

# PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 9, 2021

## New Issues

**Rating:** Application made to Moody's Investors Service

*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 Series 2021B Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2021A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2021A Bonds paid to the owners thereof is includible in gross income for purposes of present federal income taxation. The Series 2021B Bonds will be designated as "qualified tax-exempt obligations". See "TAX MATTERS" section herein for a more detailed discussion.*

## CITY OF COUNCIL BLUFFS, IOWA

**\$1,155,000\* Taxable General Obligation Bonds, Series 2021A**

**\$5,970,000\* General Obligation Bonds, Series 2021B**

BIDS RECEIVED: Monday, August 23, 2021, 10:00 A.M., Central Time

AWARD: Monday, August 23, 2021, 7:00 P.M., Central Time

**Dated:** Date of Delivery (October 5, 2021)

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

The \$1,155,000\* Taxable General Obligation Bonds, Series 2021A (the "Series 2021A Bonds") and the \$5,970,000\* General Obligation Bonds, Series 2021B (the "Series 2021B Bonds") (collectively, the "Bonds") are being issued pursuant to Division III of Chapter 384 of the Code of Iowa and resolutions (the "Resolutions") to be adopted by the City Council of the City of Council Bluffs, Iowa (the "City"). The Series 2021A Bonds are being issued to provide funds to pay the costs of the acquisition, construction, reconstruction, extension, improvement, and equipping of City utilities, City enterprises, and public improvements, including parking lot improvements, roof repairs and replacements at the Mid-America Center convention center. The Series 2021B Bonds are being issued for various general corporate purposes and essential corporate purposes. (See "AUTHORITY AND PURPOSE" section herein for more 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. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of the Bonds, payable annually on each June 1, beginning June 1, 2022 and interest on the Bonds, payable initially on June 1, 2022 and thereafter on each December 1 and June 1, will be paid to DTC by the City's Registrar/Paying Agent, UMB Bank, N.A., West Des Moines, Iowa (the "Registrar"). DTC will in turn remit such principal and interest to its participants for subsequent disbursements 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").

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

	<u>Series 2021A Bonds</u>	<u>Series 2021B Bonds</u>
<b>MINIMUM BID:</b>	\$1,151,535	\$5,922,240
<b>GOOD FAITH DEPOSIT:</b>	\$11,500 Required of Purchaser Only	\$59,700 Required of Purchaser Only
<b>TAX MATTERS:</b>	Federal: Taxable State: Taxable See "TAX MATTERS" for more information.	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 legal opinion of Ahlers & Cooney, P.C., Bond Counsel, Des Moines Iowa, to be furnished upon delivery of the Bonds. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel for the City in connection with the issuance of the Bonds. It is expected the Bonds in the definitive form will be available on or about October 5, 2021 via Fast Automated Securities Transfer delivery with the Registrar holding the Bonds on behalf of DTC. The Preliminary Official Statement in the form presented is deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to revisions, corrections or modifications as determined to be appropriate, and is authorized to be distributed in connection with the offering of the Bonds for sale.

\* Preliminary; subject to change.

## **CITY OF COUNCIL BLUFFS, IOWA**

### **\$1,155,000\* Taxable General Obligation Bonds, Series 2021A**

**MATURITY:** The Series 2021A Bonds will mature June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount*</u>
2022	\$1,155,000

**\*PRINCIPAL**

**ADJUSTMENT:** Preliminary; subject to change. The aggregate principal amount of the Series 2021A Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$1,200,000. 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 Series 2021A Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2021A 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 Series 2021A Bonds will be payable June 1, 2022.

**OPTIONAL**

**REDEMPTION:** The Series 2021A Bonds will NOT be subject to early redemption.

## **CITY OF COUNCIL BLUFFS, IOWA**

### **\$5,970,000\* General Obligation Bonds, Series 2021B**

**MATURITY:** The Series 2021B Bonds will mature June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount*</u>
2022	\$855,000
2023	425,000
2024	430,000
2025	440,000
2026	445,000
2027	455,000
2028	460,000
2029	470,000
2030	480,000
2031	490,000
2032	505,000
2033	515,000

**\*PRINCIPAL ADJUSTMENT:** Preliminary; subject to change. The aggregate principal amount of the Series 2021B Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$6,500,000. 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 Series 2021B Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2021B 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 Series 2021B Bonds will be payable June 1, 2022 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Series 2021B Bonds due after June 1, 2029 will be subject to call for redemption prior to maturity on said date or on any day 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 Series 2021B 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 the City’s 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 does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information 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 hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information 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 herein.

Ahlers & Cooney, P.C. is also serving as Disclosure Counsel to the City in connection with the issuance of the Bonds.

Compensation of the Municipal Advisor, payable entirely by the City, is contingent upon the sale of the Bonds.

# **City of Council Bluffs, Iowa**

## **Elected Officials**

Matt Walsh	Mayor
Melissa Head	Council Member
Roger Sandau	Council Member
Chad Hannan	Council Member
Joe DiSalvo	Council Member
Mike Wolf	Council Member

## **Administration**

Kristi Meckna, Director of Finance  
Jodi Quakenbush, City Clerk  
Richard Wade, City Attorney

## **Bond Counsel and Disclosure Counsel**

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

## **Municipal Advisor**

PFM Financial Advisors LLC  
Des Moines, Iowa

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## TERMS OF OFFERING

### CITY OF COUNCIL BLUFFS, IOWA

#### **\$1,155,000\* Taxable General Obligation Bonds, Series 2021A** **\$5,970,000\* General Obligation Bonds, Series 2021B**

Bids for the purchase of the City of Council Bluffs, Iowa's (the "City") \$1,155,000\* Taxable General Obligation Bonds, Series 2021A (the "Series 2021A Bonds") and the \$5,970,000\* General Obligation Bonds, Series 2021B (the "Series 2021B Bonds") (collectively, the "Bonds") will be received on Monday, August 23, 2021 before 10:00 A.M., Central Time, after which time they will be tabulated. The City Council will consider award of the Bonds at 7:00 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 Ms. Kristi Meckna, Director of Finance, City of Council Bluffs, 209 Pearl Street, Council Bluffs, Iowa 51503, telephone 712-890-5303.

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 SERIES 2021A BONDS

TAXABLE GENERAL OBLIGATION BONDS, SERIES 2021A, in the principal amount of \$1,155,000\* to be dated the date of delivery (anticipated to be October 5, 2021) in the denomination of \$5,000 or multiples thereof, will mature June 1, as follows:

<u>Year</u>	<u>Amount*</u>
2022	\$1,155,000

\* Preliminary; subject to change.

#### ADJUSTMENT TO SERIES 2021A BOND MATURITY AMOUNTS

The aggregate principal amount of the Series 2021A Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$1,200,000. 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 Series 2021A Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2021A 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 SERIES 2021A BONDS

Interest on the Series 2021A Bonds will be payable on June 1, 2022. Interest and principal shall be paid to the registered holder of a Series 2021A Bond as shown on the records of ownership maintained by the Registrar as of the 15<sup>th</sup> day of the month (whether or not a business day) 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.

#### NO OPTIONAL REDEMPTION OF THE SERIES 2021A BONDS

The Series 2021A Bonds will NOT be subject to early redemption.

## DETAILS OF THE SERIES 2021B BONDS

GENERAL OBLIGATION BONDS, SERIES 2021B, in the principal amount of \$5,970,000\* to be dated the date of delivery (anticipated to be October 5, 2021) in the denomination of \$5,000 or multiples thereof, will mature June 1, as follows:

<u>Year</u>	<u>Amount*</u>
2022	\$855,000
2023	425,000
2024	430,000
2025	440,000
2026	445,000
2027	455,000
2028	460,000
2029	470,000
2030	480,000
2031	490,000
2032	505,000
2033	515,000

\* Preliminary; subject to change.

### ADJUSTMENT TO SERIES 2021B BOND MATURITY AMOUNTS

The aggregate principal amount of the Series 2021B Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$6,500,000. 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 Series 2021B Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2021B 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 SERIES 2021B BONDS

Interest on the Series 2021B Bonds will be payable on June 1, 2022 and semiannually on the 1<sup>st</sup> day of June and December thereafter. Interest and principal shall be paid to the registered holder of a Series 2021B Bond as shown on the records of ownership maintained by the Registrar as of the 15<sup>th</sup> day of the month (whether or not a business day) 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 OF THE SERIES 2021B BONDS

Series 2021B Bonds due after June 1, 2029 will be subject to call for redemption prior to maturity on said date or on any day 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 Series 2021B Bonds to be redeemed at the address shown on the registration books.

### TERM BOND OPTION – SERIES 2021B BONDS

Bidders shall have the option of designating the Series 2021B Bonds as serial bonds or term bonds, or both. The 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 the Series 2021B Bonds for more information.) In any event, the above principal amount scheduled shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both.



## GOOD FAITH DEPOSITS

A good faith deposit in the amount of \$11,550 for the Series 2021A Bonds (the “Series 2021A Deposit”) and \$59,700 for the Series 2021B Bonds (the “Series 2021B Deposit”) (collectively, the “Deposits”) is required from the lowest bidder(s) only for each respective series of the Bonds. The lowest bidder(s) are required to submit such Deposits, payable to the order of the City, not later than 12:00 P.M., Central Time, on the day of sale of the Bonds and 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. 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(s) (the “Purchaser(s)”). The Deposits will be applied to the purchase price of each respective series of the Bonds. In the event a Purchaser(s) fails to honor its accepted bid proposal, the applicable deposit will be retained by the City.

## FORM OF BIDS AND AWARD

All bids shall be unconditional for the Bonds for a price not less than \$1,151,535 for the Series 2021A Bonds and \$5,922,240 for the Series 2021B Bonds, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth under the “BIDDING PARAMETERS” section herein. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORMS provided by the City. The Bonds will be awarded to the bidder(s) offering the lowest interest rate to be determined on a true interest cost (the “TIC”) basis assuming compliance with the “ESTABLISHMENT OF ISSUE PRICE” and “GOOD FAITH DEPOSITS” 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 each respective series 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

For each respective series of the Bonds, each bidder’s proposal must conform to the following limitations:

1. For each respective series, 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 FORMS provided by the City or through PARITY<sup>®</sup> 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 any other means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of each prospective bidder who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the TERMS OF OFFERING and OFFICIAL BID FORMS. 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 Director of Finance at City Hall, 209 Pearl Street, Council Bluffs, Iowa 51503.

Electronic Internet Bidding: Electronic internet bids will be received at the office of the Director of Finance at City Hall, 209 Pearl Street, Council Bluffs, Iowa 51503, or at the office of 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 internet bid in a timely manner and in compliance with the requirements of the TERMS OF OFFERING and OFFICIAL BID FORMS. 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 FORMS shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the Director of Finance at City Hall, 209 Pearl Street, Council Bluffs, Iowa 51503 (facsimile number: 712-328-4997) or the City's Municipal Advisor, PFM Financial Advisors LLC, 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309 (facsimile number: 515-243-6994). Electronic facsimile bids will be treated as sealed bids.

Electronic facsimile bids received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full responsibility for the transmission of such bid. 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 facsimile facilities or any other 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. Neither the City nor its agents will assume liability for the inability of the prospective bidders to reach the above named facsimile numbers prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile operator receiving the bids.

#### BOOK-ENTRY-ONLY ISSUANCE

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

#### MUNICIPAL BOND INSURANCE AT PURCHASER'S OPTION

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

## DELIVERY

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

## ELECTRONIC TRANSCRIPTS

Purchaser(s) consent 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 – SERIES 2021B BONDS

The Purchaser shall assist the City in establishing the issue price of the Series 2021B 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 Series 2021B Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto in "EXHIBIT 1 - FORMS OF ISSUE PRICE CERTIFICATES – SERIES 2021B BONDS" 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, will need to be signed by the Purchaser. All actions to be taken by the City under the TERMS OF OFFERING to establish the issue price of the Series 2021B 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 Series 2021B Bonds) will apply to the initial sale of the Series 2021B 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 Series 2021B Bonds to the bidder who submits a firm offer to purchase the Series 2021B 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 Series 2021B Bonds, as specified in the bid.

In the event the competitive sale requirements are not satisfied for the Series 2021B Bonds, the City shall so advise the Purchaser. The City may determine to treat (i) the first price at which 10% of a maturity of the Series 2021B 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 Series 2021B 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 Series 2021B Bonds satisfies the 10% test as of the date and time of the award of the Series 2021B Bonds. The City shall promptly advise the Purchaser, at or before the time of award of the Series 2021B Bonds, which maturities of the Series 2021B Bonds, if any, shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event the City determines to apply the hold-the-offering-price rule to any maturity of the Series 2021B Bonds. **Prospective bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2021B Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2021B Bonds.**

By submitting a bid, the Purchaser shall (i) confirm the underwriters have offered or will offer the Series 2021B 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 Series 2021B Bonds, that the underwriters will neither offer nor sell unsold Series 2021B Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of (a) the close of the fifth (5th) business day after the sale date, or (b) the date on which the underwriters have sold at least 10% of that maturity of the Series 2021B 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 Series 2021B Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The City acknowledges that in making the representation set forth above, the Purchaser will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2021B 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 Series 2021B 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 Series 2021B 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 Series 2021B 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 Series 2021B 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 Series 2021B Bonds of that maturity or all Series 2021B 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 Series 2021B 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 Series 2021B 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 Series 2021B 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 Series 2021B Bonds of that maturity or all Series 2021B 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 Series 2021B 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 Series 2021B 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 Series 2021B 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 Series 2021B Bonds to the public); (iii) a Purchaser of any of the Series 2021B Bonds is a “related party” to an underwriter if the underwriter and the Purchaser are subject, directly or indirectly, to (a) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (b) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (c) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and (iv) “sale date” means the date that the Series 2021B 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, 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 each respective series of the Bonds are awarded up to 15 copies of the final Official Statement to permit each “Participating Underwriter” (as that term is defined in Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which each respective series of 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, 2021, 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 APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE. The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in the FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Purchaser(s) 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 the previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

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

## CUSIP NUMBERS

It is anticipated that the Committee on Uniform Security Identification Procedures (“CUSIP”) numbers will be printed on the Bonds and the Purchaser(s) 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(s) to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL  
City of Council Bluffs, Iowa  
/s/ Matt Walsh, Mayor

## SCHEDULE OF BOND YEARS

**\$1,155,000\***

**CITY OF COUNCIL BLUFFS, IOWA**  
**Taxable General Obligation Bonds, Series 2021A**

Bonds Dated: October 5, 2021

Interest Due: June 1, 2022 and each December 1 and June 1 to maturity

Principal Due: June 1, 2022

<u>Year</u>	<u>Principal*</u>	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2022	\$1,155,000	757.17	757.17

Average Maturity (dated date): 0.656 Years

\* Preliminary; subject to change.

## SCHEDULE OF BOND YEARS

**\$5,970,000\***

**CITY OF COUNCIL BLUFFS, IOWA**  
**General Obligation Bonds, Series 2021B**

Bonds Dated: October 5, 2021

Interest Due: June 1, 2022 and each December 1 and June 1 to maturity

Principal Due: June 1, 2022 - 2033

<u>Year</u>	<u>Principal*</u>	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2022	\$855,000	560.50	560.50
2023	425,000	703.61	1,264.11
2024	430,000	1,141.89	2,406.00
2025	440,000	1,608.44	4,014.44
2026	445,000	2,071.72	6,086.17
2027	455,000	2,573.28	8,659.44
2028	460,000	3,061.56	11,721.00
2029	470,000	3,598.11	15,319.11
2030	480,000	4,154.67	19,473.78
2031	490,000	4,731.22	24,205.00
2032	505,000	5,381.06	29,586.06
2033	515,000	6,002.61	35,588.67

Average Maturity (dated date): 5.961 Years

\* Preliminary; subject to change.

**EXHIBIT 1**

FORMS OF ISSUE PRICE CERTIFICATES

SERIES 2021B BONDS



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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 2021B  
City of Council Bluffs, 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 "Series 2021B Bonds").

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

a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2021B 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 Series 2021B Bonds used by Purchaser in formulating its bid to purchase the Series 2021B Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Series 2021B 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 Series 2021B Bonds.

**2. Defined Terms.**

a) *Issuer* means City of Council Bluffs, Iowa.

b) *Maturity* means Series 2021B Bonds with the same credit and payment terms. Series 2021B Bonds with different maturity dates, or Series 2021B Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

c) *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.

d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2021B Bonds. The Sale Date of the Series 2021B Bonds is August 23, 2021.

e) *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 Series 2021B 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 Series 2021B 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 Series 2021B Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents 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 Series 2021B Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2021B 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 Series 2021B Bonds.

[UNDERWRITER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Dated: October 5, 2021

**SCHEDULE A**

**EXPECTED OFFERING PRICES**

**\$\_\_\_\_\_ General Obligation Bonds, Series 2021B  
City of Council Bluffs, Iowa**

*(Attached)*

**SCHEDULE B**

**COPY OF UNDERWRITER'S BID**

**\$\_\_\_\_\_ General Obligation Bonds, Series 2021B  
City of Council Bluffs, 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 2021B  
City of Council Bluffs, 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 "Series 2021B 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 Series 2021B Bonds is attached to this certificate as Schedule B.

b) As set forth in the Official 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 Series 2021B 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 Series 2021B Bonds during the Holding Period.

**3. Defined Terms.**

a) *General Rule Maturities* means those Maturities of the Series 2021B Bonds listed in Schedule A hereto as the "General Rule Maturities."

b) *Hold-the-Offering-Price Maturities* means those Maturities of the Series 2021B 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 City of Council Bluffs, Iowa.

e) *Maturity* means Series 2021B Bonds with the same credit and payment terms. Series 2021B Bonds with different maturity dates, or Series 2021B 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 Series 2021B Bonds. The Sale Date of the Series 2021B Bonds is August 23, 2021.

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 Series 2021B 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 Series 2021B 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 Series 2021B Bonds to the Public).

i) 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 Series 2021B Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2021B 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 Series 2021B Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Dated: October 5, 2021

**SCHEDULE A**

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

**\$ \_\_\_\_\_ General Obligation Bonds, Series 2021B  
City of Council Bluffs, Iowa**

*(Attached)*

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

**\$\_\_\_\_\_ General Obligation Bonds, Series 2021B  
City of Council Bluffs, Iowa**

*(Attached)*



## **PRELIMINARY OFFICIAL STATEMENT**

### **CITY OF COUNCIL BLUFFS, IOWA**

**\$1,155,000\* Taxable General Obligation Bonds, Series 2021A**

**\$5,970,000\* General Obligation Bonds, Series 2021B**

#### **INTRODUCTION**

This Preliminary Official Statement contains information relating to the City of Council Bluffs, Iowa (the “City”) and its issuance of \$1,155,000\* Taxable General Obligation Bonds, Series 2021A (the “Series 2021A Bonds”) and \$5,970,000\* General Obligation Bonds, Series 2021B (the “Series 2021B Bonds”) (collectively, the “Bonds”). This Preliminary Official Statement has been executed on behalf of the City and its Director of Finance 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 Ms. Kristi Meckna, Director of Finance, City of Council Bluffs, 209 Pearl Street, Council Bluffs, Iowa 51503, telephone 712-890-5303.

#### **AUTHORITY AND PURPOSE**

The Bonds are being issued pursuant to Division III of Chapter 384 of the Code of Iowa and resolutions (the “Resolutions”) to be adopted by the City Council of the City.

The Series 2021A Bonds are being issued to provide funds to pay the costs of the acquisition, construction, reconstruction, extension, improvement, and equipping of City utilities, City enterprises, and public improvements, including parking lot improvements, roof repairs and replacements at the Mid-America Center convention center.

The Series 2021B Bonds are being issued to provide funds to pay the costs of the opening, widening, extending, grading, and draining of the rights-of-way of streets, highways, avenues, alleys, public grounds, market places, and the removal and replacement of dead or diseased trees thereon; the construction, reconstruction and repairing of any street improvements, bridges, grade crossing separations and approaches; the acquisition, installation and repair of sidewalks, pedestrian underpasses and overpasses, culverts, retaining walls, storm sewers, sanitary sewers, water service lines, street lighting, and traffic control devices; and the acquisition of any real estate needed for any of the foregoing purposes; the acquisition, construction, reconstruction, and improvement of real and personal property, useful for the reclamation of property situated within the corporate limits of cities from floods or high waters, including the construction of levees, embankments, structures, impounding reservoirs or conduits, and the development and beautification of the banks and other areas adjacent to flood control improvements; the acquisition, construction, reconstruction, improvement, repair and equipping of waterworks, water mains, extensions, and real and personal property, useful for providing potable water to residents of the city; the rehabilitation and improvement of parks already owned, and facilities, equipment, and improvements commonly found in city parks; the acquisition, restoration, or demolition of abandoned, dilapidated, or dangerous buildings, structures or properties or the abatement of a nuisance; the acquisition, construction, reconstruction, enlargement, improvement, and equipping, including information technology hardware and software, of city buildings; the acquisition, construction, reconstruction, enlargement, improvement, and equipping of city halls, jails, police stations, fire stations, garages, libraries, and hospitals, including buildings to be used for any combination of the foregoing purposes, and the acquisition of real estate therefor; the acquisition, construction, reconstruction, extension, improvement, and equipping of city utilities, city enterprises, and public improvements as defined in section 384.37, other than those which are essential corporate purposes, including parking lot improvements at Westwood, Pirate Cove; the acquisition, construction, reconstruction, enlargement, improvement, and equipping of community center houses, recreation grounds, recreation buildings, juvenile playgrounds, swimming pools, recreation centers, parks, and golf courses, and the acquisition of real estate therefor, including parking lot improvements; the acquisition, construction, reconstruction, enlargement, improvement, and equipping of community center houses, recreation grounds, recreation buildings, juvenile playgrounds, swimming pools, recreation centers, parks, and golf courses, and the acquisition of real estate therefore, including recreational grounds and trails, and the new Eastern Hills Neighborhood Park and Valley View dog park.

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

<u>Sources of Funds*</u>	<u>Series 2021A Bonds</u>	<u>Series 2021B Bonds</u>
Par Amount of Bonds	\$1,155,000.00	\$5,970,000.00
<u>Uses of Funds*</u>		
Deposit into Project Fund	\$1,125,000.00	\$5,875,000.00
Underwriter's Discount	3,465.00	47,760.00
Cost of Issuance & Contingency	<u>26,535.00</u>	<u>47,240.00</u>
Total Uses	\$1,155,000.00	\$5,970,000.00

\* Preliminary; subject to change.

## **INTEREST ON THE BONDS**

Interest on the Bonds will be payable on June 1, 2022 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 (whether or not a business day) 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.

## **NO OPTIONAL REDEMPTION – SERIES 2021A BONDS**

The Series 2021A Bonds will not be subject to early redemption.

## **OPTIONAL REDEMPTION – SERIES 2021B BONDS**

Series 2021B Bonds due after June 1, 2029 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 bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

Nothing in the Resolutions for the Bonds 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 (i) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (ii) 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 Resolutions authorizing the Bonds does not restrict the City's ability to issue or incur additional general obligation debt, although issuance of additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Bonds. For a further description of the City's outstanding general obligation debt upon issuance of the Bonds and the annual debt service on the Bonds, see "DIRECT DEBT" under "CITY INDEBTEDNESS" included in APPENDIX A to this Preliminary Official Statement. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see "DEBT LIMIT" under "CITY INDEBTEDNESS" included in APPENDIX A 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 DTC AND BOOK-ENTRY-ONLY ISSUANCE." The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.*

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

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

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

The information in this section concerning DTC and DTC's book-entry 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 will not be issuing additional general obligation bonds within 90 days of this Preliminary Official Statement.

## **LITIGATION**

To the knowledge of the City, no litigation is pending or threatened which, in the opinion of the City, 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 Resolutions, 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 is not expressing any opinion as to the completeness or accuracy of the information contained in the Preliminary Official Statement. Bond Counsel has reviewed or prepared 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”, “NO OPTIONAL REDEMPTION – SERIES 2021A BONDS”, “OPTIONAL REDEMPTION – SERIES 2021B BONDS” “PAYMENT AND SECURITY FOR THE BONDS” and “TAX MATTERS”, herein. Additionally, Bond Counsel has provided its Forms of Legal Opinions and Continuing Disclosure Certificate, included in APPENDIX B and APPENDIX D, respectively, within this Preliminary Official Statement. The FORM OF LEGAL OPINIONS as set out in APPENDIX B to this Preliminary Official Statement, will be delivered at closing. Bond Counsel is not expressing any opinion as to the completeness or accuracy of the information contained in the Preliminary Official Statement. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel to the City in connection with the issuance of the Bonds.

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

In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel’s opinions. The opinions 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**

### **With Respect to the Series 2021A Bonds**

Taxability and Related Considerations: In the opinion of Bond Counsel, under existing law, interest on the Series 2021A Bonds will be included in gross income of the owners thereof for federal income tax purposes.

Ownership of the Series 2021A Bonds may result in other federal, state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2021A Bonds. Prospective purchasers of the Series 2021A Bonds should consult their tax advisors regarding the applicability of any such federal, state and local taxes.

Discount and Premium on Certain Series 2021A Bonds: The initial public offering price of certain Series 2021A Bonds (the “Series 2021A Discount Bonds”) may be less than the amount payable on such Series 2021A Discount Bonds at maturity. An amount equal to the difference between the initial public offering price of the Series 2021A Discount Bonds (assuming that a substantial amount of the Series 2021A 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 Series 2021A Discount Bonds. Purchasers of Series 2021A Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Series 2021A Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Series 2021A Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Series 2021A 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 Series 2021A Bonds (the “Series 2021A Premium Bonds”) may be greater than the amount of such Series 2021A Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of Series 2021A Premium Bonds (assuming that a substantial amount of the Series 2021A 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 Series 2021A Premium Bonds. Purchasers of the Series 2021A Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Series 2021A Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Series 2021A Premium Bonds.

### **With Respect to the Series 2021B Bonds**

Tax Exemptions and Related Considerations: Federal tax law contains a number of requirements and restrictions that apply to the Series 2021B 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 Series 2021B 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 Series 2021B Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2021B Bonds.

Subject to the City’s compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2021B Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2021B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Prospective purchasers of the Series 2021B Bonds should be aware that ownership of the Series 2021B Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2021B Bonds should consult their tax advisors as to collateral federal income tax consequences.

Ownership of the Series 2021B 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 Series 2021B Bonds. The prospective purchaser of the Series 2021B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Qualified Tax-Exempt Obligations: The City will designate the Series 2021B 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 Series 2021B Bonds: The initial public offering price of certain Series 2021B Bonds (the “Series 2021B Discount Bonds”) may be less than the amount payable on such Series 2021B Bonds at maturity. An amount equal to the difference between the initial public offering price of Series 2021B Discount Bonds (assuming that a substantial amount of the Series 2021B 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 Series 2021B Discount Bonds. Purchasers of Series 2021B Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Series 2021B Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Series 2021B Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Series 2021B 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 Series 2021B Bonds (the “Series 2021B Premium Bonds”) may be greater than the amount payable on such Series 2021B Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of Series 2021B Premium Bonds (assuming that a substantial amount of the Series 2021B 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 Series 2021B Premium Bonds. Purchasers of the Series 2021B Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Series 2021B Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Series 2021B 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 Series 2021B 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 the Series 2021B 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 Series 2021B Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Series 2021B 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 Series 2021B 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 Series 2021B 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 Bondholder who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Legislation: Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa legislature. Judicial interpretation of state or federal laws, rules or regulations may also affect the tax treatment. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2021B Bonds will not have an adverse effect on the tax status of interest or other income on the

Series 2021B Bonds or the market value or marketability of the Series 2021B 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 Series 2021B 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 Series 2021B Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Series 2021B Bonds from realizing the full current benefit of the tax status of such interest. Recent proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2021B 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 Series 2021B Bonds. The prospective purchaser of the Series 2021B Bonds should consult their own tax advisors regarding any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion except as set forth in APPENDIX B to this Preliminary Official Statement.

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 Series 2021B 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.

### **With Respect to the Bonds**

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 Resolutions authorizing issuance of the Bonds. There is no bond trustee or similar person to monitor or enforce the terms of the Resolutions for issuance of 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 Resolutions for the Bonds) may have to be enforced from year to year. The enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinions.

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 opinions. The opinions 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 Resolutions for the Bonds, including principal of and interest on the Bonds.

The Opinions: 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 opinions are 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 opinions of Bond Counsel



and Bond Counsel's opinions are not binding on the Service. Bond Counsel assumes no obligation to update its opinions after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

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

## **BONDHOLDER'S RISKS**

An investment in the Bonds is subject to certain risks. No person should purchase the Bonds unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Bonds. 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 that a secondary market will develop for the purchase and sale of the Bonds. Prices of municipal bonds traded in the secondary market, if any, are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance of the entities operating the facilities subject to bonded indebtedness. From time to time it may be necessary to suspend indefinitely secondary market trading in selected issues of municipal bonds as a result of the financial condition or market position, prevailing market conditions, lack of adequate current financial information about the entity, operating the subject facilities, or a material adverse change in the operations of that entity, whether or not the subject bonds are in default as to principal and interest payments, and other factors which, may give rise to uncertainty concerning prudent secondary market practices.

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

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

Ratings Loss: Moody's Investors Service, Inc. ("Moody's") has assigned a rating of 'A' 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 Moody's, 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 Resolutions for the Bonds.

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

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

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

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

Global Health Emergency Risk: The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus and on March 13, 2020, the President of the United States declared a national emergency. The current spread of COVID-19 is altering the behavior of businesses and people in a manner that may have negative effects on economic activity, and therefore adversely affect the financial condition of the City, either directly or indirectly. Federal, State, and local officials are taking steps to curb the spread of the virus, including providing both discretionary and mandatory guidelines and orders regarding public gatherings, and imposing mandatory closings and/or operating limitations of some businesses. The spread of the virus could reduce general fund revenues, hotel/motel tax receipts, sales tax collections, delay the receipt of property tax payments and negatively impact other collections dependent on local business activity. Since the outbreak of COVID-19, City departments have focused on keeping expenditures down and delayed capital projects to determine suitable funding sources. The City experienced minor revenue loss in regards to gaming and hotel/motel tax; however, those reductions appear to be bouncing back quicker than originally expected. The City received \$1,477,472.27 in CARES Act funding. The CARES Act funds were used to reimburse 25% of public safety salaries in regards to the pandemic. The City received \$12,405,027.50 in ARPA funding and anticipate an additional \$12,405,027.50 in 2022. The ARPA funding is still awaiting Final Rule from Treasury; however, there will be limited uses for these funds. The City also anticipates receiving FEMA funding in regards to Covid-19; however, the amount is yet to be determined based on items being submitted for reimbursement. The FEMA funds are reimbursable for expenses related to supplies needed during the Covid-19 pandemic (i.e. overtime costs associated for public safety personnel being out on Covid leave, masks, cleaning supplies, plexiglass dividers, etc.). Other than the items discussed above, the City does not anticipate any material impact from COVID-19 on the City’s finances. The Bonds are secured by an unlimited ad valorem property tax as described more fully in the “PAYMENT OF AND SECURITY OF THE BONDS” herein.

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 2020 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. 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.

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Such alterations could adversely affect the City’s financial condition. Historically, changes to property tax calculations and impositions are imposed on a prospective basis. However, there is no assurance future changes to property taxation by the Iowa General Assembly will not be applied retroactively. It is impossible to predict the outcome of future property taxation changes by the Iowa General Assembly or resulting impacts on the City’s financial condition. 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 in the amount of \$3 million for cyber security. 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 the "INSURANCE" 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 GASB 68, the City reported a liability of \$12,463,847 within its Comprehensive Annual Financial Report as of June 30, 2020 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, 2019, 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, 2019, the City's collective proportion was 0.213804% which was a decrease of 0.001294% from its proportion measured as of June 30, 2018.

Additionally, the City reported a liability of \$37,818,712 within its Comprehensive Annual Financial Report as of June 30, 2020 for its proportionate share of the net pension liability related to MFPRSI, 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, 2019, 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, 2019, the City's collective proportion was 5.765693%, which was a decrease of 0.051282% from its proportion measured as of June 30, 2018.

See "EMPLOYEES AND PENSIONS" under "THE CITY" included in APPENDIX A herein for more summary information related to the City's contributions, and APPENDIX B – June 30, 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT for additional information related to the City's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity. Changes to the City's pension contributions, or available sources to fund said contributions, may adversely affect the City's financial condition. 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 various opinions of counsel to be delivered with respect to the Bonds and the Resolutions, including the opinions of Bond Counsel, will be similarly qualified. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolutions. In the event

the City fails to comply with its covenants under the Resolutions or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

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

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

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

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

### **With Respect to the Series 2021B Bonds**

Tax Matters and Loss of Tax Exemption – Series 2021B Bonds: As discussed under the heading “TAX MATTERS” herein, the interest on the Series 2021B Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Series 2021B Bonds, as a result of acts or omissions of the City in violation of its covenants in the resolution for the Series 2021B Bonds. Should such an event of taxability occur, the Series 2021B 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 Series 2021B Bonds, and there is no provision for an adjustment of the interest rate on the Series 2021B Bonds.

It is possible that 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 Series 2021B Bonds will alter the tax status of the Series 2021B Bonds, and, in the extreme, remove the tax-exempt status from the Series 2021B Bonds. In that instance, the Series 2021B Bonds are not subject to mandatory prepayment and the interest rate on the Series 2021B Bonds does not increase or otherwise reset. A determination of taxability on the Series 2021B Bonds, after closing of the Series 2021B Bonds, could materially adversely affect the value and marketability of the Series 2021B 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 Series 2021B Bonds or

otherwise prevent holders of the Series 2021B Bonds from realizing the full benefit of the tax exemption of interest on the Series 2021B Bonds. Further, such proposals may impact the marketability or market value of the Series 2021B 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 Series 2021B 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 Series 2021B 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 Series 2021B Bonds would be impacted thereby.

**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**

Moody's has assigned a rating of '\_\_\_\_' to the Bonds. Moody's currently maintains an underlying rating on the City's long-term general obligation debt of '\_\_\_\_'. Such rating on long-term debt reflects only the view of the rating agency and any explanation of the significance of such rating may only be obtained from Moody's. There is no assurance that such rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

## **MUNICIPAL ADVISOR**

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

## **CONTINUING DISCLOSURE**

The City will covenant in a Continuing Disclosure Certificate for the benefit of the owners and beneficial owners of the Bonds to provide annually certain financial information and operating data relating to the City (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City not later than two hundred seventy (270) days after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2021, 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 to assist the underwriter(s) 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 the previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

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

## **FINANCIAL STATEMENTS**

The City's June 30, 2020 Comprehensive Annual Financial Report as prepared by a certified public accountant is reproduced as APPENDIX C. The City's certified public accountant has not consented to distribution of the audited financial statements and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City's prior Comprehensive Annual Financial Report 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 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 \$1,155,000\* Taxable General Obligation Bonds, Series 2021A and \$5,970,000\* General Obligation Bonds Series 2021B.

CITY OF COUNCIL BLUFFS, IOWA  
/s/ Matt Walsh, Mayor

\* Preliminary; subject to change.

## **APPENDIX A**

### **GENERAL INFORMATION ABOUT THE CITY OF COUNCIL BLUFFS, IOWA**

*The \$1,155,000\* Taxable General Obligation Bonds, Series 2021A (the “Series 2021A Bonds”) and \$5,970,000\* General Obligation Bonds, Series 2021B (the “Series 2021B Bonds”) (collectively, the “Bonds”) are general obligations of the City of Council Bluffs, 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 Pottawattamie County Auditors adjusted the final Actual Values for 2020. The reduced values, determined after the application of rollback percentages, are the taxable values subject to tax levy. For assessment year 2020, the taxable value rollback rate was 56.4094% of actual value for residential property; 67.5000% of actual value for multiresidential property; 84.0305% of actual value for agricultural property; 90.0000% of actual value for commercial, industrial, and railroad property, and 98.5489% of actual value for utility property.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 3% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

### PROPERTY VALUATIONS (1/1/2020 Valuation Taxes payable July 1, 2021 through June 30, 2022)

	<u>100% Actual Value</u>	<u>Taxable Value (With Rollback)</u>
Residential	\$2,697,841,925	\$1,519,357,621
Commercial	1,215,633,426	1,082,958,796
Industrial	109,382,813	98,436,113
Multiresidential	224,132,296	143,334,129
Railroad	19,498,360	17,548,524
Utilities w/o Gas & Electric	<u>11,171,195</u>	<u>11,009,090</u>
Gross valuation	\$4,277,660,015	\$2,872,644,273
Less military exemption	<u>(4,487,396)</u>	<u>(4,487,396)</u>
Net valuation	\$4,273,172,619	\$2,868,156,877
TIF Increment (used to compute debt service levies and constitutional debt limit)	\$141,361,414	\$141,361,414
Taxed separately		
Ag. Land & Building	\$10,728,496 <sup>1)</sup>	\$9,018,321 <sup>1)</sup>
Gas & Electric Utilities	\$1,773,923,759	\$179,866,637

1) Excludes \$3,704 of military exemption on agricultural property.

Source: Iowa Department of Management

### 2020 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY <sup>1)</sup>

	<u>Taxable Valuation</u>	<u>Percent Total</u>
Residential	\$1,519,357,621	49.77%
Commercial, Industrial and Utility	1,192,403,999	39.06%
Gas & Electric Utilities	179,866,637	5.89%
Multiresidential	143,334,129	4.70%
Railroad	<u>17,548,524</u>	<u>0.58%</u>
Total Gross Taxable Valuation	\$3,052,510,910	100.00%

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



## TREND OF VALUATIONS

Assessment Year	Payable Fiscal Year	100% Actual Valuation	Taxable Valuation (With Rollback)	Taxable TIF Increment
2016	2017-18	\$4,839,011,160	\$2,569,125,780	\$128,501,899
2017	2018-19	5,259,987,480	2,721,387,838	112,339,033
2018	2019-20	5,121,594,374	2,809,624,482	100,883,278
2019	2020-21	5,497,406,766	2,844,858,007	138,010,702
2020	2021-22	6,199,186,288	3,048,023,514	141,361,414

The 100% Actual Valuations, before rollback and after reduction of military exemption, include Ag. Land, Ag. Buildings, TIF Increment, and Gas & Electric Utilities. The Taxable Valuations, with the rollback and after the reduction of military exemption, include Gas & Electric Utilities and exclude the Taxable TIF Increment, Ag. Land and Ag. Buildings. 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.

Source: Iowa Department of Management

## 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 Pottawattamie County Auditor's office. 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 providers (which is subject to an excise tax in accordance with Iowa Code chapter 437A), the City's mill levy is 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 – Legal Name</u>	<u>Taxpayer – Business Name</u>	<u>Valuation Category</u>	<u>1/1/2020 Taxable Valuation</u>
Mid-American Electric	Mid-American Energy	Utility	\$123,898,596
Gable Corp.	Google	Commercial	95,574,780
Horseshoe Council Bluffs LLC	Horseshoe Casino	Commercial	69,302,700
Questa LLC	Google	Commercial	57,143,880
Pinnacle Entertainment Inc.	Ameristar Casino	Commercial	51,856,740
Harrah's Council Bluffs LLC	Harrah's Casino	Commercial	46,521,810
W-PT Metro Center Owner VIII LLC	Metro Crossings Retail Center	Commercial	38,410,380
Black Hills Energy Corp.	Black Hills Energy Corp	Utility	24,113,470
Tetra LLC	Google	Commercial	23,978,700
Wal-Mart Real Estate Business Trust	Wal-Mart	Commercial	22,092,840

Source: Pottawattamie County Auditor's Office

## PROPERTY TAX LEGISLATION

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on 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.

During the 2019 legislative session, the Iowa General Assembly enacted Senate File 634 (the "2019 Act"). This bill modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the City's budget. The bill also includes a provision that will require the affirmative vote of 2/3 of the City Council when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula. The 2019 Act does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds.

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "2013 Act"). Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigned a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) created a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigned a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempted a specified portion of the assessed value of telecommunication properties. During the 2021 legislative session, House File 418 ("HF 418") was signed into law on March 8, 2021, applicable to valuations beginning January 1, 2022. HF 418 removes the multi-residential property classification by reclassifying certain multiple unit properties as a subset of "residential" property. The multi-residential classification was created as part of the January 1, 2015 valuations and this separate classification has become unnecessary due to the equalization of the residential and multi-residential classifications as of January 1, 2022.

The 2013 Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. During the 2021 legislative session, Senate File 619 ("SF 619") was signed into law on June 17, 2021, that includes a phase out of the standing appropriation payments to the City. In Fiscal Year 2020-21, the City collected \$2,014,142 from the standing appropriation which will be phased out over time pursuant to SF 619 starting in Year 2022-23. The appropriation does not replace losses to local governments resulting from the 2013 Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for multi-residential properties from the residential rollback percentage, or the reduction in the percentage of telecommunications property that is subject to taxation.

Notwithstanding any decrease in property tax revenues that may result from the 2013 Act, the 2019 Act, HF 418 or SF 619, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

## 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 2020 actual valuation currently applicable to the Fiscal Year 2021-22, is as follows:

2020 Actual Valuation of Property	\$6,199,186,288
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$309,959,314
Less: G.O. Debt Subject to Debt Limit	(58,295,000) *
Less: Development Agreements	(2,064,089) <sup>1)</sup>
Less: IFA Marketplace TIF Revenue Debt (annual appropriation)	(501,237)
Less: Golf Cart Lease Purchase	(98,664)
Less: Rivers Edge Parking Garage LPA (annual. appropriation)	<u>(775,369)</u>
Net Debt Limit	\$248,224,955

- 1) As estimated by the City pursuant to development agreements for urban renewal projects under the authority of Iowa Code Chapter 403 or other intergovernmental agreements (under chapter 28E, etc.). 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. Some development agreements are subject to the right of annual appropriation by the City, thereby limiting the extent of possible debt to only amounts currently due and appropriated in the current fiscal year. Amounts payable under a particular development agreement may not constitute legal indebtedness, but are memorialized in the table below to conservatively state the City's possible financial exposure. Payment of future installments may be dependent upon undertakings by the developers, which may have not yet occurred. 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 incentives in calendar year 2021 or thereafter.

### DIRECT DEBT

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

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 10/05/21</u>
4/14A	\$7,630,000	Corporate Purpose	6/26	\$3,235,000
3/15A	8,145,000	Refunding & Corporate Purpose	6/30	3,675,000
12/16A	6,095,000	Corporate Purpose	6/26	5,110,000
8/17A	9,540,000	Corporate Purpose	6/37	7,430,000
6/18A	22,605,000	Corporate Purpose & Refunding	6/38	17,675,000
12/19	7,630,000	Corporate Purpose	6/31	5,330,000
4/20A	6,085,000	Corporate Purpose	6/27	5,330,000
12/20B	4,515,000	Corporate Purpose	6/32	3,385,000
10/21A	1,155,000*	Taxable Corporate Purpose	6/22	1,155,000*
10/21B	5,970,000*	Corporate Purpose	6/33	<u>5,970,000*</u>
Total G.O. Debt Subject to Debt Limit				\$58,295,000*

\* Preliminary; subject to change.

Annual Fiscal Year Debt Service Payments on the General Obligation Debt Paid by Property Taxes and Tax Increment (Includes the Bonds)

Fiscal Year	<u>Current Outstanding</u>		<u>Series 2021A</u>		<u>Series 2021B</u>		<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal &amp; Interest</u>	<u>Principal*</u>	<u>Principal &amp; Interest*</u>	<u>Principal*</u>	<u>Principal &amp; Interest*</u>	<u>Principal*</u>	<u>Principal &amp; Interest*</u>
2021-22	\$5,775,000	\$7,607,344	<u>\$1,155,000</u>	\$1,167,493	\$855,000	\$932,103	\$7,785,000	\$9,706,940
2022-23	6,000,000	7,610,669			425,000	530,218	6,425,000	8,140,887
2023-24	6,220,000	7,594,244			430,000	528,630	6,650,000	8,122,874
2024-25	5,805,000	6,938,369			440,000	531,965	6,245,000	7,470,334
2025-26	5,405,000	6,320,044			445,000	529,705	5,850,000	6,849,749
2026-27	3,810,000	4,526,706			455,000	532,140	4,265,000	5,058,846
2027-28	2,660,000	3,226,706			460,000	528,950	3,120,000	3,755,656
2028-29	2,770,000	3,240,456			470,000	530,210	3,240,000	3,770,666
2029-30	2,850,000	3,236,156			480,000	531,045	3,330,000	3,767,201
2030-31	1,960,000	2,265,006			490,000	529,285	2,450,000	2,794,291
2031-32	1,420,000	1,671,288			505,000	532,035	1,925,000	2,203,323
2032-33	1,075,000	1,285,850			<u>515,000</u>	528,905	1,590,000	1,814,755
2033-34	1,105,000	1,281,144					1,105,000	1,281,144
2034-35	1,145,000	1,286,306					1,145,000	1,286,306
2035-36	1,180,000	1,284,650					1,180,000	1,284,650
2036-37	1,220,000	1,285,975					1,220,000	1,285,975
2037-38	<u>770,000</u>	795,988					<u>770,000</u>	795,988
Total	\$51,170,000		\$1,155,000*		\$5,970,000*		\$58,295,000*	

\* Preliminary; subject to change.

## REVENUE DEBT

### Council Bluffs Water Works Issued Revenue Debt Supported by Net Revenues of the Water Works

The Council Bluffs Water Works (the “Water Works”) is a related organization to the City. The Mayor, with City Council concurrence, appoints individuals to the Water Works’ Board of Trustees. The Water Works’ Board of Trustees maintains oversight responsibility and, therefore, is responsible for selection of management personnel and all financial matters. The authority to adopt the annual budget, incur debt and fix rates and charges is vested in the Board of Trustees. The Council Bluffs Water Works has revenue debt payable solely from the net revenues of the utility as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 10/05/21</u>
9/08	\$10,344,944	Water Improvements (SRF)	12/30	\$5,968,000
4/10	4,713,290	Water Improvements (SRF)	12/40	3,589,000
4/10	20,000,000	Water Improvements (SRF)	12/31	12,553,000
1/15	1,200,000	Water Improvements (SRF)	6/34	787,000
9/18	5,025,000	Water Improvements (SRF)	6/39	<u>4,607,000</u> <sup>1)</sup>
Total				\$27,504,000

- 1) As of June 23, 2021, the Water Works has drawn \$5,007,989. The principal outstanding assumes that the Water Works will draw down the entire original loan amount.

### City Issued Sewer Revenue Debt Supported by Net Revenues of the Sewer Utility

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 10/05/21</u>
5/12	\$5,160,000	Sewer Improvements (SRF)	6/32	\$3,239,000

**Iowa Finance Authority Issued Revenue Debt Supported by Marketplace Urban Renewal Area Tax Increment  
(Subject to Annual Appropriation by the City Council)**

On May 5, 2015, the Iowa Finance Authority (“IFA”) issued \$5,950,000 in Economic Development Revenue Bonds and loaned the proceeds thereof to the City, which the City used to make an economic development grant in accordance with the Marketplace Urban Renewal plan, fund a debt service reserve for the bonds and pay the costs of issuing the bonds. The loan is payable solely from the bond proceeds, tax increment financing (“TIF”) receipts generated by increased property values in the designated portions of the Marketplace Urban Renewal area, credited to the Special Revenue, Tax Increment Financing Fund and paid to the trustee pursuant to the financing agreement and moneys in the debt reserve trust account. TIF receipts are generally projected to produce 100% of the debt service requirements over the life of the bonds. The TIF revenues are subject to annual appropriation by the City Council. The payment of such TIF revenues do not constitute a continuing obligation of the City in any fiscal year beyond the fiscal year for which TIF revenues have been appropriated. Pursuant to the financing agreement, the City established a Trust Account through the Bank of Kansas City as trustee. Funds in the trust account are to be used to retire the IFA bonds.

The City has revenue debt payable solely from the TIF revenues of the Marketplace Urban Renewal Area as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 10/05/21</u>	<u>Annual Appropriation Subject to Debt Limit</u>
5/15	\$5,950,000	Economic Development	8/29	\$3,075,000	\$501,237 <sup>1)</sup>

- 1) The City appropriated \$843,000 in FY 2021-22 for the debt payments. Excludes the August 1, 2021 principal and interest payment in the amount of \$341,763. City anticipates making a \$420,000 principal payment plus \$80,718.75 of interest with the remaining appropriation amount on February 1, 2022.

**City Issued Lease Purchase Agreement Supported by Iowa West as Guarantor and Playland Park Urban Renewal Area Tax Increment (Subject to Annual Appropriation by the City Council)**

This lease purchase agreement shall not constitute a general obligation of the City, and the full faith and credit of the City is not pledged for the payment of the lease payments. The lease payments are payable from and secured solely and only by the Available Tax Increment Revenues from the Playland Park Urban Renewal area as defined in the Rivers Edge Parking Garage Lease Purchase Agreement. Each lease payment is subject to annual appropriation by the City Council. In the event that available tax increment revenues are insufficient or the City Council doesn’t appropriate the annual lease payment, Iowa West Foundation (the “Guarantor”) shall pay the shortfall amount directly to the developer. Subject to the right of annual appropriation, the Guarantor may receive reimbursement of any shortfall amount only in the event that excess available tax increment revenues are available.

The City has the Rivers Edge Parking Garage Lease Purchase Agreement payable solely from the TIF revenues of the Playland Park Urban Renewal Area as follows:

<u>Date of Issue</u>	<u>Total Lease Payments</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Lease Payments Outstanding As of 10/05/21</u>	<u>Annual Appropriation Subject to Debt Limit</u>
7/19	\$15,393,930	Parking Garage	6/39	\$13,455,507	\$775,369 <sup>1)</sup>

- 1) The City appropriated \$775,369 for FY 2021-22, which includes \$311,540 in principal and \$463,829 in interest.

## OVERLAPPING DEBT

	1/1/2020 Taxable <u>Valuation</u> <sup>1)</sup>	Taxable Valuation <u>Within the City</u>	Percent <u>In City</u>	<u>G.O. Debt</u> <sup>2)</sup>	City's Proportionate <u>Share</u>
Pottawattamie County	\$5,683,519,540	\$3,198,399,545	56.27%	\$21,165,000	\$11,909,546
Lewis Central CSD	1,541,479,690	1,101,079,387	71.43%	0	0
Council Bluffs CSD	2,508,326,302	2,097,320,158	83.61%	36,745,000	30,722,495
Iowa Western CC	11,485,941,467	3,198,399,545	27.85%	69,616,000	<u>19,388,056</u>
City's Share of Overlapping Debt					\$62,020,097

- 1) Taxable Valuation excludes military exemption and includes Ag. Land & Buildings, Taxable TIF Increment and all Utilities.  
2) Includes general obligation bonds, PPEL Bonds, certificates of participation and new jobs training certificates. Estimated as of July 26, 2021 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>G.O. Debt</u>	Debt/Actual Market Value <u>(\$6,199,186,288)</u> <sup>1)</sup>	Debt/62,230 <u>Population</u> <sup>2)</sup>
Total General Obligation Debt	\$58,295,000	0.94%	\$936.77
Other City Debt <sup>3)</sup>	\$1,375,270	0.02%	\$22.10
City's Share of Overlapping Debt	\$62,020,097	1.00%	\$996.63

- 1) Based on the City's January 1, 2020 100% Actual Valuation; includes Ag Land, Ag Buildings, all Utilities and TIF Increment.  
2) Based on the City's 2010 U.S. Census population.  
3) Includes the appropriated \$501,237 IFA Market Place TIF revenue debt, \$775,369 appropriated for the Rivers Edge Parking Garage Lease Purchase Agreement and \$98,664 for the Golf Cart Lease Purchase.

## THE CITY

### CITY GOVERNMENT

The City was incorporated in 1853. The City operated under a Council-Manager at large form of government, per 372.6 Iowa Code from April 1, 1950 to December 31, 1987. Since January 1, 1988 the City has been under Mayor-Council form of government, per 372.4 Iowa Code. The Mayor is responsible for the day-to-day operation of the City and it is the responsibility of the City Council to establish City policy and to certify the budget. In November 2017, Mayor Matt Walsh was elected to another four-year term.

### LEVIES AND TAX COLLECTIONS

<u>Fiscal Year</u>	<u>Levy</u> <sup>1)</sup>	<u>Total Collections</u> <sup>2)</sup>	<u>Percent Collected</u>
2016-17	\$45,593,942	\$45,385,447	99.54%
2017-18	46,466,624	46,303,649	99.65%
2018-19	46,787,000	49,743,234	106.32%
2019-20	48,301,901	51,098,775	105.79%
2020-21	49,134,737	-----In process of collection-----	

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

1) As listed on the Adoption of Budget and Certification of City Taxes

2) Based on Audited Financial Statements and includes "Property Tax" and "Utility Excise Tax"

### TAX RATES

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>
	<u>\$/ \$1,000</u>	<u>\$/ \$1,000</u>	<u>\$/ \$1,000</u>	<u>\$/ \$1,000</u>	<u>\$/ \$1,000</u>
Pottawattamie County	8.34680	8.14576	8.09573	8.09573	8.09573
City of Council Bluffs	17.75000	17.90720	18.26000	18.26000	18.26000
Council Bluffs CSD	16.85685	17.00314	17.24201	17.05801	16.99765
Lewis Central CSD	12.40230	12.34640	12.28156	12.26138	12.04018
Agricultural Extension (West)	0.02980	0.09040	0.08828	0.08904	0.09021
Assessor	0.33719	0.34745	0.35557	0.35653	0.35575
Iowa Western Comm. College	1.51663	1.28565	1.30877	1.30529	1.29710
State of Iowa	<u>0.00330</u>	<u>0.00310</u>	<u>0.00290</u>	<u>0.00280</u>	<u>0.00270</u>
Total Tax Rate City Resident (Council Bluffs CSD)	44.84057	44.78270	45.35326	45.16740	45.09914
Total Tax Rate City Resident (Lewis Central CSD)	40.38602	40.12596	40.39281	40.37077	40.14167



## 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 \$7.64 for Fiscal Year 2021-22. The City levies a portion of its costs for operation and maintenance of publicly owned transit, operation and maintenance of City owned Civic Center, aviation authority, liability, property and self-insurance expenses and employee benefits in addition to the \$8.10 general fund limit as authorized by law. Debt service levies are not limited.

## FUNDS ON HAND (CASH AND INVESTMENTS AS OF MAY 31, 2021)

General Fund	\$36,859,828
Special Districts and Funds	15,821,199
Road Use Tax	6,192,139
Debt Service	806,165
Tax Increment Funds	4,563,275
Sewer Enterprise Funds	8,555,285
Refuse & Recycling Enterprise	4,491,875
City Sales Tax	27,334,831
Community Development	505,296
Capital Projects & Permanent Fund	<u>(3,020,091)</u> <sup>1)</sup>
Total Cash and Investments	\$102,109,802

1) Deficit will be eliminated by actual project transfers after June 30, 2021.

Source: City of Council Bluffs

## EMPLOYEES AND PENSIONS

The City currently has 464 full-time employee equivalents (excluding seasonal employees). Of the City's budgeted full time equivalents, 139 are police officers and employees of the police department and 107 are sworn firefighters, officers and employees of the fire department (including ambulance operations) in all ranks. All full-time employees, excluding police officers and fire fighters, are enrolled in the Iowa Public Employees Retirement System ("IPERS"). Plan members are required to pay 6.29% of their annual covered salary and the City is required to contribute 9.44% of annual covered payroll for the current year.

Iowa Public Employees Retirement System ("IPERS"): The City contributes to IPERS, which is a cost-sharing multiple-employer, contributory defined benefit public employee retirement system administered by IPERS. 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 ended June 30, as shown below, equal the required contributions for each year.

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>
IPERS City Contribution	\$1,442,481	\$1,544,087	\$1,569,823

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

*Bond Counsel, Disclosure 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 the 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 Governmental Accounting Standards Board (“GASB”) Statement No. 68, the City reported a liability of \$12,463,847 within its Comprehensive Annual Financial Report as of June 30, 2020 for its proportionate share of the net pension liability. The net pension liability is the amount by which the total actuarial liability exceeds the pension plan’s net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2019, 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, 2019, the City’s collective proportion was 0.213804% which was a decrease of 0.001294% from its proportion measured as of June 30, 2018.

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 accrued actuarial liabilities of IPERS (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL 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 UAAL 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 Pension Plans, including information related to deferred outflows and inflows of resources related to pensions, expenses, actuarial assumption, discount rate and discount rate sensitivities refer to Note 8 – Pension Plans – Iowa Public Employees Retirement System, beginning on page 47 of the City’s June 30, 2020 Comprehensive Annual Financial Report contained in APPENDIX C to this Preliminary Official Statement.

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

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 ended June 30, as shown below, equal the required contributions for each year.

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>
MFPRSI City Contribution	\$4,341,885	\$4,541,407	\$4,392,031

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

*Bond Counsel, Disclosure 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 websites, 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 websites.*

Pursuant to GASB Statement No. 68, the City reported a liability of \$37,818,712 with its Comprehensive Annual Financial Report as of June 30, 2020 for its proportionate share of the net pension liability related to 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, 2019, 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, 2019, the City's proportion was 5.765693% which was a decrease of 0.051282% from its proportion measured as of June 30, 2018.

For additional information on the City's Pension Plans, including information related to deferred outflows and inflows of resources related to pensions, expenses, actuarial assumption, discount rate and discount rate sensitivities refer to Note 8 – Pension Plans – Municipal Fire and Police Retirement System of Iowa, beginning on page 51 of the City's June 30, 2020 Comprehensive Annual Financial Report contained in APPENDIX C to this Preliminary Official Statement.

## **OTHER POST EMPLOYMENT BENEFITS (OPEB)**

Plan Description: The City operates a single-employer health benefit plan which provides medical, prescription drug, and dental benefits for employees, retirees and their dependents. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Individuals who are employed by the City and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement if they are age 55 and at least four years of service. A covered individual who retires from service with the City must be vested in the MFPRSI or in IPERS. Retirees pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate of subsidy and an OPEB liability. At July 1, 2018, plan membership consisted of 39 retired members and 460 active employees.

Funding Policy: The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. The General, Special Revenue, Road Use Tax and Enterprise, Sewer and Refuse and Disposal Funds primarily fund OPEB costs.

Total OPEB Liability: The City's total OPEB liability at June 30, 2020 was \$4,279,599 and was determined by an actuarial valuation as of July 1, 2018. The following table shows the components of the City's annual OPEB for the Fiscal Year ended June 30, 2020:

	Total OPEB Liability
Total OPEB liability beginning of year	\$4,182,946
Changes for the year:	
Service Cost	218,957
Interest	164,798
Benefit payments	<u>(287,102)</u>
Net changes	<u>\$96,653</u>
Total OPEB liability end of year	<u>\$4,279,599</u>

For additional information regarding the City's OPEB, including information related to deferred outflows and inflows of resources related to pensions, expenses, actuarial assumptions, discount rate and discount rate sensitivities, refer to Note 9 - Other Postemployment Benefits (OPEB), beginning on page 55 of the City's June 30, 2020 Comprehensive Annual Financial Report contained in APPENDIX C to this Preliminary Official Statement.

## UNION CONTRACTS

The City is currently under contract with the following unions:

<u>Union Name</u>	<u>Number of Employees</u>	<u>Current Contract Expiration Date</u>
Police Union	90	June 30, 2023
Fire Union	98	June 30, 2023
AFSCME Blue Collar Union	89	June 30, 2023
CWA	77	June 30, 2023

## INSURANCE

<u>Type of Insurance</u>	<u>Coverage Limit</u>
<u>Property/Equipment:</u>	
Property	\$25,000,000
Excess Property	\$50,000,000
Equipment Breakdown	\$150,000,000
<u>Inland Marine:</u>	
Contractors Equipment	\$10,672,285
Leased/Rented Equipment	\$350,000
Municipal Vehicles Open Lot Coverage	\$5,000,000
<u>Liability:</u>	
General Liability	\$9,500,000/\$15,000,000 Aggregate
Automobile Liability	\$5,000,000
Public Officials & Employment Practices	\$9,500,000/\$12,000,000 Aggregate
Limited Sexual Abuse Sublimit	\$2,000,000/\$2,000,000 Aggregate
Employed Professionals Liability – EMTs	\$1,000,000/\$3,000,000 Aggregate
Pollution Liability	\$2,000,000/\$4,000,000 Aggregate
<u>Flood:</u>	
Flood – 18452 Applewood Rd, Council Bluffs, IA	\$250,000
Moderate Flood Hazard Area	\$2,000,000
Excess Flood Liability	\$10,000,000 Aggregate
<u>Terrorism:</u>	
General Liability Terrorism	\$1,000,000/\$2,000,000 Aggregate
Property Terrorism	\$150,000,000
<u>Crime:</u>	
Employee Theft	\$500,000
Forgery or Alteration	\$500,000
Computer Fraud	\$500,000
Funds Transfer Fraud	\$500,000
Social Engineering	\$100,000
<u>Cyber:</u>	
Network Security, Privacy & Media	\$3,000,000
Privacy Breach Costs	\$3,000,000
Business Income Loss	\$3,000,000
Contingent Business Income Loss	\$3,000,000
Digital Asset Loss	\$3,000,000
Cyber Extortion Threat	\$3,000,000
<u>Worker's Compensation:</u>	
Excess Worker's Compensation	Statutory
Excess Employer's Liability	\$1,000,000

## GENERAL INFORMATION

### LOCATION AND TRANSPORTATION

The City, with a 2010 Census population of 62,230, is located directly east of Omaha, Nebraska. The City is the county seat of Pottawattamie County and covers an area of 39.7 square miles. The City owns a municipal airport, including land and buildings. The City contracts for the operation and management of the airport.

The City is at the crossroads of two national roadways, Interstates 80 and 29. Public Transportation in the Council Bluffs-Omaha area is provided by Metropolitan Area Transit (the "MAT"). MAT operates a fleet of approximately 108 buses with regular line service throughout the area. In addition, passenger rail service is provided to City residents through Amtrak. Air freight and passenger service is provided to the City through Eppley Airfield located in Omaha, Nebraska.

### LARGER EMPLOYERS <sup>1)</sup>

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Horseshoe Council Bluffs Casino	Gaming/Real Estate	1,500
Tyson Fresh Meats	Food Processing	1,483
Council Bluffs Community Schools	Public Education	1,284
Ameristar Casino and Hotels	Hotel/Casino	1,350
Future Foam	Polyurethane Foam Products	1,100
American Games	Manufacturer of Lottery/Gaming Products	1,000
Harrah's Casino	Hotel/Casino	920
Methodist Jennie Edmundson Hospital	Health Services	900 <sup>2)</sup>
ConAgra Frozen Foods	Food Processing	700
Iowa Western Community College	Public Community College	625 <sup>3)</sup>
City of Council Bluffs	Municipal Government	464
JBS USA Food Co. <sup>4)</sup>	Food and Meat Processing	375
Walmart	Retail	290

1) This does not purport to be a comprehensive list and is based on data from company websites and best efforts telephone survey of individual employers. Some employers do not respond to inquiries.

2) Includes full-time, part-time and active medical staff.

3) Includes all full-time and part-time positions at all campus locations.

4) Formerly Plumrose USA Inc.

A representative list of larger employers in the greater Omaha, Nebraska metro area is as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Offutt Air Force Base	U.S. Military Base	10,964
Omaha Public Schools	Public Education	8,025
CHI Health Center	Health Care	7,500 <sup>1)</sup>
First National Bank Omaha	Financial	6,209
University of Nebraska Medical Center	Medical School	6,000 <sup>2)</sup>
Nebraska Medicine	Education	5,200
First Data	Credit Card Processing	5,000
Mutual of Omaha Insurance	Insurance	3,500
Hy-Vee Inc.	Grocery Store/Retail Trade	3,275
Union Pacific Railroad	Transportation	2,900
Bank of the West	Financial	2,861
Children's Hospital & Medical Center	Health Services	2,406
Methodist Health System	Health Care	2,172

1) Total includes campus hospitals, clinics and all support systems in the Omaha/Council Bluffs area.

2) Total includes surgical residents and students from the University of Nebraska Medical Center.

## BUILDING PERMITS

City officials report the following construction activity for each calendar year, as well as year-to-date information as of May 31, 2021. Permits for the City are reported on a calendar year basis.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Single Family Homes:</u>					
No. of new homes:	82	118	99	74	27
Valuation:	\$19,025,334	\$31,432,548	\$25,495,854	\$18,927,557	\$7,687,780
<u>Single Family Homes Additions &amp; Alterations:</u>					
No. of permits issued:	1,000	845	821	814	231
Valuation:	\$7,206,736	\$7,569,976	\$6,417,960	\$7,433,033	\$2,853,641
<u>Multiple Family Dwellings:</u>					
No. of new buildings:	0	0	0	2	0
Valuation:	\$0	\$0	\$0	\$4,983,291	\$0
<u>Commercial/Industrial/Other:</u>					
No. of new buildings:	26	20	17	17	4
Valuation:	\$256,096,986	\$285,640,650	\$84,132,697	\$33,549,321	\$1,590,382
<u>Commercial/Industrial/Other Additions &amp; Alterations:</u>					
No. of permits issued:	146	161	126	117	65
Valuation:	\$41,571,688	\$199,818,953	\$157,008,955	\$66,698,056	\$17,225,845
Total Permits:	1,254	1,144	1,063	1,024	327
Total Valuations:	\$323,900,744	\$524,462,127	\$273,055,466	\$131,591,258	\$29,357,648

Source: The City of Council Bluffs

## U.S. CENSUS DATA

### Population Trend

1980 U.S. Census	56,449
1990 U.S. Census	54,315
2000 U.S. Census	58,268
2010 U.S. Census	62,230

Source: U.S. Census Bureau

## UNEMPLOYMENT RATES

	<u>Pottawattamie</u>	<u>State of</u>
	<u>County</u>	<u>Iowa</u>
Annual Averages:		
2017	2.8%	3.1%
2018	2.4%	2.6%
2019	2.5%	2.8%
2020	5.2%	5.3%
2021 (thru April)	4.4%	4.5%

Source: Iowa Workforce Development Center

## EDUCATION

Public education is provided by the Council Bluffs Community School District and by the Lewis Central Community School District. The Council Bluffs Community School District, with a certified enrollment for the 2021-22 school year of 8,884.8, owns and operates 11 elementary schools, 2 middle schools, 2 senior high schools, and 1 learning support centers. The Lewis Central Community School District, with a certified enrollment for the 2021-22 school year of 2,608.5, owns and operates 2 elementary schools, 1 middle school and 1 senior high school. Education service is also provided by Saint Alberts Catholic Schools with certified enrollment for the 2021-22 school year of 585.6.

## FINANCIAL SERVICES

Financial services for the residents of the City are provided by Midstates Bank, N. A. and by branch offices of American National Bank, Availa Bank, First National Bank of Omaha, Glenwood State Bank, Great Western Bank, Security National Bank of Omaha, Treynor State Bank and U.S. Bank N. A. as well as several credit unions. Glenwood State Bank and Midstates Bank, N.A. report the following deposits as of June 30 of each year.

<u>Year</u>	<u>Midstates Bank, N.A.</u>	<u>Glenwood State Bank</u> <sup>1)</sup>
2016	\$298,757,000	\$33,626,000
2017	286,844,000	33,712,000
2018	288,388,000	33,783,000
2019	427,216,000	32,772,000
2020	623,289,000	42,847,000

1) Frontier Savings Bank merged with Glenwood State Bank effective January 2019.

Source: Federal Deposit Insurance Corporation's (FDIC) website.

## **APPENDIX B**

### **FORMS OF LEGAL OPINIONS**



DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Council Bluffs, State of Iowa (the "Issuer"), relating to the issuance of Taxable General Obligation Bonds, Series 2021A, by said City, dated June 29, 2021, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$\_\_\_\_\_ (the "Bonds").

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

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

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

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. The interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended. **THE HOLDERS OF THE BONDS SHOULD TREAT THE INTEREST THEREON AS SUBJECT TO FEDERAL INCOME TAXATION.** We express no other opinion regarding any other federal or state income tax consequences caused by the receipt or accrual of interest on the Bonds.

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

DRAFT

City of Council Bluffs, State of Iowa

\$\_\_\_\_\_ Taxable General Obligation Bonds, Series 2021A

Page 2

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

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

Respectfully submitted,

01874073-1\10342-163

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Council Bluffs, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Bonds, Series 2021B, by said City, dated June 29, 2021, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$\_\_\_\_\_ (the "Bonds").

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

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

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

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion

DRAFT

City of Council Bluffs, State of Iowa

\$\_\_\_\_\_ General Obligation Bonds, Series 2021B

Page 2

regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

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

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

Respectfully submitted,

01874076-1\10342-164

## **APPENDIX C**

**JUNE 30, 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

## **APPENDIX D**

### **FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Council Bluffs, State of Iowa (the "Issuer"), in connection with the issuance of \$\_\_\_\_\_ Taxable General Obligation Bonds, Series 2021A and \$\_\_\_\_\_ General Obligation Bonds, Series 2021B (the "Bonds") dated October 5, 2021. The Bonds are being issued pursuant to a Resolution of the Issuer approved on September 13, 2021 (the "Resolution"). The Issuer covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

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

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated \_\_\_\_\_, 2021.

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

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

"State" shall mean the State of Iowa.

### Section 3. Provision of Annual Financial Information.

a) The Issuer shall, or shall cause the Dissemination Agent to, not later than two hundred seventy (270) days after the end of the Issuer's fiscal year (presently June 30th), commencing with information for the 2020/2021 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

b) If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibits A-1 and A-2.

c) The Dissemination Agent shall:

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

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



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

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

b) A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Property Valuations", "Trend of Valuations", "Larger Taxpayers", "Direct Debt", "Levies and Tax Collections" and "Tax Rates".

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

Section 5. Reporting of Significant Events.

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

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS

Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;

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

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

ix. Defeasances of the Bonds;

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

xi. Rating changes on the Bonds;

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

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

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

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

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

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

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

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

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

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

- a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

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

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

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

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

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

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

Date: 5<sup>th</sup> day of October, 2021.

CITY OF COUNCIL BLUFFS, STATE OF  
IOWA

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

EXHIBIT A-1

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL  
INFORMATION

Name of Issuer: City of Council Bluffs, Iowa.

Name of Bond Issue: \$\_\_\_\_\_ Taxable General Obligation Bonds, Series 2021A

Dated Date of Issue: October 5, 2021

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

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF COUNCIL BLUFFS, STATE OF  
IOWA

By: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL  
INFORMATION

Name of Issuer: City of Council Bluffs, Iowa.

Name of Bond Issue: \$\_\_\_\_\_ General Obligation Bonds, Series 2021B

Dated Date of Issue: October 5, 2021

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

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF COUNCIL BLUFFS, STATE OF  
IOWA

By: \_\_\_\_\_  
Its: \_\_\_\_\_

# OFFICIAL BID FORM

To: The City Council of  
Council Bluffs, Iowa

Sale Date: August 23, 2021  
10:00 A.M., CT

RE: \$1,155,000\* Taxable General Obligation Bonds, Series 2021A (the "Series 2021A Bonds")

This bid is a firm offer for the purchase of the Series 2021A 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. By submitting this bid, we confirm we have an established industry reputation for underwriting new issuance of municipal bonds.

For all or none of the above Series 2021A Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$ \_\_\_\_\_ (not less than \$1,151,535) plus accrued interest to date of delivery for fully registered Series 2021A Bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>
_____	2022	_____

\* Preliminary; subject to change. The aggregate principal amount of the Series 2021A Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$1,200,000. 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 Series 2021A Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2021A 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.

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 9, 2021 and represent we are a bidder with established industry reputation for underwriting new issuances of municipal bonds. In the event of failure to deliver these Series 2021A 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. 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: \_\_\_\_\_% (Calculated to dated date of October 5, 2021)

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_

Account Members: \_\_\_\_\_

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Council Bluffs, Iowa this 23<sup>rd</sup> day of August 2021.

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

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



# OFFICIAL BID FORM

To: The City Council of  
Council Bluffs, Iowa

Sale Date: August 23, 2021  
10:00 A.M., CT

RE: \$5,970,000\* General Obligation Bonds, Series 2021B (the "Series 2021B Bonds")

This bid is a firm offer for the purchase of the Series 2021B 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. By submitting this bid, we confirm we have an established industry reputation for underwriting new issuance of municipal bonds.

For all or none of the above Series 2021B Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$\_\_\_\_\_ (not less than \$5,922,240) plus accrued interest to date of delivery for fully registered Series 2021B 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>
_____	2022	_____	_____	2028	_____
_____	2023	_____	_____	2029	_____
_____	2024	_____	_____	2030	_____
_____	2025	_____	_____	2031	_____
_____	2026	_____	_____	2032	_____
_____	2027	_____	_____	2033	_____

\* Preliminary; subject to change. The aggregate principal amount of the Series 2021B Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$6,500,000. 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 Series 2021B Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2021B 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 the following Series 2021B 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 9, 2021 and represent we are a bidder with established industry reputation for underwriting new issuances of municipal bonds. In the event of failure to deliver these Series 2021B 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. 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: \_\_\_\_\_ % (Calculated to dated date of October 5, 2021)

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_

Account Members: \_\_\_\_\_

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Council Bluffs, Iowa this 23<sup>rd</sup> day of August, 2021.

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

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