

**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 21, 2023**

**New 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 on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. 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**

**\$72,630,000\* General Obligation Bonds, Series 2023A**

BIDS RECEIVED: Wednesday, October 4, 2023, 10:00 A.M., Central Time

AWARD: Wednesday, October 4, 2023, 4:30 P.M., Central Time

**Dated:** Date of Delivery (November 7, 2023)

**Principal Due:** June 1, as shown inside front cover

The \$72,630,000\* General Obligation Bonds, Series 2023A (the "Bonds") are being issued pursuant to Subchapter III of Chapters 384 and Chapter 403 of the Code of Iowa and a resolution (the "Resolution") to be adopted by the City Council of the City of Des Moines, Iowa (the "City"). The Bonds are being issued for various new money purposes. See "AUTHORITY AND PURPOSE" section herein for detailed project descriptions. 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 to the repayment of the Bonds.

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's Finance Director, as designated Paying Agent/Registrar (the "Registrar"), will pay principal on the Bonds payable annually on each June 1, beginning June 1, 2024, and interest on the Bonds, payable initially on June 1, 2024, and thereafter on each December 1 and June 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. 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 15<sup>th</sup> day of the month preceding such interest payment date (the "Record Date").

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

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**MINIMUM BID:** \$71,903,700  
**GOOD FAITH DEPOSIT:** \$726,300 Required of Purchaser Only  
**TAX MATTERS:** Federal: Tax-Exempt  
State: Taxable  
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 the Bonds in the definitive form will be available on or about November 7, 2023. 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.

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

**CITY OF DES MOINES, IOWA**

**\$72,630,000\* General Obligation Bonds, Series 2023A**

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

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2024	\$4,170,000	2034	\$3,125,000
2025	3,880,000	2035	3,280,000
2026	4,060,000	2036	3,445,000
2027	4,275,000	2037	3,620,000
2028	4,480,000	2038	3,800,000
2029	3,030,000	2039	3,215,000
2030	3,180,000	2040	3,375,000
2031	3,335,000	2041	3,545,000
2032	3,500,000	2042	3,720,000
2033	3,685,000	2043	3,910,000

**\* PRINCIPAL**

**ADJUSTMENT:** Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Bonds and to increase or reduce each scheduled maturity thereof 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 \$74,500,000. 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 June 1, 2024 and semiannually thereafter.

**OPTIONAL**

**REDEMPTION:** The Bonds, due after June 1, 2031, will be subject to call 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 TERMS OF OFFERING contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the near final "Official Statement".

**Review Period:** This Preliminary Official Statement has been distributed to 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 not be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

**Final Official Statement:** Upon award of sale of the Bonds, the legislative body will authorize the preparation of a final Official Statement that includes the offering prices, interest rates, 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 is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information 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  
Indira Sheumaker..... 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 Schaul, Finance Director/Treasurer  
Laura Baumgartner, 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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**OFFICIAL BID FORM**

**TERMS OF OFFERING**

**CITY OF DES MOINES, IOWA**

**\$72,630,000\* General Obligation Bonds, Series 2023A**

Bids for the purchase of the City of Des Moines, Iowa’s (the “City”) \$72,630,000\* General Obligation Bonds, Series 2023A (the “Bonds”) will be received on Wednesday, October 4, 2023 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 515-724-5724. Information may also be obtained from the office of the City’s Finance Director/Treasurer, 400 Robert D. Ray Dr., Des Moines, Iowa 50309, telephone 515-283-4540.

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 BONDS, SERIES 2023A in the principal amount of \$72,630,000\*, to be dated the date of delivery (anticipated to be November 7, 2023), in the denomination of \$5,000 or multiples thereof, and will mature June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2024	\$4,170,000	2034	\$3,125,000
2025	3,880,000	2035	3,280,000
2026	4,060,000	2036	3,445,000
2027	4,275,000	2037	3,620,000
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2029	3,030,000	2039	3,215,000
2030	3,180,000	2040	3,375,000
2031	3,335,000	2041	3,545,000
2032	3,500,000	2042	3,720,000
2033	3,685,000	2043	3,910,000

\* Preliminary; subject to change.

**ADJUSTMENT TO THE BONDS MATURITY AMOUNTS**

The City reserves the right to increase or decrease the aggregate principal amount of the Bonds and to increase or reduce each scheduled maturity thereof 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 \$74,500,000. 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 June 1, 2024, and semiannually on the 1<sup>st</sup> day of December and June 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 15<sup>th</sup> day of the month 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 FOR THE BONDS

The Bonds, due after June 1, 2031, 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 note maturities or mandatory redemption requirements, or a combination of both.

## GOOD FAITH DEPOSIT

A good faith deposit in the amount of \$726,300 (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 Deposits 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 a price not less than \$71,903,700, plus accrued interest for the Bonds, 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(s) 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 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

The rates of interest specified in the bidder's proposal must conform to the following limitations:

1. Each annual maturity must 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 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(s) who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the TERMS OF OFFERING 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 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 Finance Director/Treasurer, 400 Robert D. Ray Dr., Des Moines, Iowa 50309 and/or City's Municipal Advisor, PFM Financial Advisors LLC, 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 prospective 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 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 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 SYSTEM

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 the Registrar on behalf of 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.

## ELECTRONIC EXECUTED DOCUMENTS

The Purchaser consents to the receipt of electronic transcripts and acknowledges the City's intended use of electronically executed documents. Iowa Code chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

## 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 as 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, as set forth below, 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 (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). 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 (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds, if any, shall be subject to the 10% test and which 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 the following: (i) the close of the fifth (5th) business day after the sale date; or (ii) 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 of the Bonds 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 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 30 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 not later than two hundred seventy (270) days after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2023, 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.

The City is not aware of any instance in the previous five years in which it has failed to comply, in all material respects, with previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) 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. 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 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, Finance Director/Treasurer

## SCHEDULE OF BOND YEARS

**\$72,630,000\***

### **CITY OF DES MOINES, IOWA General Obligation Bonds, Series 2023A**

Bonds Dated: November 7, 2023

Interest Due: June 1, 2024 and each December 1 and June 1 to maturity

Principal Due: June 1, 2024 - 2043

<u>Year</u>	<u>Principal</u> *	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2024	\$4,170,000	2,363.00	2,363.00
2025	3,880,000	6,078.67	8,441.67
2026	4,060,000	10,420.67	18,862.33
2027	4,275,000	15,247.50	34,109.83
2028	4,480,000	20,458.67	54,568.50
2029	3,030,000	16,867.00	71,435.50
2030	3,180,000	20,882.00	92,317.50
2031	3,335,000	25,234.83	117,552.33
2032	3,500,000	29,983.33	147,535.67
2033	3,685,000	35,253.17	182,788.83
2034	3,125,000	33,020.83	215,809.67
2035	3,280,000	37,938.67	253,748.33
2036	3,445,000	43,292.17	297,040.50
2037	3,620,000	49,111.33	346,151.83
2038	3,800,000	55,353.33	401,505.17
2039	3,215,000	50,046.83	451,552.00
2040	3,375,000	55,912.50	507,464.50
2041	3,545,000	62,273.83	569,738.33
2042	3,720,000	69,068.00	638,806.33
2043	3,910,000	76,505.67	715,312.00

Average Maturity (dated date): 9.849 Years

\* Preliminary; subject to change.

**EXHIBIT 1**

**FORMS OF ISSUE PRICE CERTIFICATES**

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

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**ISSUE PRICE CERTIFICATE**

**\$ \_\_\_\_\_ General Obligation Bonds, Series 2023A  
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.

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 October 4, 2023.

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).

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

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: November 7, 2023



**SCHEDULE A**

**EXPECTED OFFERING PRICES**

**\$ \_\_\_\_\_ General Obligation Bonds, Series 2023A  
City of Des Moines, Iowa**

*(Attached)*

**SCHEDULE B**

**COPY OF UNDERWRITER'S BID**

**\$ \_\_\_\_\_ General Obligation Bonds, Series 2023A  
City of Des Moines, Iowa**

*(Attached)*

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

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**ISSUE PRICE CERTIFICATE**

\$ \_\_\_\_\_ **General Obligation Bonds, Series 2023A**  
**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 October 4, 2023.

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: November 7, 2023

**SCHEDULE A**

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

**\$\_\_\_\_\_ General Obligation Bonds, Series 2023A  
City of Des Moines, Iowa**

*(Attached)*

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

**\$ \_\_\_\_\_ General Obligation Bonds, Series 2023A  
City of Des Moines, Iowa**

*(Attached)*

# **PRELIMINARY OFFICIAL STATEMENT**

## **CITY OF DES MOINES, IOWA**

### **\$72,630,000\* General Obligation Bonds, Series 2023A**

#### **INTRODUCTION**

This Preliminary Official Statement contains information relating to the City of Des Moines, Iowa (the “City”) and its issuance of \$72,630,000\* General Obligation Bonds, Series 2023A (the “Bonds”). This Preliminary Official Statement has been executed on behalf of the City by its Finance Director/Treasurer and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries may be made to the City’s Municipal Advisor, PFM Financial Advisors LLC (the “Municipal Advisor”), 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309, telephone 515-724-5724. Information may also be obtained from Mr. Nickolas Schaul, Finance Director/Treasurer, City of Des Moines, 400 Robert D. Ray Dr., Des Moines, Iowa, 50309, telephone 515-283-4540.

\* Preliminary; subject to change.

#### **AUTHORITY AND PURPOSE**

The Bonds are being issued pursuant to Subchapter III of Chapters 384 and 403 of the Code of Iowa and a resolution to be adopted by the City Council authorizing the issuance of the Bonds (the “Resolution”). The Bonds are being issued for the purpose of paying costs of acquisition, construction, reconstruction, enlargement, improvement, and repair of bridges, culverts, retaining walls, viaducts, underpasses, grade crossing separations, and approaches thereto; rehabilitation and improvement of parks already owned, including the removal, replacement and planting of trees in the parks, and facilities, equipment, and improvements commonly found in city parks; equipping of fire, sanitation, and street departments; acquisition and improvement of real estate for cemeteries, and the construction, reconstruction, and repair of cemetery facilities; acquisition, construction, reconstruction, and improvement of all waterways, and real and personal property, useful for the protection or reclamation of property situated within the corporate limits of cities from floods or high waters, and for the protection of property in cities from the effects of flood waters, including the deepening, widening, alteration, change, diversion, or other improvement of watercourses, within or without the city limits, the construction of levees, embankments, structures, impounding reservoirs, or conduits, and the establishment, improvement, and widening of streets, avenues, boulevards, and alleys across and adjacent to the project, as well as the development and beautification of the banks and other areas adjacent to flood control improvements; opening, widening, extending, grading, and draining of the right-of-way of streets, highways, avenues, alleys, public grounds, and market places, and the removal and replacement of dead or diseased trees thereon; construction, reconstruction, and repairing of any street improvements; acquisition, installation, and repair of traffic control devices; acquisition, construction, improvement, and installation of street lighting fixtures, connections, and facilities; construction, reconstruction, and repair of sidewalks and pedestrian underpasses and overpasses; and the acquisition of real estate needed for any of the foregoing purposes; acquisition, restoration, or demolition of abandoned, dilapidated, or dangerous buildings, structures or properties or the abatement of a nuisance; acquisition, improvement, extension and enhancement of City’s information technology systems, including data and voice communications, fiber optic and wireless networks, data storage and servers, cybersecurity, and enterprise software; various HVAC, electrical, and plumbing improvements at city facilities; energy conservation projects focused on completing energy efficiency studies city-wide and purchasing of energy efficient equipment; security improvements to facilities city-wide; public art; and acquisition, construction, reconstruction, enlargement, improvement, and equipping of recreation grounds, buildings, and centers, including repair and replacement of aquatic centers and swimming pools; equipping city facilities including improvements to the library’s existing collections and replacements of books, audio materials, videos and electronic media; acquisition, construction, reconstruction, enlargement, improvement, and equipping of city facilities and public improvements, including site preparation and construction of a greenhouse and a headhouse; and building repairs and improvements for the Central Library and its branch locations; acquisition, construction, reconstruction, enlargement, improvement, and equipping of city facilities, including the Armory, City Hall, Police facilities and the Police Academy, and other municipal buildings; aiding in the planning, undertaking and carrying out of urban renewal projects in accordance with Iowa Code chapter 403 and the urban renewal plans for the Ingersoll-Grand Commercial Urban Renewal Area, Metro Center Urban Renewal Area, Central Place Industrial Park

Redevelopment Program Area Urban Renewal Area, and SE Agribusiness Urban Renewal Area, as amended, including the Animal Control Facility, Principal Park, Central Iowa Water Trails, and various public improvement projects involving street, streetscape, bridge, sidewalk, skywalk, utility and park improvements, with related site improvements.

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

<u>Sources of Funds*</u>	
Par Amount of Bonds	\$72,630,000.00
 <u>Uses of Funds*</u>	
Deposit to Project Funds	\$71,702,500.00
Underwriter’s Discount	726,300.00
Cost of Issuance and Contingency	<u>201,200.00</u>
Total Uses	\$72,630,000.00

\* Preliminary; subject to change.

**INTEREST ON THE BONDS**

Interest on the Bonds will be payable on June 1, 2024 and semiannually on the 1st day of December and June 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 preceding the 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 OF THE BONDS**

The Bonds, due after June 1, 2031, 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 must use funds in its treasury and 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 debt, “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 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, the annual debt service on the Bonds and 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" to this Preliminary Official Statement.

## **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 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](http://www.dtcc.com).

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

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

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

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

## **FUTURE FINANCING**

The City anticipates issuing approximately \$50 million of General Obligation Capital Loan notes within the next 90 days of issuing the Bonds. In addition, the City will be issuing approximately \$21,755,000 Stormwater Management Utility Revenue Bonds, Series 2023B simultaneously with the Bonds.

## **LITIGATION**

To the knowledge of the City, there is no legal action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which the City has been served with process or official notice or threatened against or affecting the City or any reasonable basis therefore, wherein an unfavorable decision, ruling or finding would adversely affect the transaction contemplated by this Preliminary Official Statement or the validity of the Bonds, the Resolution, or any agreement or instrument to which the City is a party and which is used or contemplated for use in the transactions contemplated by this Preliminary Official Statement, and no member, employee or agent of the City has been served with any legal process regarding such litigation or other proceeding.

To the knowledge of the City, no litigation is pending or threatened which, in the opinion of the City's counsel, if decided adversely to the City would be likely to result, either individually or in the aggregate, in final judgments against the City which would materially adversely affect its ability to meet debt service payments on the Bonds when due, or its obligations under the Resolution or materially adversely affect its financial condition.

## **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 OF THE BONDS", "PAYMENT AND SECURITY FOR THE BONDS" and "TAX MATTERS", herein. Additionally, Bond Counsel has provided its form of Legal Opinion and form of Continuing Disclosure Certificate, included in APPENDIX B and APPENDIX D, respectively, to 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. 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) 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.

In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitations 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 on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The prospective purchaser 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. The prospective purchaser of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

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. Prospective purchasers 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 the 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").

Discount and Premium on certain Bonds: The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Discount Bonds at maturity. 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 certain Bonds (the “Premium Bonds”) may be greater than the amount of such Premium Bonds at maturity. 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. Court proceedings may also be filed, the outcome of which could modify 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. From time to time proposals are 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) 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 limitations 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, including principal of and interest on the Bonds.

Opinion: The opinions 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 opinion 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. An investment in the Bonds involves an element of risk. 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 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.*

Rating 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.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution. 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, 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. The Bonds are secured by an unlimited ad valorem property tax as described more fully in the "PAYMENT OF AND SECURITY FOR THE BONDS".

Loss of Tax Base: Economic and other factors beyond the City's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the City. In addition, the State of Iowa has been susceptible to tornados, flooding and other extreme weather wherein winds and flooding have from time to time caused significant damage, which if such events were to occur, may have an adverse impact on the City's financial position.

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. 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 that 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 rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

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: The Bonds are general obligations of the City secured by an unlimited ad valorem property tax as described more fully in the “PAYMENT OF AND SECURITY FOR THE BONDS” herein. Prior State Public Health Emergency Declarations relative to the COVID-19 pandemic have temporarily suspended the provisions that required the imposition of penalty and interest for delay in property tax payments and directed that no such penalty or interest could be imposed for the duration of the declarations and any future extension of the suspension. No current property tax payment suspensions are imposed. It is impossible to predict whether the declarations or any amendments to or extensions thereof would have a material effect on the City’s ability to collect property taxes necessary for the payment of principal and interest on the Bonds. See “LEVIES AND TAX COLLECTIONS” herein for more information of the City’s tax collection history, despite prior suspensions.

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. See “PROPERTY TAX LEGISLATION” herein for additional discussion on recent legislation impacting property taxes. 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. 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 maintains insurance policies that cover its general liability, errors, employment practice liability, policy liability, auto liability, bus liability as well as a cyber liability policy. 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. See "RISK MANAGEMENT" section included in Appendix A of this Preliminary Official Statement for more details regarding insurance coverages maintained by the City. 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 Governmental Accounting Standards Board ("GASB") Statement No. 68, the City reported a liability of \$1,385,179 within its Annual Comprehensive Financial Report ("ACFR") as of June 30, 2022 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, 2021, 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, 2021, the City's collective proportion was 0.988061% which was an increase of 0.012363% from its proportion measured as of June 30, 2020.

Additionally, the City reported a liability of \$41,263,888 with its ACFR as of June 30, 2022 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, 2021, 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, 2021, the City's collective proportion was 18.3743%, which was an increase of 0.1513% from its proportion measured as of June 30, 2020.

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, 2022 ANNUAL COMPREHENSIVE 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. 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 promulgated 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 opinion of Bond Counsel to be delivered with respect to the Bonds and the Resolution, including the opinion 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. In the event the City fails to comply with its covenants under the Resolution 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.

Under Iowa Code Chapter 76, specifically sections 76.16 and 76.16A, as amended, a city, county, or other political subdivision may become a debtor under Chapter 9 of the Federal bankruptcy code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in

a duly adopted resolution of each of the following: (1) all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

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) 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 detention 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. 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.

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 affected 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 City has requested a rating on the Bonds from S&P. Currently, the City's outstanding General Obligation long-term debt is rated 'AA+' by S&P and 'Aa2' by Moody's Investor Service, respectively. Such ratings reflect only the view of the rating agencies and any explanation of the significance of such rating may only be obtained from the respective rating agency. There is no assurance that such ratings will continue for any period of time or that they will not be revised or withdrawn. Any revision or withdrawal of the ratings may have an effect on the market price of the Bonds.

## **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 not later than two hundred seventy (270) days after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2023, 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.

The City is not aware of any instance in the previous five years in which it has failed to comply, in all material respects, with previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) 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. 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.

## **FINANCIAL STATEMENTS**

The City's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022 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 Annual Comprehensive Financial Report and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City's prior Annual Comprehensive Financial Reports may be obtained from the City's Municipal Advisor, PFM Financial Advisors LLC.

## 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 of Des Moines, Iowa, 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 \$72,630,000\* General Obligation Bonds, Series 2023A.

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

\* Preliminary; subject to change.

## **APPENDIX A**

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

*The \$72,630,000\* General Obligation Bonds, Series 2023A (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.*

\* Preliminary; subject to change.

## 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 2022 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 2022, the taxable value rollback rate is 54.6501% of actual value for residential property; 91.6430% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable rollback rate of 54.6501% would apply to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars (\$0) but does not exceed one hundred fifty thousand dollars (\$150,000) with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars (\$150,000). 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. See "PROPERTY TAX LEGISLATION" herein for a discussion on recent legislative revisions to the administration of certain property taxes in Iowa, beginning in Fiscal Year 2024-2025.

### PROPERTY VALUATIONS (1/1/2022 Valuations for Taxes payable July 1, 2023 to June 30, 2024)

	<u>100% Actual Value</u>	<u>Taxable Value (With Rollback)</u>
Residential	\$11,073,965,382	\$5,965,601,186
Commercial	2,951,527,245	2,427,327,506
Industrial	286,827,760	245,205,175
Railroad	27,094,003	24,291,759
Utilities w/o Gas & Electric	<u>675,928</u>	<u>675,928</u>
Gross valuation	\$14,340,090,318	\$8,663,101,554
Less military exemption	<u>(8,758,108)</u>	<u>(8,758,108)</u>
Net valuation	\$14,331,332,210	\$8,654,343,446
TIF increment (used to compute debt service levies and constitutional debt limit)	\$1,165,061,264	\$1,157,272,748
Taxed separately:		
Ag. Land	\$8,159,106	\$7,477,259
Ag. Buildings	\$505,800	\$463,534
Gas & Electric Utilities	\$566,228,708	\$189,086,941

### 2022 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY <sup>1)</sup>

	<u>Taxable Valuation</u>	<u>Percent Total</u>
Residential	\$5,965,601,186	67.21%
Commercial, Industrial and all Utilities	2,886,587,309	32.52%
Railroad	<u>24,291,759</u>	<u>0.27%</u>
Total Gross Taxable Valuation	\$8,852,188,495	100.00%

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

## TREND OF VALUATIONS

Assessment <u>Year</u>	Payable <u>Fiscal Year</u>	100% <u>Actual Valuations</u>	Taxable Valuations <u>(With Rollback)</u>	Taxable <u>TIF Increment</u>
2018	2019-20	\$12,944,246,265	\$7,798,033,783	\$839,346,269
2019	2020-21	14,363,281,363 <sup>1)</sup>	8,391,307,913 <sup>2)</sup>	966,764,829 <sup>3)</sup>
2020	2021-22	14,505,147,841	8,582,842,400	964,866,610
2021	2022-23	15,853,953,088	8,934,448,462	1,176,755,172
2022	2023-24	16,071,287,088	8,843,430,387	1,157,272,748

- 1) This represents the amount reported by the Iowa Department of Management. The official State of Iowa submission of 100% Actual Value on January 1, 2020 for assessment year 2019 for FY 2020-21 were reduced by \$34,447,928.
- 2) This represents the amount reported by the Iowa Department of Management. The official State of Iowa submission of taxable valuations (with rollback) on January 1, 2020 for assessment year 2019 for FY 2020-21 were reduced by \$22,282,317.
- 3) This represents the amount reported by the Iowa Department of Management. The official State of Iowa submission of TIF increment on January 1, 2020 for assessment year 2019 for FY 2020-21 was reduced by \$3,952,284.

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 Valuation 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.

<u>Taxpayer</u> <sup>1)</sup>	<u>Type of Property/Business</u>	1/1/2022 <u>Taxable Valuation</u>
Principal Life Insurance Co. <sup>2)</sup>	Insurance Company	\$293,791,478
Mid-American Energy	Electric Company	187,557,428
Nationwide Mutual Life	Insurance Company	143,786,342
Wells Fargo Properties, Inc.	Banking Services	112,544,164
Wellmark, Inc.	Insurance Company	109,243,951
Employers Mutual Casualty Co.	Insurance Company	91,813,874
Linden Street Investments LLC	Commercial	73,656,975
Federal Home Loan Bank of DSM	Banking Services	34,356,015
Kemin Holdings LC	Commercial	32,243,879
Merle Hay Investors LLC	Commercial	29,434,705

- 1) This list represents larger taxpayers in this jurisdiction, not necessarily the top 10 taxpayers.
- 2) 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

Over time, the Iowa Legislature has modified the process and calculation of taxable valuations for various classifications of property. For example, in 2013 maximum annual taxable value growth due to revaluation of residential and agricultural property was reduced from 4% to 3%, rollback calculations were modified, a new multi-residential classification was created, and an appropriation made to replace some lost tax revenue due to rollbacks. In 2019, the process for hearings on total maximum property tax dollars under certain levies in the City's budget was modified and a super-majority vote required to raise taxes above a prescribed formula. In 2021, the multi-residential classification was removed, and a phase out of the appropriation for rollback initiated. In 2023, SF 181 was signed into law by the Governor on February 20, 2023, effective upon enactment. SF 181 reduces the residential rollback for the 2022 assessment year (affecting Fiscal Year 2023-24) from 56.4919% to 54.6501%. This will result in a reduction in taxable valuation in the residential, commercial, industrial and railroad property classes upon which the City levies property taxes.

On May 4, 2023, the Governor signed House File 718 (HF 718), a property tax reform law aimed at reducing property tax growth in Iowa. Among other things, HF 718 permanently consolidates a number of existing city property tax levies and creates a new adjusted city general fund levy (ACGFL). To control the growth of property taxes, the new ACGFL is subject to potential limitation or reduction by constraining growth by 2% or 3% each year depending on if certain growth triggers are met or exceeded during the prior year. The levy limitation is only applicable Fiscal Year 2025 through Fiscal Year 2028 and will be specific to each City. For Fiscal Year 2024, the City will calculate the new ACGFL as the baseline rate and the first annual ACGFL adjustment will begin Fiscal Year 2025. The ACGFL rates for Fiscal Years 2025 through 2028 are based on growth in city taxed value and the previous year's city tax rate. Beginning in Fiscal Year 2029, all cities go to a \$8.10 ACGFL maximum and the levy limitation calculation ceases. Certain levies like debt service, pensions, employee benefits, and capital improvement reserve fund are not included in the new ACGFL limitation.

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 standing appropriations or 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.

Notwithstanding any modifications to property tax revenues that may result from prior, or any pending or future legislation, the Bonds are secured by an unlimited ad valorem property tax. 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 2022 actual valuation currently applicable to the Fiscal Year 2023-24, is as follows:

2022 Actual Valuation of Property	\$16,071,287,088 <sup>1)</sup>
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$803,564,354
Less: General Obligation Debt Subject to Debt Limit	(651,350,200) *
Less: Lease Debt Paid by Taxes	(76,111) <sup>2)</sup>
Less: Section 108 Loan	(59,923) <sup>3)</sup>
Less: TIF Rebate Agreements (Payable in FY24)	<u>(19,578,240) <sup>4)</sup></u>
Legal Debt Margin	\$132,499,880 *

- 1) Source: Iowa Department of Management and excludes any revisions from Polk County Auditor’s Office.
- 2) Represents the principal outstanding on lease obligations payable from the debt service levy.
- 3) Excludes the August 1, 2023 principal and interest payment. The City appropriated debt service payment totaling \$1,034,667 for FY 2023-24. 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 \$4,293,000.
- 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 2023-24 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 2023 or thereafter. See “Tax Increment Rebate Agreements” sub-table under “OTHER DEBT” herein for more information on City obligations under the development agreements.

\* Preliminary; subject to change.

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**DIRECT DEBT**

**General Obligation Debt Paid by Property Taxes, Tax Increment, Sales Tax and Other**

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
8/15A	\$40,225,000	Various Purpose/Refunding	6/35	\$20,035,000
8/15B	19,655,000	Refunding	6/28	8,040,000
9/16A	42,825,000	Various Purpose	6/36	30,440,000
9/16B	29,545,000	Refunding	6/30	17,770,000
9/17A	39,780,000	Various Purpose	6/37	30,905,000
9/17B	8,915,000	Convention Center Hotel	6/37	8,915,000
3/18A	44,325,000	Refunding	6/25	6,130,000
8/18B	45,640,000	Various Purpose	6/38	36,475,000
7/19A	84,815,000	Various Purpose/Refunding	6/39	59,210,000
7/19B	2,405,000	Various Purpose (Taxable)	6/24	520,000
3/20A	18,840,000	Refunding	6/32	16,135,000
9/20D	71,100,000	Various Purpose	6/40	57,645,000
9/20E	5,090,000	Various Purpose (Taxable)	6/25	2,075,000
3/21A	34,760,000	Refunding	6/33	31,040,000
3/21B	43,835,000	Various Purpose	6/34	37,900,000
9/21F	89,125,000	Various Purpose	6/41	80,030,000
9/21G	5,050,000	Various Purpose	6/26	3,080,000
8/22A	69,725,000	Various Purpose	6/42	64,550,000
11/23A	72,630,000*	Various Purpose	6/43	72,630,000 *
11/23C	50,000,000*	Various Purpose	6/38	<u>50,000,000</u> * <sup>1)</sup>
Subtotal				\$633,525,000 *

1)The Series 2023C Notes will be sold in conjunction with the issuance of the Bonds.

\* Preliminary; subject to change.

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

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>	<u>Annual Appropriation Subject to Debt Limit</u>
9/17C	\$4,785,000	Convention Center Hotel	6/25	\$1,255,000	\$940,200 <sup>1)</sup>

1) The City appropriated \$940,200 for FY 2023-24.

**General Obligation Debt Paid by Enterprise Funds**

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
3/20A	\$6,295,000	Storm Water Refunding	6/32	\$5,075,000
9/20D	13,660,000	Solid Waste	6/40	<u>11,810,000</u>
Total				\$16,885,000

**Summary of General Obligation Debt Outstanding**

General Obligation Debt Paid by Property Taxes, Tax Increment, Sales Tax and Other	\$633,525,000*
General Obligation Debt Paid by Tax Increment (Annual Appropriation)	940,200
General Obligation Debt Paid by Enterprise Funds	<u>16,885,000</u>
<b>Total General Obligation Debt Subject to Debt Limit</b>	<b>\$651,350,200*</b>
<b>Total General Obligation Debt (including Series 2017C Bonds Subject to Annual Appropriation)</b>	<b>\$651,665,000*</b>

\* Preliminary; subject to change.

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**Annual Fiscal Year General Obligation Debt Service Payments Paid by TIF (Includes the Bonds)**

Fiscal Year	Current Outstanding		Bonds		Series 2023C Notes <sup>1)</sup>		Total Outstanding	
	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
2023-24	\$42,955,000	\$60,063,630	\$4,170,000	\$6,227,850		1,082,333	\$47,125,000	\$67,373,813
2024-25	41,330,000	56,524,105	3,880,000	7,303,000	\$1,805,000	3,715,000	47,015,000	67,542,105
2025-26	39,570,000	53,082,055	4,060,000	7,289,000	1,880,000	3,721,049	45,510,000	64,092,104
2026-27	36,670,000	48,510,293	4,275,000	7,301,000	1,955,000	3,724,233	42,900,000	59,535,526
2027-28	37,580,000	47,972,993	4,480,000	7,292,250	2,030,000	3,724,552	44,090,000	58,989,795
2028-29	37,085,000	46,073,993	3,030,000	5,618,250	2,115,000	3,732,006	42,230,000	55,424,249
2029-30	35,270,000	42,893,318	3,180,000	5,616,750	2,200,000	3,736,213	40,650,000	52,246,281
2030-31	34,270,000	40,834,199	3,335,000	5,612,750	2,285,000	3,737,173	39,890,000	50,184,122
2031-32	32,595,000	38,239,630	3,500,000	5,611,000	2,375,000	3,739,886	38,470,000	47,590,516
2032-33	29,895,000	34,721,379	3,685,000	5,621,000	2,475,000	3,749,161	36,055,000	44,091,540
2033-34	27,855,000	31,943,983	3,125,000	4,876,750	2,570,000	3,749,616	33,550,000	40,570,349
2034-35	23,510,000	26,855,806	3,280,000	4,875,500	2,675,000	3,756,442	29,465,000	35,487,748
2035-36	20,900,000	23,563,769	3,445,000	4,876,500	2,780,000	3,759,257	27,125,000	32,199,526
2036-37	18,705,000	20,747,131	3,620,000	4,879,250	2,895,000	3,768,061	25,220,000	29,394,442
2037-38	15,555,000	17,063,419	3,800,000	4,878,250	<u>19,960,000</u>	20,722,472	39,315,000	42,664,141
2038-39	12,825,000	13,896,963	3,215,000	4,103,250			16,040,000	18,000,213
2039-40	11,315,000	12,038,988	3,375,000	4,102,500			14,690,000	16,141,488
2040-41	8,835,000	9,258,900	3,545,000	4,103,750			12,380,000	13,362,650
2041-42	<u>4,175,000</u>	4,342,000	3,720,000	4,101,500			7,895,000	8,443,500
2042-43			<u>3,910,000</u>	4,105,500			<u>3,910,000</u>	4,105,500
<b>Total</b>	<b>\$510,895,000</b>		<b>\$72,630,000</b>		<b>\$50,000,000</b>		<b>\$633,525,000</b>	

1) The Series 2023C Notes will be sold concurrently with Bonds.

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

Fiscal Year	<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal &amp; Interest</u>
2023-24	\$890,000	\$940,200
2024-25	<u>365,000</u>	379,600
Total	\$1,255,000	

**Fiscal Year General Obligation Debt Service Payments Paid by Enterprise Funds**

Fiscal Year	<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal &amp; Interest</u>
2023-24	\$1,065,000	1,591,731
2024-25	1,090,000	1,563,481
2025-26	1,130,000	1,548,981
2026-27	1,160,000	1,522,481
2027-28	1,195,000	1,499,481
2028-29	1,235,000	1,479,731
2029-30	1,275,000	1,470,331
2030-31	1,295,000	1,451,831
2031-32	1,330,000	1,454,331
2032-33	690,000	792,794
2033-34	710,000	803,306
2034-35	730,000	812,656
2035-36	750,000	820,794
2036-37	770,000	828,606
2037-38	795,000	840,131
2038-39	820,000	851,219
2039-40	<u>845,000</u>	860,844
Total	\$16,885,000	

**OTHER DEBT**

**Tax Increment Rebate Agreements**

<u>TIF Rebate Agreement</u>	<u>Est. Final Payment Date</u>	<u>Total Estimated Obligation As of 11/07/23</u>
Allied Grant Payments - 1100 Locust St	FY 2031	\$857,523 <sup>1)</sup>
Wells-Fargo - 800 Walnut	FY 2024	750,000 <sup>1)</sup>
Wells-Fargo II - 801 Walnut	FY 2029	481,842 <sup>1)</sup>
Masonic Temple - Downtown Preservation Partners	FY 2025	31,000 <sup>1)</sup>
Court Avenue Partners Housing - 302 to 310 Court	FY 2026	62,710 <sup>1)</sup>
Village Place - 521 E. Locust St	FY 2030	105,000 <sup>1)</sup>
Court Ave Partners II - 410 Court Ave	FY 2027	57,415 <sup>1)</sup>
Davis Brown Tower (LB Properties) - 215 10th St	FY 2025	554,383 <sup>1)</sup>
Hy Vee - Fleur Drive Phase 2	FY 2025	111,703 <sup>1)</sup>
Merle Hay Mall Phase 1	FY 2030	400,000 <sup>1)</sup>
Wilkins Building - 713 Walnut St	FY 2034	456,230 <sup>1)</sup>
Waterfront Lodging - 200 Water St	FY 2031	408,843 <sup>1)</sup>
Ballyard Lofts - 350 SW 2nd St	FY 2024	55,000 <sup>1)</sup>
Iowa Machine Shed Co - 401 East Grand Ave	FY 2038	337,990 <sup>1)</sup>
Hy-Vee/Knapp - 420 Court Ave	FY 2033	276,454 <sup>1)</sup>
3801 Merle Hay Road	FY 2028	39,503 <sup>1)</sup>
Locust Street Investments - 1420 to 1430 Locust	FY 2026	54,768 <sup>1)</sup>
Advance Rumely Building - 130 E. 3rd	FY 2031	255,102 <sup>1)</sup>
Cityville	FY 2031	100,000 <sup>1)</sup>
Principal Financial Campus	FY 2031	2,334,807 <sup>1)</sup>
Macerich Southridge Mall, LLC Phase 1	FY 2035	508,000 <sup>1)</sup>
American Republic Insurance - 601 6th St	FY 2032	336,033 <sup>1)</sup>
Miesblock - 665 Grand Ave	FY 2040	200,000 <sup>1)</sup>
201, LLC - 201 East Locust St	FY 2032	300,000 <sup>1)</sup>
Marel Meat Processing - 401 SW 7th	FY 2027	26,650 <sup>1)</sup>
505 E Grand LLC - Raygun Building	FY 2028	110,025 <sup>1)</sup>
East Village Tower Partners - The Lyon	FY 2027	89,250 <sup>1)</sup>
PDM Precast, Inc - 220 SE 6th	FY 2042	321,816 <sup>1)</sup>
Dilley Manufacturing - 215 East 3rd St	FY 2033	51,000 <sup>1)</sup>
Panera Bread	FY 2028	20,000 <sup>1)</sup>
Helena Industries, Inc	FY 2028	33,600 <sup>1)</sup>
Electrical Power Products	FY 2036	394,375 <sup>1)</sup>
Grays Station	FY 2033	428,250 <sup>1)</sup>
101 East Grand Parking	FY 2036	300,826 <sup>1)</sup>
Forest Ave Village	FY 2029	110,277 <sup>1)</sup>
EMC - 219 8th St	FY 2034	519,755 <sup>1)</sup>
College Hill - 921 6th Ave	FY 2034	176,161 <sup>1)</sup>
R&T Lofts - 717 Locust and 421 8th	FY 2029	370,000 <sup>1)</sup>
219 East Grand, LLC	FY 2034	123,476 <sup>1)</sup>
Bronson Partners - 1417 Walnut Street	FY 2028	34,879 <sup>1)</sup>
MV - Southridge Senior Lofts	FY 2033	53,200 <sup>1)</sup>
Merle Hay Mall Phase 3	FY 2031	400,000 <sup>1)</sup>

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<u>TIF Rebate Agreement</u>	<u>Est. Final Payment Date</u>	<u>Total Estimated Obligation As of 11/07/23</u>
Krause Gateway Center - 1459 Grand Ave	FY 2040	\$2,164,550 <sup>1)</sup>
317 and 322 E Court LLC	FY 2035	44,424 <sup>1)</sup>
Hotel Fort Des Moines	FY 2040	208,131 <sup>1)</sup>
H. Glass Partners, LLC - 212 E. 3rd St	FY 2034	38,789 <sup>1)</sup>
District at 6 <sup>th</sup>	FY 2031	350,000 <sup>1)</sup>
Thompson Properties, LC	FY 2030	45,900 <sup>1)</sup>
Fort Des Moines	FY 2035	79,000 <sup>1)</sup>
TWG -Southridge Apartments	FY 2035	226,000 <sup>1)</sup>
Federal Home Loan Bank	FY 2035	374,610 <sup>1)</sup>
Connolly Lofts	FY 2031	0 <sup>2)</sup>
Global Atlantic	FY 2024	100,000 <sup>1)</sup>
Rowat	FY 2036	320,000 <sup>1)</sup>
440 E Grand - RE3	FY 2035	36,144 <sup>1)</sup>
418 E Grand Phase 1	FY 2041	346,440 <sup>1)</sup>
Griffin - 319 7th St	FY 2040	61,647 <sup>1)</sup>
Fairfield Inn – 207 Crocker	FY 2029	175,904 <sup>1)</sup>
Ingersoll Square Phase III	FY 2034	0 <sup>2)</sup>
Midland – 206 6 <sup>th</sup> Ave	FY 2037	282,306 <sup>1)</sup>
Jarcor – Argonne Apartments – 1723 Grand Ave	FY 2042	19,466 <sup>1)</sup>
Hubbell Bridge District – Level Apartments	FY 2039	0 <sup>2)</sup>
611 5th Ave - Knapp Properties	FY 2038	307,337 <sup>1)</sup>
Aust Real Estate - 1201 Keo Way	FY 2043	40,744 <sup>1)</sup>
District Developers - Market District	FY 2048	0 <sup>2)</sup>
Lawmark Capital - Financial Center	FY 2038	0 <sup>2)</sup>
JR Partners (401 E Court)	FY 2038	33,914 <sup>1)</sup>
217 E 2nd Ave	FY 2038	81,159 <sup>1)</sup>
13th and Mulberry Phase I	FY 2038	67,643 <sup>1)</sup>
Spot 515, LLC	FY 2036	68,681 <sup>1)</sup>
Stapek Partners - 112 SE 4th St	FY 2038	46,097 <sup>1)</sup>
DSM Climate Controlled Storage	FY 2032	0 <sup>2)</sup>
3750 Grand, LLC	FY 2038	0 <sup>2)</sup>
3801 Grand Associates	FY 2045	0 <sup>2)</sup>
Home 2 Suites	FY 2037	269,797 <sup>1)</sup>
Canary Lofts	FY 2040	30,958 <sup>1)</sup>
2801 Grand - Reagan Partners	FY 2036	0 <sup>2)</sup>
2315 Grand - Grand Trees	FY 2036	50,000 <sup>1)</sup>
ILEX Group	FY 2033	0 <sup>2)</sup>
3523 6th Ave	FY 2039	0 <sup>2)</sup>
3524 6th Ave	FY 2044	0 <sup>2)</sup>
3610 6th Ave	FY 2038	20,000 <sup>1)</sup>
Cold Storage	FY 2035	375,753 <sup>1)</sup>
Genesis	FY 2041	0 <sup>2)</sup>
Hilltop III and IV	FY 2030	0 <sup>2)</sup>
Center at Sixth (1417 6th Ave)	FY 2024	300,000 <sup>1)</sup>
Landus Cooperative	FY 2027	100,000 <sup>1)</sup>
HOA EVMF	FY 2045	0 <sup>2)</sup>

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<u>TIF Rebate Agreement</u>	<u>Est. Final Payment Date</u>	<u>Total Estimated Obligation As of 11/07/23</u>
Crescent Chevy (KG Store 543 LLC)	FY 2044	\$0 <sup>2)</sup>
Onespeed DSM	FY 2040	0 <sup>2)</sup>
2525 Grand - Terrace Hill	FY 2036	0 <sup>2)</sup>
NMPD Holdings - PDM Expansion	FY 2024	<u>275,000</u> <sup>1)</sup>
Total Rebate Agreements		<u>\$19,578,240</u>

- 1) These TIF rebate agreements are subject to annual appropriation and payments have been appropriated for FY 2023-24 in the respective amounts listed.
- 2) These TIF rebate agreements are subject to annual appropriation. No payments have been appropriated for FY 2023-24.

**Lease Debt Paid by Property Taxes**

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

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
8/14	\$1,200,000	Supplement #4	12/23	\$76,111

**Lease Debt Paid by Local Options Sales Tax Revenues**

The City has lease debt payable from local option sale tax revenues as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
11/22	\$42,937	Vehicles	6/26	\$21,930
10/21	1,756,980	415 Body Cameras	6/27	<u>944,640</u>
Total				\$966,570

**Lease Debt Paid by General Fund Revenues**

The City has lease debt payable from general fund revenues as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
7/20	\$139,776	40 Tasers/Equipment	6/25	\$28,800
10/21	533,225	170 Tasers/Equipment	6/26	<u>240,693</u>
Total				\$269,493



### 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:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
3/18	\$4,000,000	Convention Center Hotel	6/24	\$1,089,000

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:

<u>Date of Issue</u>	<u>Guaranteed Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
3/18	\$8,500,000	Convention Center Hotel	6/38	\$8,340,000

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:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
10/17	\$22,540,774	City Hall Parking Garage	6/37	\$19,895,616

**Revenue Debt Paid by Sewer Revenues**

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

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
10/18D	\$6,668,000	Improvements (SRF Loan)	6/39	\$5,473,000
10/18E	10,000,000	Improvements (SRF Loan)	6/40	8,651,000 <sup>1)</sup>
5/20B	10,000,000 <sup>2)</sup>	Improvements (SRF Loan)	6/41	4,742,000 <sup>3)</sup>
6/21C	3,624,000	Improvements (SRF Loan)	6/41	3,323,000 <sup>4)</sup>
6/21D	15,000,000	Improvements (SRF Loan)	6/42	14,383,000 <sup>5)</sup>
7/22	7,035,000	Improvements (SRF Loan)	6/43	<u>7,035,000<sup>6)</sup></u>
Total				\$43,607,000

- 1) Based on preliminary debt service schedule established prior to final project draws and inclusive of sponsored project amendment in May 2020. The City has drawn \$9,995,000 as of June 28, 2023.
- 2) Based on preliminary debt service schedule established prior to final project draws and inclusive of sponsored project amendment in May 2020.
- 3) The City has drawn \$5,063,440 as of June 28, 2023. The City anticipates drawing down approximately \$5,612,000 of the \$10 million amount available. Accordingly, the principal balance has been adjusted to reflect this anticipated amount.
- 4) Based on preliminary debt service schedule. The City has drawn \$3,371,912 as of June 28, 2023.
- 5) Based on preliminary debt service schedule. The City has drawn \$13,695,133 as of June 28, 2023.
- 6) Based on preliminary debt service schedule. The City has drawn \$2,301,249 as of June 28, 2023.

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## REVENUE DEBT SUPPORTED BY STORMWATER REVENUES

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

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
9/16C	\$12,715,000	Improvements/Refunding	6/31	\$2,930,000
9/16D	8,830,000	Refunding	6/30	5,300,000
8/18C	43,620,000	Improvements	6/38	36,340,000
9/20F	22,485,000	Improvements	6/40	19,430,000
9/21H	26,505,000	Improvements	6/41	25,575,000
8/22B	18,660,000	Improvements	6/42	18,660,000
11/23B	21,755,000*	Improvements	6/43	<u>21,755,000*<sup>1)</sup></u>
Total				\$129,990,000*

1)The Series 2023B Bonds will be sold in conjunction with the issuance of the Bonds.

\* Preliminary; subject to change.

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

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
10/18F	\$6,668,000	Improvements (SRF Loan)	6/39	\$5,473,000
10/18G	9,250,000	Improvements (SRF Loan)	6/40	8,085,000 <sup>1)</sup>
5/20C	10,000,000 <sup>2)</sup>	Improvements (SRF Loan)	6/41	4,742,000 <sup>3)</sup>
6/21E	3,623,000	Improvements (SRF Loan)	6/41	<u>3,292,000<sup>4)</sup></u>
Total				\$21,592,000

- 1) Based on preliminary debt service schedule established prior to final project draws. The City has drawn \$9,245,000 as of June 28, 2023.
- 2) Based on preliminary debt service schedule established prior to the final project draws and inclusive of sponsored project amendment in May 2020.
- 3) The City has drawn \$5,063,440 as of June 28, 2023. The City anticipates drawing down approximately \$5,612,000 of the \$10 million amount available. Accordingly, the principal balance has been adjusted to reflect this anticipated amount.
- 4) Based on preliminary debt service schedule established prior to final project draws. The City has drawn \$3,371,907 as of June 28, 2023.

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**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 based on the FY 2023-24 flows is as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/07/23</u>
6/08A	\$5,732,440	Sewer Improvements (SRF)	6/39	\$3,212,299 <sup>1)</sup>
4/10A	3,074,450	Sewer Improvements (SRF)	6/40	1,751,704 <sup>2)</sup>
6/10C-1	1,121,921	Sewer Improvements (SRF)	6/32	886,239 <sup>3)</sup>
6/10C-2	12,060,645	Sewer Improvements (SRF)	6/32	4,897,705 <sup>4)</sup>
5/11A	33,657,615	Sewer Improvements (SRF)	6/42	20,141,101 <sup>5)</sup>
5/11C	3,347,063	Sewer Improvements (SRF)	6/41	2,064,795 <sup>6)</sup>
12/11D	5,628,301	Sewer Improvements (SRF)	6/43	3,533,707 <sup>7)</sup>
5/12C	10,529,114	Sewer Improvements (SRF)	6/43	6,263,377 <sup>8)</sup>
5/12D	4,094,656	Sewer Improvements (SRF)	6/42	2,349,045 <sup>9)</sup>
11/12G	8,578,900	Sewer Improvements (SRF)	6/44	5,650,188 <sup>10)</sup>
4/13A	4,349,345	Sewer Improvements (SRF)	6/43	2,685,005 <sup>11)</sup>
2/14A	972,846	Sewer Improvements (SRF)	6/34	480,324 <sup>12)</sup>
2/14D	2,161,860	Sewer Improvements (SRF)	6/34	1,112,155 <sup>13)</sup>
1/15A	3,180,104	Sewer Improvements (SRF)	6/35	1,731,207 <sup>14)</sup>
5/15E	8,963,127	Sewer Revenue Refunding Bonds	6/36	5,620,504 <sup>15)</sup>
2/16A	3,838,557	Sewer Improvements (SRF)	6/35	2,273,744 <sup>16)</sup>
2/16F	15,971,200	Sewer Improvements (SRF)	6/48	12,429,514 <sup>17)</sup>
12/17A	19,328,700	Sewer Improvements (SRF)	6/49	15,518,312 <sup>18)</sup>
5/18A	2,123,856	Sewer Improvements (SRF)	6/40	1,635,687 <sup>19)</sup>
12/18D-1	4,999,700	Sewer Improvements (SRF)	6/39	4,170,090 <sup>20)</sup>
12/18D-2	3,999,760	Sewer Improvements (SRF)	6/33	1,858,027 <sup>21)</sup>
12/18E	5,649,661	Sewer Improvements (SRF)	6/40	4,783,194 <sup>22)</sup>
12/18F	2,999,820	Sewer Improvements (SRF)	6/39	1,269,429 <sup>23)</sup>
12/19A	6,001,473	Sewer Improvements (SRF)	6/39	4,417,827 <sup>24)</sup>
12/20B	5,601,456	Sewer Improvements (SRF)	6/42	4,950,283 <sup>25)</sup>
4/21A	10,933,332	Sewer Revenue Refunding Bonds	6/34	8,672,708 <sup>26)</sup>
6/22A	9,649,269	Sewer Improvements (SRF)	6/43	9,076,261 <sup>27)</sup>
12/22C	4,901,270	Sewer Improvements (SRF)	6/43	4,901,270 <sup>28)</sup>
12/22D	11,763,048	Sewer Improvements (SRF)	6/54	11,763,048 <sup>29)</sup>
5/23A	13,812,670	Sewer Improvements (SRF)	6/46	<u>13,812,670<sup>30)</sup></u>
<b>Total</b>				<b>\$163,911,419</b>

- 1) The City’s flow-based share of the WRA’s Series 2008A SRF loan outstanding in the amount of \$10,814,000.
- 2) The City’s flow-based share of the WRA’s Series 2010A SRF loan outstanding in the amount of \$5,897,000.
- 3) The City’s flow-based share of the WRA’s Series 2010C-1 SRF loan outstanding in the amount of \$1,989,000.
- 4) The City’s flow-based share of the WRA’s Series 2010C-2 SRF loan outstanding in the amount of \$10,992,000.
- 5) The City’s flow-based share of the WRA’s Series 2011A SRF loan outstanding in the amount of \$45,203,000.
- 6) The City’s flow-based share of the WRA’s Series 2011C SRF loan outstanding in the amount of \$6,951,000.
- 7) The City’s flow-based share of the WRA’s Series 2011D SRF loan outstanding in the amount of \$11,896,000.
- 8) The City’s flow-based share of the WRA’s Series 2012C SRF loan outstanding in the amount of \$14,057,000.

- 9) The City's flow-based share of the WRA's Series 2012D SRF loan outstanding in the amount of \$5,272,000.
- 10)The City's flow-based share of the WRA's Series 2012G SRF loan outstanding in the amount of \$19,021,000.
- 11)The City's flow-based share of the WRA's Series 2013A SRF loan outstanding in the amount of \$6,026,000.
- 12)The City's flow-based share of the WRA's Series 2014A SRF loan outstanding in the amount of \$1,078,000.
- 13)The City's flow-based share of the WRA's Series 2014D SRF loan outstanding in the amount of \$3,744,000.
- 14)The City's flow-based share of the WRA's Series 2015A SRF loan outstanding in the amount of \$5,828,000.
- 15)The City's flow-based share of the WRA's Series 2015E Bonds outstanding in the amount of \$23,115,000.
- 16)The City's flow-based share of the WRA's Series 2016A Bonds outstanding in the amount of \$5,103,000.
- 17)The City's flow-based share of the WRA's Series 2016F Bonds outstanding in the amount of \$27,895,760.
- 18)The City's flow-based share of the WRA's Series 2017A SRF loan outstanding in the amount of \$34,828,000.
- 19)The City's flow-based share of the WRA's Series 2018A SRF loan outstanding in the amount of \$3,671,000.
- 20)The City's flow-based share of the WRA's Series 2018D-1 SRF loan outstanding in the amount of \$3,359,000.
- 21)The City's flow-based share of the WRA's Series 2018D-2 SRF loan outstanding in the amount of \$4,170,000.
- 22)The City's flow-based share of the WRA's Series 2018E SRF loan outstanding in the amount of \$10,735,000.
- 23)The City's flow-based share of the WRA's Series 2018F SRF loan outstanding in the amount of \$2,849,000.
- 24)The City's flow-based share of the WRA's Series 2019A SRF loan outstanding in the amount of \$9,915,000.
- 25)The City's flow-based share of the WRA's Series 2020B SRF loan outstanding in the amount of \$11,100,000.
- 26)The City's flow-based share of the WRA's Series 2021A Refunding Bonds in the amount of \$33,020,000
- 27)The City's flow based share of the WRA's Series 2022A SRF loan outstanding in the amount of \$20,370,000.
- 28)The City's flow based share of the WRA's Series 2022C SRF loan outstanding in the amount of \$11,000,000.
- 29)The City's flow based share of the WRA's Series 2022D SRF loan outstanding in the amount of \$26,400,000.
- 30)The City's flow based share of the WRA's Series 2023A SRF loan outstanding in the amount of \$31,000,000.

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

WRA is authorizing, and may issue, the following State Revolving Fund Loans during the current 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.

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Proposed As of 11/07/23</u>
TBD	\$4,455,700	Sewer Improvements (SRF)	TBD	\$4,455,700 <sup>1)</sup>
TBD	18,758,497	Sewer Improvements (SRF)	TBD	18,758,497 <sup>2)</sup>
TBD	4,455,700	Sewer Improvements (SRF)	TBD	4,455,700 <sup>3)</sup>
TBD	3,564,560	Sewer Improvements (SRF)	TBD	3,564,560 <sup>4)</sup>
TBD	4,455,700	Sewer Improvements (SRF)	TBD	4,455,700 <sup>5)</sup>
TBD	5,859,246	Sewer Improvements (SRF)	TBD	<u>5,859,246<sup>6)</sup></u>
Total				\$41,549,403

- 1) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$10,000,000.
- 2) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$42,100,000.
- 3) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$10,000,000.
- 4) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$8,000,000.
- 5) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$10,000,000.
- 6) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$13,150,000.

<b>Total WRA Sewer Revenue Debt Outstanding</b>	<b>\$163,911,419</b>
<b>Total WRA Sewer Revenue Debt Outstanding and Proposed</b>	<b>\$205,460,822</b>

**INDIRECT GENERAL OBLIGATION DEBT**

<u>Taxing District</u>	<u>1/1/2022 Taxable Valuation</u> <sup>1)</sup>	<u>Portion of Taxable Valuation within the City</u>	<u>Percent In City</u>	<u>G.O. Debt Outstanding</u> <sup>2)</sup>	<u>City's Proportionate Share</u>
Polk County	\$32,813,163,903	\$9,991,426,254	30.45%	\$184,620,000	\$56,216,790
Warren County	3,271,345,488	17,217,674	0.53%	37,611,000	199,338
Carlisle CSD	458,763,029	96,800,468	21.10%	15,490,000	3,268,390
Des Moines ISD	9,913,434,069	9,498,346,196	95.81%	0	0
Indianola CSD	1,099,234,313	436,389	0.04%	32,400,000	12,960
Johnston CSD	3,137,775,318	183,827,672	5.86%	0	0
Norwalk CSD	1,292,102,067	3,334,140	0.26%	54,915,000	142,779
Saydel CSD	1,354,664,272	29,739,347	2.20%	20,340,000	447,480
Southeast Polk CSD	2,790,238,836	183,105,106	6.56%	87,250,000	5,723,600
Urbandale CSD	1,631,324,472	4,919	0.00%	78,225,000	0
West Des Moines CSD	5,646,968,895	13,049,691	0.23%	41,265,000	94,910
Urbandale Sanitary Sewer	3,752,495,029	0	0.00%	5,490,000	0
Urbandale-Windsor Heights Sanitary Sewer	499,483,770	26,541,672	5.31%	0	0
Des Moines Area CC	62,389,305,642	10,008,643,928	16.04%	86,510,000	<u>13,876,204</u>
City's Share of Total Overlapping Debt					\$79,982,451

- 1) Taxable Valuation excludes military exemption and includes Ag. Land & Buildings, Taxable TIF Increment and all Utilities. Excludes revisions from Polk County Auditor's Office.
- 2) Includes general obligation bonds, PPEL notes, certificates of participation and new jobs training certificates. Estimated as of June 29, 2023 based on publicly 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**

	<u>Debt</u>	<u>Debt/Actual Market Value (\$16,071,287,088)</u> <sup>1)</sup>	<u>Debt/214,133 Population</u> <sup>2)</sup>
Total General Obligation Debt	\$650,410,000* <sup>3)</sup>	4.05%*	\$3,037.41*
Less: G.O. Debt Paid From Enterprise Funds	<u>(16,885,000)</u>		
Net G.O. Debt Paid by Taxes and Tax Increment	\$633,525,000*	3.94%*	\$2,958.56*
G.O. Debt Subject to Annual Appropriation	\$940,200 <sup>4)</sup>	0.01%	\$4.39
Leases Paid by the Debt Service Levy	\$76,111	0.00%	\$0.36
City's Share of Total Overlapping Debt	\$79,982,451	0.50%	\$373.52

- 1) Based on January 1, 2022 Actual Market Value; includes Ag Land, Ag Buildings, all Utilities and TIF Increment. Excludes revisions from Polk County Auditor's Office.
- 2) Based on the City's 2020 U.S. Census.
- 3) Excludes the Series 2017C Bonds which are subject to annual appropriation.
- 4) Represents the appropriated FY 2023-24 debt service payments on the Series 2017C Bonds.

\* Preliminary; subject to change.

## 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 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, CPA is the Finance Director/Treasurer and is responsible for the financial affairs of the City, effective January of 2020. Mr. Schaul had 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.

Around 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. New programs, positions, and significant additions to the budget are reviewed by the Budget Review Committee comprised of the Deputy City Manager, Assistant City Managers, HR Director, and Finance Director. This Committee then submits their recommendations to the City Manager for final decision.

Starting in the Fall, the City Council is briefed by the City Manager and departments review various financial forecasts and strategies and establish priorities for the coming year. Each February, the Finance Department conducts an all-day budget workshop to educate City Council on the upcoming budget votes which must be completed by March 31 each year. Concurrent resident engagement efforts are held to educate residents 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 and Budget Review Committee, 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 2023-24 budget was adopted by City Council on April 10, 2023. Tax levies for the new fiscal year (Fiscal Year 2023-24 budget) were to be certified to the State of Iowa on or before April 30, 2023.

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’s budget anticipates \$6 million in Fiscal Year 2023-24 from the revenue-sharing agreement and applies those monies towards streets, 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 30<sup>th</sup>. The table below details the historical General Fund Balance available:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Available General Fund Balance	\$32,604,828	\$44,374,483	\$38,735,708	\$53,371,093	\$55,592,142
General Fund Operating Expenditures	\$163,169,757	\$181,372,659	\$171,931,839	\$181,792,876	\$198,518,976
Available General Fund Balance as a Percent of General Fund Expenditures	19.98%	24.47%	22.53%	29.36%	28.00%

**LEVIES AND TAX COLLECTIONS**

<u>Fiscal Year</u>	<u>Levy</u>	<u>Collected During Collection Year</u>	<u>Percent Collected</u>
2018-19	\$169,780,673	\$169,170,042	99.64%
2019-20	168,913,525	166,052,827	98.31%
2020-21	183,856,033	183,432,561	99.77%
2021-22	180,773,609	179,920,289	99.53%
2022-23	193,201,503	-----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 1.5% 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. Purchaser 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 County and Warren County



**CITY TAX RATES**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>
Polk County <sup>1)</sup>	10.37554	10.37537	10.26623	9.93801	9.60691
City of Des Moines	17.24000	16.64000	16.61156	16.61000	16.61000
Des Moines Ind. CSD	18.60074	18.60686	18.61192	16.05937	15.34447
Des Moines Area Comm. College	0.69468	0.65249	0.63533	0.67789	0.69448
Des Moines Regional Transit Authority	0.91475	0.93975	0.94475	0.95000	0.95000
State of Iowa	<u>0.00290</u>	<u>0.00280</u>	<u>0.00270</u>	<u>0.00260</u>	<u>0.00240</u>
Total Tax Rate	47.82861	47.21727	47.07249	44.23787	43.20826

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 2023-24. 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. The City does not levy for an emergency fund. Debt service levies are not limited, rather the City is only subject to the aggregate constitutional debt limits. See “DEBT LIMIT” herein. See “PROPERTY TAX LEGISLATION” herein for a discussion of revisions to the administration of the general fund levy beginning in Fiscal Year 2024-25.

**EMPLOYEES AND PENSIONS**

The City currently has 1,684 budgeted full-time employees and approximately 400 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 last three fiscal years, as shown below, equal the required contributions for each year.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
IPERS City Contribution	\$7,254,857	\$7,573,979	\$7,985,163

The IPERS Annual Comprehensive Financial Report is available on the IPERS website, or by contacting IPERS at 7401 Register Drive P.O. Box 9117, Des Moines, IA 50321. The information presented in such financial reports or on such website 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.*

Pursuant to GASB Statement No. 68, the City reported a liability of \$1,385,179 within its Annual Comprehensive Financial Report (“ACFR”) as of June 30, 2022 for its proportionate share of the net pension liability for IPERS. 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, 2021, 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, 2021, the City’s collective proportion was 0.988061% which was an increase of 0.012363% from its proportion measured as of June 30, 2020.

The City cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded actuarial liabilities (“UAL”) of IPERS. The UAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAL could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters.

For additional information on the City’s IPERS pension plan, refer to Note 7, Employee Retirement Systems, Subsection A, beginning on page 75 of the City’s June 30, 2022 ACFR 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. Benefit provisions are established by state statute, and vest after four years of credited service. 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 last three fiscal years, as shown below, equal the required contributions for each year.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
MFPRSI City Contribution	\$14,232,013	\$15,224,032	\$16,451,910

The MFPRSI Financial Statements are available on the MFPRSI website or by contacting MFPRSI at 7155 Lake Drive, Suite 201, West Des Moines, IA 50266. The information presented in such financial reports or on such website 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.*

Pursuant to GASB Statement No. 68, the City reported a liability of \$41,263,888 within its ACFR as of June 30, 2022 for its proportionate share of the net pension liability for MFPRSI. 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, 2021, 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, 2021, the City’s proportion was 18.3743% which was an increase of 0.1513% from its proportion measured as of June 30, 2020.

For additional information on the City’s MFPRSI pension plan, refer to Note 7, Employee Retirement Systems, Subsection B, beginning on page 80 of the City’s June 30, 2022 ACFR contained as APPENDIX C of this Preliminary Official Statement.

## OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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.

Retirees are required to pay 102% of the premium rate which results in an implicit subsidy. Contributions of the full premium are required for both retiree and dependent coverage. The contribution 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 cost 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 61. 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, 2022, 1,690 active employees and 187 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, 2022 was \$27,681,903. This balance was determined by an actuarial valuation as of that date.

	<u>Total OPEB Liability</u>
Balance as of June 30, 2021	\$22,792,325
Service cost	1,594,405
Interest	520,941
Changes in assumptions	(2,831,913)
Difference between expected and actual experience	6,811,675
Benefit payments	<u>(1,205,530)</u>
Balance as of June 30, 2022	\$27,681,903

The covered payroll (annual payroll of active employees covered by the plan) was approximately \$138,829,279 and the ratio of the total OPEB liability to the covered payroll was 19.94%.

For additional information on the City’s OPEB, refer to Note 14, Other Postemployment Benefits, beginning on page 95 of the City’s June 30, 2022 ACFR contained as APPENDIX C of this Preliminary Official Statement.

## UNION CONTRACTS

The City has 8 unions representing approximately 1,400 employees. The following are brief descriptions of the unions and their contracts.

Central Iowa Public Employees Council (“CIPEC”): Employees from the Facilities, Fleet Services, Police Radio Services, Park and Recreation, Public Works and Engineering Departments. These employees’ duties are construction, maintenance, and operations. The total number of employees covered by this bargaining unit is approximately 400. The current contract expires June 30, 2026.

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 approximately 35. The current contract expires June 30, 2025.

Municipal Employees Association (“MEA”): Clerical and support staff throughout the City. The total number of employees covered by this bargaining unit is approximately 310. The current contract expires June 30, 2026.

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 approximately 295. The current contract expires June 30, 2024.

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 approximately 275. The current contract expires June 30, 2024.

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 approximately 15. Their contract expires June 30, 2025.

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 approximately 35. Their contract expires June 30, 2025.

Gold Braid Organization: Certain Police Captains, Lieutenants, and Sergeants in the Police Department established a union. The total number of employees covered is approximately 35. The current contract expires June 30, 2024.

## **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 \$100,000,000 with various levels of 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. Workers compensation insurance is maintained for all employees through Safety National Casualty Corporation at statutory limits, with a \$1,250,000 self-insured retention. Additionally, the Municipal Housing Agency purchases first dollar workers compensation coverage.

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 City purchases a blanket property insurance policy with a \$100,000 per occurrence deductible. The Municipal Housing Agency also purchases its own blanket property insurance policy with a \$5,000 deductible per occurrence.

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 online.

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 was recorded.

Within the past ten years, there has only been one workers' compensation claim that has been initiated, which exceeded the City's current \$1,500,000 self-insured coverage. Within the past ten years, the City has had no claim for which it utilized its excess liability 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 76 parks covering over 4,000 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, thirteen 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:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Wells Fargo Bank	Financial Services	13,000
Hy-Vee Food Stores	Retail Food Stores	11,184
State of Iowa	State Government	7,700 <sup>1)</sup>
Principal Financial Group	Insurance	6,100
MercyOne	Healthcare (Hospitals and Clinics)	5,777
UnityPoint Health Partners	Healthcare	5,492
Des Moines Public Schools	Education	5,200 <sup>2)</sup>
Amazon	Distribution and Data Center	3,500
John Deere Companies	Farm Equipment & Consumer Financial Services	3,328 <sup>3)</sup>
Nationwide/Allied Insurance	Insurance	3,300
Corteva Agriscience	Seed Manufacturing	2,255
Kum & Go	Convenience Store Chain	2,000
City of Des Moines	Government	2,084 <sup>4)</sup>
Mercer Health & Benefits LLC	Insurance	1,800
United Parcel Service (UPS)	Package Shipping	1,721
Wellmark Inc.	Insurance Provider	1,600
Bridgestone Americas Tire Operations	Agricultural Tires	1,600
Lumen <sup>5)</sup>	Telecommunications	1,500
Athene USA Corp.	Financial Services	1,450
Polk County	County Government	1,280 <sup>4)</sup>
Casey's General Store, Inc.	Retail General Store	1,200
EMC Insurance Companies	Insurance	1,130
Baker Group	Contractor	1,118
The Iowa Clinic, P.C.	Healthcare	1,100
Dee Zee, Inc.	Aftermarket automotive accessories	1,054

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) Includes full-time, part-time and seasonal employees.

5) Formerly CenturyLink

Source: The Greater Des Moines Partnership as of May 2023. The list is updated frequently as changes are identified and is not to be construed as a complete profile.

## AVERAGE ANNUAL LABOR FORCE DATA

	<u>Total Civilian Labor Force</u>		<u>Unemployment Rate</u>	
	<u>Des Moines Metro Area</u>	<u>State of Iowa</u>	<u>Des Moines Metro Area</u>	<u>State of Iowa</u>
2019	359,413	1,696,718	2.6%	2.6%
2020	337,871	1,586,893	5.4%	5.2%
2021	351,442	1,626,599	3.8%	3.8%
2022	366,732	1,669,994	2.6%	2.7%
2023 <sup>1)</sup>	368,871	1,677,345	2.8%	2.8%

1) Des Moines Metro Area through April 2023, State of Iowa through May 2023.

Source: U.S. Bureau of Labor Statistics

## 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 2018 through 2022.

Survey Year	Total EBI (\$000)	Median Household EBI	Total Retail Sales (\$000)	Retail Sales Per Household
2018	\$4,621,243	\$42,510	\$2,787,062	\$31,761
2019	5,089,404	45,879	4,579,103	51,961
2020	5,099,801	46,430	4,638,141	52,317
2021	5,389,816	48,454	4,486,084	50,629
2022	5,740,040	50,876	4,735,967	52,729

Note: The Iowa median household EBI for 2022 was \$60,401.

### 2022 Effective Buying Income Groups

	<u>Less than \$15,000-\$34,999</u>	<u>\$35,000-\$74,999</u>	<u>\$75,000 and Over</u>
Des Moines	31.8%	38.9%	29.3%
Polk County	23.3%	36.60%	40.1%
Warren County	19.4%	30.7%	49.9%
State of Iowa	26.1%	36.0%	37.9%

Source: Claritas, Inc. 2022 report

## CITY BUILDING PERMITS

City officials report the following construction activity as of March 31, 2023. Permits for the City are reported on a fiscal year basis.

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
<u>Single Family Homes:</u>					
No. of new homes:	274	377	262	246	177
Valuation:	\$40,363,601	\$62,491,235	\$53,052,014	\$67,449,682	\$57,798,256
<u>Multiple Family Dwellings:</u>					
No. of new buildings:	9	7	6	4	2
Valuation:	\$31,560,000	\$34,900,100	\$63,776,938	\$85,013,327	\$35,291,000
<u>Residential Homes - Additions &amp; Alterations:</u>					
No. of permits issued:	2,130	2,139	2,079	2,194	1,505
Valuation:	\$42,486,451	\$33,903,824	\$40,379,932	\$58,008,154	\$37,460,479
<u>Commercial/Industrial/Other:</u>					
No. of new buildings/additions:	77	74	49	56	48
Valuation:	\$166,961,135	\$128,213,801	\$132,834,793	\$110,241,659	\$116,080,904
<u>Commercial/Industrial/Other: Remodels &amp; Alterations:</u>					
No. of permits:	427	353	333	449	302
Valuation:	\$181,081,554	\$115,355,868	\$125,744,039	\$130,801,402	\$81,403,435
<u>Demolitions:</u>					
No. of permits:	289	272	188	170	117
Valuation:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Permits:	3,206	3,222	2,917	3,119	2,151
Total Valuations:	\$462,452,741	\$374,864,828	\$415,787,716	\$451,514,224	\$328,034,074

## 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:

<u>October</u>	<u>Certified Enrollment</u>
2018	33,057
2019	32,607
2020	31,621
2021	31,023
2022	30,773

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 and Purdue University Global.

## 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 <sup>1)</sup>
2020 U.S. Census	214,133

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, 2022 exceeded \$15.5 billion. Total deposits as of June 30, 2022 for a sampling of banks headquartered within the Des Moines metropolitan area are listed as follows:

<u>Bank</u>	<u>Deposits</u>
Bankers Trust Company, N.A.	\$3,931,849,000
Principal Bank	7,698,657,000
West Bank	2,852,009,000
Iowa State Bank	398,257,000
Peoples Bank	356,292,000
Midwest Heritage Bank	351,131,000

Source: Federal Deposit Insurance Corporation (FDIC)



## **APPENDIX B**

### FORM OF LEGAL OPINION

# **APPENDIX C**

JUNE 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

## **APPENDIX D**

FORM OF CONTINUING DISCLOSURE CERTIFICATE

**OFFICIAL BID FORM**

To: City Council of  
Des Moines, Iowa

Sale Date: October 4, 2023  
10:00 A.M., Central Time

RE: \$72,630,000\* General Obligation Bonds, Series 2023A (the "Bonds")

This bid is a firm offer for the purchase of the Bonds identified in the 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 TERMS OF OFFERING.

For all or none of the above Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$\_\_\_\_\_ (not less than \$71,903,700) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>
_____	2024	_____	_____	2034	_____
_____	2025	_____	_____	2035	_____
_____	2026	_____	_____	2036	_____
_____	2027	_____	_____	2037	_____
_____	2028	_____	_____	2038	_____
_____	2029	_____	_____	2039	_____
_____	2030	_____	_____	2040	_____
_____	2031	_____	_____	2041	_____
_____	2032	_____	_____	2042	_____
_____	2033	_____	_____	2043	_____

\* Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Bonds and to increase or reduce each scheduled maturity thereof 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 \$74,500,000. 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):

<u>Years Aggregated</u>	<u>Maturity Year</u>	<u>Aggregate Amount</u>
_____ through _____	_____	_____
_____ through _____	_____	_____
_____ through _____	_____	_____

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated August 21, 2023 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 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 November 7, 2023)

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 4<sup>th</sup> day of October 2023.

Attest: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_