

Date May 6, 2019

RESOLUTION APPROVING REVISED DISCLOSURE POLICY OF THE CITY OF DES MOINES

WHEREAS, the Securities Exchange Commission has urged issuers of municipal bonds to adopt written policies and procedures to help ensure their compliance with the requirements under Rule 15c2-12, as amended, promulgated under the Securities Exchange Act of 1934, as amended; and

WHEREAS, all governmental bond issuers are advised to review their existing policies and procedures relating to primary disclosure and continuing disclosure, and where appropriate, adopt such additional policies and procedures as may be necessary to ensure their on-going compliance with the rules and regulations governing disclosure; and

WHEREAS, by Roll Call No. 16-0055 of January 11, 2016, the City Council approved the Continuing Disclosure Policy of the City to ensure that the City efficiently carries out its continuing disclosure obligations with respect to securities it issues or guarantees pursuant to Rule 15c2-12, as amended.

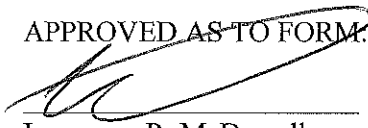
WHEREAS, the Finance Director has submitted a revised Disclosure Policy to address amendments to Rule 15c2-12 and incorporate certain updated terms and has recommended its adoption for incorporating into the Debt Management Program Policy; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that the revised Disclosure Policy is hereby adopted for incorporation in the Debt Management Program Policy of the City of Des Moines.

BE IT FURTHER RESOLVED that the Finance Director/City Treasurer shall act as the Disclosure Coordinator responsible for the disclosure tasks delineated in the adopted revised Disclosure Policy.

BE IT FURTHER RESOLVED that the Finance Director is hereby directed to disseminate the Debt Management Program Policy including the revised Disclosure Policy to the members of the City Council and the City employees set out in the Policy.

APPROVED AS TO FORM: _____ Moved by _____ to adopt.



(Council Communication No. 19-184)

Lawrence R. McDowell
Deputy City Attorney

G:\APPDATA\LEGAL\LAWYERS\LRM\RC\Debt Management Program Policy - Revised

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATTO				
GRAY				
MANDELBAUM				
WESTERGAARD				
TOTAL				

MOTION CARRIED APPROVED

CERTIFICATE

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

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

_____ Mayor

_____ City Clerk

City of Des Moines, Iowa

DISCLOSURE POLICY

Article I

General Overview

Section 1.01. Purpose. This Disclosure Policy ("Policy") of the City of Des Moines, Iowa (the "City") is intended to ensure that the City efficiently carries out its disclosure obligations with respect to Securities it issues or guarantees pursuant to Rule 15c2-12, as amended (the "Rule"), promulgated under the Securities Exchange Act of 1934, as amended.

Section 1.02. Background. The Rule prohibits underwriters from purchasing bonds for resale to private investors unless the issuer provides an official statement and contractually promises to provide specified disclosures as required in the Rule. To facilitate compliance with the Rule, each issuer must enter into a continuing disclosure agreement ("Disclosure Agreement(s)") with the purchaser or underwriter in connection with each new issuance of Securities, thereby creating a contractual promise on behalf of the issuer to provide the market with these disclosures. The City is responsible for ensuring that all disclosure documents contain accurate information. The SEC has asserted that, under Rule 10b-5, "disclosure documents used by municipal issuers, such as official statements, are subject to the prohibition against false or misleading statements of material facts, including the omission of material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading."

Section 1.03. Securities Subject to the Rule. Various offerings of securities are fully or partially exempt from the continuing disclosure provisions under the Rule. Offerings with an aggregate original principal amount of less than \$1 million ("Small Offerings"), offerings sold prior to July 3, 1995 ("Old Offerings") and offerings sold by an issuer directly to investors without using a broker, dealer, or municipal securities dealer as an underwriter or placement agent ("Direct Offerings") are entitled to certain exemptions from all continuing disclosure provisions under the Rule, unless the City voluntarily agrees to provide continuing disclosures for an otherwise exempt offering. SRF loans are considered "Direct Offerings" for purposes of the Rule, but should also be analyzed for consideration as a reportable "Financial Obligation" under a Disclosure Agreement entered into after February 27, 2019.

Section 1.04. Definitions. In addition to the terms defined above, the following capitalized terms shall have the following meanings:

- indenture, loan agreement or similar contract, but does not include lease arrangements that are not vehicles to borrow money (e.g. operating leases) which do not represent competing debt of the City.
- d. A "derivative instrument" includes a swap, security-based swap, futures contract, forward contract, option, any combination of the foregoing, or any similar instrument to which the City is a counterparty, designed to hedge against the risks of a related debt obligation, as opposed to such vehicles designed to mitigate investment risk.
 - e. The City should analyze each "Financial Obligation" upon the facts and circumstances in accordance with the Rule, and any subsequent guidance thereunder by the SEC.
- (H) "Fiscal Year" means the fiscal year of the City, beginning on July 1 and ending on the following June 30.
 - (I) "Listed Event" means any of the events listed in Exhibit A of this Policy.
 - (J) "MSRB" means the Municipal Securities Rulemaking Board or any other board or entity which succeeds to the functions currently delegated to the Municipal Securities Rulemaking Board by the Rule.
 - (K) "Official Statement" shall have the meaning set forth in Section 3.01 of this Policy.
 - (L) "SEC" means the United States Securities and Exchange Commission.
 - (M) "Securities" means any securities issued by, or whose payment is guaranteed by the City, that are subject to the Rule.

Article II

Key Participants and Responsibilities

Section 2.01. Disclosure Coordinator. By adoption of this Policy, the City hereby appoints the Finance Director to act as the Disclosure Coordinator of the City.

Section 2.02. Responsibilities. The Disclosure Coordinator is responsible for the following tasks:

- (A) reviewing and approving all preliminary and final official statements relating to the City's Securities, together with any supplements, for which a

Article III ***Official Statements***

Section 3.01. Review and Approval of Official Statements. Whenever the City issues Securities, an Official Statement may be prepared. Each of these Official Statements contains information relating to the City's finances. The Disclosure Coordinator, along with assistance from the Financial Advisor, or any other third-party consultant or attorney retained for such purposes, shall have primary responsibility for ensuring that all such information is accurate and not misleading in any material aspect. The Official Statement may also include a certification that the information contained in the Official Statement regarding the City, as of the date of each Official Statement, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the information contained in the Official Statement, in light of the circumstances under which it was provided, not misleading. When undertaking review of a final or preliminary Official Statement, the Disclosure Coordinator shall:

- (A) review the Official Statement to ensure: (i) that there are no material misstatements or omissions of material information in any sections, (ii) that the information relating to the City that is included in the Official Statement is accurate, and (iii) that when necessary the information relating to the City has been reviewed by a knowledgeable Employee or other appropriate person;
- (B) draft, or cause to be drafted, for the Official Statement descriptions of (i) any material current, pending or threatened litigation, (ii) any material settlements or court orders and (iii) any other legal issues that are material information for purposes of the Official Statement; and
- (C) report any significant disclosure issues and concerns to Financial Advisor, or any other third-party consultant or attorney retained for such purposes.

Section 3.02. Submission of Official Statements to City Council for Approval. The Disclosure Coordinator shall submit all Official Statements to the City Council for review and approval. The City Council shall undertake such review as deemed necessary by the City Council, following consultation with the Disclosure Coordinator, to fulfill the City Council's responsibilities under applicable federal and state securities laws.

financial statements will be submitted to EMMA when they have been prepared. In the event neither audited nor unaudited financial statements are timely posted, the City shall file a "failure to file notice" in accordance with the Rule. The failure to file notice for audited financial statements shall include information describing the nature and/or cause of the failure to meet the contractual deadline and, if available, an approximate timeframe for when the completed audited financial statements is expected to be submitted. Audited financial statements shall be filed as soon as available. If updated financial and operating information is not posted by the filing deadline, the Disclosure Coordinator shall cause a "failure to file notice" to be posted to EMMA in accordance with the Rule.

- (ii) All documents submitted to the MSRB through EMMA that are identified by specific reference to documents already available to the public on the MSRB's Internet website or filed with the SEC shall be clearly identified by cross reference.

Article V

Listed Event Filings

Section 5.01. Disclosure of Listed Events. Pursuant to Rule 15c2-12(b)(5)(i)(C), the City is obligated to disclose to the MSRB notice of certain specified events with respect to the Securities (a "Listed Event"). Employees shall be instructed to notify the Disclosure Coordinator if he or she becomes aware of any of the Listed Events listed in the City's Disclosure Agreements. The Disclosure Coordinator may consult with the Financial Advisor, or any other third-party consultant or attorney retained for such purposes, to discuss the event and to determine whether a filing is required or is otherwise desirable. If such a filing is deemed necessary, the Disclosure Coordinator shall cause a notice of the Listed Event (a "Listed Event Notice") that complies with the Rule to be prepared, and the Disclosure Coordinator shall file the Listed Event Notice as required by the Rule as follows:

- (A) Prior to issuance of new Securities after February 27, 2019, a complete list of current Financial Obligations shall be compiled in accordance with Exhibit D hereof, and submitted to the Disclosure Coordinator for continuous monitoring with regard to compliance with all Disclosure Agreements entered into on or after February 27, 2019.
- (B) The Disclosure Coordinator shall:

Section 6.03. Public Statements Regarding Financial Information. Whenever the City makes statements or releases information relating to its finances to the public that is reasonably expected to reach investors and the trading markets (including, without limitation, all Listed Event notices, statements in the annual financial reports, and other financial reports and statements of the City), the City is obligated to ensure that such statements and information are accurate and complete in all material aspects. The Disclosure Coordinator shall assist the Mayor, City Clerk, and City Council in ensuring that such statements and information are accurate and not misleading in any material aspect. City Employees shall, to the extent possible, coordinate statements or releases as outlined above with the Disclosure Coordinator. Investment information published on the City's website shall include a cautionary statement referring investors to EMMA as the official repository for the City's Securities-related data.

The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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*;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

Additionally, the following events apply to Disclosure Agreements entered into by the City on or after February 27, 2019:

(15) Incurrence of a Financial Obligation of the obligated person, *if material*³, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, *if material*; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

³ Materiality is determined upon the incurrence of each distinct Financial Obligation, taking into account all relevant facts and circumstances. A Financial Obligation is considered to be incurred when it is enforceable against the City. Listed Event Notices for Financial Obligations (under 15 and 16 above) should generally include a description of the material terms of the Financial Obligation, including: (i) date of the incurrence, (ii) principal amount, (iii) maturity and amortization; (iv) interest rate(s), if fixed, or method of computation, if variable, (v) other appropriate terms, based on the circumstances. In addition to a summary of material terms, the City may alternatively, or in addition, submit related materials, such as transaction documents (which may require some redaction), terms sheets prepared in connection with the Financial Obligation, or continuing covenant agreements or financial covenant reports.

EDGAR system; further, if such document includes audited financial statements, the submitter should also index such submission as "Audited Financial Statements or CAFR" in addition to (but not instead of) "Annual Financial Information and Operating Data" unless the submitter submits such audited financial statements separately to EMMA.

Failure to file notices are to be submitted to EMMA as follows:

- through the EMMA Dataport;
- in one or more electronic document format files as required by the Rule at the time of filing, configured to permit documents to be saved, viewed, printed and retransmitted by electronic means ("properly formatted pdf file"); and
- indexed by the submitter as "Failure to Provide Annual Financial Information."

* Procedures subject to change

EXHIBIT D
FINANCIAL OBLIGATION INVENTORY
Update Upon Incurrence

DESCRIPTION OF OBLIGATION AND AMOUNT	DATE INCURRED	FINAL PAYMENT DATE	SOURCE OF INFORMATION	DATE INFORMATION WAS FILED