The City Administrator has the discretion to bar any vendor who has failed to comply with a previous quote, bid, or contract with the City. Any such vendor shall be sent a written notice of the decision, and the decision to bar a vendor from participating in City purchases may be appealed to the City Council.

Sole Source Purchasing

The Mayor, City Council, City Administrator, or Department Heads are the only authorities empowered to exempt the purchase of goods from competitive selection processes when after a good faith review of the available sources, one of the following applies:

1. One vendor is the only one qualified or eligible or is quite obviously the most qualified or eligible to provide the good; or
2. The procurement is of such a specialized nature or related to a specific geographic location that only a single source, by virtue of experience, expertise, proximity, or ownership of intellectual property rights, could most satisfactorily provide the good; or
3. Applicable law requires, provides for, or permits use of a sole source procurement; or
4. The federal government or other provider of funds for the goods being purchased (other than the state of Iowa) has imposed clear and specific restrictions on the use of the funds in a way that restricts the procurement to only one vendor; or
5. The procurement is an information technology device that is systems software or an upgrade, or compatibility is the overriding consideration, or the procurement would prevent voidance or termination of a warranty, or the procurement would prevent default under a contract or other obligation.
6. Review and concurrence by the City Attorney that the item is a justified Sole Source Procurement.

***A sole source procurement shall be avoided unless clearly necessary and justifiable.**

Prohibited Purchases

The following purchases cannot be made from City funds:

1. The purchase of any illegal substance or services.
2. Gambling related purchases.
3. Purchases made for a direct or indirect personal benefit or interest to a City officer or employee (or a City officer or employee's immediate family). This provision may be waived if a written competitive bid process is publicly noticed and opened. At the time of providing a bid, all officers and employees must identify any conflicts they may have which would necessitate the process noted.
4. Any purchase not done in accord with Iowa law or these policies.

Purchases Not Subject to Competitive Sealed Bidding

Purchases made under the following circumstances shall not require competitive sealed bidding:

1. When the purchase is of an emergency nature, but only while the emergency condition exists. The situation resulting in the emergency must be fully documented and attached to the purchase requisition. The City Administrator shall review and evaluate any such emergency purchases as soon after the purchase as time permits. Disciplinary action against the responsible parties may be imposed in cases of poor organization or planning resulting in the emergency purpose.
2. When the price is prescribed by law.
3. When the method of acquisition is prescribed by law.
4. When the supplier is the sole source.
5. When the good or service is available from another governmental entity or a contract with the State of Iowa at a price deemed less than commercially available.
6. Certain professional services described in the Professional Services Section.
7. In the case of repairs of heavy equipment or vehicles when the extent of repair cannot be determined, or when specifications cannot practically be prepared.
8. When used equipment is purchased.
9. When equipment is preapproved by the City Administrator and is purchased through an auction.

Professional Services

In an effort to maintain ongoing contractual relationships, the City of Keokuk shall not require competitive bidding for certain types of professional services. The City Council must consider all contracts for professional services which exceed \$35,000. Unless otherwise required by State or Federal Law or other requirements specific to projects (funding requirements), the following professional service providers may not be subject to competitive bidding:

- | | |
|------------------------------------|-------------------------|
| 1. Attorneys representing the City | 5. Architects/Designers |
| 2. Certified Grant Administrators | 6. Technicians |
| 3. Financial Advisors | 7. Engineers |
| 4. Consultants | |

Change Orders

Change orders are issued to address changes in terms and conditions associated with unforeseen problems not addressed in the bidding or contract document or changes/modifications that are recommended after a contract is awarded.

1. Change orders under \$25,000 may be approved by the City Administrator.
2. Approval for change orders over \$25,000 must be considered by the City Council, unless the project is still within budget or it is in the best interest of the City for a change order to be implemented prior to the next regularly scheduled meeting of the City Council. In such circumstances, the City Administrator shall have the authority to authorize the change and will notify the City Council of the action.

Iowa Preference

A resident bidder is a person or entity authorized to transact business in the state and having a place of business for transacting business within the state at which it is conducting and has conducted business for at least three years prior to the date of the first advertisement for a public improvement, however, if another state or foreign country has a more stringent definition of a resident bidder, the more stringent definition is applicable as to bidders from that state or foreign country. When a contract for a public improvement must be awarded to the lowest responsible bidder, a resident bidder shall be allowed a preference as against a nonresident bidder from a state or foreign country if that state or foreign country gives or requires any preference to bidders from that state or foreign country, including but not limited to any preference to bidders, the imposition of any type of labor preference, or any other form of preferential treatment to bidders or laborers from that state or foreign country. The preference allowed shall be equal to the preference given or required by the state or foreign country in which the nonresident bidder is a resident. In the instance of a resident labor force preference, a nonresident bidder shall apply the same resident labor force preference to a public improvement in this state as would be required in the construction of a public improvement by the state or foreign country in which the nonresident bidder is a resident.



COUNCIL ACTION FORM

Date: June 24, 2020

Presented By: O'Donnell/Ludwig

Subject: Petty Cash & Change Funds Agenda Item: _____

Description:

Approval of Petty Cash & Change Funds for fiscal year 2020-21		
City Offices	Petty Cash	\$200
	Change Fund	\$200
Library	Petty Cash	\$200
	Change Fund	\$ 50
River Museum	Change Fund	\$100
Swimming Pool	Change Fund	\$ 80
Water Pollution Control	Petty Cash	\$ 50

FINANCIAL

Is this a budgeted item? YES _____ NO x _____

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES _____ NO x _____ CIP Project Number: _____

RESOLUTION NO.

BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA:

THAT, the City Council approves the following Petty Cash and Change Funds for fiscal year 2020-2021:

City Offices	Petty Cash	200.00
	Change Fund	200.00
Library	Petty Cash	200.00
	Change Fund	50.00
River Museum	Change Fund	100.00
Swimming Pool	Change Fund	80.00
Wastewater Treatment	Petty Cash	50.00

Passed this 2nd day of July, 2020.

Thomas L. Richardson, Mayor

Attest: _____
Jean Ludwig, City Clerk



COUNCIL ACTION FORM

Date: June 24, 2020

Presented By: O'Donnell/Ludwig

Subject: Investment Policy Agenda Item: _____

Description:

Annual approval of the investment policy, revised by City Attorney Jim Dennis in 2019

FINANCIAL

Is this a budgeted item? YES _____ NO x _____

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES _____ NO x _____ CIP Project Number: _____

COUNCIL ACTION FORM

Any previous Council actions:

Action

Annual approval

Date

Recommendation:

Staff recommends approval.

Required Action

ORDINANCE __ RESOLUTION MOTION __ NO ACTION REQUIRED ____

Additional Comments:

MOTION BY: _____ SECONDED BY: _____

TO _____

CITY COUNCIL VOTES

VOTES Bryant Dade Dunek Greenwald Helenthal Altheide Andrews O'Conner Payne

YES NO

ABSENT

ABSTAIN

RESOLUTION NO.

BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA:

THAT, the City Council hereby approves the Investment Policy for fiscal year 2020-2021 for the City of Keokuk.

INVESTMENT POLICY CITY OF KEOKUK, IOWA

(Includes City Council, Library Board and Airport Commission)

SECTION I - SCOPE OF INVESTMENT POLICY

The Investment Policy of the City Council of the City of Keokuk, Iowa shall apply to all operating funds, bond proceeds and other funds: and to all investment transactions involving operating funds, bond proceeds and other funds that are accounted for in the financial statements of the City of Keokuk. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy.

The investment of bond funds or sinking funds shall comply not only with this Investment Policy, but also be consistent with any applicable bond resolution.

This Investment Policy is intended to comply with Iowa Code Chapter 12B.

Upon passage and upon future amendment, if any, copies of this Investment Policy shall be delivered to all the following:

1. The Mayor and City Council.
2. All depository institutions or fiduciaries for public funds of the City Council.
3. The auditor engaged to audit any fund for the Keokuk City Council.

SECTION 2 - DELEGATION OF AUTHORITY

In accordance with Section 12B.10B, the responsibility for conducting investment transactions resides with the Finance Manager of the City of Keokuk. Only the Finance Manager and those authorized by ordinance may invest public funds and a copy of any empowering ordinance shall be attached to this investment policy.

The Finance Manager shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent losses of public funds, to document those officers and employees of the City of Keokuk, both internal and external, responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statement and related report on internal control structure of all outside persons performing any of the following for this public body:

1. Investing public funds.
2. Advising on the investment of public funds.
3. Directing the deposit or investment of public funds.

A Bank, Savings and Loan Association or Credit Union providing only depository services shall not be required to provide an audited financial statement and related report on internal control structure.

The Finance Manager of the City of Keokuk, and all employees authorized to place investments, shall be bonded per City Council Resolution.

SECTION 3 - OBJECTIVE OF INVESTMENT POLICY

The primary objective, in order of priority, of all investment activities involving the financial assets of the City of Keokuk shall be the following:

1. **SAFETY:** Safety and preservation of principal in the overall portfolio is the foremost investment objective.
2. **LIQUIDITY:** Maintaining the necessary liquidity to match expected liabilities is the second investment objective.
3. **RETURN:** Obtaining a reasonable return is the third investment objective.

SECTION 4 - PRUDENCE

The Finance Manager of the City of Keokuk, when investing or depositing public funds, shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the Section 3 investment objectives. This standard requires that, when making investment decisions, the Finance Manager shall consider the role that the investment or deposit plays within the portfolio of assets of the City of Keokuk and the investment objectives stated in Section 3.

When investing assets of the City of Keokuk for a period longer than 30 days, the Finance Manager shall request competitive investment proposals for comparable credit and term investments from the City's approved depositories.

SECTION 5 - INSTRUMENTS ELIGIBLE FOR INVESTMENT

Assets of the City of Keokuk may be invested in the following:

1. Interest bearing savings accounts and interest-bearing checking accounts at any bank, savings and loan association or credit union in the State of Iowa. Each bank must be on the most recent Approved Bank List as distributed by the Treasurer of State of Iowa or as amended as necessary by notice inserted in the monthly mailing by the Rate Setting Committee. Each financial institution shall be properly declared as a depository by the City of Keokuk. Deposits in any financial institution shall not exceed the sum approved by separate resolution of the Keokuk City Council.
2. Obligations of the United States government, its agencies, and instrumentalities.
3. Certificates of Deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Chapter 12B.
4. Interest bearing accounts in the Iowa Public Agency Investment Trust, a jointly sponsored program for members of the Iowa League of Cities, The Iowa State Association of Counties, and the Iowa Association of Municipal Utilities.

SECTION 6 - PROHIBITED INVESTMENTS AND INVESTMENT PRACTICES

Assets of the City of Keokuk shall not be invested in the following:

1. Reverse repurchase agreements.
2. Futures and options contracts.

Assets of the City of Keokuk shall not be invested pursuant to the following investment practices:

1. Trading of securities for speculation or the realization of short-term trading gains.

2. Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
3. If a fiduciary or other third party with custody of public investment transaction records of the City of Keokuk fails to produce requested transaction records when requested by this public body within a reasonable time, the City of Keokuk shall make no new investment with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.

SECTION 7 - INVESTMENT MATURITY LIMITATION

Operating Funds must be identified and distinguished from all other funds available for investment. Operating Funds are defined as those funds which are reasonably expected to be expended during a current budget year or within fifteen months of receipt.

All investments authorized in Section 5 are further subject to the following investment maturity limitations:

1. Operating Funds may only be invested in instruments authorized in Section 5 of this Investment Policy that mature within three hundred ninety-seven (397) days.
2. The Finance Manager may invest funds of the City of Keokuk that are not identified as Operating Funds in investments with maturities longer than three hundred ninety-seven (397) days. However, all investments of the City of Keokuk shall have maturities that are consistent with the needs and use of the City Council.

SECTION 8 - DIVERSIFICATION

Where possible, it is the policy of the City of Keokuk to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In establishing specific diversification strategies, the following general policies and constraints shall apply:

1. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.
2. Liquidity practices to ensure that the next disbursement date and payroll date are covered through maturing investments, marketable U.S. Treasury Bills or cash on hand shall always be used .

3. Risks of market price volatility shall be controlled through maturity diversification so that aggregate price losses on Instruments with maturities approaching one year shall not be greater than coupon interest and Investment Income received from the balance of the portfolio.

SECTION 9 - SAFEKEEPING AND CUSTODY

All invested assets of the City of Keokuk involving the use of a Public Funds Custodial Agreement, as defined in Section 12B.10, shall comply with all rules adopted pursuant to Section 12B.10C. All custodial agreements shall be in writing and shall contain a provision that all custodial services be provided in accordance with the laws of the State of Iowa. The custodial agreement will be signed by the Mayor, the Finance Manager, and the third-party custodian.

SECTION 10 - ETHICS AND CONFLICT OF INTEREST

The Finance Manager and all officers and employees of the City of Keokuk involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

SECTION 11 - REPORTING

The Finance Manager's records shall be maintained and recorded daily and can be made available upon request through the office of the Finance Manager or the city finance office.

SECTION 12 - INVESTMENT POLICY REVIEW AND AMENDMENT

This Investment Policy shall be reviewed annually or more frequently as appropriate. Notice of amendments to the Investment Policy shall be promptly given to all parties noted in Section 1.

Passed this 2nd day of July, 2020.

Thomas L. Richardson, Mayor

Attest: _____
Jean Ludwig, City Clerk



COUNCIL ACTION FORM

Date: June 24, 2020

Presented By: O'Donnell/Ludwig

Subject: Hotel/Motel Tax Support Requests Agenda Item: _____

Description:

Each year the City Council approves requests from various groups for support from Hotel Motel tax. We do not yet know the effect COVID-19 will have on Hotel/Motel tax revenue. Several events have been cancelled. The following are recommended for approval.

Convention & Tourism Bureau - \$125,000

Keokuk Fine Art Council - \$12,100

Keokuk Art Center - \$7,140

Main Street Keokuk - \$22,500

Rand Park Pavilion - \$7,500

Lake Cooper Foundation - \$5,000 (Big Dam Street Festival)

Main Street Facade Grant - \$5,000

FINANCIAL

Is this a budgeted item? YES X NO

Line Item #: 001-4900 Title: Hotel Motel Tax Support

Amount Budgeted: \$235,740 (pre-pandemic)

Actual Cost: \$184,240

Under/Over: \$51,500 under budget

Funding Sources:

Hotel/Motel tax

Departments:

Is this item in the CIP? YES NO x CIP Project Number: _____

COUNCIL ACTION FORM

Any previous Council actions:

Action

Annual approval

Date

Recommendation:

Staff recommends approval

Required Action

ORDINANCE __ RESOLUTION MOTION __ NO ACTION REQUIRED ____

Additional Comments:

MOTION BY: _____ SECONDED BY: _____

TO _____

CITY COUNCIL VOTES

VOTES Bryant Dade Dunek Greenwald Helenthal Altheide Andrews O'Conner Payne

YES NO

ABSENT

ABSTAIN

RESOLUTION NO.

WHEREAS, the City Council has developed a budget for the 2020–2021 fiscal period; now, therefore,

BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA:

THAT, the new allocation of funds from the Hotel/Motel Tax based on an amount estimated for FY 2020-2021 are as follows:

- (a) Convention and Tourism Bureau.....\$125,000.00
- (b) Keokuk Fine Arts Council.....\$ 12,100.00
- (c) Keokuk Art Center.....\$ 7,140.00
- (d) Main Street Keokuk.....\$ 22,500.00
- (f) Rand Park Pavilion.....\$ 7,500.00
- (g) Lake Cooper Foundation Street Fest.....\$ 5,000.00
- (h) Main Street Façade Grants\$ 5,000.00

AND BE IT FURTHER RESOLVED THAT, in accordance with city policy, it is recommended to the Convention and Tourism Bureau that salary percentages coincide and not exceed annual city wages and salary adjustments; and

FURTHER THAT, the Convention and Tourism Bureau continue to provide the City Council with monthly and quarterly financial reports, and that the advancement of hotel/motel funds from the city is subject to the timely filing of the financial statements.

Passed this 2nd day of July, 2020.

Thomas L. Richardson, Mayor

Attest: _____
Jean Ludwig, City Clerk



COUNCIL ACTION FORM

Date: June 24, 2020

Presented By: O'Donnell/Ludwig

Subject: Annual Allocation of Personnel Agenda Item: _____

Description:

Annual allocation of personnel. It is advisable for accounting purposes and supervisory control to designate the number of permanent employees in each department.

FINANCIAL

Is this a budgeted item? YES _____ NO x _____

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

All _____

Is this item in the CIP? YES _____ NO x _____ CIP Project Number: _____

COUNCIL ACTION FORM

Any previous Council actions:

Action

Date

Annual

Recommendation:

Staff recommends approval

Required Action

ORDINANCE __ RESOLUTION MOTION __ NO ACTION REQUIRED ____

Additional Comments:

MOTION BY: _____ SECONDED BY: _____

TO _____

CITY COUNCIL VOTES

VOTES Bryant Dade Dunek Greenwald Helenthal Altheide Andrews O'Conner Payne

YES NO

ABSENT

ABSTAIN

RESOLUTION NO.

WHEREAS, the 2020-2021 fiscal year budget allocates city personnel by departments; and

WHEREAS, it is advisable for accounting purposes and department supervisory control to designate the number of permanent employees under each activity; now therefore,

BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK, IOWA:

THAT, the City Council hereby approves the following city department and number of permanent personnel for each department.

SECTION 1 - ALLOCATION OF PERSONNEL

	Increase/ 2019-20	Decrease	2020-21	
Law Enforcement Adm.	10	0	10	
Police Union	14	0	14	
Police Communications	1	0	1	
Police Records	<u>2</u>	<u>0</u>	<u>2</u>	
TOTAL POLICE	27	0	27	
Fire Administration	4	0	4	
Fire Union	<u>15</u>	<u>0</u>	<u>15</u>	
TOTAL FIRE	19	0	19	
Animal Control	1	0	1	
Parks & Recreation	2 ¼	0	2 ¼	
Cemetery	2 ¼	0	2 ¼	
Mayor & Clerk Adm.	5	0	5	
Public Works Adm.	3 ½	0	3 ½	
Housing, Building/Zoning	<u>2 ½</u>	<u>0</u>	<u>2 ½</u>	
TOTAL	16 ½	0	16 ½	
Roadway Maint. - RUT	6 ½	0	6 ½	
Mechanic	<u>3 ½</u>	<u>0</u>	<u>3 ½</u>	
TOTAL ROAD USE TAX	10	0	10	

WWT - Plant Operation	10	0	10
Sanitary Sewer Maint.	<u>6</u>	<u>0</u>	<u>6</u>

TOTAL WATER POLLUTION CONTROL **16** **0** **16**

Solid Waste Collection-Refuse	<u>5 1/4</u>	<u>1/4</u>	<u>5 1/4</u>
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Bridge Maint. & Oper.	<u>2 1/4</u>	<u>0</u>	<u>2 1/4</u>
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TOTAL CLASS 1 PERMANENT EMPLOYEES **96** **96**

SECTION II - DEFINITION OF EMPLOYEES

CLASS I - PERMANENT EMPLOYEE

An employee filling a position that has been designated permanent by a City Council resolution or ordinance that is adopted in June or July of each year.

The employee shall work between 35 or 40 hours a week and shall observe a department specific probation period.

CLASS II - SPECIAL PROGRAM EMPLOYEE

An employee filling a position that is funded by a special City program with the objection being to provide for capital improvements.

The employee shall work between 35 and 40 hours a week and shall serve a six to twelve-month probation period. The job description will be conditional upon the length of the program.

CLASS III - TEMPORARY EMPLOYEE

An employee filling a position funded either by State or Federal personnel programs or through City funds. It is the intent that the employee will be hired for a specific time period with work hours between 35 and 40 hours per week. This employee shall be given preference to Class I and Class II when possible.

CLASS IV - SEASONAL EMPLOYEE

An employee filling a position supported by City funds to maintain City services at current levels with flexible hours, subject to need, as stipulated by the department supervisor.

CLASS V – PART TIME EMPLOYEE

An employee filling a position supported by city funds to maintain city services at current levels with flexible hours subject to need as stipulated by the department supervisor.

SECTION III - BENEFITS

CLASS I - PERMANENT EMPLOYEES

Employee is entitled to all City benefits applicable to his or her department upon employment.

CLASS II - SPECIAL PROGRAM EMPLOYEES

Employee is entitled to all city benefits applicable to his or her department upon employment.

CLASS III - TEMPORARY EMPLOYEES

1. No medical or life insurance benefits.
2. No holiday pay granted.
3. No sick leave granted.
4. No vacation granted.

CLASS IV - SEASONAL EMPLOYEES

No City benefits outside hourly wages. If it is necessary for seasonal employees to work more than 40 hours a week, they will be paid at time and one-half the hourly rate. This includes Sunday and holidays.

CLASS V - PART-TIME EMPLOYEES

No City benefits outside the stated hourly wages.

Passed this 2nd day of July, 2020.

Thomas L. Richardson, Mayor

Attest: _____
Jean Ludwig, City Clerk



COUNCIL ACTION FORM

Date: July 2, 2020

Presented By: O'Donnell

Subject: Authorizing Loan and Loan Agreement Agenda Item: _____

Description:

This is the final action on the loan for the two garbage trucks. The resolution approves the loan agreement, provides for method of payment (direct to Pilot Grove Bank), and approves the tax exempt certificate. The loan is in the amount of \$695,000 for ten years at 2.75%.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES NO CIP Project Number: _____

RESOLUTION NO. _____

**A RESOLUTION APPROVING AND AUTHORIZING A FORM OF
LOAN AGREEMENT AND AUTHORIZING AND PROVIDING FOR THE
ISSUANCE AND SECURING THE PAYMENT OF THE \$695,000 SOLID
WASTE REVENUE CAPITAL LOAN NOTE, SERIES 2020, OF THE
CITY OF KEOKUK, IOWA, AND PROVIDING FOR A METHOD OF
PAYMENT OF THE NOTE; APPROVAL OF THE TAX EXEMPTION
CERTIFICATE**

WHEREAS, the City Council of the City of Keokuk, Iowa, sometimes hereinafter referred to as the "Issuer", has heretofore established charges, rates and rentals for services which are and will continue to be collected as revenues of the Solid Waste Enterprise, sometimes hereinafter referred to as the "Enterprise", and the revenues have not been pledged and are available for the payment of the Solid Waste Revenue Capital Loan Note, Series 2020, subject to the following premises; and

WHEREAS, the Issuer is in need of funds to pay costs of equipping the Solid Waste Enterprise of the City, including the acquisition of new solid waste collection vehicles, and it is deemed necessary and advisable that Solid Waste Revenue Capital Loan Notes, to the amount of not to exceed \$695,000 be authorized for said purpose(s); and

WHEREAS, pursuant to notice published as required by Sections 384.24A and 384.83 of the Code of Iowa, this Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of the Notes, and the Council is therefore now authorized to proceed with the issuance of said Notes for such purpose(s); and

WHEREAS, Issuer proposes to issue its Solid Waste Revenue Capital Loan Note, Series 2020, to the extent of \$695,000, for the purpose of defraying the costs of the project as set forth above and in Section 3 of this Resolution; and, it is deemed necessary and advisable and in the best interests of the City that a form of Loan Agreement be approved and authorized.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF KEOKUK, IN THE COUNTY OF LEE, STATE OF IOWA:**

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

- ◆ "Additional Obligations" shall mean any Solid Waste Revenue notes or bonds issued on a parity with the Note in accordance with the provisions of this Resolution.
- ◆ "Clerk" shall mean the City Clerk or such other officer of the successor Governing Body as shall be charged with substantially the same duties and responsibilities.
- ◆ "Enterprise" shall mean the Solid Waste Enterprise of the Issuer and all properties of every nature hereinafter owned by the Issuer comprising part of or used as a part of the Enterprise, including all improvements and extensions made by Issuer while any Notes or

Parity Obligations remain outstanding; all real and personal property; and all appurtenances, contracts, leases, franchises and other intangibles.

◆ "Fiscal Year" shall mean the twelve-month period beginning on July 1 of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the Governing Body or by law as the official accounting period of the Enterprise. Requirements of a Fiscal Year as expressed in this Resolution shall exclude any payment of principal or interest falling due on the first day of the Fiscal Year and include any payment of principal or interest falling due on the first day of the succeeding Fiscal Year.

◆ "Governing Body" shall mean the City Council of the City, or its successor in function with respect to the operation and control of the Enterprise.

◆ "Independent Auditor" shall mean an independent firm of Certified Public Accountants or the Auditor of State.

◆ "Issuer" and "City" shall mean the City of Keokuk, Iowa.

◆ "Loan Agreement" shall mean a Loan Agreement between the Issuer and a lender or lenders in substantially the form attached to and approved by this Resolution.

◆ "Net Revenues" shall mean gross earnings of the Enterprise after deduction of current expenses; "Current Expenses" shall mean and include the reasonable and necessary cost of operating, maintaining, repairing and insuring the Enterprise, including purchases at wholesale, if any, salaries, wages, and costs of materials and supplies, but excluding depreciation and principal of and interest on the Note and any Parity Obligations or payments to the various funds established herein; capital costs, depreciation and interest or principal payments are not Enterprise expenses.

◆ "Note" shall mean the \$695,000 Solid Waste Revenue Capital Loan Note, Series 2020, authorized to be issued by this Resolution.

◆ "Original Purchaser" shall mean the purchaser of the notes from the Issuer at the time of their original issuance.

◆ "Parity Obligations" shall mean Solid Waste Revenue Note, bonds or other obligations payable solely from the Net Revenues of the Enterprise on an equal basis with the Note herein authorized to be issued, and shall include Additional Obligations as authorized to be issued under the terms of this Resolution.

◆ "Paying Agent" shall mean the City Clerk/Treasurer or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Note as the same shall become due.

◆ "Permitted Investments" shall mean:

■ direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;

■ obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

- Export - Import Bank
- Farm Credit System Financial Assistance Corporation
- USDA - Rural Development
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration

■ repurchase agreements whose underlying collateral consists of the investments set out above if the Issuer takes delivery of the collateral either directly or through an authorized custodian. Repurchase agreements do not include reverse repurchase agreements;

■ senior debt obligations rated "AAA" by Standard & Poor's Corporation (S&P) or "Aaa" by Moody's Investors Service Inc. (Moody's) issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

■ U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P or "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

■ commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P or "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

■ investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

■ pre-refunded municipal obligations defined as any bonds or other obligations of any state of the United States of America or of any agency,

instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (a) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P or Moody's or any successors thereto; or (b)(i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the Department of the Treasury of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

- tax exempt bonds as defined and permitted by section 148 of the Internal Revenue Code and applicable regulations and only if rated within the two highest classifications as established by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A Code of Iowa;

- an investment contract rated within the two highest classifications as established by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A Code of Iowa; and

- Iowa Public Agency Investment Trust.

- ◆ "Project Fund" shall mean the fund required to be established by this Resolution for the deposit of the proceeds of the Note.

- ◆ "Registrar" shall mean the City Clerk of Keokuk, Iowa, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a register of the owners of the Notes. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the Notes.

- ◆ "Resolution" shall mean this resolution authorizing the issuance of the Note.

- ◆ "Tax Exemption Certificate" shall mean the Tax Exemption Certificate executed by the Treasurer and delivered at the time of issuance and delivery of the Note.

- ◆ "Treasurer" shall mean the City Clerk/Treasurer or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Note issued hereunder.

◆ "Yield Restricted" shall mean required to be invested at a yield that is not materially higher than the yield on the Note under section 148 (a) of the Internal Revenue Code or regulations issued thereunder.

Section 2. Authority. The Loan Agreement and the Note authorized by this Resolution shall be issued pursuant to Sections 384.24A and 384.83, of the City Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa. The Loan Agreement shall be substantially in the form attached to this Resolution and is authorized to be executed and issued on behalf of the Issuer by the Mayor and attested by the City Clerk.

Section 3. Authorization and Purpose. There is hereby authorized to be issued, a negotiable, serial, fully registered Solid Waste Revenue Note of the City of Keokuk, in the County of Lee, State of Iowa, in the aggregate amount of \$695,000, for the purpose of paying costs of equipping the Solid Waste Enterprise of the City, including the acquisition of new solid waste collection vehicles.

Section 4. Source of Payment. The Note herein authorized and Parity Obligations and the interest thereon shall be payable solely and only out of the Net Revenues of the Enterprise and shall be a first lien on the future Net Revenues of the Enterprise. The Note shall not be general obligations of the Issuer nor shall they be payable in any manner by taxation and the Issuer shall be in no manner liable by reason of the failure of the Net Revenues to be sufficient for the payment of the Note.

Section 5. Note Details. The Solid Waste Revenue Capital Loan Note, Series 2020, of the City in the amount of \$695,000, shall be issued to evidence the obligations of the Issuer under the Loan Agreement pursuant to the provisions of Sections 384.24A and 384.83 of the Code of Iowa for the aforesaid purpose. The Note shall be designated "SOLID WASTE REVENUE CAPITAL LOAN NOTE, SERIES 2020", be dated July 20, 2020, and bear interest from the date thereof, until payment thereof, such interest payable on December 1, 2020, and semiannually thereafter on the 1st day of June and December in each year until maturity at the rates hereinafter provided.

The Note shall be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and impressed or printed with the seal of the City and shall be fully registered as to both principal and interest as provided in this Resolution; principal, interest and premium, if any, shall be payable by mailing of a check or wire transfer to the registered owner of the Note. The Note shall be in the denomination of \$1,000 or multiples thereof. The Note shall mature and bear interest as follows:

<u>Term Note</u>		
Principal Amount	Interest Rate	Maturity June 1st
\$69,000	2.750%	2021
\$69,000	2.750%	2022
\$69,000	2.750%	2023
\$69,000	2.750%	2024

\$69,000	2.750%	2025
\$70,000	2.750%	2026
\$70,000	2.750%	2027
\$70,000	2.750%	2028
\$70,000	2.750%	2029
\$70,000	2.750%	2030

Section 6. Optional Redemption. The Note may be called for redemption by the Issuer and paid before maturity on any date, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot by giving thirty days notice of redemption by registered mail, to the registered owner of the Note. The terms of redemption shall be par, plus accrued interest to the date of call.

If selection by lot within a maturity is required, the Registrar shall by random selection of the names of the registered owners of the entire annual maturity select the notes to be redeemed until the total amount of notes to be called has been reached.

Section 7. Registration of Notes; Appointment of Registrar; Transfer; Ownership; Delivery; and Cancellation.

a) Registration. The ownership of Notes may be transferred only by the making of an entry upon the books kept for the registration and transfer of ownership of the Notes, and in no other way. The City Clerk is hereby appointed as Note Registrar under the terms of this Resolution. Registrar shall maintain the books of the Issuer for the registration of ownership of the Notes for the payment of principal of and interest on the Notes as provided in this Resolution. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code, subject to the provisions for registration and transfer contained in the Notes and in this Resolution.

b) Transfer. The ownership of any Note may be transferred only upon the Registration Books kept for the registration and transfer of Notes and only upon surrender thereof at the office of the Registrar together with an assignment duly executed by the holder or his duly authorized attorney in fact in such form as shall be satisfactory to the Registrar, along with the address and social security number or federal employer identification number of such transferee (or, if registration is to be made in the name of multiple individuals, of all such transferees). In the event that the address of the registered owner of a Note (other than a registered owner which is the nominee of the broker or dealer in question) is that of a broker or dealer, there must be disclosed on the Registration Books the information pertaining to the registered owner required above. Upon the transfer of any such Note, a new fully registered Note, of any denomination or denominations permitted by this Resolution in aggregate principal amount equal to the unmatured and unredeemed principal amount of such transferred fully registered Note, and bearing interest at the same rate and maturing on the same date or dates shall be delivered by the Registrar.

c) Registration of Transferred Notes. In all cases of the transfer of the Notes, the Registrar shall register, at the earliest practicable time, on the Registration Books, the Notes, in accordance with the provisions of this Resolution.

d) Ownership. As to any Note, the person in whose name the ownership of the same shall be registered on the Registration Books of the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Notes and the premium, if any, and interest thereon shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

e) Cancellation. Upon redemption in full, the Note shall not be reissued but shall be cancelled by the Registrar. All Notes which are cancelled by the Registrar shall be destroyed and a certificate of the destruction thereof shall be furnished promptly to the Issuer; provided that if the Issuer shall so direct, the Registrar shall forward the cancelled Notes to the Issuer.

f) Non-Presentation of Notes. In the event any payment check representing payment of principal of or interest on the Notes is returned to the Paying Agent or if any note is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such principal of or interest on Notes shall have been made available to the Paying Agent for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for such interest or payment of such Notes shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the owner of such Notes who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, such interest or Notes. The Paying Agent's obligation to hold such funds shall continue for a period equal to two years and six months following the date on which such interest or principal became due, whether at maturity, or at the date fixed for redemption thereof, or otherwise, at which time the Paying Agent, shall surrender any remaining funds so held to the Issuer, whereupon any claim under this Resolution by the Owners of such interest or Notes of whatever nature shall be made upon the Issuer.

g) Registration and Transfer Fees. The Registrar may furnish to each owner, at the Issuer's expense, one note for each annual maturity. The Registrar shall furnish additional Notes in lesser denominations (but not less than the minimum denomination) to an owner who so requests.

Section 8. Reissuance of Mutilated, Destroyed, Stolen or Lost Notes. In case any outstanding Note shall become mutilated or be destroyed, stolen or lost, the Issuer shall at the request of Registrar authenticate and deliver a new Note of like tenor and amount as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note to Registrar, upon surrender of such mutilated Note, or in lieu of and substitution for the Note destroyed, stolen or lost, upon filing with the Registrar evidence satisfactory to the Registrar and Issuer that such Note has been destroyed, stolen or lost and proof of ownership thereof, and upon

furnishing the Registrar and Issuer with satisfactory indemnity and complying with such other reasonable regulations as the Issuer or its agent may prescribe and paying such expenses as the Issuer may incur in connection therewith.

Section 9. Record Date. Payments of principal and interest, otherwise than upon full redemption, made in respect of any Note, shall be made to the registered holder thereof or to their designated agent as the same appear on the books of the Registrar on the 15th day of the month preceding the payment date. All such payments shall fully discharge the obligations of the Issuer in respect of such Notes to the extent of the payments so made. Upon receipt of the final payment of principal, the holder of the Note shall surrender the Note to the Paying Agent.

Section 10. Execution, Authentication and Delivery of the Notes. Upon the adoption of this Resolution, the Mayor and Clerk shall execute the Notes by their manual or authorized signature and deliver the Notes to the Registrar, who shall authenticate the Notes and deliver the same to or upon order of the Original Purchaser. No Note shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless the Registrar shall duly endorse and execute on such Note a Certificate of Authentication substantially in the form of the Certificate herein set forth. Such Certificate upon any Note executed on behalf of the Issuer shall be conclusive evidence that the Note so authenticated has been duly issued under this Resolution and that the holder thereof is entitled to the benefits of this Resolution.

Section 11. Right to Name Substitute Paying Agent or Registrar. Issuer reserves the right to name a substitute, successor Registrar or Paying Agent upon giving prompt written notice to each registered noteholder.

Section 12. Form of Note. Notes shall be printed in substantial compliance with standards proposed by the American Standards Institute substantially in the form as follows:

"STATE OF IOWA"
"COUNTY OF LEE"
"CITY OF KEOKUK"
"SOLID WASTE REVENUE CAPITAL LOAN NOTE"
"SERIES 2020"

Rate: 2.75%
Final Maturity Date: June 1, 2030
Note Date: July 20, 2020
"Registered"
Note No. 1
Principal Amount: \$695,000

The City of Keokuk, State of Iowa, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, on the maturity date indicated above, to

PILOT GROVE SAVINGS BANK
TAX ID: _____

or registered assigns, the principal sum of SIX HUNDRED NINETY-FIVE THOUSAND DOLLARS in lawful money of the United States of America, on the maturity date shown above, only upon presentation and surrender hereof at the office of the City Clerk, Paying Agent of this issue, or its successor, with principal and interest from the date hereof until paid at the rate per annum specified above, payable in accordance with the debt service schedule attached hereto.

Interest and principal shall be paid to the registered holder of the Note as shown on the records of ownership maintained by the Registrar as of the 15th day of the month preceding such interest payment date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This Note is issued pursuant to the provisions of Sections 384.24A and 384.83 of the Code of Iowa, for the purpose of paying costs of equipping the Solid Waste Enterprise of the City, including the acquisition of new solid waste collection vehicles, and in order to evidence the obligations of the Issuer under a certain Loan Agreement dated the date hereof, in conformity to a Resolution of the City Council of the City duly passed and approved. For a complete statement of the revenues and funds from which and the conditions under which this Note is payable, a statement of the conditions under which additional Notes or Bonds of equal standing may be issued, and the general covenants and provisions pursuant to which this Note is issued, reference is made to the above described Loan Agreement and Resolution.

Principal may be called for redemption by the Issuer and paid before maturity on any date, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Thirty (30) days' written notice of redemption shall be given to the registered owner of the Note. Failure to give such notice to any registered owner of the Notes or any defect therein shall not affect the validity of any proceedings for the redemption of the Notes. All Notes or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

If selection by lot within a maturity is required, the Registrar shall designate the Notes to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Notes to be called has been reached.

Ownership of this Note may be transferred only by transfer upon the books kept for such purpose by the City Clerk, the Registrar. Such transfer on the books shall occur only upon presentation and surrender of this Note at the office of the Registrar as designated below, together with an assignment duly executed by the owner hereof or his duly authorized attorney in the form as shall be satisfactory to the Registrar. Issuer reserves the right to substitute the Registrar and Paying Agent but shall, however, promptly give notice to registered Noteholders of such change. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code and subject to the provisions for registration and transfer contained in the Note Resolution.

This Note and the series of which it forms a part and any Additional Obligations which may be hereafter issued and outstanding from time to time on a parity with the Notes, as provided in the Note Resolution and Loan Agreement of which notice is hereby given and which are hereby made a part hereof, are payable from and secured by a pledge of the Net Revenues of the Solid Waste Enterprise (the "Enterprise"), as defined and provided in the Resolution. There has heretofore been established and the City covenants and agrees that it will maintain just and equitable rates or charges for the use of and service rendered by the Enterprise in each year for the payment of the proper and reasonable expenses of operation and maintenance of the Enterprise and for the establishment of a sufficient sinking fund to meet the principal of and interest on this series of Notes, and Additional Obligations ranking on a parity therewith, as the same become due. This Note is not payable in any manner by taxation and under no circumstances shall the City be in any manner liable by reason of the failure of the Net Revenues to be sufficient for the payment hereof.

This Note is a "qualified tax-exempt obligation" designated by the City for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

And it is hereby represented and certified that all acts, conditions and things requisite, according to the laws and Constitution of the State of Iowa, to exist, to be had, to be done, or to be performed precedent to the lawful issue of this Note, have been existent, had, done and performed as required by law.

IN TESTIMONY WHEREOF, the City by its City Council has caused this Note to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Clerk, with the seal of the City printed or impressed hereon, and authenticated by the manual signature of an authorized representative of the Registrar, the City Clerk/Treasurer, Keokuk, Iowa.

Date of Authentication: _____
This is one of the Notes described in the within mentioned Resolution, as registered by the City Clerk

CITY CLERK, Registrar

By: _____
Authorized Signature

Registrar and Transfer Agent: City Clerk
Paying Agent: City Clerk

SEE REVERSE FOR CERTAIN DEFINITIONS

(Seal)
(Signature Block)

CITY OF KEOKUK, STATE OF IOWA

By: _____ (manual or facsimile signature)
Mayor

ATTEST:

By: _____ (manual or facsimile signature)
City Clerk

(Assignment Block)
(Information Required for Registration)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Social Security or Tax Identification No. _____) the within Note and does hereby irrevocably constitute and appoint _____ attorney in fact to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated this _____ day of _____, 2020.

(Person(s) executing this Assignment sign(s) here)

SIGNATURE)
GUARANTEED)

IMPORTANT - READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the face of the Certificate(s) or Note(s) in every particular without alteration or enlargement or any change whatever. 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 signature to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.

INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

Name of Transferee(s) _____
Address of Transferee(s) _____
Social Security or Tax Identification _____
Number of Transferee(s) _____
Transferee is a(n):
Individual* _____ Corporation _____
Partnership _____ Trust _____

* If the Note is to be registered in the names of multiple individual owners, the names of all such owners and one address and social security number must be provided.

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and not as tenants in common
IA UNIF TRANS MIN ACT - Custodian
(Cust) (Minor)
Under Iowa Uniform Transfers to Minors Act.....
(State)

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED
THOUGH NOT IN THE ABOVE LIST

Section 13. Equality of Lien. The timely payment of principal of and interest on the Note and Parity Obligations shall be secured equally and ratably by the Net Revenues of the Enterprise without priority by reason of number or time of sale or delivery; and the Net Revenues of the Enterprise are hereby irrevocably pledged to the timely payment of both principal and interest as the same become due.

Section 14. Application of Note Proceeds - Project Fund. Proceeds of the Note shall be applied as follows:

- ◆ \$1,284.86 will be used to pay costs of issuance; and
◆ The balance of the proceeds shall be deposited to the Project Fund and expended therefrom for the purposes of issuance.

Any amounts on hand in the Project Fund shall be available for the payment of the principal of or interest on the Note at any time that other funds of the Enterprise shall be insufficient to the purpose, in which event such funds shall be repaid to the Project Fund at the

earliest opportunity. Any balance on hand in the Project Fund and not immediately required for its purposes may be invested not inconsistent with limitations provided by law, the Internal Revenue Code and this Resolution. Any excess proceeds remaining on hand after completion of the purpose of issuance shall be paid into the Project Fund to the maximum required amounts and any remaining amounts shall be used to call or otherwise retire the Note.

Section 15. User Rates. There has heretofore been established and published as required by law, just and equitable rates or charges for the use of the service rendered by the Enterprise. The rates or charges to be paid by the owner of each and every lot, parcel of real estate, or building that is connected with and uses the Enterprise, by or through any part of the Enterprise or that in any way uses or is served by the Enterprise. So long as the Note is outstanding and unpaid the rates or charges to consumers of services of the Enterprise shall be sufficient in each year for the payment of the proper and reasonable expenses of operation and maintenance of the Enterprise and for the payment of principal and interest on the Note and Parity Notes and obligations as the same fall due, and to provide for the creation of reserves as hereinafter provided.

Any revenues paid and collected for the use of the Enterprise and its services by the Issuer or any department, agency or instrumentality of the Issuer shall be used and accounted for in the same manner as any other revenues derived from the operations of the Enterprise.

Section 16. Application of Revenues. From and after the delivery of the Note, and as long as any of the Note or Parity Obligations shall be outstanding and unpaid either as to principal or as to interest, or until all of the Note and Parity Obligations then outstanding shall have been discharged and satisfied in the manner provided in this Resolution, the entire income and revenues of the Enterprise shall be deposited as collected in a fund to be known as the Solid Waste Revenue Fund (the "Revenue Fund"), and shall be disbursed only as follows:

(a) Operation and Maintenance Fund. Money in the Revenue Fund shall first be disbursed to make deposits into a separate and special fund to pay current expenses. The fund shall be known as the Solid Waste Enterprise Revenue Operation and Maintenance Fund (the "Operation and Maintenance Fund"). There shall be deposited in the Operation and Maintenance Fund each month an amount sufficient to meet the current expenses of the month plus an amount equal to 1/12th of expenses payable on an annual basis such as insurance. After the first day of the month, further deposits may be made to this account from the Revenue Fund to the extent necessary to pay current expenses accrued and payable to the extent that funds are not available in the Surplus Fund.

(b) Sinking Fund. Money in the Revenue Fund shall next be disbursed to make deposits into a separate and special fund to pay the principal and interest requirements of the Fiscal Year on the Notes and Parity Obligations. The fund shall be known as the Solid Waste Revenue Note and Interest Sinking Fund (the "Sinking Fund"). The required amount to be deposited in the Sinking Fund in any month shall be the equal monthly amount necessary to pay in full the installment of interest coming due on the next interest payment date on the then outstanding Notes and Parity Obligations, plus the equal monthly amount necessary to pay in full the installment of principal coming due on such

Notes on the next succeeding principal payment date until the full amount of such installment is on hand. If for any reason the amount on hand in the Sinking Fund exceeds the required amount, the excess shall forthwith be withdrawn and paid into the Revenue Fund. Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Note and Parity Obligations as the same shall become due and payable.

(c) Subordinate Obligations. Money in the Revenue Fund may next be used to pay principal of and interest on (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the revenues of the Enterprise, but subordinate to the Note and Parity Obligations, and which have been issued for the purposes of extensions and improvements to the Enterprise or to retire the Note or Parity Obligations in advance of maturity, or to pay for extraordinary repairs or replacements to the Enterprise.

(d) Surplus Revenue. All money thereafter remaining in the Revenue Fund at the close of each month may be deposited in any of the funds created by this Resolution, to pay for extraordinary repairs or replacements to the Enterprise, or may be used to pay or redeem the Note or Parity Obligations, any of them, or for any lawful purpose.

Money in the Revenue Fund shall be allotted and paid into the various funds and accounts hereinbefore referred to in the order in which the funds are listed, on a cumulative basis on the 10th day of each month, or on the next succeeding business day when the 10th shall not be a business day; and if in any month the money in the Revenue Fund shall be insufficient to deposit or transfer the required amount in any of the funds or accounts, the deficiency shall be made up in the following month or months after payments into all funds and accounts enjoying a prior claim to the revenues shall have been met in full. The provisions of this Section shall not be construed to require the Issuer to maintain separate bank accounts for the funds created by this Section; except the Sinking Fund shall be maintained in a separate account but may be invested in conjunction with other funds of the City but designated as a trust fund on the books and records of the City.

Section 17. Investments. All of the funds provided by this Resolution may be invested only in Permitted Investments or deposited in financial institutions which are members of the Federal Deposit Insurance Corporation or its equivalent successor, and the deposits in which are insured thereby and all such deposits exceeding the maximum amount insured from time to time by FDIC or its equivalent successor in any one financial institution shall be continuously secured in compliance with Chapter 12C of the Code of Iowa, 2019, as amended or otherwise by a valid pledge of direct obligations of the United States Government having an equivalent market value. All such interim investments shall mature before the date on which the moneys are required for the purposes for which the fund was created or otherwise as herein provided.

All income derived from such investments shall be deposited in the Revenue Fund and shall be regarded as revenues of the Enterprise except earnings on investments of the Project Fund shall be deposited in and expended from the Project Fund. Investments shall at any time

necessary be liquidated and the proceeds thereof applied to the purpose for which the respective fund was created.

Section 18. Covenants Regarding the Operation of the Enterprise. The Issuer hereby covenants and agrees with each and every holder of the Note and Parity Obligations:

(a) Maintenance and Efficiency. The Issuer will maintain the Enterprise in good condition and operate it in an efficient manner and at reasonable cost.

(b) Sufficiency of Rates. On or before the beginning of each Fiscal Year the Governing Body will adopt or continue in effect rates for all services rendered by the Enterprise determined to be sufficient to produce Net Revenues for the next succeeding Fiscal Year adequate to pay principal and interest requirements and create reserves as provided in this Resolution but not less than 110 percent of the principal and interest requirements of the Fiscal Year. No free use of the Enterprise by the Issuer or any department, agency or instrumentality of the Issuer shall be permitted except upon the determination of the Governing Body that the rates and charges otherwise in effect are sufficient to provide Net Revenues at least equal to the requirements of this subsection.

(c) Insurance. The Issuer shall maintain insurance for the benefit of the Noteholder on the insurable portions of the Enterprise of a kind and in an amount which normally would be carried by private companies engaged in a similar kind of business. The proceeds of any insurance, except public liability insurance, shall be used to repair or replace the part or parts of the Enterprise damaged or destroyed, or if not so used shall be placed in the Project Fund.

(d) Accounting and Audits. The Issuer will cause to be kept proper books and accounts adapted to the Enterprise and in accordance with generally accepted accounting practices, and will diligently act to cause the books and accounts to be audited annually and reported upon not later than 365 days after the end of each Fiscal Year by an Independent Auditor and will provide copies of the audit report to the holder of any of the Note and Parity Obligations upon request. The holder of the Note and Parity Obligations shall have at all reasonable times the right to inspect the Enterprise and the records, accounts and data of the Issuer relating thereto.

(e) State Laws. The Issuer will faithfully and punctually perform all duties with reference to the Enterprise required by the Constitution and laws of the State of Iowa, including the making and collecting of reasonable and sufficient rates for services rendered by the Enterprise as above provided, and will segregate the revenues of the Enterprise and apply the revenues to the funds specified in this Resolution.

(f) Property. The Issuer will not sell, lease, mortgage or in any manner dispose of the Enterprise, or any capital part thereof, including any and all extensions and additions that may be made thereto, until satisfaction and discharge of all of the Note and Parity Obligations shall have been provided for in the manner provided in this Resolution; provided, however, that this covenant shall not be construed to prevent the disposal by the

Issuer of property which in the judgment of its Governing Body has become inexpedient or unprofitable to use in connection with the Enterprise, or if it is to the advantage of the Enterprise that other property of equal or higher value be substituted therefor, and provided further that the proceeds of the disposition of such property shall be placed in a revolving fund to be used in preference to other sources for capital improvements to the Enterprise. Any such proceeds of the disposition of property acquired with the proceeds of the Note or Parity Obligations shall not be used to pay principal or interest on the Note or Parity Obligations or for payments into the Sinking or Reserve Funds.

(g) Fidelity Bond. The Issuer shall maintain fidelity bond coverage in amounts which normally would be carried by private companies engaged in a similar kind of business on each officer or employee having custody of funds of the Enterprise.

(h) Additional Charges. The Issuer will require proper connecting charges and/or other security for the payment of service charges.

(i) Budget. The Governing Body of the Issuer shall approve and conduct operations pursuant to a system budget of revenues and current expenses for each Fiscal Year. Such budget shall take into account revenues and current expenses during the current and last preceding Fiscal Year. Copies of such budget and any amendments thereto shall be provided to the holders of any of the Notes upon request.

Section 19. Remedies of the Noteholder. Except as herein expressly limited the holder or holders of the Note and Parity Obligations shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa, and of the United States of America, for the enforcement of payment of their Note and interest thereon, and of the pledge of the revenues made hereunder, and of all covenants of the Issuer hereunder.

Section 20. Prior Lien and Parity Obligations. The Issuer will issue no other Notes, Bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the property or Net Revenues of the Enterprise having priority over the Note or Parity Obligations.

Additional Obligations may be issued on a parity and equality of rank with the Note with respect to the lien and claim of such Additional Obligations to the revenues of the Enterprise and the money on deposit in the funds adopted by this Resolution, for the following purposes and under the following conditions, but not otherwise:

(a) For the purpose of refunding the Note or Parity Obligations which shall have matured or which shall mature not later than three months after the date of delivery of such refunding obligation and for the payment of which there shall be insufficient money in the Sinking Fund;

(b) For the purpose of refunding any outstanding Notes, Parity Obligations or general obligation notes or making extensions, additions, improvements or replacements to the Enterprise, if all of the following conditions shall have been met:

(i) before any such Additional Obligations ranking on a parity are issued, there will have been procured and filed with the City Clerk, a statement of an Independent Auditor or independent Financial Consultant or a Consulting Engineer not a regular employee of the Issuer, reciting the opinion based upon necessary investigations that the Net Revenues of the Enterprise for the preceding Fiscal Year (with adjustments as hereinafter provided) were equal to at least 1.10 times the maximum amount that will be required in any Fiscal Year prior to the longest maturity of the Note or Parity Obligations for both principal of and interest on all of the Note and Parity Obligations then outstanding which are payable from the net earnings of the Enterprise and the Additional Obligations then proposed to be issued.

For the purpose of determining the Net Revenues of the Enterprise for the preceding Fiscal Year as aforesaid, the amount of the gross revenues for such year may be adjusted by an Independent Auditor or independent Financial Consultant or a Consulting Engineer not a regular employee of the Issuer, so as to reflect any changes in the amount of such revenues which would have resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any such Additional Obligations been in effect during all of such preceding Fiscal Year.

(ii) the Additional Obligations must be payable as to principal and as to interest on the same month and day as the Note herein authorized.

(iii) for the purposes of this Section, principal and interest falling due on the first day of a Fiscal Year shall be deemed a requirement of the immediately preceding Fiscal Year.

(iv) for the purposes of this Section, general obligation bonds or notes shall be refunded only upon a finding of necessity by the Governing Body and only to the extent the general obligation bonds or notes were issued or the proceeds thereof were expended for the Enterprise.

(v) for purposes of this Section, "preceding Fiscal Year" shall be the most recently completed Fiscal Year for which audited financial statements prepared by a certified public accountant are issued and available, but in no event a Fiscal Year which ended more than eighteen months prior to the date of issuance of Additional Obligations.

Section 21. Disposition of Proceeds; Arbitrage Not Permitted. The Issuer reasonably expects and covenants that no use will be made of the proceeds from the issuance and sale of the Note issued hereunder which will cause the Note to be classified as arbitrage bonds within the meaning of Section 148(a) and (b) of the Internal Revenue Code of the United States, and that

throughout the term of the Note it will comply with the requirements of such statute and regulations issued thereunder.

To the best knowledge and belief of the Issuer, there are no facts or circumstances that would materially change the foregoing statements or the conclusion that it is not expected that the proceeds of the Note will be used in a manner that would cause the Note to be an arbitrage note. Without limiting the generality of the foregoing, the Issuer hereby agrees to comply with the provisions of the Tax Exemption Certificate and the provisions of the Tax Exemption Certificate are hereby incorporated by reference as part of this Resolution. The City Treasurer is hereby directed to make and insert all calculations and determinations necessary to complete the Tax Exemption Certificate in all respects and to execute and deliver the Tax Exemption Certificate at issuance of the Note to certify as to the reasonable expectations and covenants of the Issuer at that date.

The Issuer covenants that it will treat as Yield Restricted any proceeds of the Note remaining unexpended after three years from the issuance and any other funds required by the Tax Exemption Certificate to be so treated. If any investments are held with respect to the Note and Parity Obligations, the Issuer shall treat the same for the purpose of restricted yield as held in proportion to the original principal amounts of each issue.

The Issuer covenants that it will exceed any investment yield restriction provided in this Resolution only in the event that it shall first obtain an opinion of recognized bond counsel that the proposed investment action will not cause the Note to be classified as arbitrage bonds under Section 148(a) and (b) the Internal Revenue Code or regulations issued thereunder.

The Issuer covenants that it will proceed with due diligence to spend the proceeds of the Note for the purpose set forth in this Resolution. The Issuer further covenants that it will make no change in the use of the proceeds available for the construction of facilities or change in the use of any portion of the facilities constructed therefrom by persons other than the Issuer or the general public unless it has obtained an opinion of bond counsel or a revenue ruling that the proposed project or use will not be of such character as to cause interest on any of the Notes not to be exempt from federal income taxes in the hands of holders other than substantial users of the project, under the provisions of Section 142(a) of the Internal Revenue Code of the United States, related statutes and regulations.

Section 22. Additional Covenants, Representations and Warranties of the Issuer. The Issuer certifies and covenants with the purchasers and holders of the Note from time to time outstanding that the Issuer through its officers, (a) will make such further specific covenants, representations and assurances as may be necessary or advisable; (b) comply with all representations, covenants and assurances contained in the Tax Exemption Certificate, which Tax Exemption Certificate shall constitute a part of the contract between the Issuer and the owners of the Note; (c) consult with bond counsel (as defined in the Tax Exemption Certificate); (d) pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Note; (e) file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers,

to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Issuer in such compliance.

Section 23. Discharge and Satisfaction of Note. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Note and Parity Obligations, or any of them, in any one or more of the following ways:

(a) By paying the Note or Parity Obligations when the same shall become due and payable; and

(b) By depositing in trust with the Treasurer, or with a corporate trustee designated by the Governing Body for the payment of the obligations and irrevocably appropriated exclusively to that purpose an amount in cash or direct obligations of the United States the maturities and income of which shall be sufficient to retire at maturity, or by redemption prior to maturity on a designated date upon which the obligations may be redeemed, all of such obligations outstanding at the time, together with the interest thereon to maturity or to the designated redemption date, premiums thereon, if any, that may be payable on the redemption of the same; provided that proper notice of redemption of all such obligations to be redeemed shall have been previously published or provisions shall have been made for such publication.

Upon such payment or deposit of money or securities, or both, in the amount and manner provided by this Section, all liability of the Issuer with respect to the Note or Parity Obligations shall cease, determine and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Section 24. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the holder or holders of the Note and Parity Obligations, and after the issuance of any of the Notes no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as provided in the next succeeding Section, until such time as all of the Note and Parity Obligations, and interest due thereon, shall have been satisfied and discharged as provided in this Resolution.

Section 25. Amendment of Resolution Without Consent. The Issuer may, without the consent of or notice to any of the holders of the Note and Parity Obligations, amend or supplement this Resolution for any one or more of the following purposes:

(a) to cure any ambiguity, defect, omission or inconsistent provision in this Resolution or in the Notes or Parity Obligations; or to comply with any application provision of law or regulation of federal or state agencies; provided, however, that such action shall not materially adversely affect the interests of the holders of the Notes or Parity Obligations;

(b) to change the terms or provisions of this Resolution to the extent necessary to prevent the interest on the Note or Parity Obligations from being includable within the gross income of the holders thereof for federal income tax purposes;

(c) to grant to or confer upon the holders of the Note or Parity Obligations any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the holders of the Note;

(d) to add to the covenants and agreements of the Issuer contained in this Resolution other covenants and agreements of, or conditions or restrictions upon, the Issuer or to surrender or eliminate any right or power reserved to or conferred upon the Issuer in this Resolution; or

(e) to subject to the lien and pledge of this Resolution additional pledged revenues as may be permitted by law.

Section 26. Amendment of Resolution Requiring Consent. This Resolution may be amended from time to time if such amendment shall have been consented to by holders of not less than two-thirds in principal amount of the Note and Parity Obligations at any time outstanding (not including in any case the Note which may then be held or owned by or for the account of the Issuer, but including such refunding obligations as may have been issued for the purpose of refunding any Note if such refunding obligations shall not then be owned by the Issuer); but this Resolution may not be so amended in such manner as to:

(a) Make any change in the maturity of interest rate of the Note, or modify the terms of payment of principal of or interest on the Note or impose any conditions with respect to such payment;

(b) Materially affect the rights of the holders of less than all of the Note and Parity Obligations then outstanding; and

(c) Reduce the percentage of the principal amount of Note, the consent of the holders of which is required to effect a further amendment.

Whenever the Issuer shall propose to amend this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be filed with the Original Purchaser and to be mailed by certified mail to each registered owner of any Note as shown by the records of the Registrar. Such notice shall set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory Resolution is on file in the office of the Clerk.

Whenever at any time within one year from the date of the mailing of the notice there shall be filed with the Clerk an instrument or instruments executed by the holder of at least two-thirds in aggregate principal amount of the Note then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory Resolution described in the notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Governing Body of the Issuer may adopt such amendatory Resolution and such Resolution shall become effective and binding upon the holders of all of the Note and Parity Obligations.

Any consent given by the holder of a Note pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the instrument evidencing such consent and shall be conclusive and binding upon all future holders of the same Note during such period. Such consent may be revoked at any time after six months from the date of such instrument by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Clerk.

The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount and numbers of the Notes held by any person executing such instrument and the date of his holding the same may be proved by an affidavit by such person or by a certificate executed by an officer of a bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the Notes described in such certificate.

Section 27. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions.

Section 28. Qualified Tax-Exempt Obligations. For the sole purpose of qualifying the Notes as "Qualified Tax-Exempt Obligations" pursuant to Section 265(b) of the Internal Revenue Code of the United States, as amended, the Issuer designates the Notes as qualified tax-exempt obligations and represents that the reasonably anticipated amount of tax exempt governmental obligations which will be issued during the current calendar year will not exceed Ten (10) Million Dollars.

Section 29. Repeal of Conflicting Ordinances or Resolutions and Effective Date. All other ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; and this Resolution shall be in effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED this 2nd day of July, 2020.

Thomas L. Richardson, Mayor

ATTEST:

Jean Ludwig, City Clerk



COUNCIL ACTION FORM

Date: July 2, 2020

Presented By: O'Donnell

Subject: Lease for Access Road Agenda Item: _____

Description:

As part of the Rand Park Tunnel Project, an access road must be constructed to the outfall site. The road will be located within the BNSF railroad right of way. As such, we need an agreement for lease of the land and access into the right of way. The lease has been reviewed by City Attorney Dennis and he has found nothing of concern.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES NO CIP Project Number: _____

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING INDEFINITE TERM
LEASE FOR LAND**

WHEREAS, the City of Keokuk, Iowa is under an order by the US EPA to make certain improvements in the storm sewer system of the City of Keokuk, Iowa; and

WHEREAS, the Rand Park Tunnel is being designed as one project of the sewer separation plan; and

WHEREAS, the river outfall for said tunnel is within the right of way for the BNSF railroad; and

WHEREAS, an access road within the BNSF railway right of way is necessary to construct the outfall of said tunnel.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF KEOKUK, STATE OF IOWA: that the Indefinite Term Lease for Land with the BNSF Railway Company is hereby approved.

PASSED, APPROVED, AND ADOPTED this 2nd day of July, 2020.

Mayor Thomas L. Richardson

ATTEST:

Jean Ludwig, City Clerk

**INDEFINITE TERM LEASE
LAND**

THIS INDEFINITE TERM LEASE FOR LAND ("Lease") is made and entered into to be effective as of the ____ day of _____, 2020 ("Effective Date"), by and between **BNSF RAILWAY COMPANY**, a Delaware corporation ("Lessor") and City of Keokuk, IA ("Lessee").

RECITALS

A. Lessor is in the railroad transportation business and owns or controls a system of rail tracks ("Lessor's Track(s)") and various real properties associated therewith, including certain Premises as described below which Lessee desires to lease from Lessor.

B. Lessor has agreed to lease to Lessee the Premises, subject to the terms, conditions and limitations provided herein.

AGREEMENTS

In consideration of the mutual covenants herein, Lessor and Lessee hereby agree as follows:

Section 1. Premises and Term.

A. Lessor leases to Lessee and Lessee leases from Lessor, subject to the covenants, agreements, terms, provisions and conditions of this Lease, that certain parcel of real property, situated in the City of Keokuk, County of Lee, State of Iowa, along Line Segment 0014, Mile Post 179.57 and constituting the shaded area shown upon Print No. 76841, dated 10/30/19 a copy of which is attached hereto as Exhibit "A" and made a part hereof ("Premises").

B. Lessee leases the Premises from Lessor beginning August 1, 2020 ("Commencement Date"), and shall continue until terminated by either party as provided in this Section 1(B). This Lease may be terminated by either party, at any time, without cause, for convenience, by serving upon the other party written notice of termination at least thirty (30) days in advance. Upon the expiration of the time specified in such notice, this Lease and all rights of Lessee shall absolutely cease.

C. Upon termination, either (i) Lessor may retain from prepaid rent, as an additional charge for use of the Premises, a sum equal to three (3) months Base Rent (as defined below), and any unearned portion of the annual Base Rent, in excess of such retainage, paid in advance shall be refunded to Lessee or (ii) if Lessor has not been paid sufficient Base Rent to satisfy the above retainage, then Lessee shall pay Lessor a sufficient sum so that, together with sums already held by Lessor, Lessor shall hold a sum equal to three (3) months Base Rent which Lessor shall retain as an additional charge for use of the Premises, and such additional sum shall be paid by Lessee within thirty (30) days of termination of the Lease.

D. Each consecutive twelve-month period this Lease is in effect, beginning with the Effective Date of this Lease, is herein called a "Lease Year."

E. Lessee acknowledges that it is assuming all risks associated with Lessor's right to terminate this Lease at any time as provided above, and (i) Lessor gives no assurance that Lessor will delay termination of this Lease for any length of time whatsoever, (ii) Lessee may expend money and effort during the term of this Lease which may not ultimately be of any benefit to Lessee if Lessor terminates this Lease, but nonetheless, Lessor shall have the right to terminate the Lease if Lessor determines in its sole and absolute discretion that Lessor

desires to terminate, and (iii) in no event shall Lessor be deemed to have any legal obligations to continue to lease the Premises for any length of time.

Section 2. Use and Compliance.

A. Lessee may use the Premises for the sole and exclusive purpose of Construction and maintenance of the storm outfall facility and for no other purpose without the prior written consent of Lessor. Lessee shall respond to Lessor's reasonable inquiries regarding the use or condition of the Premises.

B. Lessee shall comply with all Laws applicable to Lessee, the Premises, this Lease and Lessee's activities and obligations hereunder, and shall have the sole responsibility for costs, fees, or expenses associated with such compliance. As used herein, the term "Laws" shall mean any and all statutes, laws, ordinances, codes, rules or regulations or any order, decision, injunction, judgment, award or decree of any public body or authority having jurisdiction over Lessee, the Premises, this Lease, and/or Lessee's obligations under this Lease, and shall include all Environmental Laws (as defined in Section 4(A)).

C. If any governmental license or permit is required or desirable for the proper and lawful conduct of Lessee's business or other activity in or on the Premises, or if the failure to secure such a license or permit might in any way affect Lessor, then Lessee, at Lessee's expense, shall procure and thereafter maintain such license or permit and submit the same to inspection by Lessor. Lessee, at Lessee's expense, shall at all times comply with the requirements of each such license or permit.

Section 3. Rent.

A. Lessee shall pay as rental for the Premises, in advance, an amount equal to Three Thousand Five Hundred Ten Dollars and Sixty-Nine Cent (\$3,510.69) annually during the term of the Lease, ("Base Rent"). Base Rent shall increase 3% annually during the term of the Lease. Lessor reserves the right to change rental rates as conditions warrant. Billing or acceptance by Lessor of any rental shall not imply a definite term or otherwise restrict either party from canceling this Lease as provided herein. Either party hereto may assign any receivables due it under this Lease; provided, however, such assignments shall not relieve the assignor of any of its rights or obligations under this Lease. All rent and other monetary payments under this Lease from Lessee to Lessor shall be delivered solely to the following address:

**BNSF Railway Company
PO Box 676160
Dallas, TX 75267-6160**

Lessor shall have the right to designate at any time and from time to time a different address for delivery of such payments by written notice to Lessee pursuant to the notice provisions of Section 36 below. No rent or other payment sent to any other address shall be deemed received by Lessor unless and until Lessor has actually posted such payment as received on the account of Lessee, and Lessee shall be subject to all default provisions hereunder, late fees and other consequences as a result thereof in the same manner as if Lessee had failed or delayed in making any payment.

B. Lessee acknowledges that Lessor utilizes the rental collection system involving direct deposit of monies received through a financial institution selected by Lessor, which precludes Lessor's ability to exercise rejection of a rental payment before Lessee's check is cashed. Lessee agrees that as a condition of Lessor granting this Lease Lessee hereby waives any rights it may have under law to force continuation of this Lease due to Lessor having accepted and cashed Lessee's rental remittance. Lessor shall have the option of rejecting Lessee's payment by refunding to Lessee the rental amount paid by Lessee, adjusted as set forth in this Lease, and enforcing the termination provisions of this Lease.

C. Lessee shall pay the Base Rent and all additional amounts due pursuant to Section 9 as and when the same become due and payable, without demand, set-off, or deduction. Lessee's obligation to pay Base Rent and all amounts due under this Lease is an independent covenant and no act or circumstance, regardless of whether such act or circumstance constitutes a breach under this Lease by Lessor, shall release Lessee of its obligation to pay Base Rent and all amounts due as required by this Lease.

D. If any Base Rent or any payment under Section 9 or any other payment due by Lessee hereunder is not paid within five (5) days after the date the same is due, Lessor may assess Lessee a late fee ("Late Fee") in an amount equal to 5% of the amount which was not paid when due to compensate Lessor for Lessor's administrative burden in connection with such late payment. In addition to said Late Fee, Lessee shall pay interest on the unpaid sum from the due date thereof to the date of payment by Lessee at an annual rate equal to (i) the greater of (a) for the period January 1 through June 30, the prime rate last published in The Wall Street Journal in the preceding December plus two and one-half percent (2 1/2%), and for the period July 1 through December 31, the prime rate last published in The Wall Street Journal in the preceding June plus two and one-half percent (2 1/2%), or (b) twelve percent (12%), or (ii) the maximum rate permitted by law, whichever is less.

Section 4. Environmental.

A. Lessee shall strictly comply with all federal, state and local environmental laws and regulations in its occupation and use of the Premises, including, but not limited to, the Resource Conservation and Recovery Act, as amended (RCRA), the Clean Water Act, the Clean Air Act, the Oil Pollution Act, the Hazardous Materials Transportation Act, and CERCLA (collectively referred to as the "Environmental Laws"). Lessee shall not maintain any treatment, storage, transfer or disposal facility, or underground storage tank, as defined by Environmental Laws, on the Premises. Lessee shall not release or suffer the release of oil or hazardous substances, as defined by Environmental Laws, on or about the Premises.

B. Lessee shall give Lessor immediate notice to Lessor's Resource Operations Center at (800) 832-5452 of any release of hazardous substances on or from the Premises and to Lessor's Manager Environmental Leases at (785) 435-2386 for any violation of Environmental Laws, or inspection or inquiry by governmental authorities charged with enforcing Environmental Laws with respect to Lessee's use of the Premises. Lessee shall use its best efforts to promptly respond to any release on or from the Premises. Lessee also shall give Lessor's Manager Environmental Leases immediate notice of all measures undertaken on behalf of Lessee to investigate, remediate, respond to or otherwise cure such release or violation and shall provide to Lessor's Manager Environmental Leases copies of all reports and/or data regarding any investigations or remediations of the Premises.

C. In the event that Lessor has notice from Lessee or otherwise of a release or violation of Environmental Laws on the Premises which occurred or may occur during the term of this Lease, Lessor may require Lessee, at Lessee's sole risk and expense, to take timely measures to investigate, remediate, respond to or otherwise cure such release or violation affecting the Premises or Lessor's right-of-way.

D. Lessee shall promptly report to Lessor in writing any conditions or activities upon the Premises which create a risk of harm to persons, property or the environment and shall take whatever action is necessary to prevent injury to persons or property arising out of such conditions or activities; provided, however, that Lessee's reporting to Lessor shall not relieve Lessee of any obligation whatsoever imposed on it by this Lease. Lessee shall promptly respond to Lessor's request for information regarding said conditions or activities.

E. Hazardous Materials are not permitted on the Premises except as otherwise described herein. Lessee expects to use on the Premises the following Hazardous Materials: None and to store on the Premises the following Hazardous Materials (as defined in Section 4(F) below): None; provided, however, that Lessee may only use and store the listed Hazardous Materials in such amounts as are necessary and customary in Lessee's industry for the permitted uses hereunder ("Permitted Substances"). All such Permitted Substances

shall be placed, used, and stored in strict accordance with all Environmental Laws. Use or storage on the Premises of any Hazardous Materials not disclosed in this Section 4(E) is a breach of this Lease.

F. For purposes of this Section 4, "Hazardous Materials" means all materials, chemicals, compounds, or substances (including without limitation asbestos, petroleum products, and lead-based paint) identified as hazardous or toxic under Environmental Laws.

G. Lessor may, at its option prior to termination of this Lease, require Lessee to conduct an environmental audit of the Premises through an environmental consulting engineer acceptable to Lessor, at Lessee's sole cost and expense, to determine if any noncompliance or environmental damage to the Premises has occurred during Lessee's occupancy thereof. The audit shall be conducted to Lessor's satisfaction and a copy of the audit report shall promptly be provided to Lessor for its review. Lessee shall pay all expenses for any remedial action that may be required as a result of said audit to correct any noncompliance or environmental damage, and all necessary work shall be performed by Lessee prior to termination of this Lease.

Section 5. Access to Adjacent Property by Lessee.

If access to and from the Premises can be accomplished only through use of Lessor's property adjacent to the Premises, such use is granted for ingress and egress only and on a non-exclusive basis, subject to such restrictions and conditions as Lessor may impose by notice to Lessee. Lessor shall have the right to designate the location or route to be used. Lessee understands and agrees that all of the terms and obligations under this Lease applicable to Lessee shall also be applicable to Lessee with respect to Lessee's use of any property adjacent to the Premises which Lessee may use just as though the property has been specifically described as part of the Premises, including, without limitation, the indemnity provisions of Section 13. Notwithstanding anything to the contrary herein, this Section 5 shall not grant Lessee any right to cross any of Lessor's Tracks. Any such crossing rights may only be granted by a separate written agreement between Lessor and Lessee.

Section 6. Access to Premises by Lessor.

A. Lessor and its contractors, agents and other designated third parties may at all reasonable times and at any time in case of emergency, in such manner as to not unreasonably interfere with Lessee's use of the Premises as allowed hereunder, (i) enter the Premises for inspection of the Premises or to protect the Lessor's interest in the Premises or to protect from damage any property adjoining the Premises, (ii) enter the Premises to construct, maintain, and operate trackage, fences, pipelines, communication facilities, fiber optic lines, wireless towers, telephone, power or other transmission lines, or appurtenances or facilities of like character, upon, over, across, or beneath the Premises, without payment of any sum for any damage, including damage to growing crops, (iii) take all required materials and equipment onto the Premises, and perform all required work therein, for the purpose of making alterations, repairs, or additions to the Premises as Lessor may elect if Lessee defaults in its obligation to do so, (iv) enter the Premises to show the Premises to holders of encumbrances on the interest of Lessor in the Premises, or to prospective purchasers or mortgagees of the Premises, and all such entries and activities shall be without any rebate of rent to Lessee for any loss of occupancy of the Premises, or damage, injury or inconvenience thereby caused.

B. For purposes stated in this Section 6, Lessor will at all times have keys with which to unlock all of the doors and gates on the Premises, and Lessee will not change or alter any lock thereon without Lessor's permission.

C. In an emergency, Lessor will be entitled to use any and all means that Lessor may deem proper to open doors, gates, and other entrances to obtain entry to the Premises. Any entry to the Premises by Lessor as described in this Section 6 shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or any eviction of Lessee from the Premises, and any damages caused on account thereof will be paid by Lessee.

Section 7. Warranties.

LESSOR DOES NOT WARRANT ITS TITLE TO THE PREMISES NOR UNDERTAKE TO DEFEND LESSEE IN THE PEACEABLE POSSESSION OR USE THEREOF. NO COVENANT OF QUIET ENJOYMENT IS MADE. This Lease is made subject to all outstanding rights or interests of others. If the Premises are subsequently found to be subject to prior claim, this Lease shall terminate immediately on notice to that effect from Lessor. Lessee accepts this Lease subject to that possibility and its effect on Lessee's rights and ownership of the Lessee Improvements. In case of eviction of Lessee by anyone other than Lessor, or anyone owning or claiming title to or any interest in the Premises, Lessor shall not be liable to Lessee for damage of any kind (including any loss of ownership right to Lessee's Improvements) or to refund any rent paid hereunder, except to return the unearned portion of any rent paid in advance.

Section 8. Premises Condition; Lessee Improvements.

A. Lessee represents that the Premises, the title thereto, any subsurface conditions thereof, and the present uses thereof have been examined by the Lessee. Lessee accepts the same in the condition in which they now are, without representation or warranty, expressed or implied, in fact or by law, by the Lessor, and without recourse to the Lessor as to the title thereto, the nature, condition or usability thereof, or the uses to which the Premises may be put. By taking possession or commencing use of the Premises, Lessee (i) acknowledges that it is relying on its own inspections of the Premises and not on any representations from Lessor regarding the Premises; (ii) establishes conclusively that the Premises are at such time in satisfactory condition and in conformity with this Lease and all zoning or other governmental requirements in all respects; and (iii) accepts the Premises in its condition as of the Commencement Date on an "AS IS," "WHERE IS," and "WITH ALL FAULTS" basis, subject to all faults and infirmities, whether now or hereafter existing. Nothing contained in this Section 8 affects the commencement of the term of the Lease or the obligation of Lessee to pay rent as provided above. Lessee represents and warrants to Lessor as follows: (i) Lessee does not intend to, and will not, use the Premises for any purpose other than as set forth in Section 2; (ii) Lessee has previously disclosed in writing to Lessor all special requirements (but Lessor shall have no responsibility relative to any such special requirement), if any, which Lessee may have in connection with this intended use; and (iii) Lessee has undertaken and has reasonably and diligently completed all appropriate investigations regarding the suitability of the Premises for Lessee's intended use. Lessee shall comply with any covenants, conditions or restrictions now or hereafter affecting the Premises, and acknowledges that Lessor may place any covenants, conditions or restrictions of record affecting the Premises prior to or during the term of the Lease. In such event, this Lease will be subject and subordinate to all of the same without further action by either party, including, without limitation, the execution of any further instruments. Lessee acknowledges that Lessor has given material concessions for the acknowledgements and provisions contained in this Section 8, and that Lessor is relying on these acknowledgments and agreements and would not have entered into this Lease without such acknowledgements and agreements by Lessee.

B. If improvements are necessary for Lessee's use of the Premises, Lessee, at Lessee's sole cost and expense, shall, on or after the Commencement Date, construct and install such improvements to the Premises which are necessary for Lessee's use of the Premises and are acceptable to Lessor in Lessor's sole discretion ("Lessee Improvements") (storm outfall facility). The construction and installation of any Lessee Improvements shall be subject to Lessor's prior written approval of plans and specifications for such Lessee Improvements to be prepared by Lessee and submitted to Lessor for approval as set forth below, such approval to be in Lessor's sole and absolute discretion. Within forty-five (45) days after the Commencement Date, Lessee shall submit detailed plans and specifications, and the identity of Lessee's proposed general contractor for the Lessee Improvements for Lessor's review and approval. Lessor shall either approve or disapprove the plans and specifications and general contractor (in its sole and absolute discretion) by written notice delivered to Lessee within sixty (60) days after receipt of the same from Lessee. In the event of any disapproval, Lessor shall specify the reasons for such non-approval. If Lessor fails to deliver notice to Lessee of Lessor's approval

or disapproval of the plans, specifications, and proposed general contractor within the time period discussed above, Lessee's plans, specifications and proposed contractor shall be deemed disapproved. If Lessor specifies objections to the plans and specifications or general contractor as herein provided and Lessor and Lessee are unable to resolve the objections by mutual agreement within a period of thirty (30) days from the date of delivery of written notice thereof, Lessee, as its sole remedy, to be exercised not later than ten (10) days after the expiration of said thirty (30) days period, may terminate this Lease by written notice to Lessor. Upon approval of the plans and specifications by Lessor, Lessor and Lessee shall sign the same, and they shall be deemed a part hereof. All Lessee Improvements shall be constructed and installed in accordance with the terms and conditions of Exhibit "B" attached to the Lease and all applicable terms and conditions of the Lease regarding alterations and improvements. Lessee shall not construct any other alteration or improvement to the Premises without Lessor's prior written consent. The Lessee Improvements constructed pursuant to the above provisions shall be owned by Lessee during the term of the Lease and removed from the Premises or surrendered to the Lessor pursuant to Section 20 below upon termination of this Lease.

Section 9. Taxes and Utilities.

A. In addition to Base Rent, Lessee shall pay all taxes, utilities, and other charges of every kind and character, whether foreseen or unforeseen, ordinary or extraordinary, which are attributable to the term of this Lease and may become due or levied against the Premises, against Lessee, against the business conducted on the Premises or against the Lessee Improvements placed thereon during the term hereof, even though such taxes, utilities or other charges may not become due and payable until after termination of this Lease provided; however, that Lessee shall only be responsible for the payment of property taxes levied against the Premises to the extent such taxes are separately assessed by the applicable taxing authority as a result of this Lease. Lessee agrees that Lessor shall not be required to furnish to Lessee any utility or other services. If this Lease is a transfer of an existing lease, Lessee must make arrangements with the present lessee for payment of any delinquent and current taxes, utilities, and other charges prior to taking possession. If such arrangements are not made, Lessee agrees to pay all such taxes, utilities, and other charges. If Lessor should make any such payments, Lessee shall promptly upon demand reimburse Lessor for all such sums.

B. Should the Premises be subject to special assessment for public improvements in the amount of Five Hundred Dollars (\$500.00) or less during any Lease Year, Lessee shall promptly reimburse Lessor the amount in full. Should the assessment exceed Five Hundred Dollars (\$500.00) during any Lease Year then such excess shall be paid by Lessor, but the Base Rent herein shall be increased by an amount equal to twelve percent (12%) of such excess payable for each Lease Year such amounts are payable.

Section 10. Track Clearance.

A. Lessee shall not place, permit to be placed, or allow to remain, any permanent or temporary material, structure, pole, or other obstruction within (i) 8½ feet laterally from the centerline of any of Lessor's Tracks on or about the Premises (nine and one-half (9-1/2) feet on either side of the centerline of any of Lessor's Tracks which are curved) or (ii) 24 feet vertically from the top of the rail of any of Lessor's Tracks on or about the Premises ("Minimal Clearances"); provided that if any law, statute, regulation, ordinance, order, covenant or restriction ("Legal Requirement") requires greater clearances than those provided for in this Section 10, then Lessee shall strictly comply with such Legal Requirement. However, vertical or lateral clearances which are less than the Minimal Clearances but are in compliance with Legal Requirements will not be a violation of this Section 10, so long as Lessee strictly complies with the terms of any such Legal Requirement and posts a sign on the Premises clearly noting the existence of such reduced clearance. Any such sign shall be painted with black and white reflective paint.

B. Lessor's operation over any Lessor's Track on or about the Premises with knowledge of an unauthorized reduced clearance will not be a waiver of the covenants of Lessee contained in this Section 10 or

of Lessor's right to recover for and be indemnified and defended against such damages to property, and injury to or death of persons, that may result therefrom.

C. Lessee shall not place or allow to be placed any freight car within 250 feet of either side of any at-grade crossings on Lessor's Tracks.

Section 11. Repairs; Maintenance.

A. Lessee shall, at its sole expense, take good care of the Premises (including all Lessee Improvements) and shall not do or suffer any waste with respect thereto and Lessee shall promptly make all necessary or desirable Repairs to the Premises. The term "Repairs" means all reasonable repair and maintenance necessary to keep the Premises (including all Lessee Improvements) in good condition and includes, without limitation, replacements, restoration and renewals when necessary. Lessee shall keep and maintain any paved areas, sidewalks, curbs, landscaping, and lawn areas in a clean and orderly condition, and free of accumulation of dirt and rubbish.

B. Lessor shall not have any liability or obligation to furnish or pay for any services or facilities of whatsoever nature or to make any Repairs or alterations of whatsoever nature in or to the Premises, including but not limited to structural repairs, or to maintain the Premises in any manner. Lessee acknowledges that Lessor shall have no responsibility for management of the Premises.

Section 12. Safety; Dangerous and Hazardous Conditions.

It is understood by Lessee that the Premises may be in dangerous proximity to railroad tracks, including Lessor's Tracks, and that persons and property, whether real or personal, on the Premises will be in danger of injury, death or destruction incident to the operation of the railroad, including, without limitation, the risk of derailment, fire, or inadequate clearance (including sight clearance or vision obstruction problems at grade crossings on or adjacent to the Premises), and Lessee accepts this Lease subject to such dangers, and acknowledges that its indemnification obligations hereunder extend to and include all such risks.

Section 13. Indemnity.

A. **TO THE FULLEST EXTENT PERMITTED BY LAW, LESSEE SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS LESSOR AND LESSOR'S AFFILIATED COMPANIES, PARTNERS, SUCCESSORS, ASSIGNS, LEGAL REPRESENTATIVES, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS (COLLECTIVELY, "INDEMNITEES") FOR, FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, FINES, PENALTIES, COSTS, DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, DEMANDS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION, REMOVAL AND REMEDIATION AND GOVERNMENTAL OVERSIGHT COSTS) ENVIRONMENTAL OR OTHERWISE (COLLECTIVELY "LIABILITIES") OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO (IN WHOLE OR IN PART):**

- (i) THIS LEASE, INCLUDING, WITHOUT LIMITATION, ITS ENVIRONMENTAL PROVISIONS;**
- (ii) ANY RIGHTS OR INTERESTS GRANTED PURSUANT TO THIS LEASE;**
- (iii) LESSEE'S OCCUPATION AND USE OF THE PREMISES;**
- (iv) THE ENVIRONMENTAL CONDITION AND STATUS OF THE PREMISES CAUSED BY, AGGRAVATED BY, OR CONTRIBUTED IN WHOLE OR IN PART, BY LESSEE; OR**

(v) ANY ACT OR OMISSION OF LESSEE OR LESSEE'S OFFICERS, AGENTS, INVITEES, EMPLOYEES, OR CONTRACTORS, OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM, OR ANYONE THEY CONTROL OR EXERCISE CONTROL OVER,

EVEN IF SUCH LIABILITIES ARISE FROM OR ARE ATTRIBUTED TO, IN WHOLE OR IN PART, ANY NEGLIGENCE OF ANY INDEMNITEE. THE ONLY LIABILITIES WITH RESPECT TO WHICH LESSEE'S OBLIGATION TO INDEMNIFY THE INDEMNITEES DOES NOT APPLY ARE LIABILITIES TO THE EXTENT PROXIMATELY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNITEE.

B. FURTHER, TO THE FULLEST EXTENT PERMITTED BY LAW, NOTWITHSTANDING THE LIMITATION IN SECTION 13(A), LESSEE SHALL NOW AND FOREVER WAIVE ANY AND ALL CLAIMS, REGARDLESS OF WHETHER SUCH CLAIMS ARE BASED ON STRICT LIABILITY, NEGLIGENCE OR OTHERWISE, THAT RAILROAD IS AN "OWNER", "OPERATOR", "ARRANGER", OR "TRANSPORTER" WITH RESPECT TO THE PREMISES FOR THE PURPOSES OF CERCLA OR OTHER ENVIRONMENTAL LAWS. LESSEE WILL INDEMNIFY, DEFEND AND HOLD THE INDEMNITEES HARMLESS FROM ANY AND ALL SUCH CLAIMS REGARDLESS OF THE NEGLIGENCE OF THE INDEMNITEES. LESSEE FURTHER AGREES THAT THE USE OF THE PREMISES AS CONTEMPLATED BY THIS LEASE SHALL NOT IN ANY WAY SUBJECT LESSOR TO CLAIMS THAT LESSOR IS OTHER THAN A COMMON CARRIER FOR PURPOSES OF ENVIRONMENTAL LAWS AND EXPRESSLY AGREES TO INDEMNIFY, DEFEND, AND HOLD THE INDEMNITEES HARMLESS FOR ANY AND ALL SUCH CLAIMS. IN NO EVENT SHALL LESSOR BE RESPONSIBLE FOR THE ENVIRONMENTAL CONDITION OF THE PREMISES.

C. TO THE FULLEST EXTENT PERMITTED BY LAW, LESSEE FURTHER AGREES, REGARDLESS OF ANY NEGLIGENCE OR ALLEGED NEGLIGENCE OF ANY INDEMNITEE, TO INDEMNIFY, AND HOLD HARMLESS THE INDEMNITEES AGAINST AND ASSUME THE DEFENSE OF ANY LIABILITIES ASSERTED AGAINST OR SUFFERED BY ANY INDEMNITEE UNDER OR RELATED TO THE FEDERAL EMPLOYERS' LIABILITY ACT ("FELA") WHENEVER EMPLOYEES OF LESSEE OR ANY OF ITS AGENTS, INVITEES, OR CONTRACTORS CLAIM OR ALLEGE THAT THEY ARE EMPLOYEES OF ANY INDEMNITEE OR OTHERWISE. THIS INDEMNITY SHALL ALSO EXTEND, ON THE SAME BASIS, TO FELA CLAIMS BASED ON ACTUAL OR ALLEGED VIOLATIONS OF ANY FEDERAL, STATE OR LOCAL LAWS OR REGULATIONS, INCLUDING BUT NOT LIMITED TO THE SAFETY APPLIANCE ACT, THE LOCOMOTIVE INSPECTION ACT, THE OCCUPATIONAL SAFETY AND HEALTH ACT, THE RESOURCE CONSERVATION AND RECOVERY ACT, AND ANY SIMILAR STATE OR FEDERAL STATUTE.

D. Upon written notice from Lessor, Lessee agrees to assume the defense of any lawsuit or other proceeding brought against any Indemnitee by any entity, relating to any matter covered by this Lease for which Lessee has an obligation to assume liability for and/or save and hold harmless any Indemnitee. Lessee shall pay all costs incident to such defense, including, but not limited to, attorneys' fees, investigators' fees, litigation and appeal expenses, settlement payments, and amounts paid in satisfaction of judgments.

Section 14. Equal Protection.

It is agreed that the provisions of Sections 10, 12, and 13 are for the equal protection of other railroad companies, including, without limitation, the National Railroad Passenger Corporation (Amtrak), permitted to use Lessor's property, and such railroad companies shall be deemed to be included as Indemnites under Sections 10, 12, and 13.

Section 15. Assignment and Sublease.

A. Lessee shall not (i) assign or otherwise transfer this Lease or any interest herein, or (ii) sublet the Premises or any part thereof, without, in each instance, obtaining the prior written consent of Lessor, which

consent may be withheld in Lessor's sole and absolute discretion. For purposes of this Section 15, in the event that there are aggregate transfers or other changes in the ownership interests of Lessee resulting in a change of more than 20% of the ownership interests as held on the date hereof, a transfer shall be deemed to have occurred hereunder. Any person or legal representative of Lessee, to whom Lessee's interest under this Lease passes by operation of law, or otherwise, will be bound by the provisions of this Lease.

B. Any assignment, lease, sublease or transfer made pursuant to Section 15(A) may be made only if, and shall not be effective until, the assignee cures all outstanding defaults of Lessee hereunder and executes, acknowledges and delivers to Lessor an agreement, in form and substance satisfactory to Lessor, whereby the assignee assumes the obligations and performance of this Lease and agrees to be personally bound by and upon all of the covenants, agreements, terms, provisions and conditions hereof on the part of Lessee to be performed or observed. Lessee covenants that, notwithstanding any assignment or transfer, whether or not in violation of the provisions of this Lease, and notwithstanding the acceptance of rent by Lessor from an assignee or transferee or any other party, Lessee will remain fully and primarily liable along with the assignee for the payment of the rent due and to become due under this Lease and for the performance of all of the covenants, agreements, terms, provisions, and conditions of this Lease on the part of Lessee to be performed or observed.

Section 16. Liens.

Lessee shall promptly pay, discharge and release of record any and all liens, charges and orders arising out of any construction, alterations or repairs, suffered or permitted to be done by Lessee on the Premises. Lessor is hereby authorized to post any notices or take any other action upon or with respect to the Premises that is or may be permitted by law to prevent the attachment of any such liens to the Premises; provided, however, that failure of Lessor to take any such action shall not relieve Lessee of any obligation or liability under this Section 16 or any other Section of this Lease.

Section 17. Insurance.

Lessee shall, at its sole cost and expense, procure and maintain during the life of this Lease the following insurance coverage:

- A.** Commercial General Liability Insurance. This insurance shall contain broad form contractual liability with a combined single limit of a minimum of \$1,000,000 each occurrence and an aggregate limit of at least \$ 2,000,000 but in no event less than the amount otherwise carried by Lessee. Coverage must be purchased on a post 1998 ISO occurrence form or equivalent and include coverage for, but not limited to, the following:
- ◆ Bodily Injury and Property Damage
 - ◆ Personal Injury and Advertising Injury
 - ◆ Fire legal liability
 - ◆ Products and completed operations

This policy shall also contain the following endorsements, which shall be indicated on the certificate of insurance:

- The definition of insured contract shall be amended to remove any exclusion or other limitation for any work being done within 50 feet of railroad property.
- Waiver of subrogation in favor of and acceptable to **Railroad.**
- Additional insured endorsement in favor of and acceptable to **Railroad and Jones Lang LaSalle Brokerage, Inc.**
- Separation of insureds.
- The policy shall be primary and non-contributing with respect to any insurance carried by **Railroad.**

It is agreed that the workers' compensation and employers' liability related exclusions in the Commercial General Liability insurance policy(s) required herein are intended to apply to employees of the policy holder and shall not apply to **Railroad** employees.

No other endorsements limiting coverage may be included on the policy.

C. Business Automobile Insurance. This insurance shall contain a combined single limit of at least \$1,000,000 per occurrence, and include coverage for, but not limited to the following:

- ◆ Bodily injury and property damage
- ◆ Any and all vehicles owned, used or hired

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- ◆ Waiver of subrogation in favor of and acceptable to **Railroad**.
- ◆ Additional insured endorsement in favor of and acceptable to **Railroad**.
- ◆ Separation of insureds.
- ◆ The policy shall be primary and non-contributing with respect to any insurance carried by **Railroad**.

D. Workers Compensation and Employers Liability insurance including coverage for, but not limited to:

- ◆ Lessee's statutory liability under the worker's compensation laws of the state(s) in which the work is to be performed. If optional under State law, the insurance must cover all employees anyway.
- ◆ Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 by disease policy limit, \$500,000 by disease each employee.

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- ◆ Waiver of subrogation in favor of and acceptable to **Railroad**.

E. If construction is to be performed on the Premises by Lessee, Lessee or Lessee's contractor shall procure Railroad Protective Liability insurance naming only the **Railroad** as the Insured with coverage of at least \$2,000,000 per occurrence and \$6,000,000 in the aggregate. The policy shall be issued on a standard ISO form CG 00 35 10 93 and include the following:

- ◆ Endorsed to include the Pollution Exclusion Amendment (ISO form CG 28 31 10 93)
- ◆ Endorsed to include the Limited Seepage and Pollution Endorsement.
- ◆ Endorsed to include Evacuation Expense Coverage Endorsement.
- ◆ Endorsed to remove any exclusion for punitive damages.
- ◆ No other endorsements restricting coverage may be added.
- ◆ The original policy must be provided to the **Railroad** prior to performing any work or services under this Lease

In lieu of providing a Railroad Protective Liability Policy, Licensee may participate in Licensor's Blanket Railroad Protective Liability Insurance Policy available to Licensee or its contractor. The limits of coverage are the same as above. The cost is \$3,871.51

- I **elect** to participate in Lessor's Blanket Policy;
- I **elect not** to participate in Lessor's Blanket Policy.

Other Requirements:

All policies (applying to coverage listed above) shall contain no exclusion for punitive damages and certificates of insurance shall reflect that no exclusion exists.

Lessee agrees to waive its right of recovery against **Railroad** for all claims and suits against **Railroad**. In addition, its insurers, through the terms of the policy or through policy endorsement, waive their right of subrogation against **Railroad** for all claims and suits. The certificate of insurance must reflect the waiver of subrogation endorsement. Lessee further waives its right of recovery, and its insurers also waive their right of subrogation against **Railroad** for loss of its owned or leased property or property under Lessee's care, custody, or control.

Lessee is not allowed to self-insure without the prior written consent of **Railroad**. If granted by **Railroad**, any deductible, self-insured retention or other financial responsibility for claims shall be covered directly by Lessee in lieu of insurance. Any and all Railroad liabilities that would otherwise, in accordance with the provisions of this Lease, be covered by Lessee's insurance will be covered as if Lessee elected not to include a deductible, self-insured retention or other financial responsibility for claims.

Prior to accessing the Premises, Lessee shall furnish to **Railroad** an acceptable certificate(s) of insurance including an original signature of the authorized representative evidencing the required coverage, endorsements, and amendments.. The policy(ies) shall contain a provision that obligates the insurance company(ies) issuing such policy(ies) to notify **Railroad** in writing at least 30 days prior to any cancellation, renewal, substitution or material alteration. This cancellation provision shall be indicated on the certificate of insurance. Upon request from **Railroad**, a certified duplicate original of any required policy shall be furnished.

Any insurance policy shall be written by a reputable insurance company acceptable to **Railroad** or with a current Best's Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the Premises is located.

Lessee represents that this Lease has been thoroughly reviewed by Lessee's insurance agent(s)/broker(s), who have been instructed by Lessee to procure the insurance coverage required by this Lease. Allocated Loss Expense shall be in addition to all policy limits for coverages referenced above.

Not more frequently than once every five years, **Railroad** may reasonably modify the required insurance coverage to reflect then-current risk management practices in the railroad industry and underwriting practices in the insurance industry.

If any portion of the operation is to be contracted by Lessee, Lessee shall require that the contractor shall provide and maintain insurance coverages as set forth herein, naming **Railroad** as an additional insured, and shall require that the contractor shall release, defend and indemnify **Railroad** to the same extent and under the same terms and conditions as Lessee is required to release, defend and indemnify **Railroad** herein.

Failure to provide evidence as required by this Section 17 shall entitle, but not require, **Railroad** to terminate this Lease immediately. Acceptance of a certificate that does not comply with this section shall not operate as a waiver of Lessee's obligations hereunder.

The fact that insurance (including, without limitation, self-insurance) is obtained by Lessee shall not be deemed to release or diminish the liability of Lessee including, without limitation, liability under the indemnity provisions of this Lease. Damages recoverable by **Railroad** shall not be limited by the amount of the required insurance coverage.

For purposes of this Section 17, **Railroad** shall mean "Burlington Northern Santa Fe, LLC", "BNSF Railway Company" and the subsidiaries, successors, assigns and affiliates of each.

Section 18. Water Rights and Use of Wells.

This Lease does not grant, convey or transfer any right to the use of water under any water right owned or claimed by the Lessor which may be appurtenant to the Premises. All right, title, and interest in and to such water is expressly reserved unto Lessor, and the right to use same or any part thereof may be obtained only by the prior written consent of the Lessor. Lessee shall not use, install or permit to be installed or used any wells on the Premises without the prior written consent of Lessor.

Section 19. Default.

A. An "Event of Default" by Lessee shall have occurred hereunder if any of the following shall occur:

- (i) if Lessee violates any safety provision contained in this Lease;
- (ii) if Lessee fails to pay rent or any other monetary payment hereunder when due or fails to perform any other obligations under this Lease and such failure continues thirty (30) days after written notice from Lessor to Lessee of Lessee's failure to make such payment or perform such obligations;
- (iii) if a decree or order of a court having jurisdiction over the Premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Lessee or over all or a substantial part of the property of Lessee shall be entered; or if Lessee becomes insolvent or makes a transfer in fraud of creditors; or an interim receiver, trustee or other custodian of Lessee or of all or a substantial part of the property of Lessee shall be appointed or a warrant of attachment, execution, or similar process against any substantial part of the property of Lessee shall be issued and any such event shall not be stayed, dismissed, bonded or discharged within thirty (30) days after entry, appointment or issuance;
- (iv) if the Premises is abandoned or vacated by Lessee.

B. If an Event of Default occurs as provided above, Lessor may, at its option, (i) terminate this Lease by serving five (5) days' notice in writing upon Lessee, in which event Lessee shall immediately surrender possession of the Premises to Lessor, without prejudice to any claim for arrears of rent or breach of covenant, (ii) proceed by appropriate judicial proceedings, either at law or in equity, to enforce performance or observance by Lessee of the applicable provisions of this Lease or to recover damages for a breach thereof, (iii) cure the default by making any such payment or performing any such obligation, as applicable, at Lessee's sole expense, without waiving or releasing Lessee from any obligation, or (iv) enter into and upon the Premises or any part thereof and repossess the same without terminating the Lease and, without obligations to do so relet the Premises or any part thereof as the agent of Lessee and in such event, Lessee shall be immediately liable to Lessor for all costs and expenses of such reletting, the cost of any alterations and repairs deemed necessary by Lessor to effect such reletting and the full amount, if any, by which the rentals reserved in this Lease for the period of such reletting exceeds the amounts agreed to be paid as rent for the Premises for the period of reletting. The foregoing rights and remedies given to Lessor are and shall be deemed to be cumulative and the exercise of any of them shall not be deemed to be an election excluding the exercise by Lessor at any time of a different or inconsistent remedy. If, on account of breach or default by Lessee of any of Lessee's obligations hereunder, it shall become necessary for the Lessor to employ an attorney to enforce or defend any of Lessor's rights or remedies hereunder, then, in any such event, any reasonable amount incurred by Lessor for attorneys' fees shall be paid by Lessee. Any waiver by Lessor of any default or defaults of this Lease or any delay of Lessor in enforcing any remedy set forth herein shall not constitute a waiver of the right to pursue any remedy at a later date or terminate this Lease for any subsequent default or defaults, nor shall any such waiver in any way affect Lessor's ability to enforce any Section of this Lease. The remedies set forth in this Section 19 shall be in addition to, and not in limitation of, any other remedies that Lessor may have at law or in equity, and the applicable

statutory period for the enforcement of a remedy will not commence until Lessor has actual knowledge of a breach or default.

Section 20. Termination.

Upon the termination of Lessee's tenancy under this Lease in any manner herein provided, Lessee shall relinquish possession of the Premises and shall remove any Lessee Improvements, and restore the Premises to substantially the state and environmental condition in which it was prior to Lessee's use ("Restoration Obligations"). If Lessee shall fail within thirty (30) days after the date of such termination of its tenancy to complete the Restoration Obligations, then Lessor may, at its election (i) either remove the Lessee Improvements or otherwise restore the Premises, and in such event Lessee shall, within thirty (30) days after receipt of bill therefor, reimburse Lessor for cost incurred, (ii) upon written notice to Lessee may take and hold any Lessee Improvements and personal property as its sole property, without payment or obligation to Lessee therefor, or (iii) specifically enforce Lessee's obligation to restore and/or pursue any remedy at law or in equity against Lessee for failure to so restore. Further, in the event Lessor has consented to Lessee Improvements remaining on the Premises following termination, Lessee shall, upon request by Lessor, provide a Bill of Sale in a form acceptable to Lessor conveying such Lessee Improvements to Lessor.

Section 21. Survival of Obligations.

Notwithstanding any expiration or other termination of this Lease, all of Lessee's indemnification obligations and any other obligations that have accrued but have not been satisfied under this Lease prior to the termination date shall survive such termination.

Section 22. Holding Over.

If Lessee fails to surrender the Premises to Lessor upon the termination of this Lease, and Lessor does not consent in writing to Lessee's holding over, then such holding over will be deemed a month-to-month tenancy. Lessee's holdover will be subject to all provisions of this Lease.

Section 23. Multiple Party Lessee.

In the event that Lessee consists of two or more parties, all the covenants and agreements of Lessee herein contained shall be the joint and several covenants and agreements of such parties.

Section 24. Damage or Destruction.

If at any time during the term of this Lease, the Premises are damaged or destroyed by fire or other casualty, then Lessor may terminate this Lease or repair and reconstruct the Premises to substantially the same condition in which the Premises existed immediately prior to the damage or destruction, except that Lessor is not required to repair or reconstruct any Lessee Improvements, personal property, furniture, trade fixtures, or office equipment located on the Premises and removable by Lessee under the provisions of this Lease.

Section 25. Eminent Domain.

If any part of the Premises is taken by eminent domain, Lessor may either terminate this Lease or continue the Lease in effect. If Lessor elects to continue the Lease, rent will be reduced in proportion to the area of the Premises taken by eminent domain, and Lessor shall repair any damage to the Premises resulting from the taking. All sums awarded or agreed upon between Lessor and the condemning authority for the taking of the interest of Lessor or Lessee, whether as damages or as compensation, will be the property of Lessor; without prejudice, however, to claims of Lessee against the condemning authority for moving costs and the unamortized cost of leasehold improvements paid for by Lessee taken by the condemning authority. If this Lease is terminated

under this Section 25, rent will be payable up to the date that possession is taken by the condemning authority, and Lessor shall refund to Lessee any prepaid unaccrued rent less any sum then owing by Lessee to Lessor.

Section 26. Representations.

Neither Lessor nor Lessor's agents have made any representations or promises with respect to the Premises except as herein expressly set forth.

Section 27. Signs.

No signs are to be placed on the Premises without the prior written approval of Lessor of the size, design, and content thereof.

Section 28. Consents and Approvals.

Whenever in this Lease Lessor's consent or approval is required, such consent or approval shall be in Lessor's sole and absolute discretion. If Lessor delays or refuses such consent or approval, such consent or approval shall be deemed denied, and Lessee in no event will be entitled to make, nor will Lessee make, any claim, and Lessee hereby waives any claim, for money damages (nor will Lessee claim any money damages by way of set-off counterclaim or defense) based upon any claim or assertion by Lessee that Lessor unreasonably withheld or unreasonably delayed its consent or approval.

Section 29. Captions.

The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease nor the intent of any provision thereof.

Section 30. Public Record.

It is understood and agreed that this Lease shall not be placed of public record.

Section 31. Governing Law.

All questions concerning the interpretation or application of provisions of this Lease shall be decided according to the laws of the state in which the Premises are located.

Section 32. No Waiver.

One or more waivers of any covenant, term, or condition of this Lease by Lessor shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition. The consent or approval by Lessor to or of any act by Lessee requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Section 33. Binding Effect.

All provisions contained in this Lease shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and assigns of Lessor and Lessee to the same extent as if each such successor and assign was named a party to this Lease.

Section 34. Force Majeure.

Except as may be elsewhere specifically provided in this Lease, if either party is delayed or hindered in, or prevented from the performance required under this Lease (except for payment of monetary obligations) by reason of earthquakes, landslides, strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God or other reason of the like nature not the fault of the party delayed in performance of its obligation, such party is excused from such performance for the period of delay. The period for the performance of any such act will then be extended for the period of such delay.

Section 35. Entire Agreement/Modification.

This Lease is the full and complete agreement between Lessor and Lessee with respect to all matters relating to lease of the Premises and supersedes any and all other agreements between the parties hereto relating to lease of the Premises. If this Lease is a reissue of an existing agreement held by Lessee, it shall supersede and cancel the previous lease or leases, without prejudice to any liability accrued prior to cancellation. This Lease may be modified only by a written agreement signed by Lessor and Lessee.

Section 36. Notices.

Any notice or documents required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given or shall be deemed to have been served and given if (i) delivered in person to the address hereinafter set forth for the party to whom the notice is given, (ii) placed in the United States mail, certified - return receipt requested, addressed to such party at the address hereinafter set forth, or (iii) deposited into the custody of any reputable overnight carrier for next day delivery, addressed to such party at the address hereinafter set forth. Any notice mailed as above shall be effective upon its deposit into the custody of the U. S. Postal Service or such reputable overnight carrier, as applicable; all other notices shall be effective upon receipt. All rent and other payments due to Lessor hereunder shall also be made as provided in Section 3(A) above, and delivery of such rental and other payments shall only be effective upon actual receipt by Lessor. From time to time either party may designate another address or telecopy number within the 48 contiguous states of the United States of America for all purposes of this Lease by giving the other party not less than fifteen (15) days' advance written notice of such change of address in accordance with the provisions hereof.

If to Lessee:

City of Keokuk, IA
601 Main Street, 3rd Floor
Keokuk, IA 52632
Attn: Robert Helenthal

If to Lessor:

BNSF Railway Company
2650 Lou Menk Drive, MOB-2
Fort Worth, Texas 76131-2828
Attn: Director Real Estate

With a copy to:

Jones Lang LaSalle Global Services - RR, Inc.
2650 Lou Menk Drive, MOB-2
Fort Worth, Texas 76131-2828
Attn: Director Leases

Section 37. Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original but which together shall constitute one and the same instrument, and the signature pages from any counterpart may be appended to any other counterpart to assemble fully executed documents, and counterparts of this Agreement may also be exchanged via electronic facsimile machines and any electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

Section 38. Relationship.

Notwithstanding anything else herein to the contrary, neither party hereto shall be construed or held, by virtue of this Lease, to be the agent, partner, joint venturer, or associate of the other party hereto, it being expressly understood and agreed that the relationship between the parties hereto is and at all times during the term of this Lease, shall remain that of Lessor and Lessee.

Section 39. Severability.

If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

Section 40. Transferability; Release of Lessor.

Lessor shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Premises, and upon such transfer, Lessor shall be released from any further obligations hereunder, and Lessee agrees to look solely to the successor in interest of Lessor for the performance of such obligations.

Section 41. Tax Waiver.

Lessee waives all rights pursuant to all Laws to protest appraised values or receive notice of reappraisal regarding the Premises (including Lessor's personalty), irrespective of whether Lessor contests the same.

Section 42. Attorneys' Fees.

If any action at law or in equity is necessary to enforce or interpret the terms of this Lease, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any relief to which it may be entitled.

Executed by the parties to be effective as of the Effective Date above.

LESSOR

BNSF Railway Company

By: _____
Name: _____
Title: _____

LESSEE

City of Keokuk, IA

By: _____
Name: _____
Title: _____

EXHIBIT "A"
ATTACHED TO CONTRACT BETWEEN
BNSF RAILWAY COMPANY
AND

CITY OF KEOKUK

TRIM LINE

SCALE: 1 IN = 75 FT
HEARTLAND DIV.
HANNIBAL SUBDIV. L.S. 0014
DATE: 10/30/2019

SECTION: 24/19
TOWNSHIP & RANGE:
65N 5W/4W
MERIDIAN: 5PM

MAP REF. :S50093



LEGEND:
 PREMISES
 RIGHT OF WAY LINE
 TRACK

DESCRIPTION:
 2 PARCEL(S) OF LAND CONTAINING A TOTAL OF 8,078 SQ. FT.
 (0.19 A.C.) MORE OR LESS SHOWN HATCHED.

KEOKUK
COUNTY OF LEE

STATE OF IA

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

EXHIBIT "B"

WORK LETTER AGREEMENT

THIS WORK LETTER AGREEMENT (the "Agreement") supplements that certain Indefinite Term Lease for Land ("Lease") dated _____, _____ by and between **BNSF Railway Company**, a Delaware corporation ("Lessor") and _____, a(n) _____ ("Lessee"). In the event of any conflict between the provisions of this Agreement and the provisions of the Lease, the provisions of this Agreement shall control. Unless the context otherwise requires, capitalized terms not defined herein shall have the meaning assigned to such terms in the Lease.

In the event Lessee uses one or more general contractors or subcontractors ("Contractor(s)") for any improvements, alterations, build out, finish out, or other similar work on the Premises ("Work"), Lessee agrees to and accepts the following:

1. Prior to performing any Work, Lessee shall obtain Lessor's approval of each Contractor and any Work to be performed by such Contractor shall be performed pursuant to a written contract between Lessee and the Contractor ("Work Contract") approved in advance by Lessor.

2. Prior to commencing any Work, Lessee shall submit for Lessor's review and approval Lessee's plans, specifications and/or drawings for such Work (collectively, "Plans") in accordance with the procedure set forth in the Lease.

3. All Work must be performed at Lessee's sole cost and expense and in accordance with the Plans which have previously been approved by Lessor.

4. Lessee shall cause its Contractors to meet all insurance and indemnification requirements required of Lessee under the Lease and shall obtain indemnification and insurance provisions from its Contractors in favor of Lessor and in the same form as set forth in the Lease.

5. Prior to the commencement of the Work, all required local building, fire, health and other departments must approve all Plans requiring approval by local building codes. In addition, the Work shall be performed, installed and/or constructed in accordance with all applicable federal, state and local laws, codes, ordinances, rules and regulations, including without limitation, the Americans With Disabilities Act of 1990, 42 U.S.C.A. 12101 et seq.

6. Lessee shall be responsible for obtaining all municipal and other governmental licenses or permits for the Work with copies furnished to Lessor prior to commencement of any construction.

7. Lessee shall furnish Lessor, for Lessor's approval, a copy of its schedule of the Work. Lessee shall perform the Work in accordance with the schedule approved by Lessor, and any changes in such schedule must be approved by Lessor in writing in advance.

8. Notwithstanding the status of the completion of the Work, Lessee's obligation for payment of Base Rent and other amounts due under the Lease shall commence on the Commencement Date provided in the Lease. Notwithstanding anything herein to the contrary, Lessor may, in Lessor's sole discretion, permit Lessee and Lessee's Contractors to enter the Premises prior to the Commencement Date in order to commence Work; provided, however, that Lessee agrees that such early entry or occupation of the Premises shall be governed by all of the terms and conditions of the Lease and this Agreement (including the insurance and indemnity requirements therein), as such terms and conditions are more specifically set forth in the Lease and this Agreement.

9. During construction, Lessor reserves the right to inspect the Work at any time upon reasonable notice to Lessee.

10. Lessee's Contractors shall keep the Premises reasonably clean at all times during the performance of the Work.

11. All Work must be performed in a good and workmanlike manner, free from defects in materials and workmanship.

12. If any materialman's, mechanic's, laborer's or any other liens for any work claimed to have been undertaken for Lessee or at Lessee's request is filed against the Premises, Lessee shall indemnify, defend and hold harmless Lessor from any such liens filed during the term of the Lease and shall, at Lessee's own expense, cause all such liens to be removed within ten (10) days after written notice from Lessor to Lessee of the filing thereof.

13. Lessee must obtain Lessor's reasonable approval that the Work has been completed in substantial accordance with the approved plans and specifications. Lessor shall receive copies of all Certificates of Occupancy and as-built drawings (electrical, mechanical, fire and architectural) prior to approving the Work.

14. All guarantees and warranties provided by Lessee's Contractors shall be issued to Lessee and, for Work which is or will at the termination of this Lease be Lessor's property, also to Lessor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date first set forth above.

LESSOR:

BNSF Railway Company

By: _____
Name: _____
Title: _____

LESSEE:

By: _____
Name: _____
Title: _____

Sample



COUNCIL ACTION FORM

Date: June 30, 2020

Presented By: Ludwig

Subject: Wages for KPL employees Agenda Item: _____

Description:

Wages for library employees had previously been approved at the June 18 council meeting. This resolution corrects wages for library employees for F/Y 2020-2021 per direction from the Library Board of Director as they approved wages consistent with the recently completed GovHR study.

FINANCIAL

Is this a budgeted item? YES X NO _____

Line Item #: 001-4010-6010 Title: FT Library wages

Amount Budgeted: \$238,192

Actual Cost: \$267,441

Under/Over: over budget by \$29,249

Funding Sources:

Departments:

Is this item in the CIP? YES _____ NO x CIP Project Number: _____

COUNCIL ACTION FORM

Any previous Council actions:

Action

Annual Approval of wages

Date

June 18, 2020

Recommendation:

Approve wages for library employees

Required Action

ORDINANCE __ RESOLUTION MOTION __ NO ACTION REQUIRED __

Additional Comments:

MOTION BY: _____ SECONDED BY: _____
TO _____

CITY COUNCIL VOTES

VOTES Bryant Dade Dunek Greenwald Helenthal Altheide Andrews O'Conner Payne

YES NO

ABSENT

ABSTAIN

RESOLUTION NO. _____

**A RESOLUTION CORRECTING FISCAL YEAR 2020-2021 SALARIES FOR
PERSONNEL OF THE KEOKUK PUBLIC LIBRARY**

WHEREAS The City of Keokuk is an Iowa Municipality that employs numerous employees performing a wide variety of tasks; AND

WHEREAS The City of Keokuk previously approved 2020-2021 fiscal year wages at the council meeting of June 18, 2020; AND

WHEREAS The Keokuk Public Library Board has approved wages consistent with the recently completed GovHR study

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KEOKUK IOWA, THAT:

That the following salaries and wages be adopted for employees of the Keokuk Public Library for the Fiscal Year 2020-2021:

<u>EMPLOYEE</u>	<u>POSITION</u>	<u>FT/PT</u>	<u>BASE PAY</u>	<u>CLASSIFICATION</u>
Emily Rohlf	Library Director	FT	\$60,375	Exempt
Monica Winkler	Assistant Library Director	FT	\$43,575	Exempt
Kathleen Cook	Youth Services	FT	\$38,433	Nonexempt
Merissa Lewiston	Patron Services	FT	\$38,433	Nonexempt
Angela Gates	Senior Circulation Clerk	FT	\$28,875	Nonexempt
Tammy Phillips	Circulation Clerk	FT	\$28,875	Nonexempt
Teresa Welker	Patron Service Clerk	FT	\$28,875	Nonexempt

Passed this 2nd day of July, 2020.

Thomas L. Richardson, Mayor

Attest: _____
Jean Ludwig, City Clerk



COUNCIL ACTION FORM

Date: July 2, 2020

Presented By: O'Donnell

Subject: Dog Park Location Agenda Item: _____

Description:

At the June 18, 2020 work session, the Keokuk Park Foundation presented a request to locate the dog park in the south east corner of River View Park. This location is preferred given its location to downtown apartments and travelers. The exact layout of the park is still under discussion and staff is working with the Keokuk Union Depot Commission to access property that is leased as part of the depot.

FINANCIAL

Is this a budgeted item? YES NO

Line Item #: _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/Over: _____

Funding Sources:

Departments:

Is this item in the CIP? YES NO CIP Project Number: _____



TO: Mayor and Council
FROM: Cole S. O'Donnell
DATE: June 29, 2020
RE: Committee Nominations

First Report on Nominations (no vote required):

Rand Park Pavilion Board

Park and Recreation Advisory Board:

Peg Vermillion Term to expire 11/02/2021

Depot Commission:

Mike Greenslaugh Term to expire 10/22/2020

Final Report on Nominations (vote required):

DEPOT COMMISSION

(initial 1-year term)

Richard Beaird Term to expire 06/01/2021

APPOINTMENT RESUME

BOARDS AND COMMISSIONS

Each board and commission is listed on the reverse side of this form. Please select those for which you would like to be considered but please indicate your preferences at the bottom of the page.

10/14/19 (renew)
 Date of Application

Vermillion Peg M F X
 Last Name First Name Gender

peggyppo0_2@yahoo.com
 Email address

2417 Middle Rd (I currently work 3 places)
 Home Address Work Address

Keokuk IA 52632 Keokuk
 City State ZIP City State ZIP

319-524-3952 (cell 319-580-7129)
 Home Phone Work Phone

Are you presently serving on any other city board or commission?

no

What attributes do you feel you have to offer?

I have lived here my entire life. I plan to remain. I know many people. I have good organizational skills and I am a hard worker.

Why do you want to be involved?

I am community-minded and love my hometown.

I am a member of a local organization, but a second one I belonged to disbanded, so I was wanting to participate in something else

What has been your past involvement?

Indirectly, through my organizations, I have participated in many community events.

(Over)

CITY BOARDS AND COMMISSIONS

- | | |
|--|---|
| <input type="checkbox"/> Airport Board of Adjustment
<input type="checkbox"/> Airport Commission
<input type="checkbox"/> Airport Zoning Commission
<input type="checkbox"/> Aquatic Center Commission
<input type="checkbox"/> Architectural Design Review Commission
<input type="checkbox"/> Board of Adjustment
<input type="checkbox"/> Building & Housing Advisory Board
<input type="checkbox"/> City Planning Commission
<input type="checkbox"/> Civil Service Commission
<input type="checkbox"/> Convention and Tourism Bureau
<input type="checkbox"/> Depot Commission
<input type="checkbox"/> Economic Development Corporation | <input type="checkbox"/> Grand Theater Commission
<input type="checkbox"/> Historic Preservation Comm.
<input type="checkbox"/> Human Rights Commission
<input type="checkbox"/> Keokuk Housing Authority
<input type="checkbox"/> Municipal Water Works
<input checked="" type="checkbox"/> Public Library Trustees
<input checked="" type="checkbox"/> Park & Recreation Advisory Board
<input type="checkbox"/> Rand Park Pavilion Commission
<input checked="" type="checkbox"/> Joyce Park Commission
<input type="checkbox"/> Tumulty Park Commission
<input type="checkbox"/> George M. Verity Commission
<input type="checkbox"/> Veterans Memorial Commission |
|--|---|

Preference #1	Park & Recreation
Preference #2	Public Library ↗
Preference #3	Joyce Park ↘

** I am actually a member and current officer of the Keokuk Saddle Club*

APPOINTMENT RESUME
BOARDS AND COMMISSIONS

Each board and commission is listed on the reverse side of this form. Please select those for which you would like to be considered but please indicate your preferences at the bottom of the page.

6-26-2020

Date of Application

Greenslaugh James "Mike" M F

Last Name

First Name

Gender

mike_greenslaugh@yahoo.com

Email address

716 Washington St. 51 and St

Home Address

Work Address

Keokuk IA 52632 Hamilton IL 62341

City

State

Zip

City

State

Zip

314-795-2344 217-847-3324

Home Phone

Work Phone

Are you presently serving on any other City Board or Commission?

NO

What attributes do you feel you have to offer?

I am involved with several not profits and I feel like I could bring some new prospective to these boards

Why do you want to be involved?

I have been attending city meetings for a couple of years and I would like to help make our city more welcoming

What has been your past involvement? to those who want to make it a home

Kplay, Odd Fellows, YMCA Board, Talbot house, Grand

Lodges of Iowa

(Over)

- _____ Airport Board of Adjustment
- _____ Airport Commission
- _____ Airport Zoning Commission
- _____ Architectural Design Review Commission
- _____ Board of Adjustment
- _____ Building & Housing Advisory Board
- _____ City Planning Commission
- _____ Civil Service Commission
- 2 _____ Convention & Tourism Bureau
- _____ Depot Commission
- _____ Economic Development Corporation
- _____ Grand Theater Commission
- _____ Historic Preservation Commission
- _____ Human Rights Commission
- _____ Joyce Park Commission
- _____ Keokuk Barge Commission
- _____ Keokuk Housing Authority
- _____ Municipal Water Works
- 1 _____ Park & Recreation Advisory Board (Cemetery, Aquatic Center & Verity)
- _____ Public Library Trustees
- 3 _____ Rand Park Pavilion Commission
- _____ Tumelty Park Commission
- _____ Veterans Memorial Commission

- _____ Preference #1 *Parks & Rec*
- _____ Preference #2 *Convention & Tourism*
- _____ Preference #3 *Rand Park Pavilion*



TO: Mayor and City Council

FROM: Cole S. O'Donnell

DATE: June 29, 2020

RE: Administrator's Report

1. SID Center: The project is complete, and an open house will be scheduled as soon as travel restrictions are lifted for EDA personnel. We continue to work with potential tenants. EDA needs to review leases and offers to insure we are following their guidelines.
2. Connections Bank Groundbreaking: Connections Bank will break ground on their new Main St facility on July 8th at 10:00 AM Council Members are welcome to attend. The new target date for completion of their facility is March 2021. This will push our date to occupy 501 Main to September or October 2021. Staff will be working with our architect to ensure that we have bid the project and have our contractor ready to go as soon as we can get in the building.
3. 5th Ward Vacancy: We have received several inquiries into the 5th ward vacancy and several citizens have submitted their names for consideration. The plan is to have the Council review interested parties at the July 16th work session and make the appointment at the August 6th regular meeting. To ensure that each interested person has sufficient time to speak we will need to start the work session at least one hour early at 4:30.
4. Out of Office: I will be out of the office on July 6th.