



**Grinnell FINANCE COMMITTEE Meeting  
MONDAY, JUNE 6, 2022, AT 8:00 A.M.  
IN THE LARGE CONFERENCE ROOM ON THE 2ND FLOOR  
OF CITY HALL AND VIA ZOOM**

Join Zoom Meeting

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## ***TENTATIVE AGENDA***

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**ROLL CALL:** Wray (Chair), White, Bly.

### **PERFECTING AND APPROVAL OF AGENDA:**

### **COMMITTEE BUSINESS:**

1. Discuss development agreement for Hotel Grinnell.
2. Consider resolution adopting amendment No. 2 to the budget for Fiscal Year 2022 (See Resolution No. 2022-99).
3. Consider resolution instituting proceedings to take additional action for the issuance of not to exceed \$8,700,000 General Obligation Capital Loan Notes (See Resolution No. 2022-100).
4. Consider resolution instituting proceedings to take additional action for the issuance of not to exceed \$1,300,000 General Obligation Capital Loan Notes (See Resolution No. 2022-101).
5. Consider resolution instituting proceedings to take additional action for the issuance of not to exceed \$700,000 General Obligation Capital Loan Notes (See Resolution No. 2022-102).
6. Consider resolution approving the preliminary official statement for \$8,440,000 (dollar amount subject to change) General Obligation Capital Loan Notes, Series 2022 (See Resolution No. 2022-103).
7. Consider resolution setting the storm water utility rates effective July 1, 2022 (See Resolution No. 2022-104).
8. Consider resolution for monthly internal transfers of funds (See

Resolution No. 2022-105).

9. Consider resolution for monthly transfers of funds for trust and agency (See Resolution No. 2022-106).
10. Consider resolution for transfer of funds per budget (See Resolution No. 2022-107)
11. Consider resolution for transfer of funds per budget (See Resolution No. 2022-108)
12. Consider request from the Grinnell Police Department and Grinnell Optimist Club to waive Central Park rental fees for National Night Out on Tuesday, August 2, 2022.
13. Discuss gifts from the Estate of Paul McDonald.

**INQUIRIES:**

**ADJOURN:**

**RESOLUTION NO. 2022-99**

A RESOLUTION ADOPTING THE AMENDMENT TO BUDGET FOR THE FISCAL YEAR 2022.

Be It Resolved by the Council of the City of Grinnell, Iowa:

The annual budget for the fiscal ending June 30, 2022, as set forth in the Budget Summary Certificate and in the detailed budget in support thereof showing the revenue estimates and appropriation expenditures and allocations to programs for said fiscal year is adopted, and the clerk is directed to make the filings required by law and to set up her books in accordance with the summary and details as adopted.

AYES:

NAYS:

ABSENT:

ABSTAIN:

Passed and approved on this 6th day of June 2022.

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DAN F. AGNEW, MAYOR

ATTEST:

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ANNMARIE WINGERTER, CITY CLERK/FINANCE DIRECTOR

**NOTICE OF PUBLIC HEARING - AMENDMENT OF CURRENT BUDGET**

City of GRINNELL  
Fiscal Year July 1, 2021 - June 30, 2022

The City of GRINNELL will conduct a public hearing for the purpose of amending the current budget for fiscal year ending June 30, 2022

**Meeting Date/Time:** 6/6/2022 07:00 PM

**Contact:** Annmarie Wingerter

**Phone:** (641) 236-2600

**Meeting Location:** Council Chambers  
City Hall  
520 4th Ave  
Grinnell, IA 50112

There will be no increase in taxes. Any residents or taxpayers will be heard for or against the proposed amendment at the time and place specified above. A detailed statement of: additional receipts, cash balances on hand at the close of the preceding fiscal year, and proposed disbursements, both past and anticipated, will be available at the hearing.

REVENUES & OTHER FINANCING SOURCES		Total Budget as Certified or Last Amended	Current Amendment	Total Budget After Current Amendment
Taxes Levied on Property	1	4,499,588	0	4,499,588
Less: Uncollected Delinquent Taxes - Levy Year	2	0	0	0
Net Current Property Tax	3	4,499,588	0	4,499,588
Delinquent Property Tax Revenue	4	0	0	0
TIF Revenues	5	2,496,200	0	2,496,200
Other City Taxes	6	2,752,382	0	2,752,382
Licenses & Permits	7	7,620	0	7,620
Use of Money & Property	8	259,904	0	259,904
Intergovernmental	9	5,156,565	54,244	5,210,809
Charges for Service	10	6,676,569	0	6,676,569
Special Assessments	11	0	0	0
Miscellaneous	12	5,395,220	81,400	5,476,620
Other Financing Sources	13	5,000	0	5,000
Transfers In	14	5,824,752	228,000	6,052,752
<b>Total Revenues &amp; Other Sources</b>	<b>15</b>	<b>33,073,800</b>	<b>363,644</b>	<b>33,437,444</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>				
Public Safety	16	2,628,888	0	2,628,888
Public Works	17	1,900,992	0	1,900,992
Health and Social Services	18	2,000	0	2,000
Culture and Recreation	19	1,521,508	0	1,521,508
Community and Economic Development	20	1,213,824	2,605	1,216,429
General Government	21	2,100,568	0	2,100,568
Debt Service	22	2,621,803	0	2,621,803
Capital Projects	23	8,333,240	138,194	8,471,434
Total Government Activities Expenditures	24	20,322,823	140,799	20,463,622
Business Type/Enterprise	25	6,068,629	0	6,068,629
<b>Total Gov Activities &amp; Business Expenditures</b>	<b>26</b>	<b>26,391,452</b>	<b>140,799</b>	<b>26,532,251</b>
Transfers Out	27	5,824,752	228,000	6,052,752
<b>Total Expenditures/Transfers Out</b>	<b>28</b>	<b>32,216,204</b>	<b>368,799</b>	<b>32,585,003</b>
<b>Excess Revenues &amp; Other Sources Over (Under) Expenditures/Transfers Out</b>	<b>29</b>	<b>857,596</b>	<b>-5,155</b>	<b>852,441</b>
Beginning Fund Balance July 1, 2021	30	18,741,463	0	18,741,463
<b>Ending Fund Balance June 30, 2022</b>	<b>31</b>	<b>19,599,059</b>	<b>-5,155</b>	<b>19,593,904</b>

**Explanation of Changes:** Received grants not budgeted for initially. Occurred expenses for capital projects not budgeted for and, as a result, have to increase transfers to cover those expenses. Had a couple of other minor expenses not budgeted for in Hotel/Motel Tax and Community Development/Communications.

RESOLUTION NO. 2022-100

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE  
ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO  
EXCEED \$8,700,000 GENERAL OBLIGATION CAPITAL  
LOAN NOTES

WHEREAS, pursuant to notice published as required by law, the City Council has held a public meeting and hearing upon the proposal to institute proceedings for the authorization of a Loan Agreement and the issuance of Not to Exceed \$8,700,000 General Obligation Capital Loan Notes, for the essential corporate purposes, in order to provide funds to pay the costs of (a) the opening, widening, extending, grading, and draining of the right-of-way of streets, highways, avenues, alleys and public grounds, and market places, and the removal and replacement of dead or diseased trees thereon; the construction, reconstruction, and repairing of any street improvements, bridges, grade crossing separations and approaches; the acquisition, installation, and repair of sidewalks, culverts, retaining walls, storm sewers, sanitary sewers, water service lines, street lighting, and traffic control devices; and the acquisition of any real estate needed for any of the foregoing purposes; and (b) the settlement, adjustment, renewing, or extension of any part or all of the legal indebtedness of the City including refunding the General Obligation Local Option Sales and Services Tax Refunding Capital Loan Notes, Series 2014, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Notes; and following action is now considered to be in the best interests of the City and residents thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRINNELL, STATE OF IOWA:

Section 1. That this Council does hereby institute proceedings and take additional action for the authorization and issuance in the manner required by law of Not to Exceed \$8,700,000 General Obligation Capital Loan Notes, for the foregoing essential corporate purposes.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the general fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above Notes. The amounts so advanced shall be reimbursed from the proceeds of the Notes not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 6th day of June 2022.

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Mayor

ATTEST:

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City Clerk

RESOLUTION NO. 2022-101

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE  
ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO  
EXCEED \$1,300,000 GENERAL OBLIGATION CAPITAL  
LOAN NOTES

WHEREAS, pursuant to notice published as required by law, the City Council has held a public meeting and hearing upon the proposal to institute proceedings for the authorization of a Loan Agreement and the issuance of Not to Exceed \$1,300,000 General Obligation Capital Loan Notes, for the essential corporate purposes, in order to provide funds to pay the costs of aiding in the planning, undertaking, and carrying out of urban renewal projects under the authority of Chapter 403 including loans, grants and other incentives for economic development and blight remediation projects as authorized in Amendment #8 to the Grinnell Urban Renewal Plan, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Notes; and no petition was filed calling for a referendum thereon. The following action is now considered to be in the best interests of the City and residents thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRINNELL, STATE OF IOWA:

Section 1. That this Council does hereby institute proceedings and take additional action for the authorization and issuance in the manner required by law of Not to Exceed \$1,300,000 General Obligation Capital Loan Notes, for the foregoing essential corporate purposes.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the general fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above Notes. The amounts so advanced shall be reimbursed from the proceeds of the Notes not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 6th day of June 2022.

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Mayor

ATTEST:

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City Clerk

RESOLUTION NO. 2022-102

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE  
ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO  
EXCEED \$700,000 GENERAL OBLIGATION CAPITAL  
LOAN NOTES

WHEREAS, pursuant to notice published as required by law, the City Council has held a public meeting and hearing upon the proposal to institute proceedings for the authorization of a Loan Agreement and the issuance of Not to Exceed \$700,000 General Obligation Capital Loan Notes, for the general corporate purposes, in order to provide funds to pay the costs of reconstruction, enlargement, improvement, and equipping of the public safety building, library and aquatic center, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Notes; and no petition was filed calling for a referendum thereon. The following action is now considered to be in the best interests of the City and residents thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRINNELL, STATE OF IOWA:

Section 1. That this Council does hereby institute proceedings and take additional action for the authorization and issuance in the manner required by law of Not to Exceed \$700,000 General Obligation Capital Loan Notes, for the foregoing general corporate purposes.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the general fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above Notes. The amounts so advanced shall be reimbursed from the proceeds of the Notes not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 6th day of June 2022.

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Mayor

ATTEST:

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City Clerk



RESOLUTION NO. 2022-103

RESOLUTION APPROVING THE PRELIMINARY OFFICIAL STATEMENT FOR \$8,440,000 (DOLLAR AMOUNT SUBJECT TO CHANGE) GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2022

WHEREAS, a preliminary form of Official Statement has been prepared for the purpose of offering \$8,440,000 (Dollar Amount Subject to Change) General Obligation Capital Loan Notes, Series 2022; and

WHEREAS, it is appropriate that the form of the Preliminary Official Statement be approved and deemed final and, upon completion of the same, that the Preliminary Official Statement be used in connection with the offering of the Notes for sale.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRINNELL, STATE OF IOWA:

Section 1. That the preliminary Official Statement in the form presented to this meeting be and the same hereby is approved as to form and deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to such revisions, corrections or modifications as the Mayor and Clerk, upon the advice of bond counsel, disclosure counsel, and the Underwriter, shall determine to be appropriate, and is authorized to be distributed in connection with the offering of the Notes for sale.

PASSED AND APPROVED this 6th day of June 2022.

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Mayor

ATTEST:

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City Clerk

PRELIMINARY OFFICIAL STATEMENT DATED JUNE \_\_, 2022

NEW ISSUE - DTC BOOK ENTRY ONLY

RATING: S&P "AA-"  
(See "Rating" herein.)

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

**\$8,440,000\***

**City of Grinnell, Iowa  
General Obligation and Refunding Capital Loan Notes, Series 2022**

**Dated:** Date of Delivery

**Due:** As shown on inside cover

The \$8,440,000\* General Obligation and Refunding Capital Loan Notes, Series 2022 (the "Notes") are being issued in fully registered form in denominations of \$5,000 or any integral multiple thereof pursuant to the provisions of Chapters 76, 384, 76 and 403 of the Code of Iowa, 2021<sup>2</sup>, as amended and a resolution authorizing issuance of the Notes (the "Resolution") expected to be adopted by the City Council of the City of Grinnell, Iowa (the "Issuer" or the "City") on July 5, 2022\*. The Depository Trust Company, New York, New York ("DTC") will act as the securities depository for the Notes and its nominee, Cede & Co., will be the registered owner of the Notes. Individual purchases of the Notes will be recorded on a book-entry only system operated by DTC. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. So long as DTC or its nominee, Cede & Co., is the Noteholder, the principal of, premium, if any, and interest on the Notes will be paid by BOFK, N.A. Lincoln, Nebraska as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Notes. See "APPENDIX E – BOOK-ENTRY SYSTEM" herein.

The Notes will bear interest from their dated date, payable semiannually on each June 1 and December 1, commencing December 1, 2022. The Notes are subject to redemption by the Issuer prior to their stated maturities in the manner and at the time described herein. All of the Notes then outstanding are subject to redemption at the option of the Issuer, as a whole or in part, from any source of available funds, on June 1, 2030\* or on any date thereafter at a redemption price equal to the principal amount of the Notes, together with accrued interest to the date fixed for redemption, without premium. See "THE NOTES – Redemption" herein.

The Notes and the interest thereon are general obligations of the Issuer, and all taxable property within the corporate boundaries of the Issuer 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. See "SECURITY AND SOURCE OF PAYMENT" herein.

Proceeds of the Notes will be used for the purpose of paying costs of (1) the opening, widening, extending, grading, and draining of the right-of-way of streets, highways, avenues, alleys and public grounds, and market places, and the removal and replacement of dead or diseased trees thereon; the construction, reconstruction, and repairing of any street improvements, bridges, grade crossing separations and approaches; the acquisition, installation, and repair of sidewalks, culverts, retaining walls, storm sewers, sanitary sewers, water service lines, street lighting, and traffic control devices; and the acquisition of any real estate needed for any of the foregoing purposes (2) the settlement, adjustment, renewing, or extension of any part or all of the legal indebtedness of the City including refunding the General Obligation Local Option Sales and Services Tax Refunding Capital Loan Notes, Series 2014 current refunding the outstanding portion of the Refunded Notes (defined herein); (3) aiding in the planning, undertaking, and carrying out of urban renewal projects under the authority of Chapter 403 including loans, grants and other incentives for economic development and blight remediation projects as authorized in Amendment #8 to the Grinnell Urban Renewal Plan; (4) reconstruction, enlargement, improvement, and equipping of the public safety building, library and aquatic center and (5) paying the cost of issuance related to the Notes. See "PLAN OF FINANCING" herein.

The Notes are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. Ahlers & Cooney, P.C., Des Moines, Iowa, will also serve as Disclosure Counsel to the City in connection with the issuance of the Notes. It is expected that the Notes in the definitive form will be available for delivery through the facilities of DTC on or about July 26, 2022.



The Date of this Official Statement is June \_\_, 2022

\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**\$8,440,000\***  
**City of Grinnell, Iowa**  
**General Obligation ~~and Refunding~~ Capital Loan Notes,**  
**Series 2022**

**MATURITY SCHEDULE**

<u>Due</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Cusip Num.**</u>
June 1, 2023				
June 1, 2024				
June 1, 2025				
June 1, 2026				
June 1, 2027				
June 1, 2028				
June 1, 2029				
June 1, 2030				
June 1, 2031				
June 1, 2032				

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\* Preliminary, subject to change.

\*\* CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Notes nor do they make any representation as to the correctness of such CUSIP numbers on the Notes or as indicated above.

No dealer, broker, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The information set forth herein has been obtained from the Issuer and from other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No representation is made regarding whether the Notes constitute legal investments under the laws of any state for banks, savings banks, savings and loan associations, life insurance companies, and other institutions organized in such state, or fiduciaries subject to the laws of such state.

This Official Statement is not to be construed as a contract with the purchasers of the Notes. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THE NOTES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE NOTES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE NOTES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, CONTAINS STATEMENTS WHICH SHOULD BE CONSIDERED "FORWARD-LOOKING STATEMENTS," MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE WORDS SUCH AS "ANTICIPATED," "PLAN," "EXPECT," "PROJECTED," "ESTIMATE," "BUDGET," "PRO FORMA," "FORECAST," "INTEND," OR OTHER WORDS OF SIMILAR IMPORT. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO DIFFER FROM THOSE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE ISSUER DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

In connection with the issuance of the Notes, the Issuer will enter into a Continuing Disclosure Certificate. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

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**Commented [JC1]:** Use consistent naming convention. There are at least two different titles being used for this appendix.

## OFFICIAL STATEMENT

\$8,440,000\*

City of Grinnell, Iowa

General Obligation ~~and Refunding~~ Capital Loan Notes, Series 2022

### INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices hereto (the "Official Statement"), is to set forth certain information in conjunction with the sale of \$8,440,000\* General Obligation ~~and Refunding~~ Capital Loan Notes, Series 2022 (the "Notes") of the City of Grinnell, Iowa (the "Issuer" or the "City"). This Introduction is not a summary of this Official Statement, but is only a brief description of the Notes and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety. The offering of the Notes to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto. All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Copies of statutes, resolutions, ordinances, reports or other documents referred to herein are available, upon request, from the Issuer.

The Notes are being issued pursuant to the provisions of Chapters ~~76~~, 384 and ~~403~~76 of the Code of Iowa, 202~~1~~2, as amended (collectively, the "Act") and a Resolution expected to be adopted by the Issuer on July 5, 2022\* (the "Resolution") to evidence the obligations of the Issuer under a Loan Agreement between the Issuer and the Underwriter.

The Notes and the interest thereon are general obligations of the Issuer, and all taxable property within the corporate boundaries of the Issuer 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. See "SECURITY AND SOURCE OF PAYMENT" herein.

Proceeds of the Notes will be used for the purpose of paying costs of (1) the opening, widening, extending, grading, and draining of the right-of-way of streets, highways, avenues, alleys and public grounds, and market places, and the removal and replacement of dead or diseased trees thereon; the construction, reconstruction, and repairing of any street improvements, bridges, grade crossing separations and approaches; the acquisition, installation, and repair of sidewalks, culverts, retaining walls, storm sewers, sanitary sewers, water service lines, street lighting, and traffic control devices; and the acquisition of any real estate needed for any of the foregoing purposes (2) ~~the settlement, adjustment, renewing, or extension of any part or all of the legal indebtedness of the City including refunding the General Obligation Local Option Sales and Services Tax Refunding Capital Loan Notes, Series 2014~~ ~~current refunding the outstanding portion of the Refunded Notes (defined herein)~~; (3) aiding in the planning, undertaking, and carrying out of urban renewal projects under the authority of Chapter 403 including loans, grants and other incentives for economic development and blight remediation projects as authorized in Amendment #8 to the Grinnell Urban Renewal Plan; (4) reconstruction, enlargement, improvement, and equipping of the public safety building, library and aquatic center and (5) paying the cost of issuance related to the Notes. See "PLAN OF FINANCING" herein.

### THE ISSUER

The Issuer, with a 2020 U.S. Census population of 9,564, comprises approximately 5.7 square miles. The Issuer operates under the mayor-council form of government, under which the governing body consists of a six-member City Council and a Mayor who is not a voting member. Additional information concerning the Issuer is included in "APPENDIX A – INFORMATION ABOUT THE ISSUER" hereto.

### THE NOTES

#### General

The Notes will be issued in fully registered form only, without coupons. The Notes will be initially registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Notes. Interest on and principal of the Notes are payable in lawful money of the United States of America.

The Notes are dated as of the date of their delivery, will mature on June 1 in the years and in the amounts set forth on the inside cover page hereof, and will bear interest at the rates to be set forth on the inside cover page hereof. Interest on the Notes is payable semiannually on June 1 and December 1 in each year, beginning on December 1, 2022, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the interest payment date, to the addresses appearing on the registration books maintained by the Registrar or such other address as is furnished to the Registrar in writing by a registered owner. The Notes are issuable in denominations of \$5,000 or any integral multiple thereof.

#### Redemption

Optional Redemption. All of the Notes then outstanding are subject to redemption at the option of the Issuer, as a whole or in part,

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\* Preliminary, subject to change.

from any source of available funds, beginning June 1, 2030\* or on any date thereafter at a redemption price equal to the principal amount of the Notes, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2022 Notes identified below are subject to mandatory redemption on June 1 in each of the years set forth below at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

<u>Term Note Maturing June 1, 20__</u>	
<u>Date</u>	<u>Amount</u>
June 1, 20__	\$
June 1, 20__ (maturity)	\$

Selection of Notes for Redemption. Notes subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Notes of a single maturity are to be redeemed, the Notes to be redeemed will be selected by lot or other random method by the Registrar in such a manner as the Registrar may determine.

Notice of Redemption. Prior to the redemption of any Notes under the provisions of the Resolution, the Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof.

\* Preliminary, subject to change.

## SECURITY AND SOURCE OF PAYMENT

### General

Pursuant to the Resolution and the Act, the Notes and the interest thereon are general obligations of the Issuer, and all taxable property within the corporate boundaries of the Issuer 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. See "APPENDIX A – INFORMATION ABOUT THE ISSUER."

Section 76.2 of the Act provides that when an Iowa political subdivision issues general obligation notes, the governing authority of such political subdivision shall, by resolution adopted before issuing the notes, 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 notes. A certified copy of this resolution shall be filed with the county auditor in which the issuer is located, giving rise to a duty of the auditor to annually enter this levy for collection from the taxable property within the boundaries of the issuer, until funds are realized to pay the notes 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 Issuer in each of the years while the Notes are outstanding. The Issuer 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 Issuer and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the Issuer 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.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Notes remain outstanding and unpaid, any funds of the Issuer which may lawfully be applied for such purpose, may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Notes as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in the Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for said purpose and evidenced in the Issuer's budget.

## 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 judgment as to whether the Notes are an appropriate investment.

### COVID-19

The Issuer has been monitoring developments and directives of federal, state and local officials as it determined what precautions and procedures to implement or revise in light of the spread of COVID-19. Some procedures and precautions resulting from the spread of COVID-19 with respect to operations, personnel and services may have been or will be mandated by federal and/or state entities. The continued spread of COVID-19 may affect the financial condition of the Issuer, either directly or indirectly in various ways, including: (i) limiting the ability of the Issuer to conduct its operations in an historically normal manner, (ii) increasing the cost of operations of the Issuer, (iii) impacting the ability of the Issuer to provide personnel to carry out the services routinely provided by the Issuer, (iv) impacting certain revenues received by the Issuer, (v) affecting the secondary market with respect to the Notes, and (vi) affecting liquidity sources of the Issuer.



The Issuer does not currently expect material reductions in revenue or material increases in expenses in fiscal year 2022 due to material COVID-19-related financial impacts and did not experience material negative variances in fiscal year 2021 from COVID-19-related financial impacts. The Issuer does not expect to amend its fiscal year 2022 budget due to material COVID-19-related financial impacts. It is too soon, however, to fully predict what COVID-19-related financial impacts the Issuer may incur and whether any such financial impacts will be material. ~~The Issuer has not incurred material reductions in aggregate demand and use by its largest customers in the first three months of fiscal year 2022.~~ The Issuer cannot predict whether, when, and to what extent its customers may incur COVID-19 related financial impacts and what impact this may have on Issuer operations and revenues. The Issuer's cash on hand and unrestricted reserves as of April 30, 2022, is shown in table "CURRENT FUND BALANCES (as of April 30, 2022)" in Appendix A.

[Governor Kim Reynolds has allocated \$125 million for local governments' reimbursements for direct expenses incurred in response to the COVID-19 emergency. Based on a per-capita formula, the City has received roughly [\$] in CARES Act and Public Assistance Funding. The City's approved application allowed for the funding to be utilized to [support continued operations, specifically reimbursement of public safety salaries]. The City has also received [\$] from []. Finally, based on estimated from the U.S. Congress House Committee on Oversight, the City does expect to receive [\$] of additional direct funding from the American Rescue Plan, anticipated to be payable in fiscal years ending June 30, 2022 and June 30, 2023. This information is based on current information available to the Issuer that may be incomplete and unknown. The above information related to fiscal year 2023 is forward-looking and subject to change. This information is based on current information available to the Issuer that may be incomplete and unknown.

The Issuer serves as the home of Grinnell College, a four-year co-educational liberal arts college with enrollment of approximately 1,697 for 2021-22 fiscal year. Grinnell College has hosted virtual classes at times since the 2020 fall term with a very low density on campus student population. While Grinnell College does not pay property taxes as a tax-exempt, not-for-profit entity, it is an economic driver of the community. Because of the unprecedented nature of COVID-19 the impact of a primarily virtual student body cannot be determined or predicted but may have negative effects on economic activity, and therefore adversely affect the financial condition of the Issuer, either directly or indirectly.]

**Commented [JC2]:** City to review and provide additional information.

#### **Tax Levy Procedures**

The Notes are general obligations of the Issuer, payable from and secured by a continuing ad-valorem tax levied against all of the taxable property within the boundaries of the Issuer. As part of the budgetary process of the Issuer each fiscal year the Issuer will have an obligation to request a debt service levy to be applied against all of the taxable property within the boundaries of the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service on 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.

#### **Property 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 Issuer's budget. The bill also includes a provision that will require the affirmative vote of 2/3 of the Board of Supervisors 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 Issuer or its ability to fund essential services.

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

The 2013 Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. The appropriation does not replace losses to local governments resulting from the 2013 Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for multi-residential properties from the residential rollback percentage (currently 53% of market value), or the reduction in the percentage of telecommunications property that is subject to taxation.

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

Notwithstanding any decrease in property tax revenues that may result from the 2013 Act or the 2019 Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues notes, "[t]he governing authority of these political subdivisions before issuing notes 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 notes within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the

filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the notes in full."

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 Final 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 Issuer.

#### **Changes in Property Taxation**

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect property tax revenues available to pay the Notes.

Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Notes and the security for the Notes.

#### **Matters Relating to Enforceability of Agreements**

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

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution or the Loan Agreement. The remedies available to the Noteholders upon an event of default under the Resolution or the Loan Agreement, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Loan Agreement or the Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Notes will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies will result in sufficient funds to pay all amounts due under the Resolution or the Loan Agreement, including principal of and interest on the Notes.

#### **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 Note or Notes issue are suspended or terminated. Additionally, prices of note 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.

#### **Rating Loss**

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

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

#### **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, the Loan Agreement and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer were to file a petition under Chapter 9 of the 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 Issuer 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.

#### **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 “anticipated,” “plan,” “expect,” “projected,” “estimate,” “budget,” “pro forma,” “forecast,” “intend,” 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 Issuer to pay debt service when due on the Notes.

#### **Financial Condition of the City from Time to Time**

No representation is made as to the future financial condition of the City. Certain risks discussed herein could adversely affect the financial condition and/or operations of the City in the future. However, the Notes are secured by an unlimited ad valorem property tax as described more fully in the “SECURITY AND SOURCE OF PAYMENT” herein.

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

As discussed under the heading “TAX EXEMPTION AND RELATED 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 Issuer in violation of its covenants in the Resolution. Should such an event of taxability occur, the Notes would not be subject to a special redemption and would remain outstanding until maturity or until redeemed under the redemption provisions contained in the Notes, and there is no provision for an adjustment of the interest rate on the Notes.

It is possible that actions of the Issuer after the closing of the Notes will alter the tax exempt 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.

The Issuer will 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”), and 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. However, the Issuer’s failure to comply with such covenants could cause the Notes not to be “qualified tax-exempt obligations” and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

#### **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 Issuer 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 D – BOOK-ENTRY SYSTEM.”

#### **Proposed Federal Tax Legislation**

From time to time, Presidential proposals, federal legislative committee proposals or legislative proposals are made that would, if

enacted, alter or amend one or more of the federal tax 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. It cannot be predicted whether or in what forms any of such proposals that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to 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.

See “TAX EXEMPTION AND RELATED TAX MATTERS” herein.

#### **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.~~

#### **Pension and OPEB Information**

The City contributes to the Iowa Public Employees’ Retirement System (“IPERS”), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the City are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the City being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Comprehensive Annual Financial Report for its fiscal year ended June 30, 2021 (the “IPERS CAFR”) indicates that as of June 30, 2021, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 88.34%, and the unfunded actuarial liability was \$4.960 billion. The IPERS CAFR identifies the IPERS Net Pension Liability at June 30, 2021 at approximately -\$345.226 million, while its net pension liability at June 30, 2020 was approximately \$7.024 billion. The IPERS CAFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See “APPENDIX D – INDEPENDENT AUDITOR’S REPORTS OF THE ISSUER” for additional information on IPERS.

Bond Counsel, Disclosure Counsel, the Underwriter and the Issuer undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the IPERS website.

In fiscal year ended June 30, 2021, the City’s IPERS contribution totaled approximately \$230,318. The City is current in its obligations to IPERS.

Pursuant to Governmental Accounting Standards Board Statement No. 68, IPERS has allocated the net pension liability among its members, with the City’s identified portion at June 30, 2021 at approximately \$2,024,085.

See “APPENDIX D – INDEPENDENT AUDITOR’S REPORTS OF THE ISSUER” for additional information on pension and liabilities of the Issuer.

The Issuer also contributes to the Municipal Fire and Police Retirement System of Iowa (“MFPRSI”), which is a multiple-employer cost-sharing defined benefit pension plan for fire fighters and police officers, administered under Chapter 411 of the Code of Iowa. MFPRSI plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make annual contributions to MFPRSI. Contribution amounts are set by State statute. The MFPRSI Comprehensive Annual Financial Report for its fiscal year ended June 30, 2021 (the “MFPRSI Report”) indicates that as of June 30, 2021, the date of the most recent actuarial valuation for MFPRSI, the funded ratio of MFPRSI was [81.04%], and the unfunded actuarial liability was [\$619.9] million. The MFPRSI Report identifies the MFPRSI Net Pension Liability at June 30, 2021, at approximately [\$655.9] million, while its net pension liability at June 30, 2020, was approximately [\$595.4] million. The MFPRSI Report is available on the MFPRSI website. See “APPENDIX D — INDEPENDENT AUDITOR’S REPORTS OF THE ISSUER” for additional information on MFPRSI.

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

In fiscal year ended June 30, 2021, the Issuer's MFPRSI contribution totaled approximately \$297,555. The Issuer is current in its obligations to MFPRSI.

Pursuant to Governmental Accounting Standards Board Statement No. 68, MFPRSI has allocated the net pension liability among its members, with the Issuer's identified portion at June 30, 2021, at approximately \$3,040,867. While the Issuer's contributions to MFPRSI are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See "APPENDIX D – INDEPENDENT AUDITOR'S REPORTS OF THE ISSUER" hereto for additional information on pension liabilities of the Issuer.

The Issuer operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees and retirees and their spouses. As of June 30, 2021, there were 54 active and two retired members in the plan. Participants must be age 55 or older at retirement. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

The contribution requirements of plan members are established and may be amended by the Issuer. The Issuer currently finances the retiree benefit plan on a pay-as-you-go basis. For the year ended June 30, 2021, the City contributed \$656,488 to the plan. See "APPENDIX D — INDEPENDENT AUDITOR'S REPORTS OF THE ISSUER" for additional information on OPEB obligations of the Issuer.

#### **Cybersecurity**

The Issuer, 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 Issuer will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the Issuer'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 Issuer's operations and financial condition. The City maintains insurance policies through the Iowa Communities Assurance Pool (ICAP) in the amount of \$250,000 (aggregate and per occurrence cyber-breach) to cover aspects of a cyberattack. The City cannot predict whether these policies would be sufficient in the event of a cyber-breach. However, the Notes are secured by an unlimited ad valorem property tax as described more fully in the "[SECURITY AND SOURCE OF PAYMENT THE NOTES — Source of Security for the Notes](#)" herein.

#### **Continuing Disclosure**

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

#### **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 Preliminary Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Notes are an appropriate investment for such investor.

#### **Federal Funds Orders and State Funds Legislation**

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

#### **Loss of Tax Base**

Economic and other factors beyond the City's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in taxable valuation within the corporate boundaries of the City. In addition, the State of Iowa has been susceptible to tornados, flooding and other extreme weather wherein winds and flooding have from time to time caused significant damage.

**Summary**

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.

**LITIGATION**

The Issuer encounters litigation occasionally, as a course of business; however, 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 currently exists that is not believed to be covered by current insurance carriers and the Issuer is not aware of any pending litigation that questions the validity of these Notes.

**ACCOUNTANT**

The financial statements of the Issuer included as “APPENDIX DC – AUDITED FINANCIAL STATEMENTS OF THE ISSUER” to this Official Statement have been examined by Gronewold, Bell, and Kyhn & Co. P.C., Atlantic, Iowa, to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said office, and said office expresses no opinion with respect to the Notes or the Official Statement.

**PLAN OF FINANCING**

The Issuer will use the proceeds of the Notes to pay for the costs of (1) the opening, widening, extending, grading, and draining of the right-of-way of streets, highways, avenues, alleys and public grounds, and market places, and the removal and replacement of dead or diseased trees thereon; the construction, reconstruction, and repairing of any street improvements, bridges, grade crossing separations and approaches; the acquisition, installation, and repair of sidewalks, culverts, retaining walls, storm sewers, sanitary sewers, water service lines, street lighting, and traffic control devices; and the acquisition of any real estate needed for any of the foregoing purposes (2) the settlement, adjustment, renewing, or extension of any part or all of the legal indebtedness of the City including refunding the General Obligation Local Option Sales and Services Tax Refunding Capital Loan Notes, Series 2014 current refunding the outstanding portion of the Refunded Notes (defined herein); (3) aiding in the planning, undertaking, and carrying out of urban renewal projects under the authority of Chapter 403 including loans, grants and other incentives for economic development and blight remediation projects as authorized in Amendment #8 to the Grinnell Urban Renewal Plan; (4) reconstruction, enlargement, improvement, and equipping of the public safety building, library and aquatic center and (5) paying the cost of issuance related to the Notes. See “PLAN OF FINANCING” herein.

The following table includes the maturities and amounts of the General Obligation Local Option Sales and Services Tax Refunding Capital Loan Notes, Series 2014 (sometimes hereinafter referred to as the “Refunded Note”) that will be refunded on July 26, 2022\* at a price of par plus accrued interest:

Year	Principal Amount	Interest Rate Per Annum	Year	Principal Amount	Interest Rate Per Annum
2023	\$745,000	2.25%	2026	\$800,000	3.00%
2024	\$760,000	2.50%	2027	\$270,000	3.00%
2025	\$780,000	2.75%			

**SOURCES AND USES OF FUNDS\***

The following are estimated sources and uses of funds, with respect to the Notes/Bonds.

<b>Sources of Funds</b>	
Note/Bond Principal	\$8,440,000*
Premium	
<b>Total Sources of Funds</b>	<u>\$</u>
<b>Uses of Funds</b>	
Project Fund	\$
Refunding Fund	\$
Costs of Issuance & Contingency <sup>(1)</sup>	\$
<b>Total Uses of Funds</b>	<u>\$</u>

\* Preliminary, subject to change.

(1) Includes, among other things, payment of certain legal, financial and other expenses related to the issuance of the Notes ~~Bonds~~ (including, without limitation, underwriters' discount). See the discussion under the caption "UNDERWRITING" herein.

## TAX EXEMPTION AND RELATED TAX MATTERS

### Tax Exemption and Related Considerations

Federal tax law contains a number of requirements and restrictions that apply to the Notes. These include investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond or note proceeds and facilities financed with note proceeds, and certain other matters. The Issuer 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 Issuer's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes, and is not an item of tax preference for federal alternative minimum tax purposes.

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.

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-Exempt Obligations

The Issuer 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"), 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.

### Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or 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. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Notes. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax exempt 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.

Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. 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 Notes, 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.

### 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"). Owners 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 Issuer’s knowledge, no obligations of the Issuer 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 Issuer 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.

#### **Related Tax Matters**

Current and future legislative proposals, including some that carry retroactive effective dates, if enacted into law, or clarification of the Code may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Notes from realizing the full current benefit of the tax status of such interest. For example, future legislation might subject interest on the Notes to a federal income tax at a certain rate, or might limit or eliminate the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers whose income is subject to higher marginal income tax rates, either of which could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes.

The introduction or enactment of any such legislative proposals or clarification of the Code may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion.

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

#### **Enforcement**

There is no bond trustee or similar person to monitor or enforce the terms of the resolution authorizing 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 Issuer 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 obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property, but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Notes cannot foreclose on property within the boundaries of the Issuer 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 Issuer 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.

#### **Opinion**

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 Issuer described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel’s opinion is not binding on the Service. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

**ALL POTENTIAL PURCHASERS OF THE 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).**

### LEGAL MATTERS

The Notes will be offered for sale subject to the approval of legality by Ahlers & Cooney, P.C., Bond Counsel, which opinion will be substantially in the form included as “APPENDIX B – FORM OF BOND COUNSEL OPINION”. Ahlers & Cooney, P.C., Des Moines, Iowa, will also serve as Disclosure Counsel to the City in connection with the issuance of the Notes.

Bond Counsel has not participated in the preparation of this Official Statement other than to review or prepare information describing the terms of the Notes, Iowa and Federal law pertinent to the validity of the Notes, and the tax status of interest on the Notes which can be found generally under the sections “The Notes”, “Security and Source of Payment”, “Plan of Financing”, and “Tax Exemption and Related Tax Matters”. Additionally, Bond Counsel has provided its form of bond opinion found in Appendix B. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data, or completeness or accuracy of information contained in this Official Statement and will express no opinion with respect thereto.

The legal opinion to be delivered will express the professional judgment of Bond Counsel, and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

### RATING

The Notes are rated “ ” by S&P. The rating reflects only the views of S&P, and an explanation of the significance of that rating may be obtained only from S&P and its published materials. The rating described above is not a recommendation to buy, sell or hold the Notes. There can be no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. Therefore, after the date hereof, investors should not assume that the rating is still in effect. A downward revision or withdrawal of the rating is likely to have an adverse effect on the market price and marketability of the Notes. The Issuer has not assumed any responsibility either to notify the owners of the Notes of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Certificate, or to contest any revision or withdrawal.

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### UNDERWRITING

The Notes are being purchased, subject to certain conditions, by D.A. Davidson & Co. (the “Underwriter”). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Notes at an aggregate purchase price of \$ \_\_\_\_\_ (reflecting the par amount of the Notes with original issue premium of \$ \_\_\_\_\_ and an underwriter’s discount of \$ \_\_\_\_\_).

The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Notes may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Notes subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Notes at the request of the holder thereof.

### CONTINUING DISCLOSURE

The Issuer will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Notes to provide annually certain financial information and operating data relating to the Issuer (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than twelve months after the close of each fiscal year, commencing with the fiscal year ending June 30, 2022, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

During the previous five years, the City did not file certain operating data for its fiscal year ended June 30, 2019 and did not file notice of its failure to provide the aforementioned information on or before the date specified in its prior continuing disclosure undertakings.

Commented [JC3]: Under review.

### MISCELLANEOUS

Brief descriptions or summaries of the Issuer, the Notes, the Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Notes, the Resolution and other documents, agreements and statutes referred to herein, and the description of the Notes included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to such documents, and the description herein of the Notes is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the Issuer.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or Owners of any of the Notes. The attached APPENDICES A, B, C, D, and E are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Notes, but neither the failure to print such numbers on any Notes nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Notes.

The Issuer has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the Issuer.

City of Grinnell, Iowa

/s/

**APPENDIX A**

APPENDIX B

FORM OF BOND COUNSEL OPINION

DRAFT

Commented [JC4]: To be provided.

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 Grinnell, State of Iowa (the "Issuer"), relating to the issuance of General Obligation & Refunding Capital Loan Notes, Series 2022, by said City, dated \_\_\_\_\_, 2022, 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.

The Issuer has designated the Notes "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code.

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,

B-1

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Commented [JC5]: To be provided.

**APPENDIX D**  
**AUDITED FINANCIAL STATEMENTS OF THE ISSUER**

For Fiscal Year Ended June 30, 2021

*as prepared by*

Gronewold, Bell, and Kyhn & Co. P.C.,  
Atlantic, Iowa

## APPENDIX E

### BOOK-ENTRY SYSTEM

*The information in this Appendix concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry system has been obtained from DTC. Neither the Underwriter nor the Issuer take responsibility for the accuracy or completeness thereof, or for any material changes in such information subsequent to the date hereof, or for any information provided at the web sites referenced below. Beneficial Owners should confirm the following with DTC or the Direct Participants (as hereinafter defined). So long as Cede & Co. is the Registered Owner of the Notes, as nominee of DTC, references in the Official Statement to the Noteowners or Registered Owners of the Notes shall mean Cede & Co. and shall not mean the Beneficial Owners of the Notes.*

#### Book-Entry System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for series of the Notes, each in the aggregate principal amount of such series, and will be deposited with DTC.

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 Standard & Poor's 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).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 the Notes, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Direct Participant



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).

Principal and interest payments on the Notes 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 Issuer or Trustee, on any payment 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 Notes 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 Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, 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.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer does not take any responsibility for the accuracy thereof.

**RESOLUTION NO. 2022-104**

**A RESOLUTION SETTING THE STORM WATER UTILITY RATES EFFECTIVE JULY 1, 2022.**

WHEREAS, the City of Grinnell established a storm water utility on August 21, 2006; and

WHEREAS, the rates for said storm water utility are to be set by resolution.

WHEREAS, the city council has determined that it is prudent to add a three percent (3%) inflationary increase to the storm water utility effective July 1, 2022 as follows:

Residential. A storm sewer availability charge, regardless of the amount of the consumption by such customer, will be based on the following schedule:

Fiscal Year 2022/2023 - \$3.53 per month

Commercial/Industrial. A storm sewer availability charge will be based on the following schedule:

Fiscal Year 2022/2023 - \$3.53 per ERU per month

NOW, THEREFORE, BE IT RESOLVED by the Grinnell City Council does hereby direct the City Clerk/Finance Director to set the storm water utility charges according to the established schedules in this resolution.

Passed and adopted this 6th day of June 2022.

\_\_\_\_\_  
Dan F. Agnew, Mayor

Attest: \_\_\_\_\_  
Annamarie Wingerter, City Clerk/Finance Director

RESOLUTION NO. 2022-105

**RESOLUTION FOR MONTHLY INTERNAL TRANSFER FUNDS**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRINNELL, IOWA:

The following transfer is hereby authorized:

**FROM FUND**

001.4-950.4.6790 GENERAL - \$53,368.31

**TO FUND:**

003-3.410.3.4790 GENERAL LIBRARY - \$52,969.95  
103-3.410.3.4790 GENERAL LIBRARY - STATE REVENUES - 398.36

**PURPOSE OF TRANSFERS**

To generate funds for June 2022 expenses incurred by Library per budget as approved by council with city claims for May.

PASSED AND APPROVED this 6th day of June 2022.

\_\_\_\_\_  
Dan F. Agnew, Mayor

Attest:

\_\_\_\_\_  
Annmarie Wingerter, City Clerk/Finance Director

RESOLUTION NO. 2022-106

**RESOLUTION TO TRANSFER FUNDS MONTHLY**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRINNELL, IOWA:

The following monthly transfer is hereby authorized:

**FROM:**

112 TRUST & AGENCY	Monthly Transfer	\$12,330.61
610 WATER	Monthly Transfer	729.75
620 SEWER	Monthly Transfer	894.51
670 SOLID WASTE	Monthly Transfer	1,471.34
		\$15,426.21

**TO:**

138 MEDICAL INSURANCE RESERVE	\$14,638.45
140 HEALTH INSURANCE ESCROW	787.76
	\$15,426.21

**PURPOSE OF TRANSFERS**

For medical insurance reserve and police/fire work comp monthly transfers as budgeted for FY22.

PASSED AND APPROVED this 6th day of June 2022.

\_\_\_\_\_  
Dan F. Agnew, Mayor

Attest:

\_\_\_\_\_  
Annmarie Wingerter, City Clerk/Finance Director

RESOLUTION NO. 2022-107

**RESOLUTION TO TRANSFER FUNDS PER BUDGET**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRINNELL, IOWA:

The following transfer is hereby authorized effective May 2, 2022:

**FROM:**

002 VETERANS MEMORIAL BLDG	Transfer Per Budget	\$ 63,160.00
011 UTILITY FRANCHISE	Transfer Per Budget	66,000.00
110 ROAD USE	Transfer Per Budget	187,933.00
112 TRUST & AGENCY	Transfer Per Budget	80,910.00
121 LOST	Transfer Per Budget	1,666.50
125 TIF	Transfer Per Budget	417,500.00
131 CDBG COVID GRANT	Transfer Per Budget	45,000.00
145 HOTEL/MOTEL	Transfer Per Budget	35,000.00
300 GO CAPITAL LOAN NOTE	Transfer Per Budget	1,742,354.58
302 EAST ST	Transfer Per Budget	40,064.27
310 CENTRAL PARK	Transfer Per Budget	12,640.33
316 INDOOR ACTIVITY CENTER	Transfer Per Budget	50,204.59
377 16TH AVE CULVERT	Transfer Per Budget	87,898.18
610 WATER	Transfer Per Budget	40,000.00
630 STORM WATER	Transfer Per Budget	66,442.00
		\$2,936,773.45

**TO:**

001 GENERAL	\$ 93,550.33
009 SPORTS AUTHORITY	10,000.00
011 UTILITY FRANCHISE	73,498.18
121 LOST	45,000.00
132 IEDA HOUSING STUDY	1,666.50
138 MEDICAL INSURANCE RESERVE	442.00
145 HOTEL/MOTEL	50,204.59
200 DEBT SERVICE	187,933.00
308 5TH AVE PROJ	65,000.00
311 VETERANS MEMORIAL BLDG	88,160.00
319 PARK ST PROJ	175,064.58
350 AIRPORT PROJ	10,000.00
361 STORM WATER QUALITY PROJ	66,000.00
362 HWY 146 PROJ	30,000.00
364 CDBG FAÇADE PROJ	217,800.00
365 PENROSE ST PROJ	67,000.00
370 SPRING ST PROJ	40,000.00
371 WA TOWER PROJ	89,700.00
375 I-80 BRIDGE PROJ	100,000.00
379 SUNSET ST PROJ	847,740.00
380 SUMMER ST PROJ	20,000.00
381 WATER PLANT PROJ	40,000.00
383 13TH AVE PROJ	562,550.00
384 6TH AVE W PROJ	1,000.00
610 WATER	4,464.27
630 STORM WATER	50,000.00
	\$2,936,773.45

**PURPOSE OF TRANSFERS**

To transfer funds where needed, as budgeted for FY22.

PASSED AND APPROVED this 6th day of June 2022.

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Dan F. Agnew, Mayor

Attest:

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Annmarie Wingerter, City Clerk/Finance Director

RESOLUTION NO. 2022-108

**RESOLUTION TO TRANSFER FUNDS PER BUDGET**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRINNELL, IOWA:

The following transfer is hereby authorized effective June 6, 2022:

**FROM:**

121 LOST	Transfer Per Budget	\$ 25,000.00
300 GO CAPITAL LOAN NOTE 2020A	Transfer Per Budget	499,000.00
620 WASTEWATER	Transfer Per Budget	203,000.00
		\$ 727,000.00

**TO:**

320 SE SEWER LINING PROJ	\$ 203,000.00
364 CDBG FAÇADE PROJ	35,000.00
373 8TH AVE PROJ	25,000.00
380 SUMMER ST PROJ	4,000.00
382 11 11TH AVE PROJ	460,000.00
	\$ 727,000.00

**PURPOSE OF TRANSFERS**

To transfer funds where needed, as budgeted for FY22.

PASSED AND APPROVED this 6th day of June 2022.

\_\_\_\_\_  
Dan F. Agnew, Mayor

Attest:

\_\_\_\_\_  
Annmarie Wingerter, City Clerk/Finance Director



*City of Grinnell*  
...Jewel of the Prairie

*Police Department  
1020 Spring Street  
Grinnell, IA 50112*

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*Phone: 641-236-2670  
FAX: 641-236-2652  
ORI#IA0790100*

Michael McClelland  
Chief of Police

May 25, 2022

To: Mayor Dan Agnew  
Grinnell City Council

Subject: Central Park Shelter House Rental Fees

Mayor Agnew and Grinnell City Council:

National Night Out is once again fast approaching. This year's event will be held on Tuesday, August 2<sup>nd</sup>, from 6pm until 8pm in Central Park. On behalf of the Grinnell Police Department and the Grinnell Optimist Club, we would kindly request that all rental fees associated with use of the shelter house as well as the amphitheater be waived for this event. If you have any questions, feel free to contact me at the Grinnell Police Department. Thank you very much for your consideration in this matter.

Respectfully Submitted,

Police Sergeant Christopher Wray  
Grinnell Police