

May 5, 2008

Date

RESOLUTION DIRECTING THE ADVERTISEMENT
FOR SALE OF \$24,055,000 GENERAL OBLIGATION
BONDS, SERIES 2008D, AND \$6,325,000 GENERAL
OBLIGATION BONDS, SERIES 2008E (URBAN
RENEWAL)

WHEREAS, the City of Des Moines, Iowa is in need of funds to pay costs of certain projects included within the 2008-2009 Capital Improvements Program budget of the City, including the construction, reconstruction, improvement and repair of bridges and viaducts; the acquisition of equipment for the Fire Department; the abatement of nuisances, including underground storage tank removal; the rehabilitation and improvement of City parks, including the construction, acquisition and improvement of recreational facilities, equipment, trails, buildings, and other park improvements, public space amenities or attractions located in City parks; the construction and repair of cemetery facilities and improvements; the construction, reconstruction and repair of sidewalks; the construction, reconstruction and repair of streets and related street, storm sewer and streetscape improvements and the acquisition of public rights of way for the same, including street widening, paving and intersection improvements; the acquisition, installation and repair of traffic control devices and signals; and the funding of programs to provide for or assist in the acquisition or restoration of housing, essential corporate purpose projects, and it is deemed necessary and advisable that the City issue general obligation bonds for said purposes as authorized by Section 384.25 of the City Code of Iowa;

WHEREAS, pursuant to notice published as required by Section 384.25, this Council has held a public meeting and hearing on April 21, 2008 upon the proposal to institute proceedings for the issuance of not to exceed \$20,740,000 in principal amount of general obligation bonds for the above described purposes, and all objections, if any, to such Council action made by any resident or property owner of said City were received and considered by the Council; and it is the decision of the Council that additional action be taken for the issuance of said bonds for such purposes, and that such action is considered to be in the best interests of said City and the residents thereof;

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WHEREAS, the City of Des Moines, Iowa also is in need of funds to pay costs of aiding in the planning, undertaking and carrying out of urban renewal project activities under the authority of Chapter 403 of the Code of Iowa and the Urban Renewal Plans for the Metro Center Urban Renewal Project Area and the Southeast Agribusiness Urban Renewal Area, including the acquisition, construction and equipping of a Fire Department Logistics and Training Facility, the improvement of Principal Park Stadium, and the construction, reconstruction and repair of street, streetscape and skywalk system improvements, including Downtown street restoration, High Street realignment, SE 6th Avenue widening, and Riverpoint West street improvements, essential corporate purpose projects, and it is deemed necessary and advisable that the City issue general obligation bonds for said purposes as authorized by Section 403.12 of the Code of Iowa;

WHEREAS, pursuant to notice published as required by Sections 403.12 and 384.24(3)(q), this Council has held a public meeting and hearing on April 21, 2008 upon the proposal to institute proceedings for the issuance of not to exceed \$6,425,000 in principal amount of general obligation bonds for the above described purposes; and no petition was filed in the manner provided by Section 362.4 of the City Code of Iowa, pursuant to the provisions of Section 403.12, and all objections, if any, to such Council action made by any resident or property owner of said City were received and considered by the Council;

WHEREAS, the City of Des Moines, Iowa also is in need of funds to pay costs of the equipping and improving of City library facilities, including library collection additions and replacements, general corporate purpose projects, and it is deemed necessary and advisable that the City issue general obligation bonds for said purposes as authorized by Section 384.26 of the City Code of Iowa;

WHEREAS, pursuant to notice published as required by Section 384.26(5), this Council has held a public meeting and hearing on April 21, 2008 upon the proposal to institute proceedings for the issuance of not to exceed \$620,000 in principal amount of general obligation bonds for the above described purposes; and no petition was filed in the manner provided by Section 362.4 of the City Code of Iowa, pursuant to the provisions of Section 384.26(5), and all objections, if any, to such Council action made

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by any resident or property owner of said City were received and considered by the Council; and it is the decision of the Council that additional action be taken for the issuance of said bonds for such purposes, and that such action is considered to be in the best interests of said City and the residents thereof;

WHEREAS, the City of Des Moines, Iowa also is in need of funds to pay costs of the improvement, repair and remodeling of Fire Station No. 4, and the acquisition and installation of enterprise resource planning system software programs for various City departments, general corporate purpose projects, and it is deemed necessary and advisable that the City issue general obligation bonds for said purposes as authorized by Section 384.26 of the City Code of Iowa;

WHEREAS, pursuant to notice published as required by Section 384.26(5), this Council has held a public meeting and hearing on April 21, 2008 upon the proposal to institute proceedings for the issuance of not to exceed \$475,000 in principal amount of general obligation bonds for the above described purposes; and no petition was filed in the manner provided by Section 362.4 of the City Code of Iowa, pursuant to the provisions of Section 384.26(5), and all objections, if any, to such Council action made by any resident or property owner of said City were received and considered by the Council; and it is the decision of the Council that additional action be taken for the issuance of said bonds for such purposes, and that such action is considered to be in the best interests of said City and the residents thereof;

WHEREAS, the City of Des Moines, Iowa also is in need of funds to pay costs of the improvement, repair and remodeling of City buildings and facilities, general corporate purpose projects, and it is deemed necessary and advisable that the City issue general obligation bonds for said purposes as authorized by Section 384.26 of the City Code of Iowa;

WHEREAS, pursuant to notice published as required by Section 384.26(5), this Council has held a public meeting and hearing on April 21, 2008 upon the proposal to institute proceedings for the issuance of not to exceed \$945,000 in principal amount of general obligation bonds for the above described purposes; and no petition was filed in

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the manner provided by Section 362.4 of the City Code of Iowa, pursuant to the provisions of Section 384.26(5), and all objections, if any, to such Council action made by any resident or property owner of said City were received and considered by the Council; and it is the decision of the Council that additional action be taken for the issuance of said bonds for such purposes, and that such action is considered to be in the best interests of said City and the residents thereof;

WHEREAS, the City of Des Moines, Iowa also is in need of funds to pay costs of the improvement of Blank Park Zoo and community centers, the repair and renovation of swimming pools and aquatic centers, and the construction of a clubhouse facility at Grandview Golf Course, general corporate purpose projects, and it is deemed necessary and advisable that the City issue general obligation bonds for said purposes as authorized by Section 384.26 of the City Code of Iowa;

WHEREAS, pursuant to notice published as required by Section 384.26(5), this Council has held a public meeting and hearing on April 21, 2008 upon the proposal to institute proceedings for the issuance of not to exceed \$800,000 in principal amount of general obligation bonds for the above described purposes; and no petition was filed in the manner provided by Section 362.4 of the City Code of Iowa, pursuant to the provisions of Section 384.26(5), and all objections, if any, to such Council action made by any resident or property owner of said City were received and considered by the Council; and it is the decision of the Council that additional action be taken for the issuance of said bonds for such purposes, and that such action is considered to be in the best interests of said City and the residents thereof;

WHEREAS, the City of Des Moines, Iowa also is in need of funds to pay costs of the acquisition and installation of system and equipment upgrades, extensions and enhancements to the City's enterprise communications and data management systems, including voice systems and data and communications infrastructure, general corporate purpose projects, and it is deemed necessary and advisable that the City issue general obligation bonds for said purposes as authorized by Section 384.26 of the City Code of Iowa;

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WHEREAS, pursuant to notice published as required by Section 384.26(5), this Council has held a public meeting and hearing on April 21, 2008 upon the proposal to institute proceedings for the issuance of not to exceed \$975,000 in principal amount of general obligation bonds for the above described purposes; and no petition was filed in the manner provided by Section 362.4 of the City Code of Iowa, pursuant to the provisions of Section 384.26(5), and all objections, if any, to such Council action made by any resident or property owner of said City were received and considered by the Council; and it is the decision of the Council that additional action be taken for the issuance of said bonds for such purposes, and that such action is considered to be in the best interests of said City and the residents thereof;

WHEREAS, pursuant to Section 384.28 of the City Code of Iowa, it is deemed appropriate that the general obligation bonds being issued for the purposes hereinabove described be combined for purposes of issuance and sale as two separate series of bonds (together, the "Bonds") in the aggregate principal amounts as hereinafter set forth; and

WHEREAS, a preliminary form of Official Statement has been prepared for the purpose of offering the Bonds for sale to the public; and

WHEREAS, it is appropriate that the form of the preliminary Official Statement be approved and deemed final and, upon completion of the same, that the preliminary Official Statement be used in connection with the offering of the Bonds for sale to the public; and

WHEREAS, the Council has received information from its Financial Consultant evaluating and recommending the procedure hereinafter described for electronic internet bidding to maintain the integrity and security of the competitive bidding process and to facilitate the delivery of bids by interested parties; and

WHEREAS, the Council deems it in the best interests of the City and the residents thereof to receive bids to purchase such Bonds by means of both sealed and electronic internet communication.

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

Section 1. That the receipt of electronic bids for the Bonds through the PARITY[®] competitive bidding system described in the Notice of Bond Sale are hereby found and determined to provide reasonable security and to maintain the integrity of the competitive bidding process, and to facilitate the delivery of bids by interested parties in connection with the offering of the Bonds at public sale.

Section 2. That the preliminary Official Statement in the form presented to this meeting be and the same hereby is approved as to form and deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to such revisions, corrections or modifications as the Finance Director/Treasurer, upon the advice of bond counsel and the City's financial consultant, shall determine to be appropriate, and is authorized to be distributed thereafter in connection with the offering of the Bonds for sale.

Section 3. That the Clerk be and is hereby directed to publish a notice of sale of said Bonds at least once, not less than four clear days nor more than twenty days before the date of the sale. Publication shall be made in The Des Moines Register, a legal newspaper, printed wholly in the English language, published within the county in which the Bonds are to be offered for sale or an adjacent county. Said notice shall be given pursuant to Chapter 75 of the Code of Iowa, and shall state that this Council, on the 4th day of June, 2008, at 4:30 o'clock P.M., will hold a meeting to receive and act upon bids for said Bonds; said notice to be in substantially the following form:

May 5, 2008
Date

NOTICE OF BOND SALE

Time and Place of Sealed Bids: Sealed bids for the sale of Bonds of the City of Des Moines, Iowa, will be received at the office of the Finance Director/Treasurer, City Hall, 400 Robert D. Ray Drive, in the City of Des Moines, Iowa (the "Issuer") at 11:00 o'clock A.M., on the 4th day of June, 2008. The bids will then be publicly opened and referred for action to the meeting of the City Council as stated below.

Manner of Bidding: Open bids will not be received. Bids will be received in any of the following methods:

- Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Finance Director/Treasurer, City Hall, Des Moines, Iowa
- Electronic Internet Bidding: Electronic internet bids will be received at the office of the Finance Director/Treasurer, Des Moines, Iowa. The bids must be submitted through the PARITY[®] competitive bidding system.

Consideration of Bids: After the time for receipt of bids has passed, the close of sealed bids will be announced. Sealed bids will then be publicly opened and announced. Finally, electronic internet bids will be accessed and announced.

Sale and Award: The sale and award of the Bonds will be held at the Council Chambers, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa, at a meeting of the City Council on the above date at 4:30 o'clock P.M.

The Bonds: The Bonds to be offered are the following:

GENERAL OBLIGATION BONDS, SERIES 2008D, in the amount of \$24,055,000, to be dated the date of delivery.

GENERAL OBLIGATION BONDS, SERIES 2008E (Urban Renewal), in the amount of \$6,325,000, to be dated the date of delivery.

(each of such series being referred to herein as the "Bonds").

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Official Statement: The Issuer has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and an Official Bid Form for each series of Bonds, which is incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the Finance Director/Treasurer, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa 50309 (telephone: 515/283-4844) or the financial consultant to the City, Public Financial Management, Inc., 2600 Grand Avenue, Des Moines, Iowa 50312 (telephone: 515/243-2600).

Terms of Offering: All bids shall be in conformity with and the sale shall be in accord with the Terms of Offering as set forth in the Official Statement.

Legal Opinion: Said Bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed Bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the Bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Bonds. The opinion will be printed on the back of the Bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the City Council of the City of Des Moines, Iowa.

City Clerk of the City of Des Moines, Iowa

Published in The Des Moines Register on _____, 2008.

(End of Notice)

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.....
May 5, 2008
Date

Moved by: _____ to adopt.

Form approved: _____
Deputy City Attorney

DCORNELL/ 576287.1 /MSWord\10387215

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				
MOTION CARRIED	APPROVED			

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

- 9 -

Mayor

City Clerk

PRELIMINARY OFFICIAL STATEMENT DATED MAY 15, 2008

New Issues

Ratings: Applications Made

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law 1) interest on the Bonds paid to the owners thereof is not included in gross income for purposes of present Federal income taxation to the extent and subject to such exceptions as more fully discussed in the section "Tax Exemption and Related Considerations" herein, and 2) interest on the Series 2008E Bonds paid to the owners thereof is not included in gross income for purposes of Iowa State personal and corporate (but not franchise) income taxes.

CITY OF DES MOINES, IOWA

\$24,555,000 General Obligation Bonds, Series 2008D

\$6,325,000 General Obligation Bonds, Series 2008E (Urban Renewal)

BIDS RECEIVED: Wednesday, June 4, 2008, 11:00 o'clock A.M., Central Time

AWARD: Wednesday, June 4, 2008, 4:30 o'clock P.M., Central Time

The \$24,555,000 General Obligation Bonds, Series 2008D (the "Series 2008D Bonds") and the \$6,325,000 General Obligation Bonds, Series 2008E (Urban Renewal) (the "Series 2008E Bonds") (collectively the "Bonds") are being issued pursuant to Division III of Chapter 384 and Section 403.12 of the Code of Iowa, and resolutions to be adopted by the City Council of the City of Des Moines, Iowa (the "City"). Proceeds of the Bonds will be used to finance various improvements listed within the City's recommended 2008/2009 through 2013/2014 Capital Improvements Program. The improvements include bridge and viaduct, fire protection, library, municipal buildings, park, sidewalks, street, traffic control and neighborhood and economic development. The Bonds will be general obligations of the City for which the City will pledge its power to levy direct ad valorem taxes to the repayment of the Bonds. It is anticipated that the debt service on the Series 2008E Bonds will be abated with annual tax increment revenues generated within the City's Urban Renewal Districts.

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal and interest on the Bonds will be paid to DTC by the City Finance Director/Treasurer as Registrar and Paying Agent, which will in turn remit such principal and interest to its participants for subsequent disbursements to the beneficial owners of the Bonds as described herein.

		<u>SERIES 2008D BONDS</u>				<u>SERIES 2008E BONDS</u>			
DATE OF BONDS:		Date of Delivery				Date of Delivery			
MATURITY:		June 1 as follows:				June 1 as follows:			
		<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
		2010	\$715,000	2020	\$1,295,000	2009	\$305,000	2017	\$425,000
		2011	925,000	2021	1,355,000	2010	335,000	2018	445,000
		2012	955,000	2022	1,420,000	2011	345,000	2019	465,000
		2013	985,000	2023	1,490,000	2012	355,000	2020	490,000
		2014	1,020,000	2024	1,565,000	2013	365,000	2021	510,000
		2015	1,055,000	2025	1,645,000	2014	380,000	2022	535,000
		2016	1,095,000	2026	1,730,000	2015	395,000	2023	565,000
		2017	1,140,000	2027	1,820,000	2016	410,000		
		2018	1,190,000	2028	1,915,000				
		2019	1,240,000						
INTEREST:		December 1, 2008 and semiannually thereafter.				December 1, 2008 and semiannually thereafter.			
REDEMPTION:		Series 2008D Bonds due after June 1, 2016 will be subject to call on said date or on any date thereafter upon terms of par plus accrued interest to date of call.				Series 2008E Bonds due after June 1, 2016 will be subject to call on said date or on any date thereafter upon terms of par plus accrued interest to date of call.			
MINIMUM BID:		\$24,311,000				\$6,261,750			
GOOD FAITH DEPOSIT:		\$245,550				\$63,250			
TAX MATTERS:		Federal: Tax-Exempt State: Taxable See "Tax Exemption and Related Considerations" section for details.				Federal: Tax-Exempt State: Tax-Exempt See "Tax Exemption and Related Considerations" section for details.			

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as and if issued and subject to the legal opinion of Ahlers & Cooney, P.C., Bond Counsel, of Des Moines, Iowa, to be furnished upon delivery of the Bonds. It is expected that the Bonds will be available for delivery on or about June 23, 2008. This Official Statement will be further supplemented by offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and underwriter, together with any other information required by law, and shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in Rule 15c2-12.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Bonds to prospective bidders in the interest of receiving competitive bids in accordance with the Notice of Bond Sale and Terms of Offering contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the "Near Final Official Statement".

Review Period: This Preliminary Official Statement has been distributed to members of the legislative body and other public officials of the City as well as to prospective bidders for an objective review of its disclosure. Comments or omissions or inaccuracies must be submitted to Public Financial Management at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of the Bonds, the legislative body will authorize the preparation of a Final Official Statement that includes the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the Syndicate Manager and Syndicate Members. Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the bid acceptance.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations, other than those contained in the Preliminary Official Statement. This Preliminary Official Statement does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information of the City and other sources, which are believed to be reliable.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of Public Financial Management payable entirely by the City is contingent upon the sale of the issues.

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City of Des Moines, Iowa

Mayor/City Council

T.M. Franklin Cownie	Mayor
Christopher J. Coleman	Council Member – At Large
Michael Kiernan	Council Member – At Large
Thomas D. Vlassis	Council Member – Ward 1
Robert L. Mahaffey	Council Member – Ward 2
Christine Hensley	Council Member – Ward 3
Brian Meyer	Council Member – Ward 4

Administration

Richard A. Clark, City Manager
Merrill Stanley, Deputy City Manager
Allen McKinley, Finance Director/Treasurer
Diane Rauh, City Clerk

Corporation Counsel

Bruce E. Bergman

Bond Counsel

Ahlers & Cooney, P.C.
Des Moines, Iowa

Financial Advisor

Public Financial Management
Des Moines, Iowa

NOTICE OF BOND SALE

Time and Place of Sealed Bids: Sealed bids for the sale of bonds of the City of Des Moines, Iowa, will be received at the office of the Finance Director/Treasurer, City Hall, 400 Robert D. Ray Drive, in the City of Des Moines, Iowa (the "Issuer") at 11:00 o'clock A.M., on the 4th day of June, 2008. The bids will then be publicly opened and referred for action to the meeting of the City Council as stated below.

Manner of Bidding: Open bids will not be received. Bids will be received in any of the following methods:

- Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Finance Director/Treasurer, City Hall, Des Moines, Iowa
- Electronic Internet Bidding: Electronic internet bids will be received at the office of the Finance Director/Treasurer, Des Moines, Iowa. The bids must be submitted through the PARITY[®] competitive bidding system.

Consideration of Bids: After the time for receipt of bids has passed, the close of sealed bids will be announced. Sealed bids will then be publicly opened and announced. Finally, electronic internet bids will be accessed and announced.

Sale and Award: The sale and award of the bonds will be held at the Council Chambers, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa, at a meeting of the City Council on the above date at 4:30 o'clock P.M.

The Bonds: The bonds to be offered are the following:

GENERAL OBLIGATION BONDS, SERIES 2008D, in the amount of \$24,555,000, to be dated the date of delivery.

GENERAL OBLIGATION BONDS, SERIES 2008E (Urban Renewal), in the amount of \$6,325,000, to be dated the date of delivery.

(each of such series being referred to herein as the "Bonds").

Official Statement: The Issuer has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and an Official Bid Form for each series of Bonds, which is incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the Finance Director/Treasurer, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa 50309 (telephone: 515/283-4844) or the financial consultant to the City, Public Financial Management, Inc., 2600 Grand Avenue, Des Moines, Iowa 50312 (telephone: 515/243-2600).

Terms of Offering: All bids shall be in conformity with and the sale shall be in accord with the Terms of Offering as set forth in the Official Statement.

Legal Opinion: Said Bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the Bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Bonds. The opinion will be printed on the back of the Bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the City Council of the City of Des Moines, Iowa.

City Clerk of the City of Des Moines, Iowa

TERMS OF OFFERING

CITY OF DES MOINES, IOWA

In addition to the provisions of the official Notice of Bond Sale, this section sets forth the description of certain of the terms of the Bonds as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

DETAILS OF THE SERIES 2008D BONDS

General Obligation Bonds, Series 2008D (the “Series 2008D Bonds”), in the principal amount of \$24,555,000 to be dated the date of delivery in the denomination of \$5,000 or multiples thereof, and to mature June 1, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2010	\$715,000	2020	\$1,295,000
2011	925,000	2021	1,355,000
2012	955,000	2022	1,420,000
2013	985,000	2023	1,490,000
2014	1,020,000	2024	1,565,000
2015	1,055,000	2025	1,645,000
2016	1,095,000	2026	1,730,000
2017	1,140,000	2027	1,820,000
2018	1,190,000	2028	1,915,000
2019	1,240,000		

DETAILS OF THE SERIES 2008E BONDS

General Obligation Bonds, Series 2008E (Urban Renewal) (the “Series 2008E Bonds”), in the principal amount of \$6,325,000 to be dated the date of delivery in the denomination of \$5,000 or multiples thereof, and to mature June 1, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2009	\$305,000	2017	\$425,000
2010	335,000	2018	445,000
2011	345,000	2019	465,000
2012	355,000	2020	490,000
2013	365,000	2021	510,000
2014	380,000	2022	535,000
2015	395,000	2023	565,000
2016	410,000		

OPTIONAL REDEMPTION

Series 2008D Bonds and Series 2008E Bonds (collectively the “Bonds”) due after June 1, 2016 will be subject to call for prior redemption on said date or on any date thereafter upon terms of par plus accrued interest to date of call.

INTEREST

Interest on the Bonds will be payable on December 1, 2008 and semiannually on the 1st day of June and December thereafter. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

BOOK-ENTRY-ONLY SYSTEM

The Bonds will be issued by means of a book-entry-only system with no physical distribution of certificates made to the public. The Bonds will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Bonds maturing in each year will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the City to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the certificates with DTC.

GOOD FAITH DEPOSITS

A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a Financial Surety Bond in the amount of \$245,550 for the Series 2008D Bonds and \$63,250 for the Series 2008E Bonds, payable to the order of the City, is required for each bid to be considered. If a check is used, it must accompany each bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a Financial Surety Bond in the State of Iowa, and such Financial Surety Bond must be submitted to the City or its financial advisor (the "Financial Advisor") prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond (the "Purchaser(s)"), then that Purchaser is required to submit its Deposit to the City in the form of a cashier's check (or wire transfer in such amount to the City as instructed by the City or its Financial Advisor) not later than 3:30 P.M. Central Time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement. No interest on the Deposit will accrue to the Purchaser(s). The Deposit will be applied to the purchase price of each respective series of the Bonds. In the event the Purchaser(s) fails to honor its accepted bid, the City will retain the Deposit.

FORM OF BIDS AND AWARD

All bids shall be unconditional for each series of Bonds for a price not less than \$24,311,000 for the Series 2008D Bonds and \$6,261,750 for the Series 2008E Bonds plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth under "RATES OF INTEREST" herein. Bids must be submitted on or in substantial compliance with the Official Bid Forms provided by the City. The Bonds will be awarded to the bidder(s) offering the lowest interest rate to be determined on a true interest cost (the "TIC") basis. The TIC shall be determined by the "present value method", i.e., by ascertaining the semiannual rate, compounded semi-annually, necessary to discount as of the dated date of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase prices offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest, which is twice the semiannual rate so ascertained (also known as the "Canadian Method"). The TIC shall be as determined by the Financial Advisor based on the Terms of Offering and all amendments, and on the bids as submitted. The Financial Advisor's computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

RATES OF INTEREST

For each bid proposal, the rates of interest must conform to the following limitations:

1. For each respective series, each annual maturity must bear the same interest rate.
1. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
2. For each respective series, each rate of interest specified for any annual maturity shall not be less than a rate of interest specified for any earlier maturity.

RECEIPT OF BIDS

Form of Bids: Bids for the Obligations must be submitted on or in substantial compliance with the Official Bid Forms provided by the City or through the Internet Bid System as defined below. The City shall not be responsible for malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the Notice of Bonds Sale and Terms of Offering. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City Finance Director/Treasurer, City of Des Moines, 400 Robert D. Ray Drive, Des Moines, Iowa 50309.

Internet Bidding: Internet bids must be submitted through the PARITY® competitive bidding system (the "Internet Bid System"). Information about the Internet Bid System may be obtained by calling (212) 404-8102.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its Internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The City is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the Internet bidding and the Internet Bid System is not an agent of the City. Provisions of the Notice of Bond Sale, Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder(s), the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser(s). Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser(s), except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser(s). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser(s) shall not constitute cause for failure or refusal by the Purchaser(s) to accept delivery on the Bonds.

DELIVERY

The Bonds will be delivered to the Purchaser(s) via FAST delivery with the Paying Agent holding the Bonds on behalf of DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from the date of sale for any reason except failure of performance by the Purchaser(s), the Purchaser(s) may withdraw their bid and thereafter their interest in and liability for the Bonds will cease. When the Bonds are ready for delivery, the City will give the Purchaser(s) five working days notice of the delivery date and the City will expect payment in full on that date; otherwise, reserving the right at their option to determine that the Purchaser(s) failed to comply with the offer of purchase.

INFORMATION FROM PURCHASER

The Purchaser(s) will be required to certify to the City immediately after the opening of bids: (i) the initial public offering price of each maturity of the Bonds (not including sales to bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds (not less than 10% of each maturity) were sold to the public; or (ii) if less than 10% of any maturity has been sold, the price for that maturity determined as of the time of the sale based upon the reasonably expected initial offering price to the public; and (iii) that the initial public offering price does not exceed their fair market value of the Bonds on the sale

date. The Purchaser(s) will also be required to provide a certificate at closing confirming the information required by this paragraph.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement when further supplemented with maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a Final Official Statement of the City with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Bonds to any underwriter(s) or underwriting syndicate(s) submitting an Official Bid Form therefore, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter(s) of the syndicate(s) to which each series of the Bonds are awarded up to 50 copies for the Series 2008D Bonds and up to 25 copies for the Series 2008E Bonds of each issue of the Final Official Statement for each series of the Bonds to permit each "Participating Underwriter(s)" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter(s) of the syndicate(s) to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to the Participating Underwriter(s). Any underwriter(s) executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter(s) of the Final Official Statement.

CONTINUING DISCLOSURE

In order to assist bidders in complying with the Rule, the City will undertake, pursuant to the resolutions for the Bonds and Continuing Disclosure Certificates for each series of the Bonds, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in Appendix C of this Official Statement. The City will deliver the Continuing Disclosure Certificates at closing, and any failure on the part of the City to deliver the same shall relieve the Purchaser(s) of its obligation to purchase the Bonds. The City has complied in all material respects with its previous undertakings under the Rule.

CUSIP NUMBERS

It is anticipated that CUSIP numbers will be printed on the Bonds and the Purchaser(s) must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Financial Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser(s) to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL
Diane Rauh, City Clerk
City of Des Moines
400 Robert D. Ray Drive
Des Moines, Iowa 50309

SCHEDULE OF BOND YEARS

\$24,555,000

CITY OF DES MOINES, IOWA

General Obligation Bonds, Series 2008D

Bonds Dated: June 23, 2008
Interest Due: December 1, 2008 and each June 1 and December 1 to maturity
Principal Due: June 1, 2010-2028

<u>Year</u>	<u>Principal</u>	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2010	\$715,000	1,386.31	1,386.31
2011	925,000	2,718.47	4,104.78
2012	955,000	3,761.64	7,866.42
2013	985,000	4,864.81	12,731.22
2014	1,020,000	6,057.67	18,788.89
2015	1,055,000	7,320.53	26,109.42
2016	1,095,000	8,693.08	34,802.50
2017	1,140,000	10,190.33	44,992.83
2018	1,190,000	11,827.28	56,820.11
2019	1,240,000	13,564.22	70,384.33
2020	1,295,000	15,460.86	85,845.19
2021	1,355,000	17,532.19	103,377.39
2022	1,420,000	19,793.22	123,170.61
2023	1,490,000	22,258.94	145,429.56
2024	1,565,000	24,944.36	170,373.92
2025	1,645,000	27,864.47	198,238.39
2026	1,730,000	31,034.28	229,272.67
2027	1,820,000	34,468.78	263,741.44
2028	1,915,000	38,182.97	301,924.42

Average Maturity (dated date): 12.296 Years

SCHEDULE OF BOND YEARS

\$6,325,000

CITY OF DES MOINES, IOWA

General Obligation Bonds, Series 2008E (Urban Renewal)

Bonds Dated: June 23, 2008
 Interest Due: December 1, 2008 and each June 1 and December 1 to maturity
 Principal Due: June 1, 2009-2023

<u>Year</u>	<u>Principal</u>	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2009	\$305,000	286.36	286.36
2010	335,000	649.53	935.89
2011	345,000	1,013.92	1,949.81
2012	355,000	1,398.31	3,348.11
2013	365,000	1,802.69	5,150.81
2014	380,000	2,256.78	7,407.58
2015	395,000	2,740.86	10,148.44
2016	410,000	3,254.94	13,403.39
2017	425,000	3,799.03	17,202.42
2018	445,000	4,422.81	21,625.22
2019	465,000	5,086.58	26,711.81
2020	490,000	5,850.06	32,561.86
2021	510,000	6,598.83	39,160.69
2022	535,000	7,457.31	46,618.00
2023	565,000	8,440.47	55,058.47

Average Maturity (dated date):

8.705 Years

OFFICIAL STATEMENT

CITY OF DES MOINES, IOWA

\$24,555,000 General Obligation Bonds, Series 2008D \$6,325,000 General Obligation Bonds, Series 2008E (Urban Renewal)

INTRODUCTION

This Official Statement contains information relating to the City of Des Moines, Iowa (the "City") and its issuance of \$24,555,000 General Obligation Bonds, Series 2008D (the "Series 2008D Bonds") and \$6,325,000 General Obligation Bonds, Series 2008E (Urban Renewal) (the "Series 2008E Bonds") (collectively, the "Bonds"). This Official Statement has been executed on behalf of the City by its Finance Director/Treasurer and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries may be directed to Public Financial Management, Terrace Place, 2600 Grand Avenue, Suite 214, Des Moines, Iowa 50312, or by telephoning (515) 243-2600. Information can also be obtained from Mr. Allen McKinley, City Finance Director/Treasurer, City of Des Moines, 400 Robert D. Ray Drive, Des Moines, Iowa 50309, or by telephoning (515) 283-4844.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Division III of Chapter 384 and Section 403.12 of the Code of Iowa, and resolutions to be adopted by the City Council of the City. Proceeds of the Bonds will be used to finance various improvements listed within the City's recommended 2008/2009 through 2013/2014 Capital Improvements Program. The improvements include bridge and viaduct, fire protection, library, municipal buildings, park, sidewalks, street, traffic control and neighborhood and economic development.

The estimated Sources and Uses of the Bonds are as follows:

	<u>Series 2008D Bonds</u>	<u>Series 2008E Bonds</u>
<u>Sources of Funds</u>		
Par Amount of Bonds	\$24,555,000.00	\$6,325,000.00
<u>Uses of Funds</u>		
Project Funds	\$24,245,000.00	\$6,225,000.00
Underwriter's Discount	244,000.00	63,250.00
Cost of Issuance & Contingency	<u>66,000.00</u>	<u>36,750.00</u>
Total Uses	\$24,555,000.00	\$6,325,000.00

PAYMENT OF AND SECURITY FOR THE BONDS

The Bonds are general obligations of the City and the unlimited taxing powers of the City are irrevocably pledged for their payment. Upon issuance of the Bonds, the City will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due. The City is required to levy ad valorem taxes upon all taxable property in the City without limit as to rate or amount sufficient to pay the debt service except to the extent that other monies are deposited in the debt service fund for such purposes. It is anticipated that the debt service on the Series 2008E Bonds will be abated with annual tax increment revenues generated within the City's Urban Renewal Districts. To the extent available, the tax increment will be applied each year to the debt service levy, which will be reduced accordingly.

BOOK-ENTRY-ONLY SYSTEM

The information contained in the following paragraphs of this subsection “Book-Entry-Only System” has been extracted from a schedule prepared by Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE.” The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co., nor any other DTC nominee, will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FUTURE FINANCING

The City does not anticipate selling any additional general obligation debt within 90 days of the date of this Official Statement. However, the City is reviewing several refunding opportunities associated with its currently outstanding airport revenue debt. At this time, the City is unsure whether these refunding opportunities will be implemented.

LITIGATION

The City is not aware of any other threatened or pending litigation other than those listed below affecting the validity of the Bonds, or any other litigation which could have a material adverse affect on the City's ability to meet its financial obligations.

Franchise Fee: In a January 5, 2006 decision, the Iowa District Court for Polk County (the "District Court") ruled that gas and electric franchise fees imposed by the City of Des Moines, Iowa are illegal because they constitute unauthorized taxes. In reaching that decision, the District Court concluded that a franchise fee, when used as a revenue-generating measure, constitutes a tax which has been assessed in violation of Iowa Code Section 364.3(4). The District Court denied the plaintiff's motion to certify the case as a class action, and enjoined the City of Des Moines from collecting the franchise fees from the individual plaintiff while its ruling remains in effect. The City of Des Moines appealed the District Court's rulings to the Iowa Supreme Court and on May 26, 2006, the Iowa Supreme Court reversed the District Court's ruling and remanded the case to determine the class certification question and for a trial on the question of the appropriate amount of the franchise fees to be charged. *Kragnes v. City of Des Moines*, 714 NW2d 632 (Iowa 2006). According to the Iowa Supreme Court's decision, any franchise fee charged by a city must be reasonably related to the city's administrative and regulatory expenses in the exercise of its police power. Those expenses may include the reasonable costs of inspecting, licensing, supervising or otherwise regulating the activity the city is franchising and the incidental consequences of the franchised services. The Court agreed that the City of Des Moines' franchise fees may be assessed as a percentage of the gross receipts derived from the utility's sale of its services to the public, so long as the charge is reasonably related to the City of Des Moines' administrative expenses. The District Court subsequently certified a class for purposes of the litigation, consisting of all customers of the gas and electric utilities within the City of Des Moines that currently pay the franchise fees.

In September, 2006, after *Kragnes v. City of Des Moines*, supra, was remanded to the District Court, eight additional actions were brought claiming franchise fees imposed by various cities were in whole or part unlawful taxes. These cases are *Richard Curtis v. City of Bettendorf*, Scott county Case No. 107001 (alleging the cable franchise fee imposed by the City of Bettendorf is an unlawful tax), *Lance Howard v. City of Davenport*, Scott county No. 107000 (alleging the cable franchise fee imposed by the City of Davenport is an unlawful tax), *J. Thomas Zaber v. City of Dubuque*, Iowa, Dubuque County Case No. CVCV054663 (alleging the electric, gas and cable franchise fees imposed by the City of Dubuque are an unlawful tax), *Kathleen Sweisberger v. City of Sioux City*, Iowa, Woodbury County Law No. CVCV134376 (alleging electric, gas and cable franchise fees imposed by the City of Sioux City are an unlawful tax), *Mary E. Lindstrom v. City of Des Moines*, Iowa, Polk County Case No. LACL103200 (alleging the cable franchise fees imposed by the City of Des Moines area an unlawful tax), *Robert P. Klieman v. City of Waterloo*, Iowa, Black Hawk County Case No. CVCV099472 (alleging the cable franchise fees imposed by the City of Waterloo are an unlawful tax), *Patricia Briggs and Michael Mahon v. City of Manchester*, Delaware County Case No. CVCV005960 and *Verlis M. Miller v. City of Cedar Rapids*, Iowa, Linn County Case No. CVCV055764. The petitions (except in Manchester, which has separate counsel) parallel each other and are phrased in the same manner making the same allegations.

Initially, seven cities (not including Manchester) filed removal notices to Federal Court taking the position that federal jurisdiction pre-empted state court jurisdiction. On January 16, 2007, United States District Court Judge Robert Pratt ruled the cases were not subject to federal jurisdiction and remanded them to state court. Seven cities (again all except Manchester) then moved to consolidate the cases in either Scott or Linn County, which plaintiffs resisted, refusing to consent to venue in any county in which they did not reside. Because of the venue problem presented, the Motions to Consolidate were either overruled or withdrawn by the cities.

On April 18, 2007, the Iowa General Assembly adopted Senate file 554 (now Iowa Code section 477A) which became effective May 29, 2007. Section 8.4 of Senate File 554 (now Iowa Code section 477A.7(4)) legalized imposing franchise fees on cable television services as a revenue generating source. Section 8.5 (now Iowa Code section 477A.7(5)) retroactively legalized prior the prior collection and use of cable television franchise fees as a revenue source. Based on Senate File 554 all eight cities filed motions for summary judgment or partial summary judgment (the cities which imposed franchise fees on gas and electric utilities as well as cable television requested partial summary judgment). The issue raised is whether the retroactive legalization of the collected franchise fees is constitutional. The district courts in Polk, Black Hawk and Scott County (in regard to the City of Bettendorf) held the retroactive provisions are unconstitutional and overruled the motions for summary judgment. In Dubuque County the district court held the retroactive provision are constitutional and dismissed the complaint regarding cable franchise fees. The cities of Waterloo, Bettendorf and Des Moines and the plaintiff in Dubuque all sought review prior to final judgment in the Iowa Supreme Court. The Iowa Supreme Court agreed to hear the appeals and on February 12, 2008, consolidated the cases for consideration. The cases involving Cedar Rapids, Davenport, Sioux City and Manchester have all been stayed pending appeal. Initial briefs have been filed. Reply briefs from all parties were due April 23, 2008.

DEBT PAYMENT HISTORY

The City knows of no instance in which it has defaulted in the payment of principal or interest on its debt.

LEGALITY

The Bonds are subject to approval as to certain matters by Ahlers & Cooney, P.C. of Des Moines, Iowa as Bond Counsel. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Preliminary Official Statement and will express no opinion with respect thereto. Draft legal opinions are set forth as Appendix A to this Preliminary Official Statement.

TAX EXEMPTION AND RELATED CONSIDERATIONS

In the opinion of Ahlers & Cooney, P.C. as Bond Counsel, assuming compliance with certain covenants made by the City, interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternate minimum tax imposed on such corporations.

Prospective purchasers of the Bonds should be aware the (i) Section 265 of the Internal Revenue Code of 1986 (the "Code"), denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Bonds, (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds, (iii) interest on the Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code, (iv) interest on the Bonds earned by certain foreign corporations doing business in the United States, could be subject to a branch profits tax imposed by Section 884 of the Code, (v) passive investment income including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income and (vi) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts or accruals of interest on the Bonds.

The City will **NOT** designate the Bonds as qualified tax-exempt obligations under Section 265(b)(3) of Code, and therefore the Bonds will **NOT** be "bank qualified."

In order to maintain the exemption from federal income taxes of interest on the Bonds and for no other purpose, the City covenants in the applicable authorizing resolution to comply with the provisions of the Code. Until and unless, and except to the extent in the opinion of Bond Counsel, the following are not necessary to maintain the tax-exempt status of the Bonds, the City makes certain covenants, representations and warranties with respect to the Bonds. The City covenants to submit in a timely manner all reports, accountings and information to the Internal Revenue Service and will take whatever action is necessary within its power to assure the continued tax exemption on the Bonds, and to take whatever action is necessary within its power to comply with the applicable law and regulations in order to maintain tax exemption with respect to the Bonds.

The resolutions authorizing the issuance of the Bonds may be amended without the consent of any owner of the Bonds for the sole purpose of taking action necessary to maintain tax exemption with respect to the Bonds under applicable federal law or regulation.

Bond Counsel is further of the opinion that, under existing laws of the State of Iowa and the current rules of the Iowa Department of Revenue and Finance, the interest on the Series 2008E Bonds will not be subject to the taxes imposed by Division II, "Personal Net Income Tax" and Division III, "Business Tax on Corporations" of Chapter 422 of the Iowa Code, but the interest thereon will be subject to the franchise tax imposed by Division V, "Financial Institutions" of Chapter 422 of the Iowa Code. Interest on the Series 2008E Bonds will be required to be included in "adjusted current earnings" to be used in computing "state alternative minimum taxable income" of corporations and financial institutions for purposes of Sections 422.23 and 422.60 of the Iowa Code, as amended.

The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from receipt of interest on the Bonds. Prospective purchasers or Bondholders should consult their tax advisors with respect to collateral tax consequences, including without limitation the calculations of alternative minimum tax, environmental tax or foreign branch profits tax liability or the inclusion of Social Security or other retirement payments in taxable income.

RATINGS

The City has requested ratings for these Bonds from Moody's Investors Service ("Moody's") and Standard & Poor's ("S&P"). Currently, Moody's and S&P rate the City's outstanding general obligation long-term debt 'Aa2' and 'AA+' respectively, outstanding sewer revenue debt 'Aa3' and 'AA' respectively, and outstanding stormwater revenue debt 'Aa3' and 'AA+' respectively. The City's outstanding parking revenue debt is rated 'A3' by Moody's. In addition, certain outstanding general obligation, sewer revenue, stormwater revenue and parking revenue debt issues may carry municipal bond insurance and may be rated 'Aaa' by Moody's and 'AAA' by S&P. Such ratings reflect only the view of the rating agencies and any explanation of the significance of such rating may only be obtained from the respective rating agency. There is no assurance that such ratings will continue for any period of time or that they will not be revised or withdrawn. Any revision or withdrawal of the ratings may have an effect on the market price of the Bonds.

FINANCIAL ADVISOR

The City has retained Public Financial Management, Des Moines, Iowa as financial advisor (the "Financial Advisor") in connection with the preparation of the issuance of the Bonds. In preparing the Preliminary Official Statement, the Financial Advisor has relied on government officials, and other sources to provide accurate information for disclosure purposes. The Financial Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. Public Financial Management is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other Participating Underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the resolution authorizing the issuance of the Bonds and the Continuing Disclosure Certificates, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth as Appendix C to this Official Statement. The City has complied in all material respects with its previous undertakings under the Rule.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or the resolution for the Bonds. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

CITY PROPERTY VALUES

IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The Polk County Auditor adjusted the final actual values for 2007. The reduced values, determined after the application of rollback percentages, are the taxable values subject to tax levy. For assessment year 2007, the taxable value rollback rate was 44.0803% of actual value for residential property; 99.7312% of actual value for railroad and commercial property; 90.1023% of actual value for agricultural property; and 100% of actual value for industrial and utility property.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 4% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

1/1/2007 VALUATIONS (Taxes payable July 1, 2008 through June 30, 2009)

	<u>100% Actual Value</u>	<u>Taxable Value (With Rollback)</u>
Residential	\$6,932,256,920	\$3,038,522,882
Commercial	2,406,282,350	2,398,162,942
Industrial	183,041,990	183,041,990
Railroad	9,046,322	9,022,005
Utilities w/o Gas & Electric	<u>33,877,255</u>	<u>33,877,255</u>
Gross valuation	\$9,564,504,837	\$5,662,627,074
Less military exemption	<u>(17,636,448)</u>	<u>(17,636,448)</u>
Net valuation	\$9,546,868,389	\$5,644,990,626
TIF increment (used to compute Debt service levies and Constitutional debt limit)	\$656,276,490	\$656,276,490
Taxed separately		
Gas & Electric Utilities	\$279,233,743	\$229,667,701
Ag. Land	\$2,979,540	\$2,684,659
Ag. Buildings	\$326,180	\$293,886

2007 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY ¹⁾

	<u>Taxable Valuation</u>	<u>Percent Total</u>
Residential	\$3,038,522,882	51.57%
Commercial	2,398,162,942	40.70%
Industrial, Railroad & Utility	225,941,250	3.83%
Gas & Electric Utilities	<u>229,667,701</u>	<u>3.90%</u>
Total Gross Taxable Valuation	\$5,892,294,775	100.00%

¹⁾ Excludes Taxable TIF Increment, Ag. Land and Ag. Buildings.

TREND OF VALUATIONS

<u>Assessment Year</u>	<u>Payable Fiscal Year</u>	<u>100% Actual Valuation</u>	<u>Taxable Valuation (With Rollback)</u>	<u>Taxable TIF Increment</u>
2003	2004-05	8,615,856,637	5,238,631,200	539,070,245
2004	2005-06	8,667,085,560	5,285,047,624	488,199,515
2005	2006-07	9,521,138,637	5,523,772,275	594,194,445
2006	2007-08	9,685,762,904	5,622,864,162	584,899,190
2007	2008-09	10,485,684,342	5,874,658,327	656,276,490

The 100% Actual Valuations, before rollback and after reduction of military exemption, include Ag. Land, Ag. Buildings, TIF Increment and Gas & Electric Utilities. The Taxable Valuations, with the rollback and after the reduction of military exemption, include Gas & Electric Utilities and exclude Ag. Land, Ag. Buildings and Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding the Taxable TIF Increment and debt service levies are certified against Taxable Valuations including the Taxable TIF Increment.

LARGER TAXPAYERS ¹⁾

<u>Taxpayer</u>	<u>Type of Property/Business</u>	<u>1/1/2007 Taxable Valuation</u>
Principal Mutual Life	Insurance Company	\$238,479,100
MidAmerican Energy	Electric Utility	229,324,708
Wells Fargo Financial	Banking Services	106,469,250
Nationwide Mutual Life	Insurance Company	71,414,400
Mercy Medical	Hospital	60,897,570
Employers Mutual Casualty	Insurance Company	45,628,330
Iowa Methodist Hospital	Hospital	44,083,030
Ruan Center Corp.	Transportation	43,637,630
Hubbell Realty	Property Management	43,558,970
SDG Macerich Properties LP	Shopping Mall	42,234,470

¹⁾ This list represents larger taxpayers in this jurisdiction, not necessarily the top 10 taxpayers.

LEGISLATION

From time to time, legislative proposals are pending in the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation debt that: "The governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full." Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal tax legislation.

CITY INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2006 actual valuation currently applicable to the fiscal year 2007-08, is as follows:

2006 Actual Valuation of Property	\$9,704,048,982
Less: Military Exemption	<u>(18,286,078)</u>
Subtotal	\$9,685,762,904
Legal Debt Limit of 5%	<u>.05</u>
Legal Debt Limit	\$484,288,145
Less: General Obligation Debt Subject to Debt Limit	(363,940,268)
Less: Other Debt Subject to Debt Limit	<u>(1,770,000)¹⁾</u>
Legal Debt Margin	\$118,577,877

¹⁾ As of June 4, 2008, the City has outstanding Section 108 CDBG Loans in the amount of \$10,270,000. The amount subject to the Debt Limit includes the FY 2008/09 annual appropriations of \$1,775,000.

DIRECT DEBT

General Obligation Debt Paid by Property Taxes (Includes the Series 2008D Bonds)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
6/01A	\$16,704,247	Various Purpose	6/19	\$14,605,584
6/01D	8,815,000	Refunding	6/12	3,690,000
6/02E	26,605,000	Various Purpose	6/22	24,030,000
6/02F	3,505,000	Various Purpose	6/22	2,955,000
5/03A	18,878,000	Refunding	6/14	11,178,000
6/03C	18,415,000	Various Purpose	6/23	16,352,289
6/03D	840,000	Various Purpose	6/23	687,385
8/03E	7,330,000	Refunding	6/14	4,475,000
6/04A	3,330,000	Refunding	6/09	550,000
6/04B	26,470,000	Refunding	6/16	19,100,000
6/04C	13,685,000	Various Purpose	6/24	12,625,000
4/05A	22,049,000	Refunding	6/18	13,521,000
6/05B	27,775,000	Various Purpose	6/25	26,225,000
6/05D	95,000	Various Purpose	6/12	60,000
12/05E	20,825,000	Refunding	6/20	20,095,000
8/06A	20,295,000	Various Purpose	6/26	19,590,000
6/07B	18,255,000	Various Purpose	6/27	18,255,000
6/08D	24,555,000	Various Purpose	6/28	<u>24,555,000</u>
Subtotal				\$232,549,258

General Obligation Debt Paid by Tax Increment (Includes the Series 2008E Bonds)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
6/00E	\$2,040,000	Taxable – Various Purpose	6/14	\$1,100,000
10/00F	10,000,000	Taxable – Land Acquisition	6/10	3,007,624 ¹⁾
6/01A	8,340,753	Various Purpose	6/19	6,674,416
6/01B	4,070,000	Various Purpose	6/21	3,070,000
6/01D	770,000	Refunding (TIF Portion)	6/12	315,000
3/02A	3,170,000	1993A TIF Refunding	6/12	1,505,000
6/02E	4,315,000	Various Purpose (TIF Portion)	6/22	3,650,000
6/02F	5,010,000	Various Purpose (TIF Portion)	6/22	4,115,000
5/03A	1,930,000	Refunding	6/14	1,215,000
6/03C	725,000	Various Purpose	6/23	612,711
6/03D	11,020,000	Various Purpose	6/23	9,022,615
8/03E	2,130,000	Refunding	6/14	1,295,000
6/04A	17,485,000	Refunding	6/14	10,525,000
6/04B	6,830,000	Refunding	6/16	4,870,000
6/04D	14,425,000	Various Purpose	6/24	14,125,000
6/04E	4,830,000	Various Purpose	6/13	3,220,000
4/05A	5,324,000	Refunding	6/18	3,804,000
6/05C	10,000,000	Various Purpose	6/23	10,000,000
6/05D	4,890,000	Various Purpose	6/12	3,260,000
12/05E	7,360,000	Refunding	6/20	7,340,000
8/06B	9,210,000	Various Purposes	6/26	9,210,000
8/06C	1,170,000	Various Purposes	6/09	410,000
4/07A	4,635,000	Taxable - Refunding	6/19	4,385,000
6/07B	160,000	Various Purposes (TIF Portion)	6/27	160,000
6/07C	15,045,000	Various Purposes	6/22	14,350,000
6/08E	6,325,000	Various Purposes	6/23	<u>6,325,000</u>
Subtotal				\$127,566,366

¹⁾ Debt represents a non-appropriation loan agreement. The debt service payments of \$1,690,268 is appropriated in FY 2008-09, of which \$1,690,268 is outstanding for the FY 2008-09 year and is included for purposes of the legal debt limit calculation.

General Obligation Debt Paid from Hotel-Motel Tax Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
6/01E	\$5,950,000	Hotel-Motel Tax Refunding	12/11	\$2,930,000 ¹⁾
3/02B	3,290,000	Hotel-Motel Tax Refunding	12/11	<u>1,665,000</u> ¹⁾
Subtotal				\$4,595,000

¹⁾ Approximately 89% of the annual debt service on the Series 2001E and Series 2002B Bonds is being abated from revenues generated by a lodging tax. The remaining 11% is being abated by revenue from eight surrounding local governments as set out in a 28E Agreement signed by all eight communities and the City of Des Moines.

General Obligation Debt Paid from Airport Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
6/04A	\$520,000	Refunding (Airport Portion)	6/09	\$95,000
4/05A	941,000	Refunding (Airport Portion)	6/10	<u>291,000</u>
Subtotal				\$386,000

General Obligation Debt Paid from Solid Waste Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
5/03A	\$162,000	Refunding	6/14	\$102,000
4/05A	116,000	Refunding	6/11	<u>59,000</u>
Subtotal				\$161,000

Summary of General Obligation Debt Outstanding

General Obligation Debt Paid by Property Taxes	\$232,549,258
General Obligation Debt Paid by Tax Increment	127,566,366
General Obligation Debt Paid by Hotel-Motel Tax Revenues	4,595,000
General Obligation Debt Paid by Airport Revenues	386,000
General Obligation Debt Paid by Solid Waste Revenues	<u>161,000</u>
General Obligation Debt outstanding:	\$365,257,624
Less: Non-appropriation debt Series 2000F	(3,007,624)
Plus: Appropriated payment Series 2000F	<u>1,690,268</u>

Total General Obligation Debt Subject to Limit: \$363,940,268

Annual Fiscal Year Debt Service Payments

G.O. Debt Paid by Property Taxes (Includes the Series 2008D Bonds)

Fiscal Year	<u>Current Outstanding G.O. Debt Paid by Taxes</u>		<u>Series 2008D Bonds</u>		Total Outstanding Principal	Total Outstanding Principal and Interest
	<u>Outstanding Principal</u>	<u>Outstanding Principal and Interest</u>	<u>Outstanding Principal</u>	<u>Outstanding Principal and Interest</u>		
2008-09	\$16,438,176	\$25,785,743		\$1,045,795	\$16,438,176	\$26,831,539
2009-10	16,799,216	25,454,403	\$715,000	1,828,865	17,514,216	27,283,268
2010-11	16,218,663	24,158,642	925,000	2,018,845	17,143,663	26,177,487
2011-12	16,048,549	23,291,726	955,000	2,020,633	17,003,549	25,312,359
2012-13	15,891,290	22,441,671	985,000	2,019,117	16,876,290	24,460,788
2013-14	14,214,986	20,073,675	1,020,000	2,020,135	15,234,986	22,093,810
2014-15	12,948,536	18,162,191	1,055,000	2,017,905	14,003,536	20,180,096
2015-16	12,481,081	17,094,966	1,095,000	2,017,288	13,576,081	19,112,254
2016-17	11,986,220	16,033,996	1,140,000	2,018,487	13,126,220	18,052,483
2017-18	12,556,570	16,062,235	1,190,000	2,020,607	13,746,570	18,082,842
2018-19	12,023,553	14,957,023	1,240,000	2,018,843	13,263,553	16,975,866
2019-20	9,704,784	12,084,593	1,295,000	2,018,042	10,999,784	14,102,635
2020-21	9,005,918	10,939,541	1,355,000	2,017,825	10,360,918	12,957,366
2021-22	9,465,471	10,970,765	1,420,000	2,018,463	10,885,471	12,989,228
2022-23	7,186,245	8,240,316	1,490,000	2,019,592	8,676,245	10,259,908
2023-24	5,860,000	6,574,488	1,565,000	2,020,092	7,425,000	8,594,580
2024-25	4,895,000	5,321,938	1,645,000	2,020,278	6,540,000	7,342,216
2025-26	2,885,000	3,079,100	1,730,000	2,019,738	4,615,000	5,098,838
2026-27	<u>1,385,000</u>	1,447,325	1,820,000	2,018,912	3,205,000	3,466,237
2027-28			<u>1,915,000</u>	2,017,452	<u>1,915,000</u>	2,017,452
Total	\$207,994,258		\$24,555,000		\$232,549,258	

G.O. Debt Paid by Tax Increment (Includes the Series 2008E Bonds)

<u>Fiscal Year</u>	<u>Current Outstanding G.O. Debt Paid by Tax Increment</u>		<u>Series 2008E Bonds</u>		<u>Total</u>	
	<u>Outstanding Principal</u>	<u>Outstanding Principal and Interest</u>	<u>Outstanding Principal</u>	<u>Outstanding Principal and Interest</u>	<u>Outstanding Principal</u>	<u>Total Outstanding Principal and Interest</u>
2008-09	\$10,610,539	\$16,180,601	\$305,000	\$555,735	\$10,915,539	\$16,736,336
2009-10	10,560,693	15,570,891	335,000	593,058	10,895,693	16,163,949
2010-11	9,290,337	13,775,808	345,000	593,175	9,635,337	14,368,983
2011-12	9,344,451	1,3401,532	355,000	592,135	9,699,451	13,993,667
2012-13	9,148,710	12,770,547	365,000	589,887	9,513,710	13,360,434
2013-14	9,345,014	12,546,893	380,000	591,748	9,725,014	13,138,641
2014-15	7,071,464	9,850,675	395,000	592,308	7,466,464	10,442,983
2015-16	7,058,919	9,529,927	410,000	591,508	7,468,919	10,121,435
2016-17	7,233,780	9,401,098	425,000	589,493	7,658,780	9,990,591
2017-18	7,573,430	9,427,629	445,000	591,005	8,018,430	10,018,634
2018-19	7,576,447	9,098,745	465,000	590,980	8,041,447	9,689,725
2019-20	6,420,216	7,608,319	490,000	594,358	6,910,216	8,202,677
2020-21	6,074,082	6,978,802	510,000	590,837	6,584,082	7,569,639
2021-22	5,989,529	6,622,990	535,000	590,847	6,524,529	7,213,837
2022-23	4,163,755	4,529,817	<u>565,000</u>	594,098	4,728,755	5,123,915
2023-24	2,270,000	2,448,888			2,270,000	2,448,888
2024-25	730,000	798,888			730,000	798,888
2025-26	765,000	801,038			765,000	801,038
2026-27	<u>15,000</u>	15,675			<u>15,000</u>	15,675
Total	\$121,241,366		\$6,325,000		\$127,566,366	

G.O. Debt Paid by Hotel-Motel Tax Revenues

<u>Fiscal Year</u>	<u>Outstanding Principal</u>	<u>Outstanding Principal and Interest</u>
2008-09	\$1,070,000	\$1,264,674
2009-10	1,135,000	1,278,074
2010-11	1,200,000	1,287,259
2011-12	<u>1,190,000</u>	1,219,189
Total	\$4,595,000	

G.O. Debt Paid by Airport Revenues

<u>Fiscal Year</u>	<u>Outstanding Principal</u>	<u>Outstanding Principal and Interest</u>
2008-09	\$236,000	\$252,390
2009-10	<u>150,000</u>	156,000
Total	\$386,000	

G.O. Debt Paid by Solid Waste Revenues

<u>Fiscal Year</u>	<u>Outstanding Principal</u>	<u>Outstanding Principal and Interest</u>
2008-09	\$33,000	\$39,565
2009-10	35,000	40,320
2010-11	36,000	39,920
2011-12	17,000	19,480
2012-13	20,000	21,800
2013-14	<u>20,000</u>	21,000
Total	\$161,000	

OTHER DEBT**Revenue Debt Supported by Sewer Revenues**

The City has revenue debt payable from net revenues of the Sewer Enterprise Fund as follows:

Sewer Revenue Bonds

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
11/04G	\$5,160,000	Sewer Improvements	6/19	\$4,720,000
11/04H	14,040,000	Sewer Revenue Refunding	6/20	14,040,000
11/04I	5,965,500	Sewer Improvements	6/25	<u>5,729,000</u>
Subtotal				\$24,489,000

Des Moines Metropolitan Wastewater Reclamation Authority ("WRA")

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
6/95	\$809,840	Sewer Revenue (State Revolving Loan Fund No. 4)	6/15	\$280,986 ¹⁾
6/95	7,985,127	Sewer Revenue (State Revolving Loan Fund No. 6)	6/16	4,056,536 ²⁾
6/96	4,382,792	Sewer Revenue (State Revolving Loan Fund No. 7)	6/18	2,608,636 ³⁾
11/04A	21,357,014	Sewer Revenue Acquisition Bonds	6/12	10,607,812 ⁴⁾
11/04B	24,191,647	Sewer Improvements	6/34	20,324,831 ⁵⁾
12/06	11,313,574	Sewer Improvements	6/36	<u>10,808,009 ⁶⁾</u>
Subtotal				\$48,686,810

Total Sewer Revenue Debt Outstanding:**\$73,175,810**

The amounts below represent the City's share of the debt service payments of the various issues. Other participating communities of the WRA pay the remaining amount.

- ¹⁾ This represents the City's share of the WRA's SRF Loan No. 4 outstanding in the amount of \$1,366,000, originally issued by the City of Des Moines on behalf of (and subsequently transferred to) the WRA in the amount of \$3,937,000.
- ²⁾ This represents the City's share of the WRA's SRF Loan No. 6 outstanding in the amount of \$5,707,000, originally issued by the City of Des Moines on behalf of (and subsequently transferred to) the WRA in the amount of \$11,234,000.
- ³⁾ This represents the City's share of the WRA's SRF Loan No. 7 outstanding in the amount of \$3,670,000, originally issued by the City of Des Moines on behalf of (and subsequently transferred to) the WRA in the amount of \$6,166,000.
- ⁴⁾ This represents the City's share of the WRA's Series 2004A outstanding in the amount of \$13,220,000, originally issued by the WRA in the amount of \$26,850,000. The City's share is determined by participation in refunded series, and is not subject to change.
- ⁵⁾ This represents the City's estimated flow-based share of the WRA's Series 2004B outstanding in the amount of \$64,695,000, originally issued by the WRA in the amount of \$66,830,000. A November 2007 re-allocation of bond proceeds among project classifications resulted in restated original issuance and remaining par amounts for all communities. The City's flow-base share is calculated annually and subject to change.
- ⁶⁾ This represents the City's estimated flow-based share of the WRA's Series 2006 outstanding in the amount of \$38,050,000, originally issued by the WRA in the amount of \$38,050,000. The City's flow-base share is calculated annually and subject to change. Although no bonds have matured, the City's flow based share currently is less than the original amount due to the decrease in debt allocated to the City as a result of decreased flow allocation.

Revenue Debt Supported by Parking Revenues

The City has revenue debt payable from Parking Enterprise Fund. The debt is as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
6/00A	\$19,545,000	Refunding & Improvements	6/20	\$17,695,000
6/00B	9,625,000	Refunding & Improvements	6/12	4,480,000
7/04	14,682,112	Lease Purchase Agreement	6/14	<u>6,961,584</u> ¹⁾
Total				\$29,136,584

¹⁾ Lease Purchase Agreement. Amount outstanding is subordinate to the Series 2000A and 2000B Bonds.

Revenue Debt Supported by Airport Revenues

The City has revenue debt payable from Airport Enterprise Fund. The debt is as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
4/98A	\$6,335,000	Series 1998A	7/28	\$5,640,000
4/98B	23,870,000	Series 1998B	7/28	21,275,000
4/98C	12,465,000	Series 1998C	7/28	<u>11,120,000</u>
Total				\$38,035,000

Airport Commercial Paper Program

<u>Date of Issue</u>	<u>Authorized Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
1/05C	\$12,000,000	Commercial Paper Program	6/____	\$_____

Revenue Debt Supported by Stormwater Revenues

The City has revenue debt payable from Stormwater Enterprise Fund. The debt is as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 6/4/08</u>
5/03B	\$9,440,000	Stormwater Improvements	6/18	\$6,910,000
7/04F	8,510,000	Stormwater Improvements	6/19	7,100,000
12/06D	16,750,000	Stormwater Improvements	6/23	<u>15,980,000</u>
Total				\$29,990,000

INDIRECT GENERAL OBLIGATION DEBT

<u>Taxing District</u>	<u>1/1/2007 Taxable Valuation ¹⁾</u>	<u>Percent In City</u>	<u>G.O. Debt Outstanding</u>	<u>City's Proportionate Share</u>
Polk County	\$18,176,062,803	35.94%	\$ _____	\$ _____
Carlisle CSD	218,890,371	12.92%	_____	_____
Des Moines Ind. CSD	6,544,575,250	96.41%	_____	_____
Johnston CSD	1,584,618,486	8.26%	_____	_____
Saydel CSD	570,705,335	3.20%	_____	_____
Southeast Polk CSD	1,289,813,939	2.46%	_____	_____
West Des Moines CSD	4,110,094,180	0.34%	_____	_____
Urbandale Sanitary Sewer	1,811,948,829	0.09%	_____	_____
Urbandale-Windsor Heights Sanitary Sewer	358,150,878	4.97%	_____	_____
Des Moines Area Community College	31,982,406,711	20.43%	_____	_____
City share of total overlapping G.O. debt				\$ _____

¹⁾ Includes Ag. Land, Ag. Buildings, all Utilities and Taxable TIF Increment.

DEBT RATIOS

	<u>Debt</u>	<u>Debt/Actual Market Value (\$10,485,684,342) ¹⁾</u>	<u>Debt/198,682 Population</u>
Total General Obligation Debt	\$363,940,268	3.47%	\$1,831.77
Less: G.O. Debt Paid From Enterprise Funds	547,000		
G.O. Debt Paid From Lodging Tax	<u>4,595,000</u>		
Net G.O. Debt Paid by Taxes and Tax Increment	\$358,798,268	3.42%	\$1,805.89
City's share of overlapping G.O. debt	\$ _____	____%	\$ ____

¹⁾ Based on the City's 2007 Actual Valuation; includes Ag. Land, Ag. Buildings, all Utilities and Taxable TIF Increment.

LEVIES AND TAX COLLECTIONS

<u>Fiscal Year</u>	<u>Levy</u>	<u>Collected During Collection Year</u>	<u>Percent Collected</u>	<u>Delinquent Tax Collections</u>
2003/04	\$104,555,582	\$104,780,453	100.22%	\$135,285
2004/05	114,052,883	113,038,664	99.11%	71,039
2005/06	109,546,578	109,155,322	99.64%	23,192
2006/07	118,144,246	_____	____%	_____
2007/08	_____	-----In process of collection-----		

Collections include delinquent taxes from all prior years. Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property and funds so received are applied to taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale purchaser is entitled to a deed, which in general conveys the title free and clear of all liens except future tax installments.

TAX RATES

	FY 2003/04 \$/\$1,000	FY 2004/05 \$/\$1,000	FY 2005/06 \$/\$1,000	FY 2006/07 \$/\$1,000	FY 2007/08 \$/\$1,000
Polk County ¹⁾	9.76226	9.96460	9.94318	10.17511	10.16218
Warren County ²⁾	5.65012	6.47946	6.49546	6.88094	7.23323
City of Des Moines	17.04806	17.05539	16.52000	16.45083	16.59028
Des Moines Ind. CSD	17.35368	18.02657	18.01394	18.01713	17.93709
Des Moines Area Comm. College	0.58184	0.59856	0.68408	0.68688	0.60276
Des Moines Regional Transit Authority	---	---	---	0.59998	0.59997
State of Iowa	0.00400	0.00400	0.00400	0.00400	0.00350
 Total Tax Rate - Polk County Resident	 44.74984	 45.64912	 45.16520	 45.93393	 45.89578
 Total Tax Rate - Warren County Resident	 40.63770	 42.16398	 41.71748	 42.63976	 42.96683

- ¹⁾ Polk County tax rate includes the following tax rates: Polk County-wide, Polk County Assessor, Polk County Ag. Extension and the Broadlawns Medical Center.
- ²⁾ Warren County tax rate includes the following tax rates: Warren County-wide, Warren County Assessor, and the Warren County Ag. Extension.

LEVY LIMITS

A city's general fund tax levy is limited to \$8.10 per \$1,000 of taxable value, with provision for an additional \$0.27 per \$1,000 levy for an emergency fund which can be used for general fund purposes (Code of Iowa, Chapter 384, Division I). Cities may exceed the \$8.10 limitation upon authorization by a special levy election. Further, there are limited special purpose levies, which may be certified outside of the above-described levy limits (Code of Iowa, Section 384.12). The amount of the City's general fund levy subject to the \$8.10 limitation is \$8.10 for FY 2007-08. The City does levy costs for tort liability, other insurance expense and employee benefits in addition to the \$8.10 general fund limit as authorized by law. Currently, the City does not levy for an emergency fund.

Debt service levies are not limited.

THE CITY

CITY GOVERNMENT

The City, incorporated as a town in 1851 and as a city in 1857, is the State of Iowa's capital, Polk County's seat and the most populous city in the State. The City operates under a council-manager-ward form of government. The Mayor and two other Council Members are elected at-large; four Council Members each represent a ward of the City.

Mr. Richard Clark is the City Manager and is responsible for the day-to-day management of the City. Mr. Clark has a Bachelors degree in Business and Economics from Cornell College and a Masters Degree in Community and Regional Planning from Iowa State University. As City Manager, Mr. Clark serves as the Chief Administrative Officer for the City, supervises all City departments and staff, serves as the primary advisor to the City Council, prepares the operating and capital improvements budgets for final approval, works with State and Federal legislative issues, meets with citizens and neighborhood organizations, directs major economic development initiatives, and is the chief negotiator for city government.

Mr. Allen McKinley is the City of Des Moines Finance Director and Treasurer and is responsible for the financial affairs of the City. He was appointed to the position in July 2006 after serving as the City's Research and Budget Officer for 21 years. Mr. McKinley holds a Bachelor of Arts degree in Political Science from San Diego State University and a Masters in Public Administration-Public Finance from Indiana University's School of Public and Environmental Affairs. Since 2000 he has served on the board of the Municipal Fire and Police Retirement System of Iowa.

CITY BUDGETING PROCESS

The City's budget policy states that the proposed budget will balance ongoing revenues and expenditures without the use of one-time revenues. Goals of the budget policy include development of a general fund balance that equals 10% of the general fund budget and reduced reliance on property tax revenues with development of significant new revenue sources. One-time surplus revenues will have a first priority of supporting capital investment in neighborhood economic development programs and ongoing surplus revenues will have a first priority of increasing the number of police officers for the City.

In August of each year, preliminary budget materials are distributed to departments to begin compilation of the revised budget estimates for the current fiscal year and recommended budget estimates for the upcoming fiscal year. Staffing levels, materials and equipment are essential to every City activity. As a result, budget preparation involves reviewing those resources to ensure the quantity of each necessary to maintain the existing level of services. New requests are evaluated to determine what they would accomplish and how necessary the accomplishments are in terms of adequately providing for the well being, safety and development of the community. The request must also include a level of performance and measure that can be used to determine the progress being made towards the service goal. For services funded from the general fund, any new requests must have no negative financial impact. Thus, either a new revenue source must be identified or existing resources reallocated.

Departmental requests for capital outlays are submitted to the Research and Budget Office in the finance department for review and possible inclusion in the preparation of the budget. Meetings are held between the Research and Budget staff and departments to review budget recommendations and discuss the effectiveness of existing or proposed programs. Particular attention is directed towards proposals to improve productivity and efficiency. From these discussions, the Research and Budget staff may modify their recommended appropriation levels and revenue estimates and staffing levels. Those programs expected to be fully or partially self-supporting are examined to ensure that they, in fact, achieved that status.

In September the City Council holds weekly budget workshops with the City Manager and departments to review various financial forecasts and strategies and establish priorities for the coming year. These workshops are held until the budget is adopted in late February.

The City Manager, with assistance from the Research and Budget Office, reviews the departments' budget requests and revenue forecasts to ensure that current expenditures do not exceed current revenues. If there are sufficient resources available, the City Manager may include either an increase to an existing service(s) or a new service(s) that addresses the priorities established in the council workshop process. The recommended budget is then presented to the City Council in January. Public hearings precede Council modifications and approval of the budget. Tax levies for the new fiscal year are certified to the State of Iowa by March 15.

GENERAL FUND – AVAILABLE FUND BALANCE

The City Council has established a policy to maintain a General Fund balance equal to approximately 10% of General Fund operating expenditures plus operating transfers out. The table below details the historical General Fund Balance available:

	2003	2004	2005	2006	2007
Available General Fund Balance	\$8,385,836	\$8,598,313	\$9,280,167	\$10,048,736	\$11,160,869
General Fund Operating Expenditures	128,026,129	127,248,351	115,827,346	123,652,983	127,951,732
Available General Fund Balance as a Percent of General Fund Expenditures	6.6%	6.8%	8.01%	8.13%	8.72%

EMPLOYEES; PENSIONS

The City currently has 1,857 permanent full-time employees, 73 permanent part-time employees and 198 temporary employees. Of the City's 2,128 employees, 371 are police officers and 298 are full-time fire fighters. The following section describes five unions representing 1,651 City employees.

Central Iowa Public Employees Council (CIPEC) – Employees from the Park and Recreation, Public Works, Aviation, and Engineering Departments. These employees' duties are construction, maintenance, and operations. The total number of employees covered by this bargaining unit is 557. The current contract expires June 30, 2012.

American Federation of State, County, and Municipal Employees (AFSCME) – Employees from the Housing Services Department. These employees' duties are administration and maintenance. The total number of employees covered by this bargaining unit is 37. The current contract expires June 30, 2011.

Municipal Employees Association (MEA) – Clerical and Support staff throughout the City. The total number of employees covered by this bargaining unit is 393. The current contract expires June 30, 2011.

Des Moines Association of Professional Fire Fighters, Local 4 – These employees are from the Fire Department and their responsibilities include fire suppression, emergency, and inspection. The total number of employees covered by this bargaining unit is 288. The current contract expires June 30, 2011.

Des Moines Police Bargaining Unit Association – These employees are from the Police Department and they are police officers and senior police officers. The total number of employees covered by this bargaining unit is 290. The current contract expires June 30, 2012.

Professional Employees Lodge No. 254, Unit 10 – These employees are from the Des Moines Public Library and they include building equipment and maintenance workers, clerks, and couriers. The total number of employees covered by this bargaining unit is 42. Their contract expires June 20, 2011.

Professional Employees Lodge No. 254, Unit 11 – These employees are from the Des Moines Public Library and they include professional librarians and library assistants. The total number of employees covered by this bargaining unit is 44. Their contract expires June 20, 2011.

The City contributes to two employee retirement systems, the Iowa Public Employees' Retirement System (IPERS) and the Municipal Fire and Police Retirement System of Iowa (MFPRSI). The State of Iowa administers IPERS and a nine-member board of trustees governs the MFPRSI. Though separate and apart from state government, the board is authorized by state legislature, which also establishes by statute the pension and disability benefits and the system's funding mechanism. All full-time employees must participate in either IPERS or MFPRSI.

Iowa Public Employees' Retirement System (IPERS): The City contributes to IPERS, which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute, to plan members and beneficiaries.

Plan members are required to contribute 3.90 percent of their annual covered salary, and the City is required to contribute 6.05 percent of annual covered payroll. Contribution requirements are established by state statute. Under legislation approved in April 2006, the contribution rates will increase 0.5% per year for four years beginning July 1, 2007. The increase will be split 60/40 between employer and employee. The City's contribution to IPERS for the years ended June 30, 2007, 2006, and 2005 were \$3,714,966, \$3,536,662 and \$3,507,933 respectively, equal to the required contributions for each year.

Municipal Fire and Police Retirement System of Iowa (MFPRSI): The City contributes to MFPRSI, which is a cost-sharing multiple-employer defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, and vest after four years of credited service.

MFPRSI plan members are required to contribute a percentage of their annual covered salary, and the City is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the City are established, and may be amended by state statute.

The MFPRSI contribution rates for plan members and the City are as follows:

<u>Fiscal Year</u>	<u>Plan Member Contribution</u>	<u>City Contribution</u>
2004-2005	9.35%	24.92%
2005-2006	9.35%	28.21%
2006-2007	9.35%	27.75%
2007-2008	9.35%	25.48%
2008-2009	9.35%	18.75%

The City contributed the required amount to MFPRSI for each year as follows:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
MFPRSI City Contribution	\$6,683,138	\$8,940,277	\$10,797,457	\$11,202,963

Post-Retirement Health and Dental Care Benefits: Post-retirement health and dental benefits are available to all full-time employees of the City who retire at the normal retirement age. The group health insurance plan provided to full time City employees allows retirees to continue medical coverage if such election is made within 31 days subsequent to retirement. Although retirees pay 100% of the "cost of coverage", the pre-age 65 group of retirees is grouped with the active employees when determining the cost of coverage. This computation creates a small implicit rate subsidy that would not exist if the cost of coverage for this group (pre-age 65 retirees) was computed separately and paid 100% by that group. As of January 31, 2007, approximately 195 retirees were covered under the City's current group health plan.

Beginning with the Fiscal Year that commenced on July 1, 2007, the City is now required by the Government Accounting Standards Boards Statement No. 45 ("GASB 45"), Accounting by Employers for Other Postemployment Benefits ("OPEB"), to report an actuarially determined cost of post-employment benefits, other than pensions, such as

health and life insurance for current and future retirees. In May, 2006, the City contracted for a preliminary evaluation and determination of the City's implicit liability under GASB 45. The report estimated the City's Actuarial Accrued Liability ("AAL") at \$17.6 million. The report further estimated the City's Annual Required Contribution ("ARC") at \$2 million with an offsetting current pay-as-you go funding of \$600,000 for a Net OPEB Obligation ("NOO") of \$1.4 million. When reported, the liability and contribution will be allocated across all appropriate funds (general, enterprise, and special revenue). Subsequent to the evaluation, the City was able (with agreement by the various employee groups) to change insurance plans resulting in a reduction in cost coverage of over 20% which should reduce the City's AAL, ARC, and NOO. The City is in an RFP process to contract for a full evaluation and determination of the City's implicit liability for reporting in the June 30, 2008 Comprehensive Annual Financial Report. Presently, the City has not accumulated assets to offset these future benefit costs.

Deferred Compensation: The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

RISK MANAGEMENT

The City has a Risk Management Office within the Finance Department. Information is collected on the City's loss experience and efforts are directed at maintaining a comprehensive risk management program. The program identifies exposures, educates employees and management about the risks, and implements risk reduction and control programs. The risk identification and control efforts, as well as the educational process, are ongoing.

Property insurance for the City is provided by the Chubb Group of Insurance Companies in the aggregate amount of \$250,000,000 with loss of business income and extra expense coverage of up to \$9,000,000. Excess liability coverage is maintained through Everest National Insurance Company in the amount of \$10,000,000 per occurrence and aggregate, with a \$2,000,000 self-insured retention. For certain enterprise fund operations (including Storm Water), automobile liability insurance is maintained through St. Paul/Travelers Insurance Company with a per occurrence limit of \$2,000,000 with a \$3,000 deductible. This covers the excess liability self-insured retention. Workers compensation insurance is maintained through Safety National Casualty Corporation at statutory limits with a \$450,000 self-insured retention.

Chapter 384 of the Code of Iowa provides that a city may establish a Debt Service Fund, and shall certify taxes to be levied for the Debt Service Fund in the amount necessary to pay judgments against the city, except those authorized by State law to be paid from other funds. As a result, the City self-insures the first \$2 million per occurrence of liability on its General Fund operations, and is able to provide this coverage through its taxing process.

The City's tort liability claims and related administration expenses are accounted for in the Tort Fund. Health benefit claims and related administration expenses are accounted for in an internal service fund. The current portion of worker's compensation claims is recorded in the same fund as the recipient's payroll. The City has excess or stop-loss coverage as follow:

	<u>Losses in excess of</u>	
	<u>Per Incident</u>	<u>Per Year</u>
Workers' Compensation	\$450,000	Up to Statutory Limits
Tort Liability	\$2,000,000	Variable

There has been only one instance in which a claim has exceeded the City's self-insured retention. There has been no change in insurance coverage.

Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors.

GENERAL INFORMATION

LOCATION AND TRANSPORTATION

The City is located near the center of Iowa and serves as Iowa's capital. The City also serves as the political, economic, and cultural capital of the State. The City is a center of insurance, printing, retail and wholesale trade as well as industry, providing a diverse economic base. Highways serving the area include Interstates 35, 235 and 80. In addition to rail service and motor carrier transportation, air travel is available through the Des Moines International Airport located just south of downtown Des Moines.

GENERAL SERVICES AND ATTRACTIONS

The City provides its citizens a full range of services including the municipal functions of police and fire protection; sanitation services; park and recreational programs and activities; construction and maintenance of infrastructure, including streets, roads and bridges; enforcement of building code regulations; traffic control and parking; operation and maintenance of an international airport; housing and other community improvements and social services; economic development; and six libraries.

The City currently maintains 70 parks, covering approximately 3,210 acres, 5 cemeteries, and road medians and boulevards. Recreation facilities include playgrounds, tennis courts, softball and soccer complexes, bike trails, swimming pools, community centers and three golf courses. The City is also home to the Principal Park baseball stadium, which serves the Iowa Cubs AAA baseball team.

Municipal water, sanitary sewer and storm sewer services are provided to essentially all developed areas of the City. The Des Moines Water Works is under the direction of a five-member Board of Trustees, which oversees the management and operation of Des Moines Water Works including setting water rates. The Water Works Trustees are appointed by the Mayor, subject to the approval of the City Council, and serve six-year terms. The Des Moines Water Works utilizes water from the Raccoon River and the Des Moines River as its primary sources for water supply. Also, the Water Works owns the 1.5 billion-gallon Maffitt Reservoir and 5 billion gallons of storage capacity in the Saylorville Reservoir, which may be used to release water into the rivers at periods of low-river flow. The Water Works distribution system consists of over 1,000 miles of pipe, with two standpipes, an elevated storage tank and a ground storage tank providing total storage capacity of approximately 15 million gallons.

The City, as Operating Contractor to The Des Moines Metropolitan Wastewater Reclamation Authority (WRA), is responsible for the design, construction, and operation of the wastewater reclamation facility, conveyance and flow equalization facilities. The WRA, which includes the City, nine surrounding communities, two counties and three sanitary sewer districts, was formed to implement wastewater conveyance and treatment facilities improvements mandated by federal law. Each WRA participant institutes user charges to cover the cost of operation of WRA facilities as well as debt payments related to the construction of improvements.

To facilitate the implementation of capital improvements to expand the treatment and conveyance capacity of the existing facility, the constituent communities have accomplished a reorganization of the WRA to provide for a financing structure that allows all participants to share in debt liability, as well as establish a mechanism for new communities to acquire ownership rights to the facility.

The WRA is a separate legal entity created July 1, 2004, governed by an Intergovernmental Agreement under Chapters 28E (Joint Exercise of Governmental Powers) and 28F (Joint Financing of Public Works and Facilities) of the Code of Iowa.

LARGER EMPLOYERS

A representative list of larger employers in the Des Moines Metropolitan Area is as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Wells Fargo	Financial Services	11,700
State of Iowa	State Government	9,300
Principal Financial Group	Insurance	8,200
Mercy Hospital Medical Center	Healthcare (Hospitals and Clinics)	6,600
Iowa Health Systems	Healthcare	6,470
Des Moines Public Schools	Education	4,520
MidAmerican Energy Company	Utility	3,694
City of Des Moines	Local Government	2,128
Pioneer Hi-Bred International Inc.	Seed Manufacturing	2,000
Hy-Vee Food Stores	Retail Food Stores	1,672
Federal Government	Government	1,600
United Parcel Service (UPS)	Package Shipping	1,600
Wellmark Inc.	Insurance Provider	1,500
Communications Data Services Inc.	Data Entry	1,500
Firestone Agricultural Tire	Tire Manufacturing	1,500
John Deere Des Moines Works	Manufacturer of Agricultural Equipment	1,350
Qwest	Telecommunications	1,200
EMC Insurance Companies	Insurance	1,196
Prairie Meadows	Entertainment Facility	1,182
FBL Financial Services, Inc.	Financial Services	1,175
Allied Group	Financial Services	1,146
Polk County	County Government	1,120
Marsh Company	Insurance	1,100
Casey's General Store, Inc.	Retail General Store	1,076
Meredith Corporation	Publishing	1,014
Broadlawns Medical Center	Medical Center	1,010
Dahl's Foods	Retail Food Stores	900
Drake University	Higher Education	880
Des Moines Register	Newspaper Publication	737

Source: OneSource; Des Moines Business Record *2008 Book of Lists*; and LocationOne Information System website.

RETAIL SALES AND BUYING INCOME

The following table lists the City's total effective buying income ("EBI"), median household EBI, total retail sales and per capita retail sales for the survey years 2003 through 2007.

<u>Survey Year</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>	<u>Total Retail Sales (\$000)</u>	<u>Retail Sales Per Household</u>
2003	\$3,239,470	\$34,668	\$2,490,139	\$30,857
2004	3,163,203	33,510	2,509,435	31,368
2005	3,186,405	34,347	2,402,585	30,490
2006	3,317,915	35,739	2,388,172	30,373
2007	3,548,008	36,977	2,199,408	27,234

Note: The Iowa median household EBI for 2007 was \$39,211.

2007 Effective Buying Income Groups

	<u>\$20,000-\$34,999</u>	<u>\$35,000-\$49,999</u>	<u>\$50,000 and Over</u>
City	25.2%	22.5%	30.7%
Polk County	20.7%	21.1%	42.6%
State of Iowa	23.6%	22.2%	34.4%

Source: *Sales and Marketing Management's* "Survey of Buying Power" for 2003 through 2005 and Claritas, Inc. for 2006 through 2007.

AVERAGE ANNUAL LABOR FORCE DATA

	<u>Total Civilian Labor Force</u>		<u>Unemployment Rate</u>	
	<u>Des Moines Metro Area</u>	<u>State of Iowa</u>	<u>Des Moines Metro Area</u>	<u>State of Iowa</u>
2003	288,200	1,614,900	4.0%	4.4%
2004	292,300	1,618,000	4.5%	4.7%
2005	298,100	1,639,700	4.0%	4.3%
2006	304,900	1,657,500	3.5%	3.8%
2007	309,000	1,661,000	3.5%	3.8

Source: Iowa Workforce Development

BUILDING PERMITS

City officials report the following construction activity as of March 31, 2008. Permits for the City are reported on a fiscal year basis.

	<u>FY 2003/04</u>	<u>FY 2004/05</u>	<u>FY 2005/06</u>	<u>FY 2006/07</u>	<u>FY 2007/08</u>
<u>Single Family Homes:</u>					
No. of new homes:	449	378	341	272	165
Valuation:	\$61,603,103	\$57,737,813	\$51,809,629	\$44,824,544	\$28,375,658
<u>Multiple Family Dwellings:</u>					
No. of new buildings:	52	40	52	26	49
Valuation:	\$41,190,793	\$28,322,944	\$47,385,626	\$80,667,854	\$12,738,789
<u>Residential Homes - Additions & Alterations:</u>					
No. of permits issued:	1,972	1,422	1,492	1,612	996
Valuation:	\$21,014,830	\$29,370,155	\$75,639,855	\$61,111,699	\$20,408,419
<u>Commercial/Industrial/Other:</u>					
No. of new buildings/additions:	169	140	191	180	90
Valuation:	\$130,924,628	\$192,270,915	\$115,535,163	\$242,093,870	\$143,015,232
<u>Commercial/Industrial/Other Remodels & Alterations:</u>					
No. of permits:	259	279	285	347	246
Valuation:	\$40,622,534	\$48,187,050	\$56,693,450	\$63,523,279	\$47,373,282
<u>Demolitions:</u>					
No. of permits:	175	251	215	230	131
Valuation:	\$0	\$0	\$0	\$0	\$0
Total Permits:	3,076	2,510	2,576	2,667	1,677
Total Valuations:	\$295,355,888	\$355,888,877	\$347,063,723	\$492,221,246	\$252,087,380

U.S. CENSUS DATA

City Population

1970 U.S. Census	201,404
1980 U.S. Census	191,007
1990 U.S. Census	193,189
2000 U.S. Census	198,682
2006 U.S. Census Estimate	193,886

Source: U.S. Census Bureau website.

EDUCATION

The Des Moines Independent Community School District provides education in the City. The District has had the following enrollment for the last five school years:

<u>School Year</u>	<u>Total Enrollment</u>
2003-04	32,149
2004-05	31,851
2005-06	31,549
2006-07	31,218
2007-08	31,129

The Des Moines metropolitan area is also served by five other community school districts. Those districts are Carlisle, Johnston, Saydel, Southeast Polk and West Des Moines Community School Districts. Higher educational facilities serving the Des Moines area include the four-year private institutions of Drake University, Des Moines University (formerly University of Osteopathic Medicine and Health Services) and Grand View College. Two-year degree programs are offered at Des Moines Area Community College, American Institute of Business (AIB) and Hamilton College.

FINANCIAL SERVICES

Residents of the City are serviced by numerous regional banking institutions with collective total assets for year-end 2007 exceeding \$57.2 billion. Deposits as of December 31, 2007 for a sampling of banks headquartered within the City are listed as follows:

<u>Bank</u>	<u>Deposits</u>
Principal Bank	\$1,773,011,000
Bankers Trust Company, N.A.	1,297,273,000
Iowa State Bank	234,172,000

FINANCIAL STATEMENTS

Excerpts from the City's June 30, 2007, 2006 and 2005 Comprehensive Annual Financial Reports as prepared by a certified public accountant, as well as the financial notes for June 30, 2007 only, are reproduced as Appendix B. Further information regarding financial performance and the Comprehensive Annual Financial Reports can be obtained from Public Financial Management. The auditors have not consented to the inclusion of the Comprehensive Annual Financial Reports and have done no additional review.

CERTIFICATION

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. I have reviewed the information contained within this Preliminary Official Statement prepared on behalf of the City of Des Moines, Iowa, by Public Financial Management, Des Moines, Iowa and said Preliminary Official Statement does not contain any material misstatements of fact nor omission of any material fact regarding the issuance of \$24,555,000 General Obligation Bonds, Series 2008D and \$6,325,000 General Obligation Bonds, Series 2008E (Urban Renewal).

CITY OF DES MOINES, IOWA
/s/ Allen McKinley, Finance Director/Treasurer

APPENDIX A

Form of Legal Opinions

APPENDIX B

Excerpts from the Comprehensive Annual Financial Reports

APPENDIX C

Form of Continuing Disclosure Certificates

OFFICIAL BID FORM

TO: City Council
City of Des Moines, Iowa

Sale Date: June 4, 2008
11:00 AM, CT

RE: \$24,555,000 General Obligation Bonds, Series 2008D (the "Series 2008D Bonds")

For all or none of the Series 2008D Bonds, in accordance with the Terms of Offering, we will pay you not less than \$_____ (minimum of \$24,311,000) plus accrued interest to date of delivery for fully registered bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2010	_____ % due 2020
_____ % due 2011	_____ % due 2021
_____ % due 2012	_____ % due 2022
_____ % due 2013	_____ % due 2023
_____ % due 2014	_____ % due 2024
_____ % due 2015	_____ % due 2025
_____ % due 2016	_____ % due 2026
_____ % due 2017	_____ % due 2027
_____ % due 2018	_____ % due 2028
_____ % due 2019	

In making this offer we accept all of the terms and conditions of the Terms of Offering published in the Preliminary Official Statement dated May 15, 2008. In the event of failure to deliver the Series 2008D Bonds in accordance with the Terms of Offering as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

We enclose our Good Faith Deposit in the amount of \$245,550, to be held by you pending delivery and payment. Alternatively, we have provided a Financial Surety Bond in accordance with the Terms of Offering.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$_____

TRUE INTEREST COST: _____% (Calculated to the dated date of June 23, 2008)

Account Manager: _____ By: _____

Account Members:

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Des Moines, Iowa this 4th day of June 2008.

Attest: _____ By: _____

Title: _____ Title: _____

Sure Bid _____ Good Faith Check _____

OFFICIAL BID FORM

TO: City Council
City of Des Moines, Iowa

Sale Date: June 4, 2008
11:00 AM, CT

RE: \$6,325,000 General Obligation Bonds, Series 2008E (Urban Renewal) (the "Series 2008E Bonds")

For all or none of the Series 2008E Bonds, in accordance with the Terms of Offering, we will pay you not less than \$_____ (minimum of \$6,261,750) plus accrued interest to date of delivery for fully registered bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2009	_____ % due 2017
_____ % due 2010	_____ % due 2018
_____ % due 2011	_____ % due 2019
_____ % due 2012	_____ % due 2020
_____ % due 2013	_____ % due 2021
_____ % due 2014	_____ % due 2022
_____ % due 2015	_____ % due 2023
_____ % due 2016	

In making this offer we accept all of the terms and conditions of the Terms of Offering published in the Preliminary Official Statement dated May 15, 2008. In the event of failure to deliver the Series 2008E Bonds in accordance with the Terms of Offering as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

We enclose our Good Faith Deposit in the amount of \$63,250 to be held by you pending delivery and payment. Alternatively, we have provided a Financial Surety Bond in accordance with the Terms of Offering.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$_____

TRUE INTEREST COST: _____% (Calculated to the dated date of June 23, 2008)

Account Manager: _____ By: _____

Account Members:

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Des Moines, Iowa this 4th day of June, 2008.

Attest: _____ By: _____

Title: _____ Title: _____

Sure Bid _____ Good Faith Check _____