**PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 27, 2020**

**Refunding Issue** **Rating: Application made to S&P Global Ratings**

*Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds is NOT exempt from present State of Iowa income taxes. The Bonds will NOT be designated as "qualified tax-exempt obligations". See "TAX MATTERS" section herein for a more detailed discussion.*

# CITY OF DES MOINES, IOWA

## $29,525,000* General Obligation Refunding Bonds, Series 2020A

BIDS RECEIVED: Wednesday, February 12, 2020, 10:00 A.M., Central Time
AWARD: Wednesday, February 12, 2020, 4:30 P.M., Central Time

**Dated:** Date of Delivery (March 9, 2020) **Principal Due:** June 1, as shown inside front cover

The $29,525,000* General Obligation Refunding Bonds, Series 2020A (the "Bonds") are being issued pursuant to Division III of Chapter 384 of the Code of Iowa and a resolution to be adopted by the City Council of the City of Des Moines, Iowa (the "City"). The Bonds are being issued to current refund on June 1, 2020, $16,845,000 of the outstanding General Obligation Bonds, Series 2012A, originally dated June 13, 2012, maturing June 1, 2021 through 2032 (the "Series 2012A Bonds"); $5,190,000 of the outstanding General Obligation Bonds, Series 2012B (Urban Renewal), originally dated June 13, 2012, maturing June 1, 2021 through 2028 (the "Series 2012B Bonds"); and $7,185,000 of the outstanding General Obligation Stormwater Bonds, Series 2012E, originally dated September 4, 2012, maturing June 1, 2021 through 2032 (the Series 2012E Bonds), (collectively the "Refunded Bonds"). The Bonds are general obligations of the City for which the City will pledge its power to levy direct ad valorem taxes against all taxable property within the City without limitation as to rate or amount.

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-only form, in the principal amount of $5,000 and integral multiples thereof. The purchaser will not receive certificates representing their interest in the Bonds purchased. The City Finance Director, as designated Paying Agent/Registrar (the "Registrar"), will pay principal on the Bonds payable annually on each June 1, beginning June 1, 2021, and interest on the Bonds, payable initially on December 1, 2020, and thereafter on each June 1 and December 1 to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. Principal and interest shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the close of business on the 15th day of the month (whether or not a business day) immediately preceding such payment date.

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**THE BONDS WILL MATURE AS LISTED ON THE INSIDE FRONT COVER**

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|---|---|
| **MINIMUM BID:** | $29,318,325 |
| **GOOD FAITH DEPOSIT:** | Required of Purchaser Only |
| **TAX MATTERS:** | Federal: Tax-Exempt<br>State: Taxable<br>See "TAX MATTERS" for more information |

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as, and if issued subject to the unqualified approving legal opinion of Ahlers & Cooney, P.C., Bond Counsel, 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 March 9, 2020. The Preliminary Official Statement in the form presented is deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to revisions, corrections or modifications as determined to be appropriate, and is authorized to be distributed in connection with the offering of the Bonds for sale.

* Preliminary; subject to change.

## CITY OF DES MOINES, IOWA

## $29,525,000* General Obligation Refunding Bonds, Series 2020A

**MATURITY:** The Bonds will mature June 1 in the years and amounts as follows:

| Year | Amount* | Year | Amount* |
|---|---|---|---|
| 2021 | $2,040,000 | 2027 | $3,355,000 |
| 2022 | 1,280,000 | 2028 | 2,965,000 |
| 2023 | 2,485,000 | 2029 | 1,985,000 |
| 2024 | 2,935,000 | 2030 | 2,035,000 |
| 2025 | 3,100,000 | 2031 | 2,085,000 |
| 2026 | 3,140,000 | 2032 | 2,120,000 |

*** PRINCIPAL ADJUSTMENT:** Preliminary; subject to change. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of $5,000 but the total amount to be issued will not exceed $32,000,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the successful bidder.

**INTEREST:** Interest on the Bonds will be payable on December 1, 2020 and semiannually thereafter.

**REDEMPTION:** Bonds due after June 1, 2028 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

## 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 final "Preliminary Official Statement".

**Review Period:** This Preliminary Official Statement has been distributed to City staff as well as to prospective bidders for an objective review of its disclosure. Comments, omissions or inaccuracies must be submitted to PFM Financial Advisors LLC (the "Municipal Advisor") 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 <u>not</u> 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, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the underwriter (the "Syndicate Manager") and syndicate members. Copies of the final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

## REPRESENTATIONS

No dealer, broker, salesman or other person has been authorized by the City, the Municipal Advisor or the underwriter to give any information or to make any representations other than those contained in this Preliminary Official Statement or the final Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the City, the Municipal Advisor or the underwriter. This Preliminary Official Statement or the final Official Statement does not constitute an offer to sell or 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 set forth herein has been obtained from the City and other sources which are believed to be reliable, but it is not to be construed as a representation by the Municipal Advisor or underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement or the final Official Statement, nor any sale made thereafter shall, under any circumstances, create any implication there has been no change in the affairs of the City or in any other information contained herein, since the date hereof.

This Preliminary Official Statement and any addenda thereto were prepared relying on information from 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 the Municipal Advisor, payable entirely by the City, is contingent upon the sale of the issue.

# CITY OF DES MOINES, IOWA

## Mayor/City Council

| | |
|---|---|
| T.M. Franklin Cownie | Mayor |
| Connie Boesen | Council Member – At Large |
| Carl Voss | Council Member – At Large |
| Bill Gray | Council Member – Ward 1 |
| Linda Westergaard | Council Member – Ward 2 |
| Josh Mandelbaum | Council Member – Ward 3 |
| Joe Gatto | Council Member – Ward 4 |

## Administration

Scott Sanders, City Manager
Nickolas J. Schaul, Interim Finance Director/Treasurer
P. Kay Cmelik, City Clerk

## City Attorney

Jeffrey D. Lester

## Bond Counsel

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

## Municipal Advisor

PFM Financial Advisors LLC
Des Moines, Iowa

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# NOTICE OF BOND SALE

Time and Place of Sealed Bids: Bids for the sale of the Bonds of the City of Des Moines, State of Iowa, hereafter described, must be received at the office of the Interim Finance Director, 400 Robert D. Ray Drive, Des Moines, Iowa 50309 (the "Issuer") before 10:00 A.M., CDT, on the 12th day of February, 2020. The bids will then be publicly opened and referred for action to the meeting of the City Council in conformity with the TERMS OF OFFERING.

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

> GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A, in the amount of $29,525,000*, to be dated March 9, 2020.
>
> *Subject to principal adjustment pursuant to official Terms of Offering.

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 Interim Finance Director/Treasurer, 400 Robert D. Ray Drive, Des Moines, Iowa 50309.
- Electronic Internet Bidding: Electronic internet bids will be received at the office of the City's Municipal Advisor, PFM Financial Advisors LLC, 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309. 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, Des Moines, Iowa at a meeting of the City Council on the above date at 4:30 P.M., CDT.

Official Statement: The Issuer has issued a Preliminary Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and Official Bid Form which is incorporated by reference as a part of this notice. The Preliminary Official Statement may be obtained by request addressed to the City Clerk, 400 Robert D. Ray Drive, Des Moines, Iowa 50309; telephone 515-283-4500, or the Issuer's Municipal Advisor, PFM Financial Advisors LLC, 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309; telephone 515-243-2600.

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

Legal Opinions: The 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.

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, City of Des Moines, Iowa

## TERMS OF OFFERING

## CITY OF DES MOINES, IOWA

## $29,525,000* General Obligation Refunding Bonds, Series 2020A

Bids for the purchase of the City of Des Moines, Iowa's (the "City") $29,525,000* General Obligation Refunding Bonds, Series 2020A (the "Bonds") will be received on Wednesday, February 12, 2020 before 10:00 A.M., Central Time, after which time they will be tabulated. The City's Council will consider award of the Bonds at 4:30 P.M., Central Time, on the same day. Questions regarding the sale of the Bonds should be directed to the City's Municipal Advisor, PFM Financial Advisors LLC (the "Municipal Advisor"), 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309, telephone 515-243-2600. Information may also be obtained from the office of the Interim Finance Director/Treasurer, 400 Robert D. Ray Dr., Des Moines, Iowa 50309, telephone 515-283-4500.

In addition to the provisions of the official NOTICE OF BOND SALE, this section sets forth the description of certain 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 BONDS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A in the principal amount of $29,525,000*, to be dated the date of delivery (anticipated to be March 9, 2020), in the denomination of $5,000 or multiples thereof, and will mature June 1 as follows:

| Year | Amount* | Year | Amount* |
|---|---|---|---|
| 2021 | $2,040,000 | 2027 | $3,355,000 |
| 2022 | 1,280,000 | 2028 | 2,965,000 |
| 2023 | 2,485,000 | 2029 | 1,985,000 |
| 2024 | 2,935,000 | 2030 | 2,035,000 |
| 2025 | 3,100,000 | 2031 | 2,085,000 |
| 2026 | 3,140,000 | 2032 | 2,120,000 |

* Preliminary; subject to change.

### ADJUSTMENT TO THE BOND MATURITY AMOUNTS

The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of $5,000 but the total amount to be issued will not exceed $32,000,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the successful bidder.

### INTEREST ON THE BONDS

Interest on the Bonds will be payable on December 1, 2020 and semiannually on the 1st day of June and December thereafter. Interest and principal shall be paid to the registered holder of a Bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month (whether or not a business day), immediately preceding such interest payment date (the "Record Date"). 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 Municipal Securities Rulemaking Board.

## OPTIONAL REDEMPTION

Bonds due after June 1, 2028 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

## TERM BOND OPTION

Bidders shall have the option of designating the Bonds as serial Bonds or term Bonds, or both. The applicable bid must designate whether each of the principal amounts shown above represent a serial maturity or a mandatory redemption requirement for a term Bond maturity. (See the OFFICIAL BID FORM for more information.) In any event, the above principal amount scheduled shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both.

## GOOD FAITH DEPOSIT

A good faith deposit in the amount of $295,250 for the Bonds (the “Deposit”) is required from the lowest bidder only of the Bonds. The lowest bidder is required to submit such Deposit payable to the order of the City in the form of either (i) a cashier’s check provided to the City or its Municipal Advisor, or (ii) a wire transfer as instructed by the City’s Municipal Advisor, no later than 12:00 P.M., Central Time, on the day of the sale of the Bonds. If not so received, the bid of the lowest bidder may be rejected and the City may direct the second lowest bidder to submit a deposit and thereafter may award the sale of the Bonds to the same. No interest on the Deposit will accrue to the successful bidder (the “Purchaser”). The Deposit will be applied to the purchase price of the Bonds. In the event a Purchaser fails to honor its accepted bid proposal, the applicable deposit will be retained by the City.

## FORM OF BIDS AND AWARD

All bids shall be unconditional for the Bonds for a price not less than $29,318,325 for the Bonds, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth under the “BIDDING PARAMETERS” section herein. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORM provided by the City. The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (the “TIC”) basis assuming compliance with the “ESTABLISHMENT OF ISSUE PRICE” and “GOOD FAITH DEPOSIT” sections herein. The TIC shall be determined by the present value method, i.e., by ascertaining the semiannual rate, compounded semiannually, necessary to discount to present value 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 price 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 Municipal Advisor based on the NOTICE OF BOND SALE and TERMS OF OFFERING and all amendments, and on the bids as submitted. The Municipal 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.

The City will reserve the right to (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

## BIDDING PARAMETERS

Each bidder’s proposal must conform to the following limitations:

1. Each annual maturity shall bear a single rate of interest from the dated date of the Bonds to the date of maturity.

2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.

3. The initial price to the public for each maturity must be 98% or greater.

## RECEIPT OF BIDS

Forms of Bids: Bids must be submitted on or in substantial compliance with the NOTICE OF BOND SALE, TERMS OF OFFERING and OFFICIAL BID FORM provided by the City or through PARITY® competitive bidding system (the "Internet Bid System"). Neither the City nor its agents shall be responsible for malfunction or mistake made by any person, or as a result of the use of the Internet Bid System 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 BOND SALE and OFFICIAL BID FORM. The time, as maintained by the Internet Bid System, shall constitute the official time with respect to all bids submitted. 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 Interim Finance Director/Treasurer, 400 Robert D. Ray Dr., Des Moines, Iowa 50309.

Electronic Internet Bidding: Electronic internet bids will be received at the office of the City's Municipal Advisor, PFM Financial Advisors LLC, Des Moines, Iowa 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309. Electronic internet bids must be submitted through the Internet Bid System. Information about the Internet Bid System may be obtained by calling 212-849-5021.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its electronic internet bid in a timely manner and in compliance with the requirements of the NOTICE OF BOND SALE, TERMS OF OFFERING and OFFICIAL BID FORM. The City is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the electronic 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.

## BOOK-ENTRY-ONLY ISSUANCE

The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one Bond 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 Registrar 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 Purchaser, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC.

## MUNICIPAL 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, 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. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, 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. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds. The City reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser.

## DELIVERY

The Bonds will be delivered to the Purchaser through DTC in New York, New York, 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, the Purchaser 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 five working days' notice of the delivery date and the City will expect payment in full on that date; otherwise, reserving the right at its option to determine that the Purchaser failed to comply with the offer of purchase.

## ESTABLISHMENT OF ISSUE PRICE

The Purchaser shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto in EXHIBIT 1 - FORMS OF ISSUE PRICE CERTIFICATES to the TERMS OF OFFERING, with such modifications as may be appropriate or necessary in the reasonable judgment of the Purchaser, the City and Bond Counsel. All actions to be taken by the City under the TERMS OF OFFERING to establish the issue price of the Bonds may be taken on behalf of the City by the Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the Municipal Advisor.

The City intends the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because: (i) the City shall disseminate this TERMS OF OFFERING to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (ii) all bidders shall have an equal opportunity to bid; (iii) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (iv) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in the TERMS OF OFFERING.

Any bid submitted pursuant to the "TERMS OF OFFERING" shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event the competitive sale requirements are not satisfied, the City shall so advise the Purchaser. The City may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity, and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The Purchaser shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the Purchaser, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds. **Prospective bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

By submitting a bid, the Purchaser shall (i) confirm the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the Purchaser, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of (a) the close of the fifth (5th) business day after the sale date, or (b) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Purchaser shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The City acknowledges that in making the representation set forth above, the Purchaser will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser and as set forth in the related pricing wires; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this TERMS OF OFFERING. Further, for purposes of this TERMS OF OFFERING, (i) "public" means any person other than an underwriter or a related party, (ii) "underwriter" means (a) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause "(a)" to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public); (iii) a Purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the Purchaser are subject, directly or indirectly, to (a) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (b) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (c) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and (iv) "sale date" means the date that the Bonds are awarded by the City to the Purchaser.

## OFFICIAL STATEMENT

The City has authorized the preparation of this Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement will be further supplemented by offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and underwriter, together with any other information required by law or deemed appropriate by the City, and shall constitute a final Official Statement of the City with respect to the Bonds, as that term is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). By awarding the Bonds to any underwriter or underwriting syndicate 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 of the syndicate to which the Bonds are awarded up to 15 copies of the final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of the Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the final Official Statement to the Participating Underwriter. Any underwriter 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 of the final Official Statement.

## CONTINUING DISCLOSURE

The City will covenant in a Continuing Disclosure Certificate for the benefit of the owners and beneficial owners of the Bonds to provide annually certain financial information and operating data relating to the City (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City no later than two hundred seventy (270) days after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2020, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. See FORM OF CONTINUING DISCLOSURE CERTIFICATE included in APPENDIX D to this Preliminary Official Statement. The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in the FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Purchaser in complying with section (b)(5) of the Rule.

Within the past five years, the City had provided certain subheadings to the required annual disclosure tables for the Fiscal Years ending June 30, 2014 through 2016 that were timely published within subsequent Official Statements; however, specific references to those Official Statements were not filed on EMMA. In addition, certain subheadings under the heading "City Indebtedness" presented in Official Statements were timely filed on EMMA and specific references were made to the City's Comprehensive Annual Financial Report ("CAFR"); however, certain page number references to the CAFR were incorrect.

The corrections to certain subheading information and page number references noted above were filed and contained all information required to be filed as determined by provisions of the Rule.

Breach of the undertakings described above 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 undertakings, 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 undertakings may adversely affect the transferability and liquidity of the Bonds and their market price.

## CUSIP NUMBERS

It is anticipated that the Committee on Uniform Security Identification Procedures ("CUSIP") numbers will be printed on the Bonds and the Purchaser must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Municipal 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 to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL
City of Des Moines
/s/ Nickolas Schaul, Interim Finance Director/Treasurer

## SCHEDULE OF BOND YEARS

**$29,525,000***
**CITY OF DES MOINES, IOWA**
**General Obligation Refunding Bonds, Series 2020A**

Bonds Dated: March 9, 2020
Interest Due: December 1, 2020 and each June 1 and December 1 to maturity
Principal Due: June 1, 2021 - 2032

| Year | Principal * | Bond Years | Cumulative Bond Years |
|---|---|---|---|
| 2021 | $2,040,000 | 2,504.67 | 2,504.67 |
| 2022 | 1,280,000 | 2,851.56 | 5,356.22 |
| 2023 | 2,485,000 | 8,021.03 | 13,377.25 |
| 2024 | 2,935,000 | 12,408.53 | 25,785.78 |
| 2025 | 3,100,000 | 16,206.11 | 41,991.89 |
| 2026 | 3,140,000 | 19,555.22 | 61,547.11 |
| 2027 | 3,335,000 | 24,104.64 | 85,651.75 |
| 2028 | 2,965,000 | 24,395.36 | 110,047.11 |
| 2029 | 1,985,000 | 18,317.14 | 128,364.25 |
| 2030 | 2,035,000 | 20,813.53 | 149,177.78 |
| 2031 | 2,085,000 | 23,409.92 | 172,587.69 |
| 2032 | 2,120,000 | 25,922.89 | 198,510.58 |

Average Maturity (dated date): 6.728 Years

* Preliminary; subject to change.

**EXHIBIT 1**

FORMS OF ISSUE PRICE CERTIFICATES

(This page has been left blank intentionally.)

**COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS**

**ISSUE PRICE CERTIFICATE**

**$_______ General Obligation Refunding Bonds, Series 2020A**
**City of Des Moines, Iowa**

The undersigned, on behalf of [NAME OF UNDERWRITER] ("Purchaser"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

***1. Reasonably Expected Initial Offering Price.***

a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Bonds.

b) Purchaser was not given the opportunity to review other bids prior to submitting its bid. [1)]

c) The bid submitted by Purchaser constituted a firm offer to purchase the Bonds.

***2. Defined Terms.***

a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 12, 2020.

d) *Underwriter* means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

1) Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its advisors with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: ___________________________________

Name: _________________________________

Dated: March 9, 2020

**SCHEDULE A**

**EXPECTED OFFERING PRICES**

**$_______ General Obligation Refunding Bonds, Series 2020A**
**City of Des Moines, Iowa**

(*Attached*)

**SCHEDULE B**

**COPY OF UNDERWRITER'S BID**

**$_______ General Obligation Refunding Bonds, Series 2020A**
**City of Des Moines, Iowa**

(*Attached*)

**COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS HOLD OFFERING PRICE**

## ISSUE PRICE CERTIFICATE

**$_______ General Obligation Refunding Bonds, Series 2020A**
**City of Des Moines, Iowa**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“Purchaser”)][the “Representative”)],[on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

a) [Purchaser][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

b) As set forth in the Terms of Offering and bid award, [Purchaser][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [Purchaser][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

d) *Issuer* means the City of Des Moines, Iowa.

e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 12, 2020.

h) *Underwriter* means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [the Purchaser][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its advisors with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:___________________________________
Name:_________________________________

Dated: March 9, 2020

## SCHEDULE A

## SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

**$_______ General Obligation Refunding Bonds, Series 2020A**
**City of Des Moines, Iowa**

(*Attached*)

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

**$_______ General Obligation Refunding Bonds, Series 2020A**
**City of Des Moines, Iowa**

(*Attached*)

# PRELIMINARY OFFICIAL STATEMENT

# CITY OF DES MOINES, IOWA

# $29,525,000* General Obligation Refunding Bonds, Series 2020A

## INTRODUCTION

This Preliminary Official Statement contains information relating to the City of Des Moines, Iowa (the "City") and its issuance of $29,525,000* General Obligation Refunding Bonds, Series 2020A (the "Bonds"). This Preliminary Official Statement has been executed on behalf of the City by its Interim Finance Director/Treasurer and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries regarding the Bonds may be made to the City's Municipal Advisor, PFM Financial Advisors LLC (the "Municipal Advisor"), 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309, telephone 515-243-2600. Information may also be obtained from Nickolas Schaul, Interim Finance Director/Treasurer, City of Des Moines, 400 Robert D. Ray Dr., Des Moines, Iowa, 50309, telephone 515-283-4500.

### AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Division III of Chapter 384 of the Code of Iowa and a Resolution to be adopted by the City Council of the City. The Bonds are being issued to current refund on June 1, 2020, $16,845,000 of the outstanding General Obligation Bonds, Series 2012A, originally dated June 13, 2012, maturing June 1, 2021 through 2032 (the "Series 2012A Bonds"); $5,190,000 of the outstanding General Obligation Bonds, Series 2012B (Urban Renewal), originally dated June 13, 2012, maturing June 1, 2021 through 2028 (the "Series 2012B Bonds"); and $7,185,000 of the outstanding General Obligation Stormwater Bonds, Series 2012E, originally dated September 4, 2012, maturing June 1, 2021 through 2032 (the Series 2012E Bonds), (collectively the "Refunded Bonds").

| Name of Issue to be Refunded | Call Date | Call Price | Maturities to be Refunded | Principal Amount | Coupon |
|---|---|---|---|---|---|
| Series 2012A Bonds | 6/01/2020 | 100% | 6/1/2021 | $1,100,000 | 4.000% |
| | | | 6/1/2022 | 100,000 | 4.000% |
| | | | 6/1/2023 | 1,570,000 | 4.000% |
| | | | 6/1/2024 | 1,615,000 | 4.000% |
| | | | 6/1/2025 | 1,665,000 | 4.000% |
| | | | 6/1/2026 | 1,715,000 | 4.000% |
| | | | 6/1/2027 | 1,775,000 | 4.000% |
| | | | 6/1/2028 | 1,320,000 | 4.750% |
| | | | 6/1/2029 | 1,390,000 | 4.750% |
| | | | 6/1/2030 | 1,465,000 | 4.750% |
| | | | 6/1/2031 | 1,540,000 | 4.750% |
| | | | 6/1/2032 | 1,590,000 | 4.750% |
| | | Total: | | $16,845,000 | |
| Series 2012B Bonds | 6/1/2020 | 100% | 6/1/2021 | $300,000 | 3.000% |
| | | | 6/1/2022 | 310,000 | 3.000% |
| | | | 6/1/2023 | 200,000 | 3.000% |
| | | | 6/1/2024 | 655,000 | 3.000% |
| | | | 6/1/2025 | 805,000 | 3.000% |
| | | | 6/1/2026 | 830,000 | 3.000% |
| | | | 6/1/2027 | 1,025,000 | 3.000% |
| | | | 6/1/2028 | 1,065,000 | 3.000% |
| | | | | $5,190,000 | |

* Preliminary; subject to change.

| Name of Issue to be Refunded | Call Date | Call Price | Maturities to be Refunded | Principal Amount | Coupon |
|---|---|---|---|---|---|
| Series 2012E Bonds | 6/1/2020 | 100% | 6/1/2021 | $510,000 | 3.000% |
| | | | 6/1/2022 | 520,000 | 3.000% |
| | | | 6/1/2023 | 535,000 | 3.000% |
| | | | 6/1/2024 | 550,000 | 3.000% |
| | | | 6/1/2025 | 565,000 | 3.000% |
| | | | 6/1/2026 | 585,000 | 3.000% |
| | | | 6/1/2027 | 600,000 | 3.000% |
| | | | 6/1/2028 | 620,000 | 3.000% |
| | | | 6/1/2029 | 640,000 | 3.000% |
| | | | 6/1/2030 | 665,000 | 3.000% |
| | | | 6/1/2031 | 685,000 | 3.000% |
| | | | 6/1/2032 | 710,000 | 3.000% |
| | | | | $7,185,000 | |

The estimated sources and uses of the Bonds are as follows:

| | |
|---|---|
| Sources of Funds* | |
| Par Amount of Bonds | $29,525,000.00 |
| Uses of Funds* | |
| Redemption of the Refunded Bonds | $29,220,000.00 |
| Underwriter's Discount | 206,675.00 |
| Cost of Issuance and Contingency | 98,325.00 |
| Total Uses | $29,525,000.00 |

* Preliminary; subject to change.

**INTEREST ON THE BONDS**

Interest on the Bonds will be payable on December 1, 2020 and semiannually on the 1st day of June and December thereafter. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the close of business on the 15th day of the month (whether or not a business day) next preceding such payment date (the "Record Date"). 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 Municipal Securities Rulemaking Board.

**OPTIONAL REDEMPTION**

Bonds due after June 1, 2028 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

**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 on the Bonds. If, however, the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, 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 deficiency.

Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "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."

Nothing in the resolution authorizing the Bonds (the "Resolution") prohibits or limits the ability of the City to use legally available moneys other than the proceeds of the general ad valorem property taxes levied, as described in the preceding paragraph, to pay all or any portion of the principal of or interest on the Bonds. If, and to the extent such other legally available moneys are used to pay the principal of or interest on the Bonds, the City may, but shall not be required to (a) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Bonds.

The Resolution doesn't restrict the City's ability to issue or incur additional general obligation debt, although issuance of additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Bonds. For a further description of the City's outstanding general obligation debt upon issuance of the Bonds and the annual debt service on the Bonds, see "DIRECT DEBT" under "CITY INDEBTEDNESS" included in APPENDIX A herein. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see "DEBT LIMIT" under "CITY INDEBTEDNESS" included in APPENDIX A herein.

## BOOK-ENTRY-ONLY ISSUANCE

*The information contained in the following paragraphs of this subsection "Book-Entry-Only Issuance" has been extracted from a schedule prepared by Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING DTC AND 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 rating: AA+. 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 affect 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 Tender/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 Tender/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 Tender/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-only 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 any additional general obligation borrowings within 90 days of the date of this Preliminary Official Statement. However, City does anticipate issuing Sewer Revenue Capital Loan Notes and Stormwater Management Utility Revenue Capital Loan Notes (Subordinate) through the State Revolving Fund Program of the Iowa Finance Authority within the next 90 days.

**LITIGATION**

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations with regard to the Bonds.

**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 other than to review or prepare information describing the terms of the Bonds and Iowa and Federal law pertinent to the validity of and the tax status of interest on the Bonds, which can be found generally under the sections "AUTHORITY AND PURPOSE", "OPTIONAL REDEMPTION", "PAYMENT AND SECURITY FOR THE BONDS" and "TAX MATTERS", herein. Additionally, Bond Counsel has provided its legal opinion and Continuing Disclosure Certificate, included in APPENDIX B and APPENDIX D, respectively, within this Preliminary Official Statement. Bond Counsel is not expressing any opinion as to the completeness or accuracy of the information contained in the Preliminary Official Statement. The FORM OF LEGAL OPINION as set out in APPENDIX B to this Preliminary Official Statement, will be delivered at closing.

The legal opinion, to be delivered concurrently with the delivery of the Bonds, expresses the professional judgment of the attorneys rendering the opinion as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

There is no bond trustee or similar person to monitor or enforce the provisions of the Resolution for the Bonds. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Resolution for the Bonds) may have to be enforced from year to year. The obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property, but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Bonds cannot foreclose on property within the boundaries of the City or sell such property in order to pay the debt service on the Bonds. See "LEVIES AND TAX COLLECTIONS" included in APPENDIX A herein, for a description of property tax collection and enforcement.

In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligation of the City with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, heretofore or hereafter, enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases.

## TAX MATTERS

Tax Exemptions and Related Considerations: Federal tax law contains a number of requirements and restrictions that apply to the Bonds. These include investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and facilities financed with bond proceeds, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

Interest on the Bonds is included in gross income for State of Iowa income tax purposes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. The prospective purchaser of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

NOT-Qualified Tax-Exempt Obligations: The City will NOT designate Bonds as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Tax Accounting Treatment of Discount and Premium Bonds: The initial public offering price of the Bonds may be less than the amount payable on such Bonds at maturity (the "Discount Bonds"). An amount equal to the difference between the initial public offering price of Discount Bonds (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. Purchasers of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of the Bonds may be greater than the amount payable on such Premium Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of Premium Bonds (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes a premium to the initial purchaser of such Premium Bonds. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Other Tax Advice: In addition to the income tax consequences described above, potential investors should consider the additional tax consequences of the acquisition, ownership, and disposition of the Bonds. For instance, state income tax law may differ substantially from state to state, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to federal tax issues and with respect to the various state tax consequences of an investment in Bonds.

Audits: The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Withholdings: Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Legislation: Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa legislature. Judicial interpretation of state or federal laws, rules or regulations may also affect the tax treatment. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Current and future legislative proposals, including some that carry retroactive effective dates, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. Recent proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals or clarification of the Code may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. The prospective purchaser of the Bonds should consult their own tax advisors regarding any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion except as expressly set forth in APPENDIX B to this Preliminary Official Statement.

Enforcement: Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution for the Bonds. There is no bond trustee or similar person to monitor or enforce the terms of the Resolution for the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Resolution for the Bonds) may have to be enforced from year to year. The enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion.

The obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property, but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Bonds cannot foreclose on property within the boundaries of the City or sell such property in order to pay the debt service on the Bonds. In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion. The opinion to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and to the exercise of judicial discretion in appropriate cases.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Resolution for the Bonds, including principal of and interest on the Bonds.

The Opinion: The opinion expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities 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 proposed or pending legislation, regulatory initiatives or litigation.

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service. Bond Counsel assumes no obligation to update its opinions after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

*ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE).*

**BONDHOLDER'S RISKS**

An investment in the Bonds is subject to certain risks. No person should purchase the Bonds unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

Secondary Market Not Established: There is no established secondary market for the Bonds, and there is no assurance that a secondary market will develop for the purchase and sale of the Bonds. Prices of municipal Bonds traded in the secondary market, if any, are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance of the entities operating the facilities subject to bonded indebtedness. From time to time it may be necessary to suspend indefinitely secondary market trading in selected issues of municipal Bonds as a result of the financial condition or market position, prevailing market conditions, lack of adequate current financial information about the entity, operating the subject facilities, or a material adverse change in the operations of that entity, whether or not the subject Bonds are in default as to principal and interest payments, and other factors which, may give rise to uncertainty concerning prudent secondary market practices.

Municipal Bonds are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

*EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.*

Ratings Loss: S&P Global Ratings (S&P) has assigned a rating of '___' to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Rating agencies are currently not regulated by any regulatory body. Future regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

Matters Relating to Enforceability: Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including but not limited to, the right to a proceeding in the law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution for the Bonds.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution for the Bonds. The opinion, to be delivered concurrently with the delivery of the Bonds, will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principals of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made and no assurance is given that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Resolution for the Bonds, including principal of and interest on the Bonds.

Forward-Looking Statements: This Preliminary Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Preliminary Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the City to pay debt service when due on the Bonds.

Financial Condition of the City from time to time: No representation is made as to the future financial condition of the City. Certain risks discussed herein could adversely affect the financial condition and or operations of the City in future. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "PAYMENT OF AND SECURITY FOR THE BONDS" herein.

Redemption Prior to Maturity: In considering whether to make an investment in the Bonds, it should be noted the Bonds are subject to optional redemption, as outlined herein, without Bondholder discretion or consent. See "OPTIONAL REDEMPTION" herein.

Tax Matters and Loss of Tax Exemption: As discussed under the heading "TAX MATTERS" herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the City in violation of its covenants in the Resolution for the Bonds. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rates on the Bonds.

It is possible legislation will be proposed or introduced that could result in changes in the way tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of legislation being enacted cannot be reliably predicted.

It is also possible actions of the City, after the closing of the Bonds, will alter the tax status of the Bonds, and in the extreme, remove the tax-exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment and the interest rates on the Bonds don't increase or otherwise reset. A determination of taxability on the Bonds after closing could materially adversely affect the value and marketability of the Bonds.

Pending Federal Tax Legislation: From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal (or state) tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. 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 the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Changes in Property Taxation: From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Such alterations could adversely affect the City's financial condition. Historically, changes to property tax calculations and impositions are imposed on a prospective basis. However, there is no assurance future changes to property taxation by the Iowa General Assembly will not be applied retroactively. It is impossible to predict the outcome of future property taxation changes by the Iowa General Assembly or resulting impacts on the City's financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "PAYMENT OF AND SECURITY FOR THE BONDS" herein.

Cybersecurity: The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the City's information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the City's operations and financial condition.

The City cannot predict whether any insurance policies that may be maintained by the City would be sufficient in the event of a cyber breach. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "PAYMENT OF AND SECURITY FOR THE BONDS" herein.

Pensions: Pursuant to GASB 68, the City reported a liability of $61,771,261 within its Comprehensive Annual Financial Report ("CAFR") as of June 30, 2019 for its proportionate share of the net pension liability related to IPERS, as defined herein. The net pension liability is the amount by which the total actuarial liability exceeds the pension plan's net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2018, the City's collective proportion was 0.976427% which was an increase of 0.028764% from its proportion measured as of June 30, 2017. Additionally, the City reported a liability of $110,294,179 with its CAFR as of June 30, 2019 for its proportionate share of the net pension liability related to MFPRSI, as defined herein. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2018, the City's collective proportion was 18.5243%, which was an increase of 0.5171% from its proportion measured as of June 30, 2017. See "EMPLOYEES AND PENSIONS" under the "CITY" section included in APPENDIX A to this Preliminary Official Statement for more summary information related to the City's contributions, and APPENDIX C – June 30, 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT for additional information related to the City's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity. Changes to the City's pension contributions, or available sources to fund said contributions, may adversely affect the City's financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "PAYMENT OF AND SECURITY FOR THE BONDS" herein.

Continuing Disclosure: A failure by the City to comply with continuing disclosure obligations (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Bankruptcy: The rights and remedies available to holders of the Bonds may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor's rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the Resolution for the Bonds, including the opinions of Bond Counsel, will be similarly qualified. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution for the Bonds. In the event the City fails to comply with its covenants under the Resolution for the Bonds or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Suitability of Investment: The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Preliminary Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Tax Levy Procedures: The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the City. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year, may cause Bondholders to experience a delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Federal Funds Orders and State Funds Legislation: Various federal executive orders, and Iowa Code Chapter 27A (collectively "ICE Enforcement Initiatives"), impose requirements intended to ensure compliance with the federal immigration detainment processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount would negatively impact the City's overall financial position and could affect its rating. However, the Bonds are secured by a debt service levy upon real property in the jurisdictional limits of the City, and are not secured by state or federal funds. See “PAYMENT OF AND SECURITY FOR THE BONDS” herein.

DTC-Beneficial Owners: Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Registrar to DTC and DTC will credit such distributions to the accounts of the Participants which will, thereafter, credit them to the accounts of the Beneficial Owner either directly or indirectly through Indirect Participants. Neither the City nor the Registrar will have any responsibility or obligation to assure any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See “BOOK-ENTRY-ONLY ISSUANCE” herein.

Summary: The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto to make a judgment as to whether the Bonds are an appropriate investment.

## RATING

The Bonds have been rated ‘___’ by S&P. Currently, the City’s outstanding General Obligation long-term debt is rated ‘AA+’ by S&P and ‘Aa2’ by Moody’s Investors Service. The existing ratings on long-term debt reflect only the view of the rating agencies and any explanation of the significance of such ratings may only be obtained from the rating agencies. There is no assurance that such rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

## MUNICIPAL ADVISOR

The City has retained PFM Financial Advisors LLC, Des Moines, Iowa as Municipal Advisor in connection with the preparation of the issuance of the Bonds. In preparing the Preliminary Official Statement, the Municipal Advisor has relied on government officials, and other sources to provide accurate information for disclosure purposes. The Municipal 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. PFM Financial Advisors LLC 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

The City will covenant in a Continuing Disclosure Certificate for the benefit of the owners and beneficial owners of the Bonds to provide annually certain financial information and operating data relating to the City (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City no later than two hundred seventy (270) days after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2020, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See FORM OF CONTINUING DISCLOSURE CERTIFICATE included in APPENDIX D to this Preliminary Official Statement. The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in the FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the underwriter in complying with section (b)(5) of the Rule.

Within the past five years, the City had provided certain subheadings to the required annual disclosure tables for the Fiscal Years ending June 30, 2014 through 2016 that were timely published within subsequent Official Statements; however, specific references to those Official Statements were not filed on EMMA. In addition, certain subheadings under the heading "City Indebtedness" presented in Official Statements were timely filed on EMMA and specific references were made to the City's Comprehensive Annual Financial Report ("CAFR"); however, certain page number references to the CAFR were incorrect.

The corrections to certain subheading information and page number references noted above were filed and contained all information required to be filed as determined by provisions of the Rule.

Breach of the undertakings described above 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 undertakings, 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 undertakings may adversely affect the transferability and liquidity of the Bonds and their market price.

**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 the Preliminary Official Statement prepared on behalf of the City by PFM Financial Advisors LLC, Des Moines, Iowa, and to the best of my knowledge, information and belief, said Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading regarding the issuance of $29,525,000* General Obligation Refunding Bonds, Series 2020A.

CITY OF DES MOINES, IOWA
/s/ Nickolas Schaul, Interim Finance Director/Treasurer

* Preliminary; subject to change.

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# APPENDIX A

## GENERAL INFORMATION ABOUT THE CITY OF DES MOINES, IOWA

*The $29,525,000* General Obligation Refunding Bonds, Series 2020A (the "Bonds"), are general obligations of the City of Des Moines, Iowa (the "City") for which the City will pledge its power to levy direct ad valorem taxes against all taxable property within the City without limitation as to rate or amount to the repayment of the Bonds.*

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# 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 2018 final Actual Values were adjusted by the Polk and Warren County Auditors. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2018, the taxable value rollback rate was 56.9180% of actual value for residential property; 56.1324% of actual value for agricultural property; 75% of the actual value for multiresidential property; and 90% of actual value for commercial and industrial property. No adjustment was ordered for utility property because its assessed value did not increase enough to qualify for reduction. Utility property is limited to an 8% annual growth.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 3% 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.

## PROPERTY VALUATIONS (1/1/2018 Valuations for Taxes payable July 1, 2019 to June 30, 2020)

| | 100% Actual Value | Taxable Value (With Rollback) |
|---|---|---|
| Residential | 8,313,563,670 | $4,699,879,808 |
| Commercial | 2,654,595,816 | 2,319,081,495 |
| Industrial | 210,026,735 | 186,051,509 |
| Multiresidential | 493,195,291 | 361,486,676 |
| Railroad | 20,451,600 | 18,406,441 |
| Utilities w/o Gas & Electric | 26,374,415 | 26,374,415 |
| Gross valuation | $11,718,207,527 | $7,611,280,344 |
| Less military exemption | (11,433,178) | (11,433,178) |
| Net valuation | $11,706,774,349 | $7,599,847,166 |
| TIF increment (used to compute debt service levies and constitutional debt limit) | $839,465,969 | $839,346,269 |
| Taxed separately: | | |
| Ag. Land | $11,604,160 | $6,513,682 |
| Ag. Buildings | $596,000 | $334,548 |
| Gas & Electric Utilities | $385,805,787 | $198,186,617 |

Source: Iowa Department of Management

## 2018 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY 1)

| | Taxable Valuation | Percent Total |
|---|---|---|
| Residential | $4,699,879,808 | 60.18% |
| Commercial, Industrial and all Utilities | 2,729,694,036 | 34.95% |
| Multiresidential | 361,486,676 | 4.63% |
| Railroad | 18,406,441 | 0.24% |
| Total Gross Taxable Valuation | $7,809,466,961 | 100.00% |

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

Source: Iowa Department of Management

**TREND OF VALUATIONS**

| Assessment Year | Payable Fiscal Year | 100% Actual Valuation | Taxable Valuation (With Rollback) | Taxable TIF Increment |
|---|---|---|---|---|
| 2014 | 2015-16 | $10,857,757,125 | $6,531,346,569 | $667,920,863 |
| 2015 | 2016-17 | 11,396,334,334 | 6,840,954,151 | 684,785,234 |
| 2016 | 2017-18 | 11,547,884,851 | 6,967,479,518 | 738,158,185 |
| 2017 | 2018-19 | 12,678,892,381 | 7,486,189,752 | 867,277,745 |
| 2018 | 2019-20 | 12,944,246,265 | 7,798,033,783 | 839,346,269 |

Source: Iowa Department of Management

The 100% Actual Valuations, before rollback and after reduction of military exemption, include Ag. Land, Ag. Buildings, Taxable 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**

Set forth in the following table are the persons or entities which represent larger taxpayers within the boundaries of the City, as provided by the Polk and Warren County Auditor's offices. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. With the exception of the electric and natural gas provider noted below (which is subject to an excise tax in accordance with Iowa Code chapter 437A), the City's mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

| Taxpayer 1) | Type of Property/Business | 1/1/2018 Taxable Valuation 2) |
|---|---|---|
| Principal Life Insurance Co.3) | Insurance Company | $270,289,980 |
| Mid-American Energy | Electric/Natural Gas Company | 196,448,346 |
| Nationwide Mutual Life | Insurance Company | 151,308,090 |
| Wellmark, Inc. | Insurance Company | 110,043,900 |
| Wells Fargo Properties, Inc. | Banking Services | 102,226,590 |
| Employers Mutual Casualty Co. | Insurance Company | 80,324,550 |
| Polk Co./IEC Hotel Corp. | Commercial | 34,830,246 |
| Macerich Southridge Mall LLC | Commercial | 30,200,400 |
| Hoxie's Addition LC | Commercial | 29,230,740 |
| Ruan Center Corp. | Commercial | 28,098,000 |

1) This list represents larger taxpayers in this jurisdiction, not necessarily the top 10 taxpayers.
2) The January 1, 2018 Taxable Valuation listed represent only those valuations associated with the title holder and may not necessarily represent the entire taxable valuation.
3) Principal Mutual Life Insurance Co. changed its name to Principal Life Insurance Co. in 1998 when the company converted from a mutual to publicly held company and, therefore, are being listed as one entity. The Polk County auditor has them listed as separate entities.

Source: Polk and Warren Counties

## PROPERTY TAX LEGISLATION

From time to time, legislative proposals are pending in Congress and 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. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state 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 or state tax legislation.

During the 2019 legislative session, the Iowa General Assembly enacted Senate File 634 (the “2019 Act”). The 2019 Act modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the City budget, including levies for the General Fund, the Emergency Fund, Trust and Agency Funds for pensions, insurance, transit, civic centers, certain bridges, sanitary disposal, and emergency management. The 2019 Act also includes a provision that will require the affirmative vote of 2/3 of the City Council when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula.

The 2019 Act does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds. It is too early to evaluate the affect the 2019 Act will have on the overall financial position of the City or its ability to fund essential services.

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the “2013 Act”). Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigned a “rollback” (the percentage of a property’s value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) created a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigned a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempted a specified portion of the assessed value of telecommunication properties.

The 2013 Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. The appropriation does not replace losses to local governments resulting from the 2013 Act’s provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for multi-residential properties from the residential rollback percentage, or the reduction in the percentage of telecommunications property that is subject to taxation.

The City has not attempted to quantify the financial impact of the 2013 Act’s provisions on the City’s future operations.

Notwithstanding any decrease in property tax revenues that may result from the 2013 Act or the 2019 Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues bonds, “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." See “PAYMENT OF AND SECURITY FOR THE BONDS” herein.

# 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 2018 actual valuation currently applicable to the Fiscal Year 2019-20, is as follows:

| | | |
|---|---|---|
| 2018 Actual Valuation of Property | $12,944,246,265 | 1) |
| Legal Debt Limit of 5% | 0.05 | |
| Legal Debt Limit | $647,212,313 | |
| Less: General Obligation Debt Subject to Debt Limit | (459,642,150) | * |
| Less: Lease Debt Paid by Taxes | (1,051,132) | 2) |
| Less: Section 108 Loan | (953,515) | 3) |
| Less: TIF Rebate Agreements | (8,994,173) | 4) |
| Legal Debt Margin | $176,571,343 | * |

1) Source: Iowa Department of Management.
2) Represents the principal outstanding on two lease obligations payable from the debt service levy.
3) The City originally appropriated $1,130,697 for FY 2019-20 and all fiscal year payments have been made as of the date of this Preliminary Official Statement. For FY 20-21, the City will appropriate $953,515. The City revised its Section 108 Loan on March 28, 2019 and the principal amount outstanding as of the date of this Preliminary Official Statement is $7,610,000.
4) As reported by the City pursuant to development agreements for urban renewal projects under the authority of Iowa Code Chapter 403. The Iowa Supreme Court has not formally ruled on the question of whether contracts to rebate the tax increment generated by a particular development constitutes indebtedness of a City for constitutional debt limit purposes. The amount reported above includes rebate agreements that may not be debt and represents TIF rebate obligations payable in FY 2019-20 less amounts already paid as of the date of this Preliminary Official Statement. Payment of portions of such amount (or future installments) may be dependent upon undertakings by the developers, some of which may not yet have occurred. The effect of any delayed development may be a deferral of the City's obligation to make payments under the development agreements. The City actively pursues opportunities consistent with the development goals of its various urban renewal plans, which may be amended from time to time, and the City may enter into additional development agreements committing to additional rebate incentive in calendar year 2020 or after.

* Preliminary; subject to change.

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## DIRECT DEBT

### General Obligation Debt Paid by Property Taxes, Tax Increment, Sales Tax and Other (Includes the Bonds)

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 6/09B | $2,870,000 | Refunding | 6/21 | $560,000 |
| 6/12A | 19,965,000 | Various Purpose | 6/20 | 1,085,000 [1)] |
| 6/12B | 6,895,000 | Various Purpose | 6/20 | 300,000 [2)] |
| 6/12C | 4,275,000 | Various Purpose (Taxable) | 6/22 | 510,000 |
| 8/13A | 37,090,000 | Various Purpose | 6/33 | 29,860,000 |
| 8/13B | 21,050,000 | Refunding | 6/26 | 13,530,000 |
| 1/14A | 38,830,000 | Franchise Fee | 6/21 | 10,955,000 [3)] |
| 7/14C | 24,945,000 | Various Purpose | 6/24 | 20,610,000 |
| 7/14D | 2,250,000 | Various Purpose (Taxable) | 6/24 | 1,300,000 |
| 9/14E | 27,465,000 | Refunding | 6/27 | 18,105,000 |
| 8/15A | 40,225,000 | Various Purpose/Refunding | 6/35 | 26,570,000 |
| 8/15B | 19,655,000 | Refunding | 6/28 | 15,100,000 |
| 9/16A | 42,825,000 | Various Purpose | 6/36 | 37,515,000 |
| 9/16B | 29,545,000 | Refunding | 6/30 | 26,580,000 |
| 9/17A | 39,780,000 | Various Purpose | 6/37 | 37,070,000 |
| 9/17B | 8,915,000 | Convention Center Hotel | 6/37 | 8,915,000 |
| 3/18A | 44,325,000 | Refunding | 6/25 | 37,320,000 |
| 8/18B | 45,640,000 | Various Purpose | 6/38 | 43,585,000 |
| 7/19A | 84,815,000 | Various Purpose/Refunding | 6/39 | 84,815,000 |
| 7/19B | 2,405,000 | Various Purpose (Taxable) | 6/24 | 2,405,000 |
| 3/20A | 22,265,000* | Refunding | 6/32 | 22,265,000* |
| Subtotal | | | | $438,955,000* |

1) The 2021 through 2032 maturities will be current refunded by the Bonds on June 1, 2020.
2) The 2021 through 2028 maturities will be current refunded by the Bonds on June 1, 2020.
3) Reflects $19,000,000 of the June 1, 2022 maturity redeemed to date pursuant to the extraordinary redemption provision.

* Preliminary; subject to change.

### General Obligation Annual Appropriation Debt Paid by Tax Increment

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 | Annual Approp. Subject to Debt Limit |
|---|---|---|---|---|---|
| 9/17C | $4,785,000 | Convention Center Hotel | 6/25 | $4,495,000 | $857,150 [1)] |

1) Excludes December 1, 2019 interest payment in the amount of $82,150. Debt service payments in the amount of $939,300 were originally appropriated for FY 2019-20.

**General Obligation Debt Paid by Enterprise Funds (Includes the Bonds)**

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 9/12D | $13,210,000 | Sanitary Sewer Improvements | 6/32 | $10,110,000 |
| 9/12E | 10,825,000 | Stormwater Improvements | 6/20 | 495,000 [1)] |
| 9/12F | 13,030,000 | Parking Refunding (Taxable) | 6/20 | 1,965,000 |
| 3/20A | 7,260,000* | Stormwater Refunding | 6/32 | 7,260,000* |
| Subtotal | | | | $19,830,000* |

1) The 2021 through 2032 maturities will be current refunded by the Bonds on June 1, 2020.

**Summary of General Obligation Debt Outstanding**

| | |
|---|---|
| General Obligation Debt Paid by Property Taxes, Tax Increment, Sales Tax and Other | $438,955,000* |
| General Obligation Debt Paid by Tax Increment (Annual Appropriation) | 857,150 |
| General Obligation Debt Paid by Enterprise Funds | 19,830,000* |
| **Total General Obligation Debt Subject to Debt Limit** | **$459,642,150*** |
| **Total General Obligation Debt Outstanding (excludes future Annual Appropriation Installments)** | **$463,280,000*** |

**Fiscal Year General Obligation Debt Service Payments Paid by Property Taxes, Tax Increment, Sales Tax and Other (Includes the Bonds)**

| | Current Outstanding | | Bonds | | Total Outstanding | |
|---|---|---|---|---|---|---|
| Fiscal Year | Principal | Principal & Interest | Principal* | Principal & Interest* | Principal* | Principal & Interest* |
| 2019-20 | $36,260,000 | $44,840,070 [1)] | | | $36,260,000 | $44,840,070 |
| 2020-21 | 42,680,000 | 57,260,170 | $1,520,000 | $2,052,584 | 44,200,000 | 59,312,754 |
| 2021-22 | 33,865,000 | 46,562,036 | 720,000 | 1,129,307 | 34,585,000 | 47,691,343 |
| 2022-23 | 30,210,000 | 41,250,484 | 1,920,000 | 2,317,571 | 32,130,000 | 43,568,055 |
| 2023-24 | 40,945,000 | 50,612,956 | 2,360,000 | 2,725,699 | 43,305,000 | 53,338,655 |
| 2024-25 | 23,340,000 | 31,257,025 | 2,515,000 | 2,839,871 | 25,855,000 | 34,096,896 |
| 2025-26 | 23,120,000 | 30,117,975 | 2,545,000 | 2,824,852 | 25,665,000 | 32,942,827 |
| 2026-27 | 21,380,000 | 27,448,788 | 2,750,000 | 2,982,770 | 24,130,000 | 30,431,558 |
| 2027-28 | 21,365,000 | 26,695,656 | 2,345,000 | 2,524,145 | 23,710,000 | 29,219,801 |
| 2028-29 | 21,500,000 | 26,155,994 | 1,350,000 | 1,481,776 | 22,850,000 | 27,637,770 |
| 2029-30 | 19,165,000 | 23,110,919 | 1,385,000 | 1,488,426 | 20,550,000 | 24,599,345 |
| 2030-31 | 18,490,000 | 21,781,344 | 1,420,000 | 1,492,263 | 19,910,000 | 23,273,607 |
| 2031-32 | 17,285,000 | 19,959,525 | 1,435,000 | 1,474,319 | 18,720,000 | 21,433,844 |
| 2032-33 | 16,195,000 | 18,289,006 | | | 16,195,000 | 18,289,006 |
| 2033-34 | 13,215,000 | 14,777,613 | | | 13,215,000 | 14,777,613 |
| 2034-35 | 12,240,000 | 13,405,556 | | | 12,240,000 | 13,405,556 |
| 2035-36 | 10,575,000 | 11,368,331 | | | 10,575,000 | 11,368,331 |
| 2036-37 | 8,160,000 | 8,632,019 | | | 8,160,000 | 8,632,019 |
| 2037-38 | 4,870,000 | 5,084,969 | | | 4,870,000 | 5,084,969 |
| 2038-39 | 1,830,000 | 1,887,188 | | | 1,830,000 | 1,887,188 |
| Total | $416,690,000 | | $22,265,000* | | $438,955,000* | |

1) Excludes December 1, 2019 interest payment in the amount of $8,174,072.

* Preliminary; subject to change.

**Fiscal Year General Obligation Annual Appropriation Debt Service Payments Paid by Tax Increment**

| | Total Outstanding | |
|---|---|---|
| Fiscal Year | Principal | Principal & Interest |
| 2019-20 | $775,000 | $857,150 [1)] |
| 2020-21 | 790,000 | 938,800 |
| 2021-22 | 820,000 | 937,200 |
| 2022-23 | 855,000 | 939,400 |
| 2023-24 | 890,000 | 940,200 |
| 2024-25 | 365,000 | 379,600 |
| Total | $4,495,000 | |

1) Excludes December 1, 2019 interest payment in the amount of $82,150.

**Fiscal Year General Obligation Debt Service Payments Paid by Enterprise Funds (Includes the Bonds)**

| | Current Outstanding | | Bonds | | Total Outstanding | |
|---|---|---|---|---|---|---|
| Fiscal Year | Principal | Principal & Interest | Principal* | Principal & Interest* | Principal* | Principal & Interest* |
| 2019-20 | $3,995,000 | $4,281,500 [1)] | | | $3,995,000 | $4,281,500 |
| 2020-21 | 605,000 | 862,250 | $520,000 | $697,763 | 1,125,000 | 1,560,013 |
| 2021-22 | 620,000 | 859,100 | 560,000 | 696,412 | 1,180,000 | 1,555,512 |
| 2022-23 | 640,000 | 860,500 | 565,000 | 692,284 | 1,205,000 | 1,552,784 |
| 2023-24 | 655,000 | 856,300 | 575,000 | 692,905 | 1,230,000 | 1,549,205 |
| 2024-25 | 675,000 | 856,650 | 585,000 | 692,958 | 1,260,000 | 1,549,608 |
| 2025-26 | 695,000 | 856,400 | 595,000 | 692,486 | 1,290,000 | 1,548,886 |
| 2026-27 | 720,000 | 860,550 | 605,000 | 691,479 | 1,325,000 | 1,552,029 |
| 2027-28 | 740,000 | 858,950 | 620,000 | 694,681 | 1,360,000 | 1,553,631 |
| 2028-29 | 765,000 | 861,750 | 635,000 | 697,157 | 1,400,000 | 1,558,907 |
| 2029-30 | 790,000 | 863,800 | 650,000 | 698,822 | 1,440,000 | 1,562,622 |
| 2030-31 | 820,000 | 870,100 | 665,000 | 699,197 | 1,485,000 | 1,569,297 |
| 2031-32 | 850,000 | 875,500 | 685,000 | 703,769 | 1,535,000 | 1,579,269 |
| Total | $12,570,000 | | $7,260,000* | | $19,830,000* | |

1) Excludes December 1, 2019 interest payment in the amount of $286,500.

* Preliminary; subject to change.

**OTHER DEBT**

**Lease Debt Paid by Property Taxes**

The City has lease debt payable from property taxes as follows:

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 8/12 | $1,880,000 | Supplement #3 | 6/22 | $478,900 |
| 8/14 | 1,200,000 | Supplement #4 | 6/24 | 572,232 |
| Total | | | | $1,051,132 |

**Revenue Obligations Payable from State Sales Tax and Hotel and Motel Tax Revenues**

The City has issued Urban Renewal Revenue Capital Loan Notes payable from a senior lien on State Sales Tax and Hotel and Motel Tax Revenues as follows:

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 3/18 | $4,000,000 | Convention Center Hotel | 6/24 | $4,000,000 |

The City will utilize the State sales tax revenues and State hotel and motel tax revenues that will be remitted to the City's reinvestment project fund created pursuant to Iowa Code section 15J.7. The City has been allocated a maximum amount of $36,487,400 by the Iowa Economic Development Board. The City will receive newly generated taxes from new retail establishments, including the Hilton Convention Center Hotel, within the reinvestment district. Quarterly remittance of taxes began on April 1, 2018 and continue through April 1, 2038.

**Contingent Revenue Obligation Payable from State Sales Tax and Hotel and Motel Tax Revenues**

The City has agreed to a loan guarantee of the Senior Lien Iowa Reinvestment Act Revenue Bonds issued by the Iowa Events Center Hotel Corporation as follows:

| Date of Issue | Guaranteed Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 3/18 | $8,500,000 | Convention Center Hotel | 6/38 | $8,500,000 |

The City is obligated to pay the annual debt service payments of the Senior Lien Iowa Reinvestment Act Revenue Bonds issued by the Iowa Events Center Hotel Corporation in the event of a shortfall of the State sales tax revenues and State hotel and motel tax revenues that will be remitted to the City's reinvestment project fund created pursuant to Iowa Code section 15J.7. Pursuant to Sections 403.12 and 384.24(3) (q) of the Code of Iowa, the City has held a public hearing on the issuance of $10,000,000 General Obligation Bonds providing the City with the authority to issue general obligation bonds to defease the Senior Lien Iowa Reinvestment Act Revenue Bonds in the event that the guarantee is implemented.

**Revenue Debt Paid by Parking Revenues**

The City has lease purchase debt payable from the Parking Enterprise Fund as follows:

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 10/17 | $22,534,981 | City Hall Parking Garage | 6/37 | $22,534,981 |

**Revenue Debt Paid by Stormwater Revenues**

The City has senior lien revenue debt payable from the Stormwater Management Utility as follows:

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 9/16C | $12,715,000 | Improvements/Refunding | 6/31 | $9,020,000 |
| 9/16D | 8,830,000 | Refunding | 6/30 | 7,675,000 |
| 8/18C | 43,620,000 | Improvements | 6/38 | 42,320,000 |
| Total | | | | $59,015,000 |

The City has subordinate lien revenue debt payable from the Stormwater Management Utility as follows:

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 10/18F | $6,093,000 | Improvements (SRF Loan) | 6/39 | $6,093,000 1) |
| 10/18G | 9,250,000 | Improvements (SRF Loan) | 6/40 | 9,250,000 2) |
| Total | | | | $15,343,000 |

1) Based on preliminary debt service schedule established prior to final project draws. The City has drawn $3,002,586 as of the date of this Preliminary Official Statement.
2) Based on preliminary debt service schedule established prior to final project draws. The City has drawn $4,789,624 as of the date of this Preliminary Official Statement.

**Revenue Debt Paid by Sewer Revenues**

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

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 3/14B | $16,240,000 | Improvements/Refunding | 6/23 | $4,465,000 |
| 10/18D | 6,093,000 | Improvements (SRF Loan) | 6/39 | 6,093,000 1) |
| 10/18E | 9,250,000 | Improvements (SRF Loan) | 6/40 | 9,250,000 2) |
| Total | | | | $19,808,000 |

1) Based on preliminary debt service schedule established prior to final project draws. The City has drawn $3,002,586 as of the date of this Preliminary Official Statement.
2) Based on preliminary debt service schedule established prior to final project draws. The City has drawn $4,789,624 as of the date of this Preliminary Official Statement.

**Des Moines Metropolitan Wastewater Reclamation Authority Existing Payment Obligations**

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority ("WRA") and has entered into a financing agreement with the WRA to provide for the City's share of capital contribution for the construction and ongoing expansion of a metropolitan waste water system. The City is responsible for a portion of the WRA sewer revenue debt payable from the revenues of their sewer system. Its responsibilities pursuant to the WRA Financing Agreement stand as nearly as practicable on parity and equality of rank with the City's direct sewer revenue bonds and parity obligations.

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. Flow-based allocations are subject to change on an annual basis; as such the amount outstanding may be greater than the amount issued due to fluctuations in flow.

The City's portion of outstanding WRA debt is as follows:

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Outstanding As of 3/9/20 |
|---|---|---|---|---|
| 6/08A | $5,732,440 | Sewer Improvements (SRF) | 6/39 | $4,270,729 [1)] |
| 4/10A | 3,074,450 | Sewer Improvements (SRF) | 6/40 | 2,292,906 [2)] |
| 6/10C-1 | 1,121,921 | Sewer Improvements (SRF) | 6/32 | 996,759 [3)] |
| 6/10C-2 | 12,060,645 | Sewer Improvements (SRF) | 6/32 | 7,475,793 [4)] |
| 5/11A | 33,657,615 | Sewer Improvements (SRF) | 6/42 | 25,853,973 [5)] |
| 5/11C | 3,347,063 | Sewer Improvements (SRF) | 6/41 | 2,675,003 [6)] |
| 12/11D | 5,628,301 | Sewer Improvements (SRF) | 6/43 | 4,539,472 [7)] |
| 5/12C | 10,529,114 | Sewer Improvements (SRF) | 6/43 | 7,980,503 [8)] |
| 5/12D | 4,094,656 | Sewer Improvements (SRF) | 6/42 | 3,015,255 [9)] |
| 11/12G | 8,578,900 | Sewer Improvements (SRF) | 6/44 | 7,244,151 [10)] |
| 4/13A | 4,349,345 | Sewer Improvements (SRF) | 6/43 | 3,430,360 [11)] |
| 6/13B | 19,133,993 | Refunding | 6/34 | 13,826,453 [12)] |
| 2/14A | 972,846 | Sewer Improvements (SRF) | 6/34 | 707,671 [13)] |
| 2/14D | 2,161,860 | Sewer Improvements (SRF) | 6/34 | 1,639,064 [14)] |
| 1/15A | 3,180,104 | Sewer Improvements (SRF) | 6/35 | 2,540,616 [15)] |
| 1/15B | 182,087 | Sewer Improvements (SRF) | 6/34 | 145,535 [16)] |
| 5/15E | 8,963,127 | Refunding | 6/36 | 7,772,840 [17)] |
| 2/16A | 3,838,557 | Sewer Improvements (SRF) | 6/35 | 3,276,295 [18)] |
| 2/16F | 15,971,200 | Sewer Improvements (SRF) | 6/48 | 15,373,319 [19)] |
| 12/17A | 19,328,700 | Sewer Improvements (SRF) | 6/49 | 19,004,844 [20)] |
| 5/18A | 2,123,856 | Sewer Improvements (SRF) | 6/40 | 2,100,546 [21)] |
| 12/18D-1 | 4,999,700 | Sewer Improvements (SRF) | 6/39 | 5,001,300 [22)] |
| 12/18D-2 | 3,999,760 | Sewer Improvements (SRF) | 6/39 | 4,001,040 [23)] |
| 12/18E | 5,649,661 | Sewer Improvements (SRF) | 6/40 | 5,651,469 [24)] |
| 12/18F | 2,999,820 | Sewer Improvements (SRF) | 6/39 | 3,000,740 [25)] |
| 12/19A | 6,001,473 | Sewer Improvements (SRF) | 6/39 | 6,001,473 [26)] |
| Total | | | | $159,818,109 |

1) The City's flow-based share of the WRA's Series 2008A SRF loan outstanding in the amount of $12,809,000.
2) The City's flow-based share of the WRA's Series 2010A SRF loan outstanding in the amount of $6,877,000.
3) The City's flow-based share of the WRA's Series 2010C-1 SRF loan outstanding in the amount of $1,993,000.
4) The City's flow-based share of the WRA's Series 2010C-2 SRF loan outstanding in the amount of $14,948,000.
5) The City's flow-based share of the WRA's Series 2011A SRF loan outstanding in the amount of $51,695,000.
6) The City's flow-based share of the WRA's Series 2011C SRF loan outstanding in the amount of $8,023,000.
7) The City's flow-based share of the WRA's Series 2011D SRF loan outstanding in the amount of $13,615,000.
8) The City's flow-based share of the WRA's Series 2012C SRF loan outstanding in the amount of $15,957,000.
9) The City's flow-based share of the WRA's Series 2012D SRF loan outstanding in the amount of $6,029,000.
10) The City's flow-based share of the WRA's Series 2012G SRF loan outstanding in the amount of $21,727,000.
11) The City's flow-based share of the WRA's Series 2013A SRF loan outstanding in the amount of $6,859,000.
12) The City's flow-based share of the WRA's Series 2013B Bonds outstanding in the amount of $46,805,000.
13) The City's flow-based share of the WRA's Series 2014A SRF loan outstanding in the amount of $1,415,000.
14) The City's flow-based share of the WRA's Series 2014D SRF loan outstanding in the amount of $4,916,000.
15) The City's flow-based share of the WRA's Series 2015A SRF loan outstanding in the amount of $7,620,000.
16) The City's flow-based share of the WRA's Series 2015B SRF loan outstanding in the amount of $291,000.
17) The City's flow-based share of the WRA's Series 2015E Bonds outstanding in the amount of $28,480,000.
18) The City's flow-based share of the WRA's Series 2016A Bonds outstanding in the amount of $6,551,000.
19) The City's flow-based share of the WRA's Series 2016F Bonds outstanding in the amount of $39,159,000.
20) The City's flow-based share of the WRA's Series 2017A SRF loan outstanding in the amount of $38,000,000.
21) The City's flow-based share of the WRA's Series 2018A SRF loan outstanding in the amount of $4,200,000.
22) The City's flow-based share of the WRA's Series 2018D-1 SRF loan outstanding in the amount of $10,000,000.
23) The City's flow-based share of the WRA's Series 2018D-2 SRF loan outstanding in the amount of $8,000,000.

(Continued from previous page.)

24) The City's flow-based share of the WRA's Series 2018E SRF loan outstanding in the amount of $11,300,000.
25) The City's flow-based share of the WRA's Series 2018F SRF loan outstanding in the amount of $6,000,000.
26) The City's flow-based share of the WRA's Series 2019A SRF loan outstanding in the amount of $12,000,000.

**Des Moines Metropolitan Wastewater Reclamation Authority Proposed Payment Obligations**

WRA has authorized, and is planning to issue, the following State Revolving Fund Loans during the calendar year. The amounts below represent the City's share of the debt service payments of the proposed issues. Other participating communities of the WRA pay the remaining amount. Flow-based allocations are subject to change on an annual basis; as such the amount outstanding may be greater than the amount issued due to fluctuations in flow.

| Date of Issue | Original Amount | Purpose | Final Maturity | Principal Proposed As of 3/9/20 |
|---|---|---|---|---|
| TBD | $5,001,300 | Sewer Improvements (SRF) | TBD | $5,001,300 [1)] |

1) The City's flow-based share of the WRA's proposed SRF Loan in the amount of $10,000,000.

| | |
|---|---|
| **Total WRA Sewer Revenue Debt Outstanding** | **$159,818,109** |
| **Total WRA Sewer Revenue Debt Outstanding and Proposed** | **$164,819,409** |

*(The remainder of this page has been left blank intentionally.)*

**INDIRECT GENERAL OBLIGATION DEBT**

| Taxing District | 1/1/2018 Taxable Valuation [1] | Portion of Taxable Valuation within the City | Percent In City | G.O. Debt Outstanding [2] | City's Proportionate Share |
|---|---|---|---|---|---|
| Polk County | $27,109,439,531 | $8,627,678,355 | 31.83% | $254,626,000 | $81,047,456 |
| Warren County | 2,490,486,392 | 16,549,927 | 0.66% | 19,028,983 | 125,591 |
| Carlisle CSD | 364,956,463 | 81,397,182 | 22.30% | 20,950,000 | 4,671,850 |
| Des Moines ISD | 8,589,317,667 | 8,224,229,789 | 95.75% | 0 | 0 |
| Indianola CSD | 957,683,628 | 427,718 | 0.04% | 36,035,000 | 14,414 |
| Johnston CSD | 2,654,845,614 | 165,323,080 | 6.23% | 46,810,000 | 2,916,263 |
| Norwalk CSD | 789,108,250 | 3,187,409 | 0.40% | 35,705,000 | 142,820 |
| Saydel CSD | 911,336,093 | 24,217,582 | 2.66% | 4,970,000 | 132,202 |
| Southeast Polk CSD | 2,251,208,779 | 132,211,271 | 5.87% | 3,875,000 | 227,463 |
| West Des Moines CSD | 5,135,384,695 | 13,234,251 | 0.26% | 10,235,000 | 26,611 |
| Urbandale Sanitary Sewer | 3,107,617,924 | 2,043,000 | 0.07% | 0 | 0 |
| Urbandale-Windsor Heights Sanitary Sewer | 447,648,965 | 23,712,549 | 5.30% | 0 | 0 |
| Des Moines Area CC | 50,504,396,751 | 8,644,228,282 | 17.12% | 118,730,000 | 20,326,576 |
| City's Share of Total Overlapping Debt | | | | | $109,631,246 |

1) Taxable Valuation excludes military exemption and includes Ag. Land & Buildings, Taxable TIF Increment and all Utilities.
2) Includes general obligation bonds, PPEL notes, certificates of participation and new jobs training certificates. Estimated as of December 9, 2019 based on publically available information. The City undertakes no responsibility for and makes no representations as to the accuracy or completeness of the information related to the indebtedness of overlapping entities

**DEBT RATIOS**

| | Debt | Debt/Actual Market Value ($12,944,246,265) [1] | Debt/204,220 Population [2] |
|---|---|---|---|
| Total General Obligation Debt | $458,785,000* | 3.54%* | $2,246.52* |
| Less: G.O. Debt Paid From Enterprise Funds | (19,830,000)* | | |
| Net G.O. Debt Paid by Taxes and Tax Increment | $438,955,000* | 3.39%* | $2,149.42* |
| G.O. Debt Subject to Annual Appropriation | $857,150 [3] | 0.01% | $4.20 |
| Leases Paid by the Debt Service Levy | $1,051,132 | 0.01% | $5.15 |
| City's Share of Total Overlapping Debt | $109,631,246 | 0.85% | $536.83 |

1) Based on January 1, 2018 Actual Market Value; includes Ag Land, Ag Buildings, all Utilities and TIF Increment.
2) Based on the City's 2010 U.S. Census which was corrected on March 15, 2013 to 204,220.
3) Represents the appropriated FY 2019-20 debt service payments on the Series 2017C Bonds excluding the December 1, 2019 interest payment in the amount of $82,150.

* Preliminary; subject to change.

## LEVIES AND TAX COLLECTIONS

| Fiscal Year | Levy | Collected During Collection Year | Percent Collected |
|---|---|---|---|
| 2015-16 | $141,853,602 | $140,460,069 | 99.02% |
| 2016-17 | 147,212,670 | 147,085,820 | 99.91% |
| 2017-18 | 152,727,364 | 152,474,951 | 99.83% |
| 2018-19 | 169,780,673 | 169,171,047 | 99.64% |
| 2019-20 | 168,902,166 | --------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.

Source: Polk and Warren Counties

## CITY TAX RATES

| | FY 2015-16 $/$1,000 | FY 2016-17 $/$1,000 | FY 2017-18 $/$1,000 | FY 2018-19 $/$1,000 | FY 2019-20 $/$1,000 |
|---|---|---|---|---|---|
| Polk County 1) | 10.84198 | 10.39630 | 10.39541 | 10.37554 | 10.37537 |
| City of Des Moines | 16.92000 | 16.92000 | 17.04000 | 17.24000 | 16.64000 |
| Des Moines Ind. CSD | 18.42809 | 18.50586 | 18.56349 | 18.60074 | 18.60686 |
| Des Moines Area Comm. College | 0.67574 | 0.72334 | 0.67458 | 0.69468 | 0.65249 |
| Des Moines Regional Transit Authority | 0.80400 | 0.82400 | 0.82400 | 0.91475 | 0.93975 |
| State of Iowa | 0.00330 | 0.00330 | 0.00310 | 0.00290 | 0.00280 |
| Total Tax Rate | 47.67311 | 47.37280 | 47.50058 | 47.82861 | 47.21727 |

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

Source: Iowa Department of Management

## 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 Fiscal Year 2019-20. The City does levy costs for liability, property and self-insurance 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. Scott Sanders was appointed as City Manager in September of 2014 and is responsible for the day-to-day operations of the City. Mr. Sanders supervises all City staff, serves as the primary advisor to the City Council, directs major economic development initiatives, and is the chief negotiator for the City. He joined the City in 2011 as Finance Director and most recently served as Assistant City Manager. He has a strong background in city management with an emphasis on finance, budgets and administration. Mr. Sanders received a Bachelor's of Science degree in Computer Science and a Master's degree in Community and Regional Planning from Iowa State University. He has worked as a Senior Managing Consultant at Public Financial Management, Inc.; as the Finance Director for the City of Council Bluffs; Iowa, and Assistant City Manager and Finance Director for the City of West Des Moines, Iowa.

Mr. Nickolas J Schaul is the interim Finance Director/Treasurer and is responsible for the financial affairs of the City, effective January of 2020. Mr. Schaul has been the Assistant Finance Director since July 2017. Prior to working for the City, he served as Budget/Management Analyst for the City of Iowa City, Iowa from 2013 to 2017, and the Internal Auditor from 2007 to 2013. Prior to his work with the City of Iowa City, Iowa he worked as an Auditor for the Auditor of State – State of Iowa from 2005 to 2007. Mr. Schaul earned a Bachelor of Science Degree in Accounting from the University of Northern 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 unassigned balance that is no less than 15% 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 priority of supporting capital investment in neighborhood economic development programs. In October 2015, the City Council approved a Governance Guide and Strategic Plan ("GuideDSM") that developed a vision for the City as well as top priorities that would help guide decisions regarding the operating and capital budgets. Each year City staff and the City Council meet to review GuideDSM and develop an implementation plan for the year ahead.

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.

Starting in the fall, the City Council holds regularly scheduled 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 March. Concurrent citizen engagement workshops are held to inform citizens of city services and provide them the opportunity to offer feedback through polling, small group discussions and social media discussions.

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 City Council modifications and approval of the budget. The Fiscal Year 2019-20 budget was adopted by City Council on March 11, 2019. Tax levies for the new fiscal year (beginning with Fiscal Year 2020-21 and beyond) are certified to the State of Iowa by March 31 of each year.

Pursuant to an agreement between the City, Prairie Meadows Racetrack and Casino (the "Casino") and Polk County, Iowa, the City receives a portion of gaming revenues generated by the Casino through December 31, 2026. The City budget anticipates $6 million in Fiscal Year 2020-21 from the revenue-sharing agreement and applies those monies towards street and bridge maintenance and reconstruction projects.

## GENERAL FUND – AVAILABLE FUND BALANCE

Within its adopted Debt Management Program, the City Council has established a goal to maintain the City's General Fund unassigned fund balance at no less than 15% of annual expenditures on every June 30th. The table below details the historical General Fund Balance available:

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Available General Fund Balance | $25,362,143 | $28,308,731 | $27,775,452 | $32,604,828 | $44,374,483 |
| General Fund Operating Expenditures | $147,316,892 | $153,095,032 | $156,217,142 | $163,169,757 | $181,372,659 |
| Available General Fund Balance as a Percent of General Fund Expenditures | 17.20% | 18.49% | 17.78% | 19.98% | 24.47% |

## EMPLOYEES AND PENSIONS

The City currently has 1,792 budgeted full-time employees and approximately 172 part-time/seasonal employees. The City participates in two statewide 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 MFPRSI 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 membership is mandatory for employees of the City, except those covered by another retirement system. The City contributes to IPERS, which is a cost-sharing, multiple-employer, contributory defined benefit public employee retirement system. IPERS provides retirement and death benefits, which are established by state statute, to plan members and beneficiaries. IPERS is authorized to adjust the total contribution rate up or down each year, by no more than 1 percentage point, based upon the actuarially required contribution rate. The City's contributions to IPERS for the past three fiscal years, as shown below, equal the required contributions for each year.

| | FY 2016-17 | FY 2017-18 | FY 2018-19 |
|---|---|---|---|
| IPERS City Contribution | $6,104,238 | $6,559,917 | $7,070,797 |

Pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 68, the City reported a liability of $61,771,261 within its CAFR as of June 30, 2019 for its proportionate share of the net pension liability. The net pension liability is the amount by which the total actuarial liability exceeds the pension plan's net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2018, the City's collective proportion was 0.976427% which was an increase of 0.028764% from its proportion measured as of June 30, 2017.

The IPERS Comprehensive Annual Financial Report is available on the IPERS website, https://www.ipers.org/financial-and-investment, or by contacting IPERS at 7401 Register Drive P.O. Box 9117, Des Moines, IA 50321. However, the information presented in such financial reports or on such websites is not incorporated into this Preliminary Official Statement by any references.

*Bond Counsel, the City and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor's website or links to other internet sites accessed through the IPERS website.*

For additional information on the City's IPERS pension plan, refer to Note 7, Employee Retirement Systems, Subsection A, beginning on page 72 of the City's June 30, 2019 CAFR contained as APPENDIX C of this Preliminary Official Statement.

Municipal Fire and Police Retirement System of Iowa: 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. MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa.

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 City's contributions to MFPRSI for the past three fiscal years, as shown below, equal the required contributions for each year.

| | FY 2016-17 | FY 2017-18 | FY 2018-19 |
|---|---|---|---|
| MFPRSI City Contribution | $13,300,483 | $13,859,111 | $14,555,612 |

Pursuant to GASB Statement No. 68, the City reported a liability of $110,294,179 within its CAFR as of June 30, 2019 for its proportionate share of the net pension liability. The net pension liability is the amount by which the total actuarial liability exceeds the pension plan's net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. As of June 30, 2018, the City's proportion was 18.5243% which was an increase of 0.5171% from its proportion measured as of June 30, 2017.

The MFPRSI Financial Statements are available on the MFPRSI website, http://www.mfprsi.org/about-mfprsi/publications/, or by contacting MFPRSI at 7155 Lake Drive, Suite 201, West Des Moines, IA 50266. However, the information presented in such financial reports or on such websites is not incorporated into this Preliminary Official Statement by any references.

*Bond Counsel, the City and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from MFPRSI discussed above or included on the MFPRSI website, including, but not limited to, updates of such information on the State Auditor's website or links to other internet sites accessed through the MFPRSI website.*

For additional information on the City's MFPRSI pension plan, refer to Note 7, Employee Retirement Systems, Subsection B, beginning on page 77 of the City's June 30, 2019 CAFR contained as APPENDIX C of this Preliminary Official Statement.

**OTHER POST-EMPLOYMENT BENEFITS**

Plan Description: The City sponsors an agent multi-employer health care plan that provides medical, prescription drugs and dental benefits to all active and retired employees and their eligible dependents. Employees who have attained age 55 and retire from active employment are eligible for retiree benefits. Eligible retirees and their dependents receive medical and prescription coverage through a fully-insured plan with Wellmark Blue Cross/Blue Shield and dental benefits through a self-insured plan. These are the same plans that are available for active employees.

Funding Policy: The City establishes and amends the contribution requirements. The current funding policy of the City is to pay health insurance premiums as they occur. This arrangement does not qualify as other postemployment benefits ("OPEB") plan assets under GASB Statement No. 75 for current GASB reporting.

Contributions of the full premium are required for both retiree and dependent coverage. The contributions for each insured group is assumed to be the expected, composite per capita cost for the group. This composite is then disaggregated into an age-specific starting costs curve based on the average age of the group and for assumptions for age-based morbidity. The average age of the pre-65 retiree group is 62. Retiree expenses are then offset by monthly contributions. The City does not issue a publicly available financial report for the Plan. As of the Fiscal Year ended June 30, 2019, 1,600 active employees and 177 retired employees were utilizing these benefits.

Changes in the Total OPEB Liability: The City's total OPEB liability as of the Fiscal Year ended June 30, 2019 was $21,797,344. This balance was determined by an actuarial valuation as of that date.

| | Total OPEB Liability |
|---|---|
| Balance as of June 30, 2018 | $22,897,089 |
| Service cost | 702,378 |
| Interest | 891,160 |
| Changes in assumptions | 999,676 |
| Difference between expected and actual experience | (2,537,829) |
| Benefit payments | (1,155,130) |
| Balance as of June 30, 2018 | $21,797,344 |

The covered payroll (annual payroll of active employees covered by the plan) was approximately $125,853,482, and the ratio of the total OPEB liability to the covered payroll was 17.32%.

For additional information on the City's OPEB, refer to Note 14, Other Postemployment Benefits, beginning on page 94 of the City's June 30, 2019 CAFR contained as APPENDIX C of this Preliminary Official Statement.

**UNION CONTRACTS**

The City has 8 unions representing 1,393 employees. The following are brief descriptions of the unions and their contracts.

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 397. The current contract expires June 30, 2021.

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 28. The current contract expires June 30, 2020*.

Municipal Employees Association ("MEA"): Clerical and support staff throughout the City. The total number of employees covered by this bargaining unit is 298. The current contract expires June 30, 2020*.

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 272. The current contract expires June 30, 2023.

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 280. The current contract expires June 30, 2021.

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 27. The current contract expires June 30, 2020*.

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 52. The current contract expires June 30, 2022.

Gold Braid Organization: Certain Police Captains, Lieutenants, and Sergeants in the Police Department established a union. The total number of employees covered is 39. The current contract expires June 30, 2021.

* City will be negotiating extensions to these agreements.

## RISK MANAGEMENT

Risk management 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 Alliant Insurance Services, Inc. with a loss limit of $500,000,000 and loss of business income with extra expense coverage of up to $7,500,000. Different coverage areas will have different deductibles. Excess liability coverage is maintained through Allied World in the amount of $10,000,000 per occurrence, with a $2,000,000 self-insured retention.

For certain enterprise fund operations, automobile liability insurance is maintained through Travelers Insurance Companies with a per occurrence limit of $2,000,000 and a $5,000 deductible. This policy is designed to cover the excess liability policy's $2,000,000 self-insured retention. The Municipal Housing Agency purchases its own blanket property insurance policy with a $1,000,000 self-insured retention. Excess workers' compensation insurance is maintained for all employees through Safety National Casualty Corporation at statutory limits with a $1,250,000 self-insured retention.

The City has purchased cyber liability insurance coverage over data security and general cyber-crimes. This coverage includes access to incident response experts as well as coverage for costs related to recovering data and bringing systems back on line.

The City's tort liability claims and related administration expenses are accounted for in the appropriate fund related to the claim. Claims and related administrative expenses related to the General Fund, are accounted for in the Tort Liability Fund, a Special Revenue Fund. Health benefit insurance and related administration expenses are accounted for in an internal service fund. The current portion of workers compensation claims is recorded in the same fund as the recipient's payroll is recorded.

Within the past ten years, there has only been one workers' compensation claim that has been initiated, which exceeded the City's current $1,250,000 self-insured coverage. Within the past ten years, the City has had no claim for which it utilized its excess insurance policy. However, in 2017, the City settled a liability claim for $2,100,000 of which the maximum $2,000,000 was paid out by the enterprise operation's insurance with the remaining $100,000 being paid by the City. 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 the state of Iowa's (the "State") 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; housing and other community improvements and social services; economic development; and six libraries. Operation and maintenance of an international airport is performed by, and all airport facilities have been transferred to the Des Moines Airport Authority under Iowa Code Chapter 330A pursuant to long-term lease and asset transfer agreement.

The City currently maintains 75 parks covering approximately 4,286 acres, road medians and boulevards, and seven cemeteries. Recreation facilities include playgrounds, tennis courts, softball and soccer complexes, multi-use recreation trails, swimming pools, community centers and three golf courses. The City also owns the Principal Park baseball stadium (formerly Sec Taylor 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 a separate entity 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 wastewater reclamation facility, conveyance and flow equalization facilities. The WRA, which includes the City, eleven 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.

## LARGER EMPLOYERS

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

| Employer | Type of Business | Approximate Number of Employees |
|---|---|---|
| Wells Fargo & Co. | Financial Services | 13,500 |
| UnityPoint Health | Healthcare | 8,026 |
| State of Iowa | State Government | 7,700 [1)] |
| Principal Financial Group | Insurance | 6,527 |
| Hy-Vee Food Stores | Retail Food Stores | 6,400 |
| Des Moines Public Schools | Education | 5,287 [2)] |
| MercyOne | Healthcare (Hospitals and Clinics) | 4,536 |
| Nationwide/Allied Insurance | Insurance | 4,525 |
| John Deere Companies | Farm Equipment & Consumer Financial Services | 3,089 [3)] |
| Cortiva Agriscience [4)] | Seed Manufacturing | 2,500 |
| City of Des Moines | Government | 1,964 [5)] |
| Kum & Go | Convenience Store Chain | 2,000 |
| Wellmark Blue Cross Blue Shield | Insurance Provider | 2,000 |
| United Parcel Service (UPS) | Package Shipping | 1,600 |
| Mercer Health & Benefits LLC | Insurance | 1,560 |
| Polk County | County Government | 1,430 [5)] |
| EMC Insurance Companies | Insurance | 1,429 |
| YMCA of Greater Des Moines | Non-profit Youth Development & Fitness Centers | 1,300 |
| Dee Zee, Inc. | Aftermarket Automotive Accessories | 1,264 |
| Casey’s General Store, Inc. | Retail General Store | 1,200 |
| Firestone Agricultural Tire Co. | Agricultural Tires | 1,200 |
| Athene USA Corp. | Financial Services | 1,100 |
| The Iowa Clinic | Healthcare | 1,050 |
| Farm Bureau Financial Group, Inc. | Financial Services/Insurance | 1,043 |
| Drake University | Higher Education | 1,001 |
| MidAmerican Energy Company | Utility | 1,000 |

1) Total is for the Greater Des Moines metropolitan statistical area which includes Dallas, Guthrie, Madison, Polk and Warren counties.
2) Total does not include substitute teachers.
3) Includes both John Deere Des Moines Works and John Deere Credit Company.
4) Formerly DuPont Pioneer.
5) Includes full-time, part-time and seasonal employees.

Source: The Greater Des Moines Partnership and company inquiries. The list is updated frequently as changes are identified and is not to be construed as a complete profile.

## AVERAGE ANNUAL LABOR FORCE DATA

| | Total Civilian Labor Force | | Unemployment Rate | |
|---|---|---|---|---|
| | Des Moines Metro Area | State of Iowa | Des Moines Metro Area | State of Iowa |
| 2015 | 340,100 | 1,701,500 | 3.6% | 3.8% |
| 2016 | 344,100 | 1,694,100 | 3.3% | 3.6% |
| 2017 | 347,500 | 1,678,300 | 2.9% | 3.1% |
| 2018 | 353,600 | 1,686,800 | 2.4% | 2.5% |
| 2019 (through October) | 369,360 | 1,732,670 | 2.5% | 2.5% |

Source: Iowa Workforce Development

## 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 household retail sales for the survey years 2014 through 2018.

| Survey Year | Total EBI ($000) | Median Household EBI | Total Retail Sales ($000) | Retail Sales Per Household |
|---|---|---|---|---|
| 2014 | $3,879,532 | $37,584 | $1,957,431 | $23,239 |
| 2015 | 4,043,705 | 38,942 | 2,264,948 | 26,468 |
| 2016 | 4,395,657 | 41,299 | 2,755,261 | 31,782 |
| 2017 | 4,693,628 | 43,196 | 3,354,146 | 38,354 |
| 2018 | 4,621,243 | 42,510 | 2,787,062 | 31,761 |

Note: The Iowa median household EBI for 2018 was $48,743.

| | 2018 Effective Buying Income Groups | | |
|---|---|---|---|
| | Less than $15,000-$34,999 | $35,000-$74,999 | $75,000 and Over |
| Des Moines | 40.2% | 41.2% | 18.6% |
| Polk County | 29.8% | 39.8% | 30.4% |
| Warren County | 25.5% | 41.1% | 33.4% |
| State of Iowa | 33.5% | 40.1% | 26.4% |

Source: Claritas, Inc. 2018 report

## CITY BUILDING PERMITS

City officials report the following construction activity as of September 30, 2019. Permits for the City are reported on a fiscal year basis.

| | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 |
|---|---|---|---|---|---|
| Single Family Homes: | | | | | |
| No. of new homes: | 130 | 226 | 225 | 274 | 134 |
| Valuation: | $29,054,161 | $35,832,400 | $35,369,542 | $40,363,601 | $26,356,882 |
| Multiple Family Dwellings: | | | | | |
| No. of new buildings: | 66 | 21 | 24 | 9 | 3 |
| Valuation: | $153,831,158 | $131,816,009 | $133,889,775 | $31,560,000 | $26,500,000 |
| Residential Homes - Additions & Alterations: | | | | | |
| No. of permits issued: | 1,656 | 1,695 | 2,299 | 2,130 | 672 |
| Valuation: | $96,405,725 | $48,622,431 | $58,140,414 | $42,486,451 | $8,066,797 |
| Commercial/Industrial/Other: | | | | | |
| No. of new buildings/additions: | 73 | 64 | 88 | 77 | 13 |
| Valuation: | $355,310,994 | $326,473,435 | $81,367,414 | $166,961,135 | $67,000,674 |
| Commercial/Industrial/Other: Remodels & Alterations: | | | | | |
| No. of permits: | 298 | 348 | 421 | 427 | 112 |
| Valuation: | $89,451,940 | $157,303,142 | $197,670,992 | $181,081,554 | $24,101,110 |
| Demolitions: | | | | | |
| No. of permits: | 152 | 139 | 227 | 289 | 74 |
| Valuation: | $0 | $0 | $0 | $0 | $0 |
| Total Permits: | 2,375 | 2,493 | 3,284 | 3,206 | 1,008 |
| Total Valuations: | $724,053,978 | $700,047,417 | $506,438,137 | $462,452,741 | $152,025,463 |

## EDUCATION

The Des Moines Independent Community School District provides education in the City. The District's certified enrollment for the last five school years is as follows:

| School Year | Certified Enrollment |
|---|---|
| 2015-16 | 32,396 |
| 2016-17 | 32,582 |
| 2017-18 | 32,979 |
| 2018-19 | 33,057 |
| 2019-20 | 32,789 |

A small portion of the Des Moines residents are 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 University. Two-year degree programs are offered at Des Moines Area Community College, Vatterott College and Kaplan University.

## U.S. CENSUS DATA

| | | |
|---|---|---|
| City Population: | 1990 U.S. Census | 193,189 |
| | 2000 U.S. Census | 198,682 |
| | 2010 U.S. Census (corrected) | 204,220 [1)] |

1) The City's 2010 population was corrected by the U.S. Census Bureau as of March 15, 2013.

Source: U.S. Census Bureau

## FINANCIAL SERVICES

Residents of the Des Moines metropolitan area are serviced by numerous regional banking institutions. Collective total deposits for banks located within Polk County as of June 30, 2019 exceeded $10.4 billion. Total deposits as of June 30, 2019 for a sampling of banks headquartered within the Des Moines metropolitan area are listed as follows:

| Bank | Deposits |
|---|---|
| Bankers Trust Company, N.A. | $3,701,687,000 |
| Principal Bank | 2,971,947,000 |
| West Bank | 1,969,796,000 |
| Iowa State Bank | 297,873,000 |
| Peoples Bank | 264,702,000 |
| Midwest Heritage Bank | 220,402,000 |

Source: Federal Deposit Insurance Corporation (FDIC)

## FINANCIAL STATEMENTS

The City's June 30, 2019 Comprehensive Annual Financial Report as prepared by a certified public accountant is reproduced as APPENDIX C. The City's certified public accountant has not consented to distribution of the Comprehensive Annual Financial Report and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City's prior Comprehensive Annual Financial Reports may be obtained from the City's Municipal Advisor, PFM Financial Advisors LLC.

# APPENDIX B

FORM OF LEGAL OPINION

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Ahlers & Cooney, P.C.
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DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Des Moines, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Refunding Bonds, Series 2020A, by said City, dated March 9, 2020, in the denomination of $5,000 or multiples thereof, in the aggregate amount of $__________________ (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.

2. The Bonds are valid and binding general obligations of the Issuer.

3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

# APPENDIX C

JUNE 30, 2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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# CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Des Moines, State of Iowa (the "Issuer"), in connection with the issuance of $__________________ General Obligation Refunding Bonds, Series 2020A (the "Bonds") dated March 9, 2020. The Bonds are being issued pursuant to a Resolution of the Issuer approved on February 24, 2020 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. <u>Purpose of the Disclosure Certificate; Interpretation</u>. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5). This Disclosure Certificate shall be governed by, construed and interpreted in accordance with the Rule, and, to the extent not in conflict with the Rule, the laws of the State. Nothing herein shall be interpreted to require more than required by the Rule.

Section 2. <u>Definitions</u>. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with S.E.C. Rule 15c2-12.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated _______________, 2020.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (S.E.C.) under the Securities Exchange Act of 1934, and any guidance and procedures thereunder published by the S.E.C., as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

a) The Issuer shall, or shall cause the Dissemination Agent to, not later than two hundred seventy (270) days after the end of the Issuer's fiscal year (presently June 30th), commencing with information for the 2019/2020 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

b) If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.

c) The Dissemination Agent shall:

i. each year file Annual Financial Information with the National Repository; and

ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

Section 4. Content of Annual Financial Information. The Issuer's Annual Financial Information filing shall contain or incorporate by reference the following:

a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.

b) The City's comprehensive annual financial report ("CAFR") for the prior fiscal year, prepared in accordance with the prevailing Certificate of Achievement program requirements of the Government Finance Officers Association ("GFOA"); provided, however, that the City does not undertake, as a part hereof, to submit its CAFR to the GFOA in any future year for such purposes, nor does the City make any representation as to whether any future CAFR will receive said Certificate of Achievement.

c) To the extent such information is not included in the materials submitted under subparagraphs (a) and (b) of this Section 4, a table or schedule, prepared as of the end of the prior fiscal year, containing information of the type set forth in the final Official Statement with respect to the Bonds under the following headings:

- Property Valuations
- Trend of Valuations
- Larger Taxpayers
- Direct Debt
- Levies and Collections
- City Tax Rates

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a) Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event:

i. Principal and interest payment delinquencies;

ii. Non-payment related defaults, if material;

iii. Unscheduled draws on debt service reserves reflecting financial difficulties;

iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;

v. Substitution of credit or liquidity providers, or their failure to perform;

vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;

vii. Modifications to rights of Holders of the Bonds, if material;

viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;

ix. Defeasances of the Bonds;

x. Release, substitution, or sale of property securing repayment of the Bonds, if material;

xi. Rating changes on the Bonds;

xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;

xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

xvi. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

c) If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of that Series or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Financial Information filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Financial Information filing for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Rescission Rights. The Issuer hereby reserves the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the Issuer hereby reserves the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

Date: 9th day of March, 2020.

CITY OF DES MOINES, STATE OF IOWA

By: ___________________________________
Mayor

ATTEST:

By: ________________________________
City Clerk

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: City of Des Moines, Iowa.

Name of Bond Issue: $__________________ General Obligation Refunding Bonds, Series 2020A

Dated Date of Issue: March 9, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by ____________________.

Dated: __________ day of _______________, 20___.

CITY OF DES MOINES, STATE OF IOWA

By: ____________________________________
Its: ____________________________________

01670240-1\10387-307

## OFFICIAL BID FORM

To: City Council of
Des Moines, Iowa

Sale Date: February 12, 2020
10:00 A.M., Central Time

RE: $29,525,000* General Obligation Refunding Bonds, Series 2020A (the "Bonds")

This bid is a firm offer for the purchase of the Bonds identified in the NOTICE OF BOND SALE and TERMS OF OFFERING and on the terms set forth in this bid form and is not subject to any conditions, except as permitted by the NOTICE OF BOND SALE and TERMS OF OFFERING. By submitting this bid, we confirm we have an established industry reputation for underwriting new issuance of municipal Bonds. For all or none of the above Bonds, in accordance with the NOTICE OF BOND SALE and TERMS OF OFFERING, we will pay you $_______________ (not less than $29,318,325) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

| Coupon | Maturity | Yield | Coupon | Maturity | Yield |
|---|---|---|---|---|---|
| __________ | 2021 | __________ | __________ | 2027 | __________ |
| __________ | 2022 | __________ | __________ | 2028 | __________ |
| __________ | 2023 | __________ | __________ | 2029 | __________ |
| __________ | 2024 | __________ | __________ | 2030 | __________ |
| __________ | 2025 | __________ | __________ | 2031 | __________ |
| __________ | 2026 | __________ | __________ | 2032 | __________ |

* Preliminary; subject to change. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of $5,000 but the total amount to be issued will not exceed $32,000,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the successful bidder.

We hereby designate that the following Bonds to be aggregated into term Bonds maturing on June 1 of the following years and in the following amounts (leave blank if no term Bonds are specified):

| Years Aggregated | Maturity Year | Aggregate Amount |
|---|---|---|
| _______ through _______ | _____________ | _____________ |
| _______ through _______ | _____________ | _____________ |
| _______ through _______ | _____________ | _____________ |

In making this offer we accept all of the terms and conditions of the NOTICE OF BOND SALE and TERMS OF OFFERING published in the Preliminary Official Statement dated January 27, 2020 and represent we are a bidder with an established industry reputation for underwriting new issuances of municipal bonds. In the event of failure to deliver the Bonds in accordance with the NOTICE OF BOND SALE and 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.

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: _________________________% (Dated date March 9, 2020)

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 12th day of February 2020.

Attest: ____________________________________________ By: __________________________________________

Title: _____________________________________________ Title: ________________________________________