



For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Notes described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Notes, 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 Notes, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Notes and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Notes other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

## TABLE OF CONTENTS

	<u>Page</u>
NOTE ISSUE SUMMARY .....	1
SECURITY AND SOURCE OF PAYMENT .....	2
NOTEHOLDERS' RISKS .....	3
COVID-19.....	3
Secondary Market .....	3
Forward-Looking Statements.....	3
Tax Matters, Bank Qualification and Loss of Tax Exemption .....	4
DTC-Beneficial Owners .....	4
Continuing Disclosure .....	4
Cybersecurity .....	5
Suitability of Investment.....	5
Bankruptcy and Insolvency.....	5
Legislation.....	6
Tax Levy Procedures .....	6
Federal Funds Orders and State Funds Legislation.....	6
Other Factors.....	6
THE CITY .....	7
City Organization and Services.....	7
Community Life.....	7
Education .....	7
Transportation .....	7
SOCIOECONOMIC INFORMATION .....	7
Population .....	8
Employment.....	8
Housing.....	9
Income.....	10
Agriculture .....	11
Local Option Sales Tax.....	11
Retail Sales.....	12
THE PROJECT .....	12
DEFAULT RECORD .....	12
SHORT-TERM BORROWING .....	12
DEBT INFORMATION .....	13
Debt Limitation.....	13
PROPERTY ASSESSMENT AND TAX INFORMATION.....	14
Property Tax Assessment.....	14
Property Tax Collection.....	15
Levy Limits.....	17
Tax Levy Procedures .....	17
Utility Property Tax Replacement .....	18
Tax Increment Financing .....	18
Legislation.....	18
FINANCIAL INFORMATION .....	19
Financial Reports .....	19
Summary Financial Information .....	19
EMPLOYEE RETIREMENT AND OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS.....	20
Pensions .....	20
Other Post-Employment Benefits (OPEB).....	20
REGISTRATION, TRANSFER AND EXCHANGE.....	22

TAX MATTERS..... 23

    Tax Exemption..... 23

    Qualified Tax Exemption Obligations ..... 23

    Discount and Premium Notes ..... 23

    Other Tax Advice..... 24

    Audits..... 24

    Reporting and Withholding..... 24

    Tax Legislation ..... 24

    Enforcement..... 24

    The Opinion ..... 25

    Bond Counsel Review..... 25

SECONDARY MARKET DISCLOSURE..... 25

OPTIONAL REDEMPTION..... 25

LITIGATION..... 26

LEGAL MATTERS..... 26

OFFICIAL STATEMENT AUTHORIZATION ..... 26

UNDERWRITING ..... 27

MUNICIPAL ADVISOR..... 27

CERTIFICATION ..... 27

APPENDIX A -FISCAL YEAR 2020 FINANCIAL REPORT OF THE CITY FILED WITH THE STATE OF IOWA

APPENDIX B -DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

APPENDIX C -DRAFT FORM OF BOND COUNSEL OPINION

OFFICIAL BID FORM

OFFICIAL TERMS OF OFFERING

    Exhibit A – Example Issue Price Certificate

## NOTE ISSUE SUMMARY

This Note Issue Summary is expressly qualified by the entire Official Statement, including the Official Terms of Offering and the Official Bid Form, which are provided for the convenience of potential investors and should be reviewed in their entirety by potential investors.

<b>Issuer:</b>	City of Fayette, Fayette County, Iowa.
<b>Issue:</b>	\$500,000* General Obligation Capital Loan Notes, Series 2021.
<b>Dated Date:</b>	Date of delivery (expected to be on or about February 17, 2021).
<b>Interest Due:</b>	Each June 1 and December 1, commencing December 1, 2021.
<b>Principal Due:</b>	Serially each June 1, commencing June 1, 2022 through 2036, as detailed on the cover page of this Official Statement.
<b>Optional Redemption:</b>	Notes maturing on or after June 1, 2029, are callable at the option of the City on any date on or after June 1, 2028, at a price of par plus accrued interest. See <b>“OPTIONAL REDEMPTION”</b> herein.
<b>Authorization:</b>	The Notes are being issued pursuant to authority established in Code of Iowa, 2019 as amended, Chapter 384 (the “Act”), and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution (the “Resolution” or the “Note Resolution”) of the City duly passed and approved.
<b>Security:</b>	The Notes are valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors’ rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion.
<b>No Investment Rating:</b>	The City does not intend to apply for an investment rating on the Notes.
<b>Purpose:</b>	The proceeds of the Notes will be used to: (i) pay the costs of essential corporate purposes and (ii) to pay the costs of issuing the Notes. See <b>“THE PROJECT”</b> herein.
<b>Tax Matters:</b>	Ahlers & Cooney, P.C., Des Moines, Iowa, will provide an opinion as to the tax exemption of the Notes as discussed under <b>“TAX MATTERS”</b> in this Official Statement. Interest on the Notes is not exempt from present State of Iowa income taxes. See <b>APPENDIX C</b> for a draft form of legal opinion for the Notes.
<b>Bank Qualified:</b>	The City intends to designate the Notes as “qualified tax-exempt obligations”.
<b>Note Registrar/Paying Agent:</b>	UMB Bank, n.a., West Des Moines, Iowa (the “Registrar”).
<b>Delivery:</b>	The Notes are expected to be delivered on or about February 17, 2021.
<b>Book-Entry Form:</b>	The Notes will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Notes. See <b>APPENDIX B</b> herein.
<b>Denomination:</b>	\$5,000 or integral multiples thereof.
<b>Municipal Advisor:</b>	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

\*Subject to change.

**CITY OF FAYETTE**  
**Fayette County, Iowa**

Andrew Wenthe  
*Mayor*

**Council Members**

Patty Potratz

Nathan Post

Linda Tenney

Amy Tucker

Nancy Wulfekuhle

---

**Officials**

Kris McGrane  
*City Administrator/Clerk*

Pat Dillon, Esq.  
*City Attorney*

---

**SECURITY AND SOURCE OF PAYMENT**

Pursuant to the Resolution and the Act, the Notes and the interest thereon are general obligations of the City, and all taxable property within the corporate boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Notes without constitutional or statutory limitation as to rate or amount.

Section 76.2 of the Act provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, 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. A certified copy of this resolution shall be filed with the County Auditor in which the City is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the City, until funds are realized to pay the bonds in full.

For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Notes as the same become due, the Resolution provides for the levy of a tax sufficient for that purpose on all the taxable property in the City in each of the years while the Notes are outstanding. The City shall file a certified copy of the Resolution with the County Auditor, pursuant to which the County Auditor is instructed to enter for collection and assess the tax authorized. When annually entering such taxes for collection, the County Auditor shall include the same as a part of the tax levy for Debt Service Fund purposes of the City and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the City and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Notes and for no other purpose whatsoever.

Nothing in the Resolution authorizing the Notes 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 Notes. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Notes, the City may, but shall not be required to, (a) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Notes.

## NOTEHOLDERS' RISKS

An investment in the Notes 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 Official Statement (including the appendices hereto) in order to make a judgement as to whether the Notes are an appropriate investment.

### COVID-19

The outbreak of COVID-19, a respiratory illness caused by a new strain of coronavirus has affected the globe, including the State of Iowa and the City. Efforts to contain the virus from spreading have shuttered businesses in a way that may negatively impact economies. 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 of some businesses. These actions may result in higher than normal unemployment and could have a negative effect on the City's finances or operations, including sales tax collections, property tax collections, or other revenues.

The City cannot predict whether continued spread of the disease will materially impact its financial condition or ability to provide essential services. The Notes are general obligations of the City secured by a pledge of an unlimited ad valorem property tax, see "**SECURITY AND SOURCE OF PAYMENT**" herein.

### Secondary Market

There can be no guarantee that there will be a secondary market for the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular bond or note issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Notes.

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

### Forward-Looking Statements

This 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 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 that 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 Notes.

## **Tax Matters, Bank Qualification and Loss of Tax Exemption**

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

The City intends to designate the Notes 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”). The City has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the City in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Notes.

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 any pending or future legislation being enacted or whether the currently proposed terms of any pending legislation will be altered or removed during the legislative process cannot be reliably predicted.

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

## **DTC-Beneficial Owners**

Beneficial Owners of the Notes may experience some delay in the receipt of distributions of principal of and interest on the Notes since such distributions will be forwarded by the Paying Agent 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 Paying Agent will have any responsibility or obligation to assure that 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 Notes can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Notes to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Notes, 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 **APPENDIX B – Describing Book-Entry Only Issuance.**

## **Continuing Disclosure**

The Notes are exempt from the continuing disclosure requirements of Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 because the Notes are in an aggregate principal amount of less than \$1,000,000. No continuing disclosure undertaking will be entered into with respect to the Notes.



## **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 has a \$100,000 Cyber-Liability Policy. The City cannot predict whether this policy will be sufficient in the event of a cyberattack. However, the Notes are secured by an unlimited ad valorem property tax as described herein.

## **Suitability of Investment**

The interest rate borne by the Notes is intended to compensate the investor for assuming the risk of investing in the Notes. Each prospective investor should carefully examine this 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 Notes are an appropriate investment for such investor.

## **Bankruptcy and Insolvency**

The rights and remedies provided in the Resolution 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 Notes and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the City were to file a petition under chapter nine of the federal bankruptcy code, the owners of the Notes could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the City fails to comply with its covenants under the Resolution or fails to make payments on the Notes, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Notes.

Under sections 76.16 and 76.16A of the Act, a city, county, or other political subdivision may become a debtor under chapter nine of the federal bankruptcy code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

## Legislation

From time to time, there are proposals pending in Congress and in the Iowa Legislature that could, if enacted, alter or amend one or more of the matters described herein in certain respects or would adversely affect the market value of the Notes, or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further such proposals may impact the marketability or market value of the Notes 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 Notes. 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 Notes. 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 Notes would be impacted thereby.

During the 2019 legislative session, the Iowa General Assembly passed Senate File 634 which was later signed into law by the Governor. This bill modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the City budget, including levies for the General Fund, the Emergency Fund, Trust and Agency Funds for pensions, insurance, transit, civic centers, certain bridges, sanitary disposal, and emergency management. The bill also includes a provision that requires 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 bill does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Notes. It is too early to evaluate the effect this legislation will have on the overall financial position of the City or its ability to fund essential services.

## Tax Levy Procedures

The Notes are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the taxable property valuation within the City. See **“PROPERTY ASSESSMENT AND TAX INFORMATION”** herein for more details. 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 Notes for a particular fiscal year may cause Noteholders to experience delay in the receipt of distributions of principal of and/or interest on the Notes. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Resolution for the Notes) may have to be enforced from year to year.

## Federal Funds Orders and State Funds Legislation

Various federal executive orders, and Iowa Code Chapter 825 (collectively “ICE Enforcement Initiatives”), impose requirements intended to ensure compliance with the federal immigration detention processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount could negatively impact the City’s overall financial position and may affect its rating.

## Other Factors

An investment in the Notes involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

## THE CITY

The City is located in Fayette County (the “County”) and is situated in northeast Iowa. The City was incorporated in 1874 and operates under the Home Rule provisions of the Constitution of Iowa (the “State”). The City is approximately 1.48 square miles with a 2010 Census population of 1,338.

### City Organization and Services

The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City Administrator/Clerk and City Attorney are appointed by the City Council. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development and general government services.

The City has nine people employed on a full-time basis. In addition, there are three part-time and seasonal employees. The City is served by a volunteer Fire Department with approximately 10 members and there are 27 volunteer ambulance members.

### Community Life

The City has parks distributed throughout the community and each offers a different type of recreational opportunity. The City also has campgrounds in the area with hookups available for RV campsites and the Big Rock Country Club that features an 18-hole golf course. The Volga River winds through the City providing many recreations opportunities.

Residents of the City enjoy library services provided by the City’s public library. The Fayette Opera House was restored by volunteers and is used for community activities.

### Education

Educational opportunities and facilities are provided by the North Fayette Valley Community School District (the “District”). The District, which serves most of the north half of Fayette County, has an enrollment of over 1,100.

Post secondary educational opportunities are provided to City residents through Upper Iowa University located in the City. Upper Iowa University is a private, co-educational liberal arts university offering bachelor and master degree programs. In addition, Northeast Iowa Community College (NICC) is located 25 miles north in Calmar.

### Transportation

The City’s location provides excellent transportation options for City businesses and residents. The City is served by State Highways 93 and 150. Approximately 40 miles to the south of the City, Highway 150 intersects with State Highway 20 which also serves Waterloo and Dubuque. Commercial air transportation is available in Waterloo approximately 1 hour southwest of the City.

## SOCIOECONOMIC INFORMATION

The following demographic information is for the City. Additional comparisons are made with the County and the State.

## Population

The following table reflects population trends for the City, the County and the State.

### Population Comparison(1)

<u>Year</u>	<u>The City</u>	<u>Percent Change</u>	<u>The County</u>	<u>Percent Change</u>	<u>The State</u>	<u>Percent Change</u>
1970 .....	1,947	n/a	26,898	n/a	2,824,376	n/a
1980 .....	1,515	(22.19%)	25,488	(5.24%)	2,913,808	3.17%
1990 .....	1,317	(13.07%)	21,843	(14.30%)	2,776,755	(4.70%)
2000 .....	1,300	(1.29%)	22,008	0.76%	2,926,324	5.39%
2010 .....	1,338	2.92%	20,880	(5.13%)	3,046,355	4.10%

Note: (1) Source: U.S. Bureau of the Census.

## Employment

Following are lists of large employers located in the County.

### Major County Employers(1)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Fayette .....	Upper Iowa University .....	Higher Education .....	510
Oelwein .....	East Penn .....	Battery Products .....	350
Oelwein .....	Oelwein CSD .....	Education .....	250
West Union .....	North Fayette Valley CSD .....	Education .....	190
Oelwein .....	Transco Railway Products Inc. ....	Railroad Car Repair .....	180
West Union .....	Palmer Lutheran Health Center .....	Nursing Home .....	175
Oelwein .....	MercyOne Hospital .....	Healthcare .....	150
West Union .....	Rupp Air Management Systems .....	Ventilation Equipment .....	140
Oelwein .....	Grandview Healthcare and Rehab Center .....	Nursing Home .....	135

Note: (1) Source: Area Chamber of Commerce, selected telephone surveys and the 2020 Iowa Manufacturers Database.

The following tables show employment by industry and by occupation for the City, the County and the State as reported by the U.S. Census Bureau 2015 - 2019 American Community Survey 5-year estimated values.

### Employment By Industry(1)

<u>Classification</u>	<u>The City</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, forestry, fishing and hunting, and mining .....	24	4.5%	843	8.6%	60,131	3.7%
Construction .....	31	5.8%	685	7.0%	103,928	6.4%
Manufacturing .....	37	7.0%	1,391	14.2%	240,510	14.9%
Wholesale trade .....	9	1.7%	330	3.4%	45,805	2.8%
Retail trade .....	62	11.7%	1,108	11.3%	186,537	11.6%
Transportation and warehousing, and utilities .....	7	1.3%	467	4.8%	78,935	4.9%
Information .....	17	3.2%	118	1.2%	25,498	1.6%
Finance and insurance, and real estate and rental and leasing .....	4	0.8%	479	4.9%	123,750	7.7%
Professional, scientific, and management, and administrative and waste management services .....	13	2.5%	432	4.4%	118,156	7.3%
Educational services, and health care and social assistance .....	212	40.0%	2,570	26.2%	393,873	24.4%
Arts, entertainment, and recreation, and accommodation and food services .....	95	17.9%	589	6.0%	119,270	7.4%
Other services, except public administration .....	12	2.3%	530	5.4%	68,012	4.2%
Public administration .....	7	1.3%	254	2.6%	49,497	3.1%
Total .....	530	100.0%	9,796	100.0%	1,613,902	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2015 - 2019.

### Employment By Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, business, science, and arts occupations .....	178	33.6%	2,932	29.9%	585,013	36.2%
Service occupations .....	162	30.6%	1,749	17.9%	262,868	16.3%
Sales and office occupations .....	90	17.0%	1,886	19.3%	333,318	20.7%
Natural resources, construction, and maintenance occupations.....	37	7.0%	1,159	11.8%	153,908	9.5%
Production, transportation, and material moving occupations .....	63	11.9%	2,070	21.1%	278,795	17.3%
Total .....	530	100.0%	9,796	100.0%	1,613,902	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2015 - 2019.

The annual average unemployment rates for the City are not available. Following shows the annual average unemployment rates for the County, the State and the United States.

### Annual Average Unemployment Rates(1)(2)

Calendar Year	The County	The State	United States
2011 .....	6.2%	5.5%	8.9%
2012 .....	5.4%	5.0%	8.1%
2013 .....	5.3%	4.7%	7.4%
2014 .....	5.0%	4.2%	6.2%
2015 .....	4.5%	3.8%	5.3%
2016 .....	4.4%	3.6%	4.9%
2017 .....	3.7%	3.1%	4.4%
2018 .....	3.1%	2.5%	3.9%
2019 .....	3.6%	2.7%	3.7%
2020(3)(4).....	2.8%	3.6%	6.9%

- Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.  
 (2) Not seasonally adjusted.  
 (3) Preliminary rates for the month of October 2020.  
 (4) The increase in unemployment rates may be attributable to the COVID-19 pandemic. See "BONDHOLDERS RISKS – COVID-19" herein.

### Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$86,100. This compares to \$104,100 for the County and \$147,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2015 - 2019 American Community Survey.

### Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000 .....	36	16.5%	939	14.9%	79,312	8.8%
\$50,000 to \$99,999.....	99	45.4%	2,058	32.8%	187,081	20.8%
\$100,000 to \$149,999.....	30	13.8%	1,298	20.7%	191,070	21.2%
\$150,000 to \$199,999.....	26	11.9%	804	12.8%	156,091	17.4%
\$200,000 to \$299,999.....	27	12.4%	637	10.1%	164,192	18.3%
\$300,000 to \$499,999.....	0	0.0%	357	5.7%	92,482	10.3%
\$500,000 to \$999,999.....	0	0.0%	129	2.1%	23,930	2.7%
\$1,000,000 or more .....	0	0.0%	57	0.9%	5,065	0.5%
Total .....	218	100.0%	6,279	100.0%	899,223	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 - 2019.

### Mortgage Status(1)

Mortgage Status	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing units with a mortgage.....	112	51.4%	3,339	53.2%	544,728	60.6%
Housing units without a mortgage.....	106	48.6%	2,940	46.8%	354,495	39.4%
Total .....	218	100.0%	6,279	100.0%	899,223	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 - 2019.

### Income

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$53,482. This compares to \$62,644 for the County and \$77,099 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2015 - 2019 American Community Survey.

### Family Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	6	3.4%	189	3.6%	22,636	2.8%
\$10,000 to \$14,999.....	5	2.8%	77	1.4%	14,901	1.9%
\$15,000 to \$24,999.....	21	11.7%	269	5.1%	41,343	5.1%
\$25,000 to \$34,999.....	26	14.5%	493	9.2%	54,569	6.8%
\$35,000 to \$49,999.....	17	9.5%	864	16.2%	93,819	11.7%
\$50,000 to \$74,999.....	28	15.7%	1,274	23.9%	160,975	20.1%
\$75,000 to \$99,999.....	45	25.1%	927	17.4%	139,580	17.4%
\$100,000 to \$149,999.....	26	14.5%	869	16.3%	164,129	20.4%
\$150,000 to \$199,999.....	3	1.7%	133	2.5%	59,624	7.4%
\$200,000 or more .....	2	1.1%	236	4.4%	51,250	6.4%
Total .....	179	100.0%	5,331	100.0%	802,826	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 to 2019.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$35,813. This compares to \$51,128 for the County and \$60,523 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2015 - 2019 American Community Survey.

### Household Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	48	12.8%	492	6.0%	66,420	5.3%
\$10,000 to \$14,999.....	30	8.0%	443	5.4%	52,441	4.1%
\$15,000 to \$24,999.....	52	13.9%	825	10.1%	115,414	9.1%
\$25,000 to \$34,999.....	51	13.6%	902	11.0%	119,165	9.4%
\$35,000 to \$49,999.....	57	15.2%	1,336	16.3%	168,905	13.4%
\$50,000 to \$74,999.....	33	8.8%	1,697	20.7%	243,004	19.2%
\$75,000 to \$99,999.....	51	13.6%	1,122	13.7%	181,100	14.3%
\$100,000 to \$149,999.....	35	9.3%	941	11.5%	194,116	15.3%
\$150,000 to \$199,999.....	3	0.8%	167	2.0%	66,951	5.3%
\$200,000 or more .....	15	4.0%	275	3.3%	57,957	4.6%
Total .....	375	100.0%	8,200	100.0%	1,265,473	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 - 2019.

## Agriculture

Shown below is information on the agricultural value of the County and the statewide average.

### Average Value Per Acre(1)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Average Value Per Acre:					
Fayette County .....	\$7,694	\$8,000	\$7,929	\$7,781	\$8,088
State of Iowa.....	7,183	7,326	7,264	7,432	7,559

Note: (1) Source: Cooperative Extension Service - Iowa State University.

## Local Option Sales Tax

The City approved a 1% local option sales and service tax (“Local Option Tax”) at a special referendum. The City’s Local Option Tax referendum question stated that proceeds of such tax would be designated for 70% to be used for streets/infrastructure projects and police, and the remaining 30% to be used for parks and recreation. The local option sales tax will expire on December 31, 2024 unless renewed by the voters.

Once approved, a Local Option Tax can only be repealed through a public referendum at which a majority voting approve the repeal or tax rate change, or, in certain circumstances, upon adoption of a motion by the governing body of the incorporated city requesting the repeal. If a Local Option Tax is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. A Local Option Tax may not be repealed within one year of the effective date.

The State of Iowa Department of Revenue (the “Department”) administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax presently assessed at 6%. The Department is required by statute to remit at least 95% of the estimated tax receipts to a county board of supervisors (for taxes imposed in unincorporated areas) and to each incorporated city. Such remittances are on a monthly basis. Once a year the Department reconciles its monthly estimated payments and makes an adjustment payment or debit at the November 10 payment date. Remittance of collections within a county are based upon the following statutory formula for county-wide collections:

- 75 percent: Based on a pro rata share of population (the most recent certified federal census) of those incorporated or unincorporated areas in a county which have approved a Local Option Tax.
- 25 percent: Based on a pro rata share of total property tax dollars levied during the three year period beginning July 1, 1982, through June 30, 1985, for those incorporated or unincorporated areas of a county which have approved a Local Option Tax.

Local Option Taxes are based on the same sales currently taxed by the state-wide 6% sales and services tax, with the present statutory exceptions of (i) certain sales of motor fuel or special fuel as defined in Chapter 452A, (ii) the sale of natural gas or electric energy in a city or county where the gross receipts are subject to a franchise fee or user fee during the period the franchise or user fee is imposed, (iii) the sales price from a pay television service consisting of a direct-to-home satellite service, or (iv) the sale of equipment by the State Department of Transportation.

The following table shows the trend of City Local Option tax receipts.

**Local Option Tax Receipts(1)**

<u>Fiscal Year Ending June 30</u>	<u>Local Option Sales Tax Receipts(2)</u>	<u>Percent Change +(-)</u>
2012.....	\$ 89,638	n/a
2013.....	93,889	4.74%
2014.....	98,876	5.31%
2015.....	98,069	(0.82%)
2016.....	96,104	(2.00%)
2017.....	100,010	4.06%
2018.....	100,725	0.71%
2019.....	103,377	2.63%
2020.....	113,840	10.12%
2021.....	108,561(3)	(4.64%)

- Notes: (1) Source: Iowa Department of Revenue.  
 (2) Includes a reconciliation payment in November attributable to the previous fiscal year.  
 (3) Collections received or expected to be received, not including any allowance for the reconciliation payment.

**Retail Sales**

The Department of Revenue of the State of Iowa provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the City. The following amounts exclude the City’s Local Option Tax.

**Retail Taxable Sales(1)**

<u>Fiscal Year Ending June 30</u>	<u>Taxable Sales</u>	<u>Annual Percent Change + (-)</u>
2010.....	\$5,361,918	n/a
2011.....	4,943,072	(7.81%)
2012.....	5,410,955	9.47%
2013.....	6,232,623	15.19%
2014.....	6,276,531	0.70%
2015.....	7,736,895	23.27%
2016.....	7,030,189	(9.13%)
2017.....	5,796,690	(17.55%)
2018.....	5,182,805	(10.59%)
2019.....	5,848,488	12.84%

Growth from 2010 to 2019..... 9.07%

- Note: (1) Source: the Iowa Department of Revenue.

**THE PROJECT**

Note proceeds will be used to: (i) pay the costs of essential corporate purposes (the “Project”) and (ii) pay the costs of issuing the Notes. The Project includes the opening, widening, extending, grading, and draining of the right-of-way of streets, highways, avenues, alleys and public grounds, the construction, reconstruction, and repairing of any street improvements, the acquisition, installation, and repair of sidewalks, storm sewers, sanitary sewers, water service lines, street lighting, and traffic control devices, and the acquisition of any real estate needed.

**DEFAULT RECORD**

The City has no record of default and has met its debt repayment obligations promptly.

**SHORT-TERM BORROWING**

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.



## DEBT INFORMATION

After issuance of the Notes, the City will have outstanding \$500,000\* principal amount of general obligation debt. In addition, the City has outstanding approximately \$1,425,000 principal amount of sewer revenue debt.

### Debt Limitation

The constitutional general obligation debt limit of a political subdivision of the state of Iowa is equal to five percent (5%) of the actual value of taxable property within its borders. According to and based upon the January 1, 2019 property valuations, for taxes payable in September 2020 and March 2021 the general obligation debt limit of the City for the period which began July 1, 2020 and ends June 30, 2021 is:

2019 100% Actual Valuation of Property .....	\$49,762,691
Constitutional Debt Limit .....	\$ 2,488,135
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit.....	\$ 500,000*
Other Legal Indebtedness (TIF Rebates) .....	<u>86,771</u>
Total Applicable Debt .....	<u>\$ 586,771*</u>
Remaining Debt Capacity.....	\$ 1,901,364*

The City does not expect to issue any additional general obligation debt in fiscal year 2021.

### Summary of Outstanding General Obligation Bonded Debt(1) (Principal Only)

The Notes(2) .....	<u>\$500,000</u>
Total(2) .....	\$500,000

- Notes: (1) Source: the City.  
 (2) Subject to change.

### General Obligation Debt(1) (Principal Only)

Fiscal Year Ending June 30	The Notes(2)	Total General Obligation Debt(2)	Cumulative Retirement(2)	
			Amount	Percent
2022 .....	\$ 30,000	\$ 30,000	\$ 30,000	6.00%
2023 .....	30,000	30,000	60,000	12.00%
2024 .....	30,000	30,000	90,000	18.00%
2025 .....	30,000	30,000	120,000	24.00%
2026 .....	30,000	30,000	150,000	30.00%
2027 .....	30,000	30,000	180,000	36.00%
2028 .....	30,000	30,000	210,000	42.00%
2029 .....	35,000	35,000	245,000	49.00%
2030 .....	35,000	35,000	280,000	56.00%
2031 .....	35,000	35,000	315,000	63.00%
2032 .....	35,000	35,000	350,000	70.00%
2033 .....	35,000	35,000	385,000	77.00%
2034 .....	35,000	35,000	420,000	84.00%
2035 .....	40,000	40,000	460,000	92.00%
2036 .....	<u>40,000</u>	<u>40,000</u>	500,000	100.00%
Total .....	\$500,000	\$500,000		

- Notes: (1) Source: the City.  
 (2) Subject to change.

\*Subject to change.

### Statement of Bonded Indebtedness(1)(2)

City Actual Value, January 1, 2019.....	\$49,762,691
City Taxable Value, January 1, 2019.....	\$29,009,181

	<u>Total</u>	<u>Applicable</u>		<u>Ratio to City Actual Value</u>	<u>Ratio to City Taxable Value</u>	<u>Per Capita (2010 Pop. 1,338 )</u>
		<u>Percent</u>	<u>Amount</u>			
Direct Bonded Debt(3).....	\$ 500,000	100.00%	\$ 500,000	1.00%	1.72%	\$373.69
Overlapping Debt:						
North Fayette Valley CSD(4) .....	\$ 0	14.39%	\$ 0	0.00%	0.00%	\$ 0.00
Northeast Iowa Community College(5) .....	25,940,000	0.22%	58,938	0.12%	0.20%	44.05
Fayette County .....	0	2.31%	0	0.00%	0.00%	0.00
Total Applicable Overlapping Bonded Debt .....			\$ 58,938	0.12%	0.20%	\$ 44.05
Total Direct and Overlapping Bonded Debt(3) .....	\$ 558,938			1.12%	1.92%	\$417.74

Per Capita Actual Value .....	\$37,191.85
Per Capita Taxable Value.....	\$21,681.00

- Notes: (1) Source: the City, Audited Financial Statements and EMMA for the County, School District and Community College.  
 (2) As of the date of issuance for the Direct Bonded Debt and December 14, 2020 for Overlapping Debt.  
 (3) Subject to change.  
 (4) Excludes \$2,931,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds.  
 (5) Excludes \$19,920,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

### PROPERTY ASSESSMENT AND TAX INFORMATION

#### Property Tax Assessment

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Taxable Valuation. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

#### Percentages for Taxable Valuation After Rollbacks(1)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Multi- Residential(2)</u>	<u>Ag Land &amp; Buildings</u>	<u>Commercial</u>
2012/13.....	50.7518%	N/A	57.5411%	100.0000%
2013/14.....	52.8166%	N/A	59.9334%	100.0000%
2014/15.....	54.4002%	N/A	43.3997%	95.0000%
2015/16.....	55.7335%	N/A	44.7021%	90.0000%
2016/17.....	55.6259%	86.2500%	46.1068%	90.0000%
2017/18.....	56.9391%	82.5000%	47.4996%	90.0000%
2018/19.....	55.6209%	78.7500%	54.4480%	90.0000%
2019/20.....	56.9180%	75.0000%	56.1324%	90.0000%
2020/21.....	55.0743%	71.2500%	81.4832%	90.0000%
2021/22.....	56.4094%	67.5000%	84.0305%	90.0000%

- Notes: (1) Source: the Iowa Department of Revenue.  
 (2) New category beginning with fiscal year 2017.

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following tax year. For example, the assessments finalized on January 1, 2019, are used to calculate tax liability for the tax year starting July 1, 2020 through June 30, 2021.

## Property Tax Collection

Each county is required by State law to collect all tax levies within its jurisdiction and remit, before the fifteenth of each month, the amount collected through the last day of the preceding month to underlying units of government, including the City. Property tax payments are made at the office of each county treasurer in full or one-half by September 30 and March 31, pursuant to the Code of Iowa, Sections 445.36 and 445.37. Where the first half of any property tax has not been paid by October 1, such installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes and special assessments are subject to a penalty at the rate of one and one-half percent per month, to a maximum of eighteen percent per annum.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Tuesday 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 the payment of taxes. A property owner may redeem from the regular tax sale, but failing redemption within two years, the tax sale purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future installments of taxes.

### Actual (100%) Valuations for the City(1)(2)

Property Class	Fiscal Year:	2017/18	2018/19	2019/20	2020/21	Preliminary
	Levy Year:	2016	2017	2018	2019	2021/22 2020
Residential .....		\$29,727,590	\$33,040,670	\$33,111,950	\$33,587,620	\$33,555,050
Agricultural .....		237,030	226,980	227,040	158,160	152,680
Commercial .....		5,893,036	6,676,980	6,739,579	7,655,862	7,571,052
Industrial .....		416,580	416,580	416,580	425,190	425,190
Multi-residential .....		2,748,574	2,748,264	2,769,243	3,250,888	3,250,888
Railroads .....		0	0	0	0	0
Utilities without Gas and Electric(3) .....		108,447	113,331	118,987	97,759	60,488
Gas and Electric Utility(3) .....		3,038,304	3,502,497	4,646,243	4,659,440	4,375,060
Less: Military Exemption .....		(83,340)	(83,340)	(83,340)	(72,228)	(68,524)
Total .....		\$42,086,221	\$46,641,962	\$47,946,282	\$49,762,691	\$49,321,884
Percent Change +/- .....		2.34%(4)	10.82%	2.80%	3.79%	(0.89%)

Notes: (1) Source: Iowa Department of Management.

(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2016	2017	2018	2019	2020
TIF Valuation .....	\$ 1,741,174	\$ 1,684,792	\$ 1,811,655	\$ 1,979,871	\$ 1,790,242

(3) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.

(4) Based on 2015 Actual Valuation of \$41,122,918.

*The remainder of this page was left blank intentionally.*

For the January 1, 2020 levy year, the City's Taxable Valuation was comprised of approximately 66% residential, 24% commercial, 8% multi-residential, 3% utilities, 1% industrial, and less than 1% agriculture and military exemption.

### Taxable ("Rollback") Valuations for the City(1)(2)

Property Class	Fiscal Year:	2017/18	2018/19	2019/20	2020/21	Preliminary
	Levy Year:	2016	2017	2018	2019	2021/22 2020
Residential .....		\$16,926,613	\$18,377,542	\$18,846,656	\$18,498,129	\$18,928,199
Agricultural .....		112,586	123,584	127,443	128,873	128,298
Commercial .....		5,303,734	6,009,282	6,065,622	6,890,278	6,813,949
Industrial .....		374,922	374,922	374,922	382,671	382,671
Multi-residential .....		2,267,575	2,164,259	2,076,941	2,316,262	2,194,349
Railroads .....		0	0	0	0	0
Utilities without Gas and Electric(3) .....		108,447	113,331	118,987	97,759	59,610
Gas and Electric Utility(3) .....		809,201	776,118	739,886	767,437	720,837
Less: Military Exemption .....		(83,340)	(83,340)	(83,340)	(72,228)	(68,524)
Total .....		\$25,819,738	\$27,855,698	\$28,267,117	\$29,009,181	\$29,159,389
Percent Change +/- .....		3.22%(4)	7.89%	1.48%	2.63%	0.52%

- Notes: (1) Source: Iowa Department of Management.  
 (2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2016	2017	2018	2019	2020
TIF Valuation .....	\$ 1,741,174	\$ 1,684,792	\$ 1,811,655	\$ 1,979,871	\$ 1,790,242

- (3) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.  
 (4) Based on 2015 Taxable Valuation of \$25,015,344.

The following shows the trend in the City's tax extensions and collections.

### Tax Extensions and Collections(1)

Levy Year	Fiscal Year	Amount Levied	Amount Collected(2)	Percent Collected
2013.....	2014-15.....	\$347,029	\$364,692	105.09%
2014.....	2015-16.....	339,264	362,151	106.75%
2015.....	2016-17.....	347,308	372,202	107.17%
2016.....	2017-18.....	363,090	375,798	103.50%
2017.....	2018-19.....	372,531	379,206	101.79%
2018.....	2019-20.....	361,973	367,727	101.59%
2019.....	2020-21.....	374,572	- In Collection - -	

- Notes: (1) Source: the State of Iowa Department of Management and the City. Includes Levies or Collections for Utility Replacement. Does not include levies and collections for the City's tax increment finance district.  
 (2) Includes delinquent taxes.

### Principal Taxpayers(1)

Taxpayer Name	Business/Service	Levy Year 2019 Taxable Valuation(2)
Colonial Manor of Fayette, Inc. ....	Assisted Living.....	\$1,619,794
Consolidated Grain & Barge Co.....	Agriculture .....	1,393,875
Monopoly Group LLC.....	Real Estate.....	1,119,060
CJ's Construction, Inc.....	Construction .....	973,970
UIU Real Estate Foundation LLC.....	Real Estate.....	762,379
Maple Crest Buildings, Inc. ....	Assisted Living.....	413,379
Individual .....	Real Estate.....	380,343
Heavy Metals, Inc. ....	Metal Fabrication .....	380,304
JDSL Enterprises LLC .....	Real Estate.....	334,402
Peacock Estates LLC .....	Real Estate.....	330,656
Total .....		\$7,708,162
Ten Largest Taxpayers as Percent of City's 2019 Taxable Valuation (\$29,009,181) .....		26.57%

- Notes: (1) Source: the County.  
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

## Levy Limits

Normal municipal operations and maintenance costs are generally funded through the corporate property tax levy. Iowa State Code does not allow the municipal general fund to be taxed above \$8.10 per thousand dollars of taxable value in any one year. In addition to the General Fund, there are several other tax funds that the City can create and use for specific purposes.

The property tax rates for the City from levy year 2015 through levy year 2019 are shown below:

### Property Tax Rates: Levy Years 2015 - 2019(1)(2) (Per \$1,000 Actual Valuation)

	Fiscal Year: Levy Year:	2016/17 <u>2015</u>	2017/18 <u>2016</u>	2018/19 <u>2017</u>	2019/20 <u>2018</u>	2020/21 <u>2019</u>
City:						
General Fund .....	\$	8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Debt Service Fund .....		0.36818	0.00000	0.00000	0.00000	0.00000
Employee Benefits .....		5.29609	6.45607	5.36562	4.79524	5.18787
Other .....		<u>0.66796</u>	<u>0.58007</u>	<u>0.82223</u>	<u>0.83880</u>	<u>0.62211</u>
Total City .....		\$14.43223	\$15.13614	\$14.28785	\$13.73404	\$13.90998
Fayette County .....	\$	6.38617	\$ 6.34608	\$ 5.68578	\$ 5.60372	\$ 6.03620
North Fayette Valley CSD.....		13.59592	13.44474	11.63926	11.23901	11.43430
Northeast Iowa Community College.....		0.93757	1.09993	1.09993	1.03168	0.94734
Other .....		<u>0.82909</u>	<u>0.82488</u>	<u>0.72651</u>	<u>0.87171</u>	<u>0.80276</u>
Total Tax Rate.....		\$36.18098	\$36.85177	\$33.43933	\$32.48016	\$33.13058

- Notes: (1) Source: Iowa Department of Management.  
 (2) Does not include the tax rate for agriculture.

## Tax Levy Procedures

The Notes 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 Notes for a particular fiscal year may cause Note holders to experience delay in the receipt of distributions of principal of and/or interest on the Notes. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Notes) may have to be enforced from year to year.

Notwithstanding the foregoing, Iowa Code section 76.2 provides 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 auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor(s) 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.”

## **Utility Property Tax Replacement**

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas (“Utilities”) pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the City could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than “taxable property” for purposes of computing the City’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the City can issue or (ii) adversely affect the City’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Notes. Approximately 3% of the City’s levy year 2020 taxable valuation currently is utility property.

## **Tax Increment Financing**

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area. The taxable valuation used for this type of TIF district in the City for levy year 2020 is \$1,790,242.

The second type of tax increment financing was authorized by state legislative action in the mid-1980’s. The area community colleges can establish TIF districts by contract with specific local businesses and industries to provide jobs training programming for new employees of existing expanding businesses or employees of new businesses. The revenues from these job training TIF districts then retires the debt incurred from the issuance of jobs training certificates which finance the cost of jobs training programming over a maximum of ten years. Upon payment of all jobs training certificates, the district dissolves and the incremental value from the new or expanded business reverts to the general tax base. There is no current valuation for this second type of TIF district.

## **Legislation**

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Purchasers of the Notes 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 Notes 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 county 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 Notes. It is too early to evaluate the affect the 2019 Act will have on the overall financial position of the City or its ability to fund essential services.

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

The 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. Beginning in fiscal year 2018 the standing appropriation cannot exceed the actual 2017 appropriation amount. The appropriation does not replace losses to local governments resulting from the 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 (currently 53% of market value), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State’s discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal 2018, the impact of the 2013 Act on the City’s future property tax collections is uncertain and the City has not attempted to quantify the financial impact of the 2013 Act’s provisions on the City’s future operations.

Notwithstanding any decrease in property tax revenues that may result from the 2013 Act, the Notes are secured by an unlimited ad valorem property tax as described more fully in the “**SECURITY AND SOURCE OF PAYMENT**” herein.

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the City.

## **FINANCIAL INFORMATION**

### **Financial Reports**

The City is not required to undergo an annual audit. The City’s financial statements are completed on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. The City is required to file a Financial Report annually with the State of Iowa; see **APPENDIX A** for a copy of this Financial Report from the City’s fiscal year ended June 30, 2020.

### **Summary Financial Information**

The following table are summaries and do not purport to be the complete financial reports, copies of which are available upon request. See **APPENDIX A** for the City’s 2020 Financial Report. The City’s General Fund balance for the fiscal year ending June 30, 2020 increased by approximately \$110,000. The City has approved a budget for fiscal year 2021 with an anticipated decrease to the General Fund balance of approximately \$44,000. To date, revenues and expenditures are generally within budgeted amounts.

**Statement of Revenues, Expenditures and Changes in Fund Balance  
 General Fund(1)**

	Unaudited Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
<b>REVENUES:</b>					
Property Taxes .....	\$ 344,350	\$ 345,325	\$ 215,831	\$ 236,834	\$239,357
Other City Taxes.....	52,456	52,442	0	0	0
Licenses and Permits .....	2,990	1,895	23,613	21,400	21,264
Use of Money and Property .....	25,033	30,499	11,829	24,651	26,445
Intergovernmental.....	30,844	77,232	153,269	134,968	130,000
Charges for Fees and Service .....	136,441	104,932	201,936	242,097	208,952
Miscellaneous.....	<u>36,092</u>	<u>25,597</u>	<u>28,893</u>	<u>12,107</u>	<u>8,441</u>
Total Revenues .....	\$ 628,206	\$ 637,922	\$ 635,371	\$ 672,057	\$634,459
<b>EXPENDITURES:</b>					
Current:					
Public Safety .....	\$ 346,101	\$ 305,573	\$ 317,217	\$ 322,047	\$313,472
Public Works .....	0	0	162,990	130,870	67,147
Health and Social Services .....	0	0	0	0	0
Culture and Recreation.....	116,713	133,693	125,737	106,299	118,366
Community and Economic Development .....	13,107	8,769	0	0	0
General Government .....	<u>64,671</u>	<u>71,848</u>	<u>55,541</u>	<u>54,542</u>	<u>55,627</u>
Total Expenditures.....	\$ 540,592	\$ 519,883	\$ 661,485	\$ 613,758	\$554,612
Excess (Deficiency) of Revenues Over (Under) Expenditures .....	\$ 87,614	\$ 118,039	\$ (26,114)	\$ 58,299	\$ 79,847
Other Financing Sources (Uses):					
Transfers In .....	\$ 7,414	\$ 17,702	\$ 126,702	\$ 32,241	\$ 45,405
Transfers Out .....	<u>(113,193)</u>	<u>(88,463)</u>	<u>0</u>	<u>(15,000)</u>	<u>(15,000)</u>
Total Other Financing Sources and Uses .....	\$ (105,779)	\$ (70,761)	\$ 126,702	\$ 17,241	\$ 30,405
Net Change in Fund Balances .....	\$ (18,165)	\$ 47,278	\$ 100,588	\$ 75,540	\$110,252
Fund Balance - Beginning .....	\$1,754,334	\$1,736,169	\$1,547,164(2)	\$1,637,798(2)	\$443,327(2)
Fund Balance - Ending .....	\$1,736,169	\$1,783,447	\$1,647,752	\$1,713,338	\$553,579

Notes: (1) Source: Unaudited financial statements of the City for the fiscal years ended June 30, 2016 through 2020.  
 (2) Restated.

**EMPLOYEE RETIREMENT AND OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS**

**Pensions**

The City participates in the Iowa Public Employee's Retirement System (IPERS). Summary descriptions of the IPERS Plan follows.

In fiscal year 2020, pursuant to the IPERS' required rate, the City's Regular employees (members) contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protection occupation members contributed 6.61% of covered payroll and the City contributed 9.91% for a total rate of 16.52%. The City's contributions to IPERS for the year ended June 30, 2020 were \$41,850. The City's share of the contributions, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to IPERS.

**Other Post-Employment Benefits (OPEB)**

The City administers a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The City currently finances the benefit plan on a pay-as-you-go basis. Retired employees are responsible for 100% of the premium for health insurance.



## Defined Benefit Pension Plan – Iowa Public Employee’s Retirement System

The City also contributes to the Iowa Public Employees’ Retirement System (“IPERS”). The City’s employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The City’s employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the City’s employee retires before normal retirement age, the employee’s monthly retirement benefit will be permanently reduced by an early retirement reduction. IPERS provides pension benefits as well as disability benefits to City employees and benefits to the employees’ beneficiaries upon the death of the eligible employee. Additionally, copies of IPERS annual financial report may be obtained from [www.ipers.org](http://www.ipers.org). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the City and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2017 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the futures.

The following table sets forth the contributions made by the City and employees to IPERS for the period indicated.

<u>Fiscal Year</u>	<u>% of Payroll Paid by the City</u>	<u>% of Payroll Paid by Employee</u>
2017.....	8.93%	5.95%
2018.....	8.93%	5.95%
2019.....	9.44%	6.29%
2020.....	9.44%	6.29%
2021.....	9.44%	6.29%

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.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for fiscal years ended June 30, 2016 through, and including, 2020 (collectively, the “IPERS CAFRs (2016-2020)”), and the actuarial valuation reports provided to IPERS by Cavanaugh Macdonald Consulting, LLC (collectively, the “IPERS Actuarial Reports (2016-2020)”). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

<u>Valuation Date</u>	<u>Actuarial Value of Assets [a]</u>	<u>Market Value of Assets [b]</u>	<u>Actuarial Accrued Liability [c]</u>	<u>Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]</u>	<u>Funded Ratio (Actuarial Value) [a]/[c]</u>	<u>Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]</u>	<u>Funded Ratio (Market Value) [b]/[c]</u>	<u>Covered Payroll [d]</u>	<u>UAAL as a Percentage of Covered (Actuarial Value) {[c-a]/[d]}</u>
2016.....	\$29,033,696,587	\$28,326,433,656	\$34,619,749,147	\$5,586,052,560	83.86%	\$6,293,315,491	81.82%	\$7,556,515,720	73.92%
2017.....	30,472,423,914	30,779,116,326	37,440,382,029	6,967,958,115	81.39%	6,661,265,703	82.21%	7,863,160,443	88.62%
2018.....	31,827,755,864	32,314,588,595	38,642,833,653	6,815,077,789	82.36%	6,328,245,058	83.62%	7,983,219,527	85.37%
2019.....	33,324,327,606	34,010,680,731	39,801,338,797	6,477,011,191	83.73%	5,790,658,066	85.45%	8,151,043,468	79.46%
2020.....	34,485,656,745	34,047,692,112	41,072,427,540	6,586,770,795	83.96%	7,024,735,428	82.90%	8,391,856,350	78.49%

Source: IPERS Actuarial Reports.

According to IPERS, the market value investment return on program assets is as follows:

<u>Fiscal Year</u> <u>Ended</u> <u>June 30</u>	<u>Investment</u> <u>Return %</u>
2016.....	2.15%
2017.....	11.70%
2018.....	7.97%
2019.....	8.35%
2020.....	3.39%

Source: IPERS Reports

Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at [www.ipers.org](http://www.ipers.org).

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

### **REGISTRATION, TRANSFER AND EXCHANGE**

See also **APPENDIX B - BOOK-ENTRY SYSTEM** for information on registration, transfer and exchange of book-entry bonds. The Notes will be initially issued as book-entry bonds.

The City shall cause books (the “Note Register”) for the registration and for the transfer of the Notes to be kept at the principal office maintained for the purpose by the Note Registrar in West Des Moines, Iowa. The City will authorize to be prepared, and the Note Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Notes.

Any Note may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Note Resolution. Upon surrender for transfer or exchange of any Note at the principal office maintained for the purpose by the Note Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Note Registrar and duly executed by the registered owner or such owner’s attorney duly authorized in writing, the City shall execute and the Note Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Note or Notes of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Note shall constitute full and due authorization of such Note, and the Note Registrar shall thereby be authorized to authenticate, date and deliver such Note, provided, however, the principal amount of outstanding Notes of each maturity authenticated by the Note Registrar shall not exceed the authorized principal amount of Notes for such maturity less Notes previously paid.

The Note Registrar shall not be required to transfer or exchange any Note following the close of business on the fifteenth day of the month next preceding an interest payment date on such bond (known as the record date), nor to transfer or exchange any Note after notice calling such Note for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Notes.

The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Notes shall be made only to or upon the order of the registered owner thereof or such owner’s legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Notes, but the City or the Note Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Notes except in the case of the issuance of a Note or Notes for the unredeemed portion of a bond surrendered for redemption.

## **TAX MATTERS**

### **Tax Exemption**

Federal tax law contains a number of requirements and restrictions that apply to the Notes, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Note proceeds and facilities financed with Note 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 Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

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

Prospective purchasers of the Notes should be aware that ownership of the Notes 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 Notes should consult their tax advisors as to collateral federal income tax consequences.

The interest on the Notes is not exempt from present Iowa income taxes. Ownership of the Notes 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 Notes. Prospective purchasers of the Notes should consult their tax advisors regarding the applicability of any such state and local taxes.

### **Qualified Tax Exemption Obligations**

The Notes will be designated as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

### **Discount and Premium Notes**

The initial public offering price of certain Notes may be less than the amount payable on such Notes at maturity ("Discount Notes"). Purchasers of Discount Notes should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Notes. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Notes 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 Notes may be greater than the amount of such Notes at maturity ("Premium Notes"). Purchasers of the Premium Notes should consult with their own tax advisors with respect to the determination of amortizable premium on Premium Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Notes.

## **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 Notes. 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 Notes.

## **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. To the best of the City’s knowledge, no obligations of the City are currently under examination by the Service. It cannot be predicted whether or not the Service will commence an audit of the Notes. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Noteholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Notes until the audit is concluded, regardless of the ultimate outcome.

## **Reporting and Withholding**

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Notes, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Note 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 Note owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

## **Tax Legislation**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest or other income on the Notes or the market value or marketability of the Notes. 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 Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

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.

## **Enforcement**

There is no trustee or similar person to monitor or enforce the terms of the resolution for issuance of the Notes. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Notes) may have to be enforced from year to year.

The owners of the Notes cannot foreclose on property within the boundaries of the City or sell such property in order to pay the debt service on the Notes. In addition, the enforceability of the rights and remedies of owners of the Notes may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligations of the City with respect to the Notes 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 and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

## **The Opinion**

The **FORM OF LEGAL OPINION**, in substantially the form set out in **APPENDIX C** to this Preliminary Official Statement, will be delivered at closing.

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service, nor does the rendering of the opinion guarantee the outcome of any legal dispute that may arise out of the transaction. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

## **Bond Counsel Review**

Bond Counsel has approved the language included in this "**TAX MATTERS**" Section but has not otherwise participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Preliminary Official Statement, and will express no opinion with respect thereto.

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

## **SECONDARY MARKET DISCLOSURE**

The aggregate principal amount of the Notes is less than \$1,000,000. The information undertaking provisions of SEC Rule 15c2-12(b)(5) are therefore not applicable to this issue. Upon request, the City will provide annual financial statements including the comprehensive annual financial report if one is prepared.

## **OPTIONAL REDEMPTION**

Notes due June 1, 2022 - 2028 inclusive, are not subject to optional redemption. Notes due June 1, 2029 - 2036, inclusive, are callable in whole or in part on any date on or after June 1, 2028, at a price of par and accrued interest. If selection by lot within a maturity is required, the Registrar shall designate the Notes to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Notes to be called has been reached.

If less than all of the maturity is called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed.

Thirty days' written notice of redemption shall be given to the registered owner of the Note. Failure to give written notice to any registered owner of the Notes or any defect therein shall not affect the validity of any proceedings for the redemption of the Notes. All Notes or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment. Written notice will be deemed completed upon transmission to the owner of record.

## LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

## LEGAL MATTERS

The Notes are subject to approval as to certain legal matters by Ahlers & Cooney, P.C., Des Moines, Iowa, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement except for guidance concerning the sections regarding "TAX MATTERS", and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement, and will express no opinion with respect thereto. A legal opinion in substantially the form set forth in **APPENDIX C** to this Official Statement will be delivered at closing.

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

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

## OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Notes. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

This Official Statement is not to be construed as a contract or agreement amongst the City, the Underwriter, or the holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Notes 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. The information contained in this Official Statement is not guaranteed.

## UNDERWRITING

The Notes were offered for sale by the City at a public, competitive sale on January 19, 2021. The best bid submitted at the sale was submitted by \_\_\_\_\_ (the “Underwriter”). The City awarded the contract for sale of the Notes to the Underwriter at a price of \$ \_\_\_\_\_ (reflecting the par amount of \$ \_\_\_\_\_, plus a reoffering premium of \$ \_\_\_\_\_, and less an Underwriter’s discount of \$ \_\_\_\_\_). The Underwriter has represented to the City that the Notes have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

## MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Notes. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Notes. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Notes. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City’s continuing disclosure undertaking.

## CERTIFICATION

We have examined this Official Statement dated January 4, 2021, for the \$500,000\* General Obligation Capital Loan Notes, Series 2021, believe it to be true and correct and will provide to the purchaser of the Notes at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge, information and belief, information in the Official Statement was at the time of acceptance of the bid for the Notes and, including any addenda thereto, was at the time of delivery of the Notes true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **KRIS MCGRANE**  
*City Administrator/Clerk*  
CITY OF FAYETTE  
Fayette County, Iowa

/s/ **ANDREW WENTHE**  
*Mayor*  
CITY OF FAYETTE  
Fayette County, Iowa

*\*Subject to change.*

**APPENDIX A**

**CITY OF FAYETTE  
FAYETTE COUNTY, IOWA**

**FISCAL YEAR 2020 ANNUAL FINANCIAL REPORT FILED WITH THE STATE OF IOWA**



STATE OF IOWA 2020 FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2020 CITY OF FAYETTE, IOWA DUE: December 1, 2020	16203300500000 CITY OF FAYETTE PO Box 28 FAYETTE IA 52142-7604 POPULATION: 1338
---	---

**NOTE** - The information supplied in this report will be shared by the Iowa State Auditor's Office, the U.S. Census Bureau, various public interest groups, and State and federal agencies.

ALL FUNDS				
	Governmental (a)	Proprietary (b)	Total Actual (c)	Budget (d)
<b>Revenues and Other Financing Sources</b>				
Taxes Levied on Property	367,727		367,727	351,813
Less: Uncollected Property Taxes-Levy Year	0		0	
<b>Net Current Property Taxes</b>	<b>367,727</b>		<b>367,727</b>	<b>351,813</b>
Delinquent Property Taxes	0		0	
TIF Revenues	45,861		45,861	58,371
Other City Taxes	101,209	0	101,209	111,410
Licenses and Permits	21,264	0	21,264	19,695
Use of Money and Property	40,998	6,075	47,073	23,126
Intergovernmental	378,184	0	378,184	629,276
Charges for Fees and Service	208,952	630,383	839,335	735,984
Special Assessments	0	0	0	
Miscellaneous	15,093	11,325	26,418	44,418
Other Financing Sources	0	144,297	144,297	2,800
Transfers In	121,126	114,906	236,032	236,565
<b>Total Revenues and Other Sources</b>	<b>1,300,414</b>	<b>906,986</b>	<b>2,207,400</b>	<b>2,213,458</b>
<b>Expenditures and Other Financing Uses</b>				
Public Safety	401,801		401,801	491,726
Public Works	187,463		187,463	260,345
Health and Social Services	0		0	
Culture and Recreation	135,930		135,930	143,464
Community and Economic Development	104,431		104,431	446,829
General Government	63,911		63,911	79,899
Debt Service	0		0	
Capital Projects	0		0	15,000
<b>Total Governmental Activities Expenditures</b>	<b>893,536</b>	<b>0</b>	<b>893,536</b>	<b>1,437,263</b>
BUSINESS TYPE ACTIVITIES		502,452	502,452	550,618
<b>Total All Expenditures</b>	<b>893,536</b>	<b>502,452</b>	<b>1,395,988</b>	<b>1,987,881</b>
Other Financing Uses	0	0	0	
Transfers Out	121,126	114,906	236,032	236,565
<b>Total All Expenditures/and Other Financing Uses</b>	<b>1,014,662</b>	<b>617,358</b>	<b>1,632,020</b>	<b>2,224,446</b>
<b>Excess Revenues and Other Sources Over (Under) Expenditures/and Other Financing Uses</b>	<b>285,752</b>	<b>289,628</b>	<b>575,380</b>	<b>-10,988</b>
Beginning Fund Balance July 1, 2019	2,732,356	568,837	3,301,193	2,526,878
Ending Fund Balance June 30, 2020	3,018,108	858,465	3,876,573	2,515,890


**NOTE** - These balances do not include the following, which were not budgeted and are not available for city operations:

Non-budgeted Internal Service Funds	Pension Trust Funds
Private Purpose Trust Funds	Agency Funds

Indebtedness at June 30, 2020		Indebtedness at June 30, 2020	
	Amount		Amount
General Obligation Debt	0	Other Long-Term Debt	0
Revenue Debt	1,522,180	Short-Term Debt	0
TIF Revenue Debt	274,657		
		General Obligation Debt Limit	2,397,314

**CERTIFICATION**

The forgoing report is correct to the best of my knowledge and belief

	<b>Publication</b> 11/19/2020
Signature of Preparer	
Printed name of Preparer Kris McGrane	Phone Number 563-425-4316
	Date Signed 11/12/2020
Signature of Mayor or other City official (Name and Title)	

**PLEASE PUBLISH THIS PAGE ONLY**

**REVENUE P2**  
**CITY OF FAYETTE**  
**REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2020**  
**NON-GAAP/CASH BASIS**

Item Description	General (a)	Special Revenue (b)	TIF Special Revenue (c)	Debt Service (d)	Capital Projects (e)	Permanent (f)	Total Governmental (Sum of (a) through (f)) (g)	Proprietary (h)	Grand Total (Sum of (g) and (h)) (i)
<b>Section A - Taxes</b>									
Taxes levied on property	2 239,357	128,370					367,727		367,727
Less: Uncollected Property Taxes - Levy Year								0	0
Net Current Property Taxes	4 239,357	128,370		0	0	0	367,727		367,727
Delinquent Property Taxes	5							0	0
<b>Total Property Tax</b>	6 239,357	128,370		0	0	0	367,727		367,727
<b>TIF Revenues</b>			45,861				45,861		45,861
<b>Other City Taxes</b>									
Utility Tax Replacement Excise Taxes	8							0	0
Utility Franchise Tax (Chapter 364.2, Code of Iowa)	9							0	0
Parimutuel Wager Tax	10							0	0
Gaming Wager Tax	11							0	0
Mobile Home Tax	12							0	0
Hotel / Motel Tax	13							0	0
Other Local Option Taxes	14	101,209					101,209		101,209
<b>Total Other City Taxes</b>	15 0	101,209		0	0	0	101,209	0	101,209
<b>Section B - Licenses and Permits</b>	16 21,264						21,264		21,264
<b>Section C - Use of Money and Property</b>									
Interest	18 16,967	14,553					31,520	6,075	37,595
Rents and Royalties	19 150						150		150
Other Miscellaneous Use of Money and Property	20 9,328						9,328		9,328
	21							0	0
<b>Total Use of Money and Property</b>	22 26,445	14,553	0	0	0	0	40,998	6,075	47,073
<b>Section D - Intergovernmental</b>	24								
<b>Federal Grants and Reimbursements</b>	26								
Federal Grants	27							0	0
Community Development Block Grants	28							0	0
Housing and Urban Development	29							0	0
Public Assistance Grants	30							0	0
Payment in Lieu of Taxes	31							0	0
	32							0	0
<b>Total Federal Grants and Reimbursements</b>	33 0	0		0	0	0	0	0	0

REVENUE P3  
 CITY OF FAYETTE  
 REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2020  
 NON-GAAP/CASH BASIS

Item Description	General (a)	Special Revenue (b)	TIF Special Revenue (c)	Debt Service (d)	Capital Projects (e)	Permanent (f)	Total Governmental (Sum of (a) through (f)) (g)	Proprietary (h)	Grand Total (Sum of (g) and (h)) (i)	
<b>Section D - Intergovernmental - Continued</b>										41
State Shared Revenues										43
Road Use Taxes		171,984					171,984		171,984	44
<b>Other state grants and reimbursements</b>										48
State grants	1,675	33,563					35,238		35,238	49
Iowa Department of Transportation							0		0	50
Iowa Department of Natural Resources							0		0	51
Iowa Economic Development Authority							0		0	52
CEBA grants							0		0	53
Commercial & Industrial Replacement Claim							0		0	54
Revolving Loan Fund Charges/Reimbursements		42,637					42,637		42,637	55
							0		0	56
							0		0	57
							0		0	58
							0		0	59
<b>Total State</b>	1,675	248,184	0	0	0	0	249,859	0	249,859	60
<b>Local Grants and Reimbursements</b>										
County Contributions	9,261						9,261		9,261	63
Library Service	2,718						2,718		2,718	64
Township Contributions	5,000						5,000		5,000	65
Fire/EMT Service	111,346						111,346		111,346	66
							0		0	67
							0		0	68
							0		0	69
<b>Total Local Grants and Reimbursements</b>	128,325	0	0	0	0	0	128,325	0	128,325	70
<b>Total Intergovernmental (Sum of lines 33, 60, and 70)</b>	130,000	248,184	0	0	0	0	378,184	0	378,184	71
<b>Section E - Charges for Fees and Service</b>										72
Water							0	242,445	242,445	73
Sewer							0	328,860	328,860	74
Electric							0	0	0	75
Gas							0	0	0	76
Parking							0	0	0	77
Airport							0	0	0	78
Landfill/garbage	71,608						71,608		71,608	79
Hospital							0		0	80

**REVENUE P4**  
 CITY OF  
 REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30,  
 NON-GAAP/CASH BASIS

Item Description	General (a)	Special Revenue (b)	TIF Special Revenue (c)	Debt Service (d)	Capital Projects (e)	Permanent (f)	Total Governmental (Sum of (a) through (f)) (g)	Proprietary (h)	Grand Total (Sum of (g) and (h)) (i)
<b>Section E - Charges for Fees and Service - Continued</b>									
81									81
Transit									
82							0		0 82
Cable TV							0		0 83
83									
Internet							0		0 84
84									
Telephone							0		0 85
85									
Housing Authority							0		0 86
86									
Storm Water							0	7,099	7,099 87
87									
Other:									
88									88
Nursing Home							0		0 89
89									
Police Service Fees	102,469						102,469		102,469 90
90									
Prisoner Care							0		0 91
91									
Fire Service Charges	6,545						6,545		6,545 92
92									
Ambulance Charges	3,238						3,238		3,238 93
93									
Sidewalk Street Repair Charges							0		0 94
94									
Housing and Urban Renewal Charges							0		0 95
95									
River Port and Terminal Fees							0		0 96
96									
Public Scales							0		0 97
97									
Cemetery Charges							0		0 98
98									
Library Charges							0		0 99
99									
Park, Recreation, and Cultural Charges	9,885						9,885		9,885 100
100									
Animal Control Charges							0		0 101
101									
Reimbursements, Board/Adjustment Fees, Sweeper Fees, Copy/Fax Fees	15,207						15,207		15,207 102
102									
Water/Sewer Capital Enterprise	208,952	0	0	0	0	0	208,952	51,979	51,979 103
103								630,383	839,335 104
<b>Total Charges for Service</b>									
104									
<b>Section F - Special Assessments</b>									
106									
<b>Section G - Miscellaneous</b>									
107									
Contributions	495	6,652					7,147		7,147 108
108									
Deposits and Sales/Fuel Tax Refunds	540						540	11,325	11,865 109
109									
Sale of Property and Merchandise	1,106						1,106		1,106 110
110									
Fines	6,300						6,300		6,300 111
111									
Internal Service Charges							0		0 112
112									
Reimbursements							0		0 113
113									
Other							0		0 114
114									
Other							0		0 115
115									
Other							0		0 116
116									
Other							0		0 117
117									
Other							0		0 118
118									
Other							0		0 119
119									
<b>Total Miscellaneous</b>	8,441	6,652	0	0	0	0	15,093	11,325	26,418 120
120									

**REVENUE P5**  
**CITY OF**  
**REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30,**  
**NON-GAAP/CASH BASIS**

Item Description	General (a)	Special Revenue (b)	TIF Special Revenue (c)	Debt Service (d)	Capital Projects (e)	Permanent (f)	Total Governmental through (f) (g)	Proprietary (h)	Grand Total (Sum of (g) and (h)) (i)	
<b>Total All Revenues (Sum of lines 6, 7, 15, 16, 22, 71, 104, 106, and 120)</b>	121 634,459	498,968	45,861	0	0	0	1,179,288	647,783	1,827,071	121
<b>Section H - Other Financing Sources</b>	123									123
Proceeds of capital asset sales	124						0		0	124
Proceeds of long-term debt (Excluding TIF internal borrowing)	125						0	144,297	144,297	125
Proceeds of anticipatory warrants or other short-term debt	126						0		0	126
Regular transfers in and interfund loans	127 45,405	60,804			10,000		116,209	114,906	231,115	127
Internal TIF loans and transfers in	128	4,917					4,917		4,917	128
	129						0		0	129
	130						0		0	130
<b>Total Other Financing Sources</b>	131 45,405	65,721	0	0	10,000	0	121,126	259,203	380,329	131
<b>Total Revenues Except for Beginning Balances (Sum of lines 121 and 131)</b>	132 679,864	564,689	45,861	0	10,000	0	1,300,414	906,986	2,207,400	132
<b>Beginning Fund Balance July 1, 2019</b>	134 443,327	2,210,787	72,545	21,165	-15,468		2,732,356	568,837	3,301,193	134
<b>Total Revenues and Other Financing Sources (Sum of lines 132 and 134)</b>	136 1,123,191	2,775,476	118,406	21,165	-5,468	0	4,032,770	1,475,823	5,508,593	136

EXPENDITURES P6  
CITY OF FAYETTE  
EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2020  
NON-GAAP/CASH BASIS

Item Description	Line	General (a)	Special Revenue (b)	TIF Special Revenue (c)	Debt Service (d)	Capital Projects (e)	Permanent (f)	Total Governmental (Sum of cols. (g) through (f)) (g)	Proprietary (h)	Grand Total (Sum of col. (g) (i))	Line
<b>Section A - Public Safety</b>	1										1
Police Department/Crime Prevention	2	231,042	79,069					310,111		310,111	2
Jail	3							0		0	3
Emergency Management	4	4,389						4,389		4,389	4
Flood control	5							0		0	5
Fire Department	6	16,125	3,998					20,123		20,123	6
Ambulance	7	61,879	5,262					67,141		67,141	7
Building Inspections	8							0		0	8
Miscellaneous Protective Services	9							0		0	9
Animal Control	10	37						37		37	10
Other Public Safety	11							0		0	11
	12							0		0	12
	13							0		0	13
<b>Total Public Safety</b>	14	313,472	88,329		0	0	0	401,801		401,801	14
	15										15
<b>Section B - Public Works</b>	16	1,382	96,923					98,305		98,305	16
Roads, Bridges, Sidewalks	17							0		0	17
Parking Meter and Off-Street	18		22,592					22,592		22,592	18
Street Lighting	19							0		0	19
Traffic Control Safety	20							0		0	20
Snow Removal	21							0		0	21
Highway Engineering	22							0		0	22
Street Cleaning	23							0		0	23
Airport (if not an enterprise)	24	65,765	801					66,566		66,566	24
Garbage (if not an enterprise)	25							0		0	25
Other Public Works	26							0		0	26
	27							0		0	27
<b>Total Public Works</b>	28	67,147	120,316		0	0	0	187,463		187,463	28
	29										29
<b>Section C - Health and Social Services</b>	30							0		0	30
Welfare Assistance	31							0		0	31
City Hospital	32							0		0	32
Payments to Private Hospitals	33							0		0	33
Health Regulation and Inspections	34							0		0	34
Water, Air, and Mosquito Control	35							0		0	35
Community Mental Health	36							0		0	36
Other Health and Social Services	37							0		0	37
	38							0		0	38
<b>Total Health and Social Services</b>	39	0	0		0	0	0	0		0	39
	40										40
<b>Section D - Culture and Recreation</b>	41	72,189	14,997					87,186		87,186	41
Library Services	42							0		0	42
Museum, Band, Theater	43	20,968						20,968		20,968	43
Parks	44	15,512	2,567					18,079		18,079	44
Recreation	45	7,500						7,500		7,500	45
Cemetery	46	2,197						2,197		2,197	46
Community Center, Zoo, Marina, and Auditorium	47							0		0	47
Other Culture and Recreation	48							0		0	48
	49							0		0	49
<b>Total Culture and Recreation</b>	50	118,366	17,564		0	0	0	135,930		135,930	50

**EXPENDITURES P7**  
 CITY OF  
 EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, -- Continued  
 NON-GAAP/CASH BASIS

Line	Item description	General (a)	Special Revenue (b)	TIF Special Revenue (c)	Debt Service (d)	Capital Projects (e)	Permanent (f)	Total Governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Grand Total (Sum of col. (g) (i))	Line
51											51
	<b>Section E - Community and Economic Development</b>										
52	Community beautification		3,685					3,685		3,685	52
53	Economic development		21,889					21,889		21,889	53
54	Housing and urban renewal		33,375	42,565				75,940		75,940	54
55	Planning and zoning							0		0	55
56	Other community and economic development		2,917					2,917		2,917	56
57	TIF Rebates							0		0	57
58								0		0	58
59	<b>Total Community and Economic Development</b>	0	61,866	42,565	0	0	0	104,431		104,431	59
60	<b>Section F - General Government</b>										60
61	Mayor, Council and City Manager	8,047	689					8,736		8,736	61
62	Clerk, Treasurer, Financial Administration	45,162	7,595					52,757		52,757	62
63	Elections	1,239						1,239		1,239	63
64	Legal Services and City Attorney	1,179						1,179		1,179	64
65	City Hall and General Buildings							0		0	65
66	Tort Liability							0		0	66
67	Other General Government							0		0	67
68								0		0	68
69								0		0	69
70	<b>Total General Government</b>	55,627	8,284		0	0	0	63,911		63,911	70
71	<b>Section G - Debt Service</b>										71
72								0		0	72
73								0		0	73
74	<b>Total Debt Service</b>	0	0	0	0	0	0	0		0	74
75	<b>Section H - Regular Capital Projects - Specify</b>										75
76								0		0	76
77								0		0	77
78	<b>Subtotal Regular Capital Projects</b>	0	0	0	0	0	0	0		0	78
79	<b>TIF Capital Projects - Specify</b>										79
80								0		0	80
81								0		0	81
82	<b>Subtotal TIF Capital Projects</b>	0	0	0	0	0	0	0		0	82
83	<b>Total Capital Projects</b>	0	0	0	0	0	0	0		0	83
84	<b>Total Governmental Activities Expenditures (Sum of lines 14, 28, 39, 50, 59, 70, 74, 83)</b>	554,612	296,359	42,565	0	0	0	893,536		893,536	84
85	TIF Rebates are expended out of the TIF Special Revenue Fund within the Community and Economic Development program's activity "Other"										85

**EXPENDITURES P8**  
 CITY OF  
 EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, -- Continued  
 NON-GAAP/CASH BASIS

Item description	Line	General (a)	Special Revenue (b)	TIF Special Revenue (c)	Debt Service (d)	Capital Projects (e)	Permanent (f)	Total Governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Grand Total (Sum of col. (g) (i))	Line
<b>Section I - Business Type Activities</b>	87										87
Water - Current Operation	88								177,801	177,801	88
Capital Outlay	89								0	0	89
Debt Service	90								0	0	90
Sewer and Sewage Disposal - Current Operation	91								193,600	193,600	91
Capital Outlay	92								28,541	28,541	92
Debt Service	93								100,312	100,312	93
Electric - Current Operation	94								0	0	94
Capital Outlay	95								0	0	95
Debt Service	96								0	0	96
Gas Utility - Current Operation	97								0	0	97
Capital Outlay	98								0	0	98
Debt Service	99								0	0	99
Parking - Current Operation	100								0	0	100
Capital Outlay	101								0	0	101
Debt Service	102								0	0	102
Airport - Current Operation	103								0	0	103
Capital Outlay	104								0	0	104
Debt Service	105								0	0	105
Landfill/Garbage - Current operation	106								0	0	106
Capital Outlay	107								0	0	107
Debt Service	108								0	0	108
Hospital - Current Operation	109								0	0	109
Capital Outlay	110								0	0	110
Debt Service	111								0	0	111
Transit - Current Operation	112								0	0	112
Capital Outlay	113								0	0	113
Debt Service	114								0	0	114
Cable TV, Telephone, Internet - Current Operation	115								0	0	115
Capital Outlay	116								0	0	116
Housing Authority - Current Operation	117								0	0	117
Capital Outlay	118								0	0	118
Debt Service	119								0	0	119
Storm Water - Current Operation	120								2,198	2,198	120
Capital Outlay	121								0	0	121
Debt Service	122								0	0	122
Other Business Type - Current Operation	123								0	0	123
Capital Outlay	124								0	0	124
Debt Service	125								0	0	125
Internal Service Funds - Specify	126								0	0	126
	127								0	0	127
	128								0	0	128
<b>Total Business Type Activities</b>	129								502,452	502,452	129



**EXPENDITURES P9**  
 CITY OF FAYETTE  
 EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2020 -- Continued  
 NON-GAAP/CASH BASIS

Item description	Line	General (a)	Special Revenue (b)	TIF Special Revenue (c)	Debt Service (d)	Capital Projects (e)	Permanent (f)	Total Governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Grand Total (Sum of col. (g)) (i)	Line
Subtotal Expenditures (Sum of lines 84 and 129)	130	554,612	296,359	42,565	0	0	0	893,536	502,452	1,395,988	130
<b>Section J - Other Financing Uses Including Transfers Out</b>	131										131
Regular transfers out	132	15,000	101,209					116,209	114,906	231,115	132
Internal TIF loans/repayments and transfers out	133			4,917				4,917		4,917	133
	134							0		0	134
<b>Total Other Financing Uses</b>	135	15,000	101,209	4,917	0	0	0	121,126	114,906	236,032	135
<b>Total Expenditures and Other Financing Uses (Sum of lines 130 and 135)</b>	136	569,612	397,568	47,482	0	0	0	1,014,662	617,558	1,632,020	136
Ending fund balance June 30, :	137										137
<b>Governmental:</b>	138										138
	139										139
Nonspendable	140							0		0	140
Restricted	141		2,377,908	70,924				2,448,832		2,448,832	141
Committed	142				21,165			21,165		21,165	142
Assigned	143							0		0	143
Unassigned	144	553,579						548,111		548,111	144
<b>Total Governmental</b>	145	553,579	2,377,908	70,924	21,165	-5,468	0	3,018,108	858,465	3,018,108	145
	146								858,465	858,465	146
<b>Proprietary</b>	147	553,579	2,377,908	70,924	21,165	-5,468	0	3,018,108	858,465	3,876,573	147
<b>Total Ending Fund Balance June 30,</b>	148	1,123,191	2,775,476	118,406	21,165	-5,468	0	4,032,770	1,475,823	5,508,593	148
<b>Total Requirements (Sum of lines 136 and 147)</b>											

**OTHER P10**

Part III Intergovernmental Expenditures Please report below expenditures made to the State or to other local governments on a reimbursement or cost sharing basis. Include these expenditures in part II. Enter amount.

Purpose	Amount paid to other local governments	Purpose	Amount paid to State
Correction		Highways	
Health		All other	
Highways			
Transit Subsidies			
Libraries			
Police protection	4,652		
Sewerage			
Sanitation			
All other	5,377		

**Part IV**

Wages & Salaries Report here the total salaries and wages paid to all employees of your government before deductions of social security, retirement, etc. Include also salaries and wages paid to employees of any utility owned and operated by your government, as well as salaries and wages of municipal employees charged to construction projects.

YOU ARE REQUIRED TO ENTER SALARY DOLLARS IN THE Amount areas FOR SALARIES AND WAGES PAID		Amount
<b>Total Salaries and Wages Paid</b>		454,185

**Part V Debt Outstanding, Issued, and Retired**

Transit subsidies

**A. Long-Term Debt**

Purpose	Debt During the Fiscal Year						Debt Outstanding JUNE 30, 2020			
	Line	Debt Outstanding JULY 1, 2019	Issued	Retired	General Obligation	TIF Revenue	Revenue	Other	Interest Paid This Year	
Water Utility	1.									
Sewer Utility	2.	1,564,317	144,297	72,400					24,860	
Electric Utility	3.									
Gas Utility	4.									
Transit-Bus	5.									
Industrial Revenue	6.									
Mortgage Revenue	7.									
TIF Revenue	8.	332,536	30,263	47,482		274,657			603	
Other Purposes / Miscellaneous	9.	14,276	14,233			30,263			277	
GO	10.									
Parking	11.									
Airport	12.									
Stormwater	13.									
Section 108	14.									
<b>Total Long-Term</b>		1,911,129	174,560	134,115	0	274,657	1,522,180	0	25,740	

**B. Short-Term Debt Amount**

Outstanding as of July 1, 2019

Outstanding as of JUNE 30, 2020

DEBT LIMITATION FOR GENERAL OBLIGATIONS

Actual valuation -- January 1, 2018

Amount

x.0.5 = \$

47,946,282

2,397,314.1

Part VII CASH AND INVESTMENT ASSETS AS OF JUNE 30, 2020

Type of asset	Amount			Total (e)
	Bond and interest funds (a)	Bond construction funds (b)	Pension/retirement funds (c)	
Cash and investments - Include cash on hand, CD's, time, checking and savings deposits, Federal securities, Federal agency securities, State and local government securities, and all other securities. Exclude value of real property.	1,652,258		2,224,315	3,876,573

If you budget on a NON-GAAP CASH BASIS, the amount in the Total above SHOULD EQUAL the above summed amounts on the sheet All Funds P1 : Ending fund balance, column C PLUS the amounts in the shaded Note area.

REMARKS

## APPENDIX B

### DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes (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.

2. 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 (“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 (“Indirect Participants”). DTC has a S&P Global Ratings rating of 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).

3. 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 (“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.

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

5. 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.

6. 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.

7. 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).

8. 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 the Paying 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, the Paying 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 the Paying 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.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any 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 any 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 any Tender/Remarketing Agent's DTC account.

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

11. 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.

12. 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.

## APPENDIX C

### DRAFT FORM OF BOND COUNSEL OPINION



**Ahlers & Cooney, P.C.**  
Attorneys at Law

100 Court Avenue, Suite 600  
Des Moines, Iowa 50309-2231  
Phone: 515-243-7611  
Fax: 515-243-2149  
[www.ahlerslaw.com](http://www.ahlerslaw.com)

#### 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 Fayette, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Capital Loan Notes, Series 2021, by said City, dated \_\_\_\_\_, 2021, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$ \_\_\_\_\_ (the "Notes").

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 the Loan Agreement and issuance of the Notes (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 Loan Agreement and issue the Notes.
2. The Loan Agreement and Notes 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 Notes. Taxes have been levied by the Resolution for the payment of the Notes and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent the necessary funds are not provided from other sources.
4. Interest on the Notes 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 Notes 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 Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

DRAFT

City of Fayette, State of Iowa

\$ \_\_\_\_\_ General Obligation Capital Loan Notes, Series 2021

Page 2

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

The rights of the owners of the Notes and the enforceability of the Notes 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,

01809092-1\13228-034

**OFFICIAL BID FORM**

City of Fayette  
11 S. Main Street  
Fayette, IA 52142

January 19, 2021  
*Speer Financial, Inc.*  
Facsimile: (319) 291-8628

City Council:

For the \$500,000\* General Obligation Capital Loan Notes, Series 2021 (the "Notes"), of the City of Fayette, Fayette County, Iowa (the "City"), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you \$ \_\_\_\_\_ (no less than \$496,000) bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%).

**AMOUNTS\* AND MATURITIES – JUNE 1**

\$30,000 ..... 2022	_____ %	\$30,000 ..... 2027	_____ %	\$35,000 ..... 2032	_____ %
30,000 ..... 2023	_____ %	30,000 ..... 2028	_____ %	35,000 ..... 2033	_____ %
30,000 ..... 2024	_____ %	35,000 ..... 2029	_____ %	35,000 ..... 2034	_____ %
30,000 ..... 2025	_____ %	35,000 ..... 2030	_____ %	40,000 ..... 2035	_____ %
30,000 ..... 2026	_____ %	35,000 ..... 2031	_____ %	40,000 ..... 2036	_____ %

*Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

*Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_ Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_*

*Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_ Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_*

*Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_*

\*Subject to principal adjustment in accordance with the Official Terms of Offering.

In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Notes, and (ii) we have an established industry reputation for underwriting new issuances of municipal Notes and notes.

The Notes are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa. The City will pay for the legal opinion. **The Purchaser agrees to apply for CUSIP numbers and pay the fee charged by the CUSIP Service Bureau and will accept the Notes with the CUSIP numbers as entered on the Notes.**

No good faith deposit is required.

**Account Manager Information**

Underwriter/Bank \_\_\_\_\_  
Address \_\_\_\_\_  
Authorized Rep \_\_\_\_\_  
City \_\_\_\_\_ State/Zip \_\_\_\_\_  
Direct Phone (\_\_\_\_) \_\_\_\_\_  
FAX Number (\_\_\_\_) \_\_\_\_\_  
E-Mail Address \_\_\_\_\_

**Bidders Option Insurance**

<p><b>We have purchased insurance from:</b></p> <p><b><u>Name of Insurer</u></b> <i>(Please fill in)</i></p> <p>_____</p> <p><b>Premium:</b> _____</p> <p><b>Maturities: (Check One)</b></p> <p><input type="checkbox"/> _____ Years</p> <p><input type="checkbox"/> All</p>
--

The foregoing bid was accepted and the Notes sold by resolution of the City on January 19, 2021.

ATTEST:

CITY OF FAYETTE  
FAYETTE COUNTY, IOWA

\_\_\_\_\_  
*City Administrator/Clerk*

\_\_\_\_\_  
*Mayor*

-----NOT PART OF THE BID-----  
*(Calculation of true interest cost)*

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	4,349.44
AVERAGE LIFE	8.699 Years

## OFFICIAL TERMS OF OFFERING

**\$500,000\***  
**CITY OF FAYETTE**  
**Fayette County, Iowa**

### **General Obligation Capital Loan Notes, Series 2021**

The City of Fayette, Fayette County, Iowa, (the “City”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$500,000\* General Obligation Capital Loan Notes, Series 2021 (the “Notes”), on an all or none basis between 10:30 A.M. and 11:00 A.M., C.S.T., Tuesday, January 19, 2021. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City’s sale (as described below). The City will also receive sealed bids for the Notes, on an all or none basis, at the City Hall, 11 S. Main Street, Fayette, Iowa, before 11:00 A.M., C.S.T., Tuesday, January 19, 2021. The City will also receive facsimile bids at (319) 291-8628 for the Notes, on an all or none basis, before 11:00 A.M., C.S.T., Tuesday, January 19, 2021. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the City reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Notes and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Notes will constitute valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable property within the corporate limits of the City without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors’ rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion.

*\*ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Notes, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the Winning Bidder. The City may increase or decrease each maturity in increments of \$5,000, but the total amount to be issued will not exceed \$500,000. Interest rates specified by the Winning 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 Winning Bidder will be changed if the aggregate principal amount of the Notes is adjusted as described above. Any change in the principal amount of any maturity of the Notes will be made while maintaining, as closely as possible, the Winning Bidder’s net compensation, calculated as a percentage of bond principal. The Winning 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 Winning Bidder.*

### **Establishment of Issue Price (10% Test May Apply if Competitive Sale Requirements are Not Satisfied)**

- (a) The winning bidder shall assist the City in establishing the issue price of the Notes 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 Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Ahlers & Cooney, P.C. (“Bond Counsel”). All actions to be taken by the City under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by the City’s municipal advisor and any notice or report to be provided to the City may be provided to Speer Financial, Inc., Chicago, Illinois (“Speer”).



- (b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “competitive sale requirements”) because:
- (i) the City shall disseminate this Notice of Sale 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 Notes to the bidder who submits a firm offer to purchase the Notes at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

- (c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Notes as the issue price of that maturity, though the winning bidder may elect to apply the “hold the offering price rule” (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” as described below, bidders should prepare their bids on the assumption that all of the maturities of the Notes will be subject to the 10% test (as described below) in order to establish the issue price of the Notes.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Notes unless the winning bidder shall request that the “hold-the-offering-price rule” (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the “hold-the-offering-price rule” at or prior to the time the Notes are awarded.

- (i) If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the Notes, the following two paragraphs shall apply:

The City shall treat the first price at which 10% of a maturity of the Notes (the “10% test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Notes satisfies the 10% test as of the date and time of the award of the Notes.

Until the 10% test has been satisfied as to each maturity of the Notes, the winning bidder agrees to promptly report to the City the prices at which the unsold Notes of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Notes of that maturity or until all Notes of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Notes prior to closing, then the purchaser shall provide the City with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Notes of such maturity.

- (ii) If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the Notes, the following three paragraphs shall apply:

The City may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Notes 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 Notes as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Notes satisfies the 10% test as of the date and time of the award of the Notes. The City shall promptly advise the winning bidder, at or before the time of award of the Notes, which maturities of the Notes shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Notes.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Notes to the Public on or before the date of award at the offering price or prices (the “*initial offering price*”), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Notes, that the Underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Notes to the Public at a price that is no higher than the initial offering price to the Public.

The City acknowledges that, in making the representation set forth above, the winning bidder 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 Notes 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 that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes 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 applicable to the Notes.

- (d) 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 Notes 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 Notes of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes 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 winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Notes of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Notes 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 Notes 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 Notes of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes 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 winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Notes of that maturity or until the close of the fifth business day following the date of the award.
- (e) Sales of any Notes to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:
- (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 Notes to the public including, specifically, the purchaser, 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 Notes 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 Notes to the Public),
  - (iii) a purchaser of any of the Notes is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) 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), (ii) 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 (iii) 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 Notes are awarded by the City to the winning bidder.

**Note Details**

The Notes will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Notes will be paid. Individual purchases will be in book-entry form only. Interest on each Note shall be paid by check or draft of the Note Registrar to the person in whose name such Note is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Notes shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Note Registrar in West Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2021 and is payable by UMB Bank, n.a., West Des Moines, Iowa (the “Note Registrar”). The Notes are dated the date of delivery (expected to be on or about February 17, 2021).

**AMOUNTS\* AND MATURITIES – JUNE 1**

\$30,000 .....2022	\$30,000 .....2027	\$35,000 ..... 2032
30,000 .....2023	30,000 .....2028	35,000 ..... 2033
30,000 .....2024	35,000 .....2029	35,000 ..... 2034
30,000 .....2025	35,000 .....2030	40,000 ..... 2035
30,000 .....2026	35,000 .....2031	40,000 ..... 2036

*Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

The Notes due June 1, 2022 - 2028, inclusive, are non-callable. The Notes due June 1, 2029 - 2036, inclusive, are callable in whole or in part and on any date on or after June 1, 2028, at a price of par and accrued interest. If less than all the Notes are called, they shall be redeemed in any order of maturity as determined by the City and within any maturity by lot.

**Method of Bidding Electronically**

Notwithstanding the fact that the City permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the City.

If bidding electronically, all-or-none bids must be submitted via the internet address [www.SpeerAuction.com](http://www.SpeerAuction.com). The use of SpeerAuction shall be at the bidder’s risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the “Auction Administrator”) or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Notes. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The “Rules” of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the City’s Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder’s bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

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

**Electronic Facsimile Bidding:** Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the City nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

### **Bidding Parameters and Award of the Notes**

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Notes and must be for not less than \$496,000.

**Award of the Notes:** The Notes will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Notes from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Notes shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Notes will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the City as determined by the City's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

**The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Notes are changed, maintaining, as close as possible, the same dollar amount of profit per \$1,000 bond as bid.**

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Notes will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Notes purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per Note.

## No Good Faith Deposit and Other Matters

NO good faith deposit is required to bid on the Notes.

The Notes will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about February 17, 2021. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Notes will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Notes, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Notes, as that term is defined in the Rule. By awarding the Notes to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Notes are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Notes are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Notes agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Notes for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Notes. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Notes to the purchaser in New York, New York (or arrange for "FAST" delivery) through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Notes: (1) the legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, that the Notes are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Notes is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Notes; and (3) a no litigation certificate by the City.

The City intends to designate the Notes as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

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

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Notes. Copies of such Official Statement or additional information may be obtained from Kris McGrane, City Administrator/Clerk, City of Fayette, 11 S. Main Street, P.O. Box 28, Fayette, Iowa, 52142 or an electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) website under "Official Statement Sales/Competitive Calendar" or from the Registered Municipal Advisor to the City, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606 (telephone (312) 346-3700).

/s/ **KRIS MCGRANE**  
City Clerk  
CITY OF FAYETTE  
Fayette County, Iowa

**EXHIBIT A**  
**EXAMPLE ISSUE PRICE CERTIFICATE**  
**[from bond counsel]**

USE FOR COMPETITIVE SALES – 3 BIDS RECEIVED

EXHIBIT A

\$ \_\_\_\_\_ **General Obligation Capital Loan Notes, Series 2021 of Fayette, Iowa**

**ISSUE PRICE CERTIFICATE**

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

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

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

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

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

2. ***Defined Terms.***

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

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

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is January 19, 2021.

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

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 agents with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.



[UNDERWRITER]

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

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

Dated: [ISSUE DATE]

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**

*(Attached)*

**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
*(Attached)*

USE FOR GENERAL RULE 10%- PUBLIC SALE

EXHIBIT A

\$ \_\_\_\_\_ **General Obligation Capital Loan Notes, Series 2021 of Fayette, Iowa**

**ISSUE PRICE CERTIFICATE**

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

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

2. ***Defined Terms.***

(a) ***Issuer*** means the Fayette, Iowa, a municipal corporation in the State of Iowa.

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

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents 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 agents with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., as Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[Signature Page Follows]

[UNDERWRITER]

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

Dated: [ISSUE DATE]

**SCHEDULE A**

**SALE PRICES**

*(Attached)*

[USE IF SOME MATURITIES SUBJECT TO HOLD THE PRICE, OTHERS 10% RULE]

EXHIBIT A

\$ \_\_\_\_\_ **General Obligation Capital Loan Notes, Series 2021 of Fayette, Iowa**

**ISSUE PRICE CERTIFICATE**

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

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

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

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

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

3. ***Defined Terms.***

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

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

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

(d) ***Issuer*** means the Fayette, Iowa, a municipal corporation in the State of Iowa.

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is January 19, 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 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’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 agents with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

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

Dated: [ISSUE DATE]



**SCHEDULE A**

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

*(Attached)*

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

01762728-1\13622-012