

# AGENDA

## SCOTT COUNTY PUBLIC SAFETY AUTHORITY

Thursday August 29, 2024 at 9:00 am

Scott County Administrative Center  
600 W. 4<sup>th</sup> St. Davenport, IA 52801  
1<sup>st</sup> Floor – Boardroom

1. Roll Call: Barber, Earnhardt, Wills
2. Approval of Minutes
3. Election of Officers

Current Officers: Chairperson: Dale Barber  
Secretary:  
Treasurer: Carlton Mills

4. Debt Training
5. Approval of authorization of debt payment
6. Other items of interest
7. Adjournment

MINUTES  
PUBLIC SAFETY AUTHORITY

Tuesday, August 22, 2023 10:00 A.M.

The Board of Commissioners of the Public Safety Authority met in-person on Tuesday, August 22, 2023 at 10:00 A.M.

Commissioners present: Dale Barber, Carolyn Scheibe, Carlton Wills

Staff present: David Farmer, Budget & Administrative Services Director and Debbie Dierkes, Executive Assistant.

Others present: None

Moved by Wills, seconded by Scheibe, approval of the minutes of the August 29, 2022 Meeting.

Roll Call: Dale Barber – Aye  
Carolyn Scheibe – Aye  
Carlton Wills - Aye

Chairperson Barber discussed the annual election of officers.  
Moved by Scheibe, seconded by Wills, to keep the current officers:  
Dale Barber - Chair  
Carolyn Scheibe – Secretary  
Carlton Wills – Treasurer

Roll Call: Dale Barber – Aye  
Carolyn Scheibe – Aye  
Carlton Wills - Aye

Discussion of Debt Payment: David discussed the Debt Issuance Payments and answered any questions pertaining to this.

Moved by Wills, seconded by Scheibe the approval of the resolution providing for the authorization of debt payment for Series 2012 in the amount of \$1,955,818 (\$65,818 - interest and \$1,890,000 - principal) and the authorization of trustee administrative fees up to \$6,000.00.

Roll Call: Dale Barber - Aye  
Carolyn Scheibe – Aye  
Carlton Wills - Aye

David added that that the debt will be finalized June 1, 2025. He will also verify if the need to meet after the final payment.

Other items of interest: Carlton asked about bond for YJRC. David said there is no need for issuance of bond at this time and that YJRC is completely county owned. Opening sometime in 2024, around July to October.

Dale added the increase in beds is good. David added this will decrease need for travel, also keeps them close to resources and family.

Dale asked how MEDIC transition is going. David added that MEDIC will be onboard January 2024. The cost savings will be positive, insurance, tax savings, and pension will help with employee retention. This transition is an investment in the community. MEDIC EMS covers 90% of the square miles in the county, with assistance from Durrant and Wheatland ambulance services.

Moved by Wills, seconded by Scheibe for motion to adjourn at 10:11AM.

Roll Call: Dale Barber - Aye  
Carolyn Scheibe – Aye  
Carlton Wills - Aye

DRAFT

## OFFICE OF THE COUNTY ADMINISTRATOR

600 West Fourth Street  
Davenport, Iowa 52801-1003



Office: (563) 326-8702  
Fax: (563) 328-3285  
[www.scottcountyiowa.gov](http://www.scottcountyiowa.gov)

---

August 12, 2024

TO: Public Safety Authority

FROM: David Farmer, CPA, Director of Budget and Administrative Services

SUBJ: 2012 Debt Issuance Payments

The Public Safety Authority has a net principal payment of \$1,925,000 and interest payments of \$33,688 due in fiscal year 2025. The amount due as of June 30, 2024, is \$1,925,000. After payment, the 2012 issuance is retired. Final principal payment will be June 1, 2025.

It is recommended, the PSA authorize payment for the 2012 debt service. I will attend the August 29, 2024, meeting for any other questions.

RESOLUTION

SCOTT COUNTY PUBLIC SAFETY AUTHORITY

AUGUST 29, 2024

APPROVING OF AUTHORIZATION OF DEBT PAYMENTS

BE IT RESOLVED BY the Scott County Public Safety Authority as follows:

Section 1. That the authorization of the Series 2012 Debt Payment in the total amount of \$1,958,688 (\$33,688-interest and \$1,925,000 - principal) due on December 1, 2024, and June 1, 2025, as presented by the County Administrator is hereby approved.

That the authorization of trustee administrative fees up to \$6,000.00 as presented by the County Administrator is hereby approved.

Section 2. This resolution shall take effect immediately.

# Municipal Securities Disclosure

2024 Annual Training



## Housekeeping

Today's program is 60 minutes.

### Materials & Attendance Form

Are available for download from Dorsey's reminder email sent from [Events@Dorsey.com](mailto:Events@Dorsey.com).

Return completed attendance form to [attendance@Dorsey.com](mailto:attendance@Dorsey.com).

### Q&A

If you have questions, please email James Smith at [smith.james@dorsey.com](mailto:smith.james@dorsey.com).

## Dorsey Speakers



**David D. Grossklaus**  
Partner  
grossklaus.david@dorsey.com  
Des Moines, Iowa  
(515) 699-3287



**James H. Smith**  
Partner  
smith.james@dorsey.com  
Des Moines, Iowa  
(515) 699-3276



**Jennifer Block**  
Senior Attorney  
block.jennifer@dorsey.com  
Des Moines, Iowa  
(515) 699-3274

## Disclosure Training Agenda

- **Disclosure Basics**
- **Role of the SEC**
- **Policies and Procedures**
- **Questions and Answers**

## Disclosure Basics

**Glossary of Terms**

**Role of Counsel**

**Dorsey Opinions**

**Federal Regulatory Framework**

2024 Annual Training

## Glossary of Terms

### Important Parties

- **Issuer** – Governmental entity that issues bonds
- **Underwriter** – Purchaser of bonds
- **Municipal Advisor** – Advises Issuer about municipal securities
- **SEC** – Federal Securities and Exchange Commission; enforces federal securities laws
- **Dissemination Agent** – submits to and sometimes helps prepare continuing disclosure filings for EMMA

### Documents

- **POS** – Preliminary Official Statement
- **OS** – Official Statement
- **CDC** – Continuing Disclosure Certificate
- **Dissemination Agent Agreement** – Issuer's contract with company to post disclosures on Electronic Municipal Market Access ("EMMA") website, <https://emma.msrb.org>





## Role of Counsel

### Bond (Tax) Counsel

- **Assess tax qualifications** of the bond issue
- **Prepare operative and closing documents** (e.g. resolutions, bonds, loan agreement, CDC, closing certificates)
- **Deliver opinion** that bonds are valid and legal obligations of the Issuer
- **Deliver opinion** as to tax-exempt status of the bonds

### Disclosure (Securities) Counsel

- **Assess risks** associated with Issuer and bond offering
- **Prepare OS** (or closely review) in conjunction with Issuer and other finance team members
- **Review Issuer's compliance** with previous CDCs
- **Deliver "10b-5" opinion** to Issuer
- Does not prepare or confirm financial info



## Role of Counsel

### Underwriter Counsel

- **Relevant in a negotiated deal**
- **Represents the underwriter** (not the Issuer)
- **Assess risks** associated with Issuer and bond offering
- **Prepare OS** (or closely review)
- **Prepare bond purchase agreement**
- **Deliver "10b-5" opinion** to underwriter
- **Deliver opinion** as to CDC compliance to underwriter
- Does not prepare or confirm financial info



## Opinions of Counsel; Other Professionals

- **What decides the content of the opinion Dorsey gives?**
  - Who is Dorsey representing?
  - What does the engagement letter say for the client?
  - The opinion content reflects the representation Dorsey has been hired to provide.
- **What about the other professionals involved in the financing?**
  - Just because the Issuer hires various professionals to aid in the process, the Issuer is not relieved of responsibility for the content of the OS and must certify to the accuracy of the OS.
  - The OS is the Issuer's document and the Issuer must review and sign off on it before the OS is used in connection with the marketing and sale of the bonds.

## Federal Regulatory Framework

- **Statutes:** 1933 Act and 1934 Exchange Act
- **Antifraud Rules:** SEC Rule 10b-5
  - No false or misleading statements or omissions of material fact
    - “Material” means a substantial likelihood that a reasonable investor would view a fact as significantly altering the “total mix” of info made available
  - Consequences of fraud allegations:
    - Civil or criminal penalties; reputational harm; inability to take part in future securities issuances (i.e. unable to be employed in the industry)
  - Governing body, employees & officials may be personally liable
    - Underwriters: due diligence defense



## Federal Regulatory Framework

- **Disclosure rules:** SEC Rule 15c2-12
  - Regulates underwriters directly, Issuers indirectly (via CDC)
  - Underwriters must reasonably determine Issuers of certain bonds commit to provide the following disclosures on ongoing basis:
    - (1) **Annual financial info** (audited financials, operating data)
    - (2) **Material event notices** (10 business days)
- **Disclosing material noncompliance:** SEC Rule 15c2-12
  - Final OS must disclose material noncompliance with CDC duties
  - Material Noncompliance: 5-year lookback period
    - e.g. - failure to file/timely file financial info or material event notices
- **Disclosure documents are subject to Antifraud Rules**



## Federal Regulatory Framework

### 15c2-12: Listed Events

- 1) Payment delinquencies
- 2) Non-payment related defaults, if material
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties
- 5) Substitution of credit or liquidity providers, or their failure to perform
- 6) Adverse determinations with respect to the tax status of the bonds
- 7) Modifications to rights of holders, if material
- 8) Bond calls, if material, and tender offers
- 9) Defeasances
- 10) Release, substitution, or sale of property securing repayment of the securities, if material
- 11) Rating changes
- 12) Bankruptcy, insolvency, receivership or similar event of the Issuer
- 13) Merger, consolidation or acquisition involving Issuer, if material
- 14) Appointment of a successor or additional trustee, if material
- 15) Incurrence of financial obligation of Issuer or agreement to covenant, event of default, remedy, priority right or similar term, if material\*
- 16) Default, acceleration, termination, modification or similar event under financial obligation of Issuer reflecting financial difficulties\*

\* Affect bonds issued after 02/27/2019



## Interpreting Events 15 & 16

- **SEC guidance on meaning of financial obligation**
  - “Financial obligation”
    - Debt, debt-like and debt-related obligations
    - Obligations that could impact liquidity, overall creditworthiness or an existing security holder’s rights
    - Not ordinary financial and operating liabilities
  - “Debt obligation”
    - Short- or long-term debt obligations of an Issuer under an indenture, loan agreement or similar contract to be repaid over time
    - Leases operating as vehicle to borrow money (i.e. capital leases)
    - May be broader than state law or accounting definitions of debt
  - “Material”
    - A financial obligation that a reasonable investor is substantially likely to view as significantly altering the “total mix” of info available
    - Flexible, facts-and-circumstances approach
      - Relevant factors include principal amount, security, priority rights, covenants, overall debt portfolio, etc.



## Interpreting Events 15 & 16

- **SEC guidance on event number 16**
  - “Default”
    - Any default reflecting financial difficulties, even if not an event of default
    - Payment defaults and nonpayment defaults
  - “Modification of terms”
    - Includes written or verbal waivers or changes to non-material terms
  - “Financial difficulties”
    - Includes difficulties with pledged revenue streams
- **Material event notices**
  - Filing deadline: 10 business days from incurrence
  - Notices should include:
    - Material terms of financial obligation (event 15 notices only)
    - Summary of relevant default and financial difficulties (event 16 notices only)



## Disclosure Considerations

- **The information in the OS is based on the type of security for the bonds**
  - **General Obligation**
  - **Utility Revenue**
    - Significant user
  - **Sales Tax**
  - **Tax Increment**
  - **SAVE**
  - **Road Use**
- **Materiality**
  - Applies to disclosure in the OS
  - Applies to assessment of financial obligations

## Due Diligence Process

- **Why do we do this?**
  - To meet due diligence responsibility of professionals and duties of the Issuer regarding 10b-5
- **Use of a due diligence questionnaire (DDQ)**
  - DDQ requests several documents, for example budgets, audited financial statements, etc.
  - DDQ poses several questions, for example, use of the bond proceeds, any Issuer operational or financial difficulties, cybersecurity, etc.
- **Parties participate in a due diligence call**
  - Follow up questions about documents provided
  - Follow up questions about answers to questions
  - Check in with the financing team on draft disclosure in the OS
  - Review timeline for members of the financing team

## Compliance Considerations

- **Adopt disclosure policies reflecting amended Rule**
  - Potentially broad scope of outstanding financial obligations
  - Fairly short timeframe for filing material event notices
- **Expect increased due diligence from underwriters**
- **Compliance depends upon**
  - Timely internal communication of incurrence of new obligations
  - Identification and tracking of covenants in existing obligations
  - Timely determinations of materiality and financial difficulties
  - Timely preparation and filing of material event notices
- **Role of bond or disclosure counsel**
  - When in doubt, ask counsel regarding financial obligations (e.g. materiality, necessity to disclose, timing of disclosure, etc.)

## CLE Code for Attendees in States that Require a Code *(Tip: The CLE code is different than the event code assigned by states)*

## Role of the SEC

**Guidance on Public Statements**  
**Enforcement Actions**

2024 Annual Training

### Guidance on Public Statements

- **2020 Staff Legal Bulletin: Office of Municipal Securities**
  - Antifraud rules apply to all Issuer statements reasonably expected to reach investors and the trading markets
  - Statements include:
    - **Information on municipal websites** (accurate; not misleading)
    - **Historical information online** (okay if dated)
    - **Hyperlinks** (beware of entanglement or adopting liabilities)
    - **Summaries of financial performance** (mark as summaries)
    - **Reports to state or local governments** (part of public record)
    - **Statements made by municipal officials** (if reasonably expected to reach investors and made by person with apparent knowledge of financial condition and operation)
  - Full text:
    - [SEC.gov | Application of Antifraud Provisions to Public Statements of Issuers and Obligated Persons of Municipal Securities in the Secondary Market: Staff Legal Bulletin No. 21 \(OMS\)](#)

## SEC Enforcement Action Against School District and Former Chief Financial Officer

### Sweetwater Union High School District (approximately 47,000 students)

- On September 16, 2021, the SEC entered an order against a school district in San Diego County, California and charged the school district's former CFO with misleading investors.
- The SEC claimed the school district and former CFO used stale and misleading financial information in connection with the bond offering.
- The school district was ordered to do several things as a result of the action, such as: implement various written policies and procedures, conduct staff training, retain an independent consultant to review the policies and procedures, implement recommendations of the independent consultant, disclose the settlement in future bond offerings, and provide certifications of compliance to the Staff of the SEC regarding these settlement conditions.
- The former CFO agreed not to participate in future municipal securities offers and to pay a \$28,000 penalty.
- [SEC Charges School District and the District's Former Chief Financial Officer with Violations of Securities Laws in a 2018 Bond Offering | News & Resources | Dorsey](#)

## SEC Enforcement Action Against School District, Former Chief Financial Officer & Auditor

### Crosby Independent School District (approximately 6,400 students)

- In March 2022, the SEC filed complaints against a school district in Texas, the district's CFO and the district's auditor alleging they included false and misleading audited financial statements in an official statement for a \$20 million bond offering.
- The SEC's order against the district found that it violated 1934 Act Section 10(b) and Rule 10b-5 and 1933 Act Section 17(a).
- The district was ordered to cease and desist from committing or causing any violations and any future violations of 1934 Act Section 10(b) and Rule 10b-5 and 1933 Act Section 17(a). The CFO agreed to settle with the SEC, including paying a \$30,000 penalty and not participating in any future municipal securities offerings.
- The SEC's order against the auditor found that she engaged in improper professional conduct pursuant to 1934 Act Section 4C(2) and SEC Rules of Practice Rule 102(e)(1)(ii). The SEC's order was effective immediately and denied the auditor the privilege of appearing or practicing before the SEC as an accountant.
- [SEC Charges School District, the District's Former Chief Financial Officer and the District's Auditor with Violations of Federal Securities Laws in a 2018 Bond Offering | News & Resources | Dorsey](#)



## SEC Enforcement Action Against Town and Former Mayor

Sterlington, Louisiana (population approximately 2,600)

- On June 2, 2022, the SEC entered an order against the Town and charged the Town's former mayor, its municipal advisor and the municipal advisory firm's sole owner and employee with misleading investors who purchased bonds totaling \$5.8 million from private placement offerings in 2017 and 2018.
- The SEC noted that the Town issued the Bonds based on approvals by the Louisiana State Bond Commission which were premised on false financial projections created by the municipal advisor's owner and municipal advisor with the mayor's active participation and approval
- The SEC's order against the Town found that it violated 1934 Act Section 10(b) and Rule 10b-5 and 1933 Act Section 17(a). The Town was ordered to cease and desist from committing or causing any violations and any future violations of 1934 Act Section 10(b) and Rule 10b-5 and 1933 Act Section 17(a).
- The SEC's complaint alleges that the Mayor violated 1933 Act Section 17(a)(1) and (3) and 1934 Act Section 10(b) and Rule 10b-5 and aided and abetted in the Town's violations of 1933 Act Section 17(a)(2).
- [SEC.gov | SEC Charges Louisiana Town and Former Mayor with Fraud in Two Municipal Bond Deals](#)

## SEC Enforcement Action Against City and City's Former Executives with Misleading Investors

Rochester City School District, New York (approximately 30,000 students)

- On June 14, 2022, the SEC filed complaints against the City of Rochester, New York, the City's former finance director, the City School District's former CFO and the City's municipal advisor and certain of its executives.
- The SEC claimed the parties mislead investors because the financial statements included for the District were outdated and did not reflect the financial difficulties the District was experiencing.
- The SEC claimed the city's former finance director was aware of the financial challenges of the District, but did not make appropriate inquiries.
- The SEC's complaint alleged that the district's former CFO violated Securities Act of 1933 Section 17(a)(1) and (a)(3) and Securities Exchange Act of 1934 Section 10(b) and Rule 10(b)(5). He agreed to settle the SEC's charges by consenting, without admitting or denying any findings, to a court order prohibiting him from future violations of the antifraud provisions and from participating in future municipal securities offerings, and to pay a \$25,000 penalty.
- SEC charges against the City, City's former finance director, municipal advisor and its executives varied depending on the defendant, but included fraud in the offer or sale of securities; fraud in connection with the purchase or sale of securities; engaging in deceptive, dishonest, or unfair practice; breach of duties of a non-solicitor municipal advisor; supervisory and compliance obligations of municipal advisors; breach of fiduciary duty; acts in contravention of any Rule of the MSRB; and certain alternative charges of aiding and abetting.
- [SEC.gov | SEC Charges Rochester, NY, and City's Former Executives and Municipal Advisor with Misleading Investors](#)

## SEC Public Company Trends - Precursor for Municipal Markets

- **Cybersecurity – SEC announcement on July 26, 2023**
  - The final rules require disclosure about any cybersecurity incident they determine to be material and to describe the material aspects of the incident's nature, scope, and timing, as well as its material impact or reasonably likely material impact on the issuer.
  - [SEC.gov | SEC Adopts Rules on Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure by Public Companies](#)
- **Climate-Related Disclosures – SEC announcement on March 6, 2024**
  - The final rules require disclosure about material climate-related risks; activities to mitigate or adapt to such risks; information about board oversight of climate-related risks and staff's role in managing material climate-related risks; and information on any climate-related targets or goals that are material to the issuer's business, results of operations, or financial condition.
  - [SEC.gov | SEC Adopts Rules to Enhance and Standardize Climate-Related Disclosures for Investors](#)

## Policies and Procedures

### Dorsey Compliance Program: Annual Training

1. New Bond Offerings
2. Continuing Disclosure Requirements
3. Systematic Training
4. An EMMA Example

## Dorsey Compliance Program (the “Policy”)

### Overview

- **The Policy: three aspects**
  - I. **New bond offerings**: Preparing and approving OS when issuing bonds (Appendix I of Policy)
  - II. **Continuing disclosure compliance**: Complying with ongoing disclosure requirements under a CDC (Appendix II of Policy)
  - III. **Systematic training**: Educating key staff and elected officials regarding disclosure matters on regular basis



## I. New Bond Offerings (Preparing and Approving OS)

### 5 steps for preparing and approving OS

- **Step 1—Establish plan and schedule**
  - At a financing’s outset, **Disclosure Officer** is to ensure there is (i) **a plan** for preparing OS and (ii) **a schedule** allowing sufficient time for all work, including ***review and participation*** by financing team and staff
- **Step 2—Manage process of preparing OS**
  - Disclosure Officer is to **manage preparation process**, obtaining assistance from other participants as necessary and appropriate
- **Step 3—Coordinate review and sign-off**
  - Disclosure Officer is to develop program for **coordinating staff review of, and sign-off on**, disclosure info and documents

## I. New Bond Offerings (Preparing and Approving OS)

### 5 steps for preparing and approving OS (cont'd)

- **Step 4—Disclose any prior failures to comply**
  - Disclosure Officer is to ensure OS **accurately discloses** any failure to fully comply with CDC obligations within last 5 years.
- **Step 5—Give governing body time to review**
  - Governing body must have at least **7 days to review OS** before voting on its approval (absent extenuating circumstances).
  - Elected officials on governing body must be directed to contact Disclosure Officer during review period to **discuss potential issues or comments** on the OS.

## II. Continuing Disclosure Compliance (Meeting CDC Obligations)

### Relevant Rule and Considerations

- **Under SEC Rule 15c2-12, the Issuer must**
  - file (or cause to be filed) necessary items under the CDC
  - in searchable electronic format (searchable pdf)
  - on EMMA (Electronic Municipal Market Access) portal ([emma.msrb.org](http://emma.msrb.org))
- **Adequate disclosure is responsibility of Issuer**
  - Role of dissemination agent (if any)
  - Effects of noncompliance on pricing and marketability of bonds

## II. Continuing Disclosure Compliance (Meeting CDC Obligations)

### Six things to know

#### 1. Who is responsible for compliance?

- Disclosure Officer has primary responsibility under the policy
  - CDC compliance, including (i) annual filings, (ii) material event notices, (iii) voluntary filings and (iv) other filings required by CDC
  - Accuracy of public statements that can be reasonably expected to reach investors (e.g. website updates, press releases, market notices, etc.)
- Key employees and elected officials also responsible

#### 2. Understand CDC obligations

- Discuss new CDCs with (i) bond counsel, (ii) disclosure counsel, (iii) underwriter, and (iv) municipal advisor, if any



## II. Continuing Disclosure Compliance (Meeting CDC Obligations)

#### 3. Track disclosure obligations (Disclosure Officer)

- Maintain list of outstanding bonds subject to CDC, including filing deadlines, using “Disclosure Table, Part I” of Policy

Name of Bond Issue	Date of Issue	Final Maturity Date	Dissemination Agent?	CUSIP for Final Maturity	Deadline for Annual Report

- Maintain copies of OS, CDC, Dissemination Agent Agreements, and other disclosure documents for each bond issue
- Document any filing made on “Disclosure Table, Part II” of Policy

Description of Financial Information / Operating Data to file on EMMA	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
[audit]						
[list applicable tables in Official Statement]						

- Register for email reminders on EMMA ([emma.msrb.org](http://emma.msrb.org))

## II. Continuing Disclosure Compliance (Meeting CDC Obligations)

### 4. File annual or quarterly reports (Disclosure Officer)

- Coordinate with any outside professionals (e.g. dissemination agent, municipal advisor) hired to assist with filing reports
- **30 days before deadline:** compile information for filing
- **10 days before deadline:** confirm information ready to be filed
- **3 days before deadline:** ensure information filed on EMMA
- After filing: confirm info available on EMMA; update Table II

### 5. File notice of any Listed Events (Disclosure Officer)

- Determine if any Listed Events have occurred (see next slide)
- Consult with external legal and financial professionals, as appropriate
- File notice on EMMA within 10 business days

### 6. Other responsibilities of Disclosure Officer

- Primary contact for investor inquiries
- Maintain any investor-relations content on Issuer's website
- File any voluntary info on EMMA after consulting with outside professionals



## II. Continuing Disclosure Compliance (Meeting CDC Obligations)

- 1) Payment delinquencies
- 2) Non-payment related defaults, if material
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties
- 5) Substitution of credit or liquidity providers, or their failure to perform
- 6) Adverse determinations with respect to the tax status of the bonds
- 7) Modifications to rights of holders, if material
- 8) Bond calls, if material, and tender offers
- 9) Defeasances
- 10) Release, substitution, or sale of property securing repayment of the securities, if material
- 11) Rating changes
- 12) Bankruptcy, insolvency, receivership or similar event of the Issuer
- 13) Merger, consolidation, or acquisition involving Issuer, if material
- 14) Appointment of a successor or additional trustee or the change of name of a trustee, if material
- 15) Incurrence of financial obligation of Issuer or agreement to covenant, event of default, remedy, priority right or similar term, if material\*
- 16) Default, acceleration, termination, modification or similar event under financial obligation of Issuer reflecting financial difficulties\*

\* Affect bonds issued after 02/27/2019

## II. Continuing Disclosure Compliance (Meeting CDC Obligations)

- **Timing of filing audited financials**
  - Through the CDC, Issuer's frequently agrees to provide certain pieces of information on an annual basis, including the Issuer's audited financials
  - The Issuer has the audited financials filed on EMMA when available
  - When audited financials are not ready at the CDC's filing deadline, most CDC's permit the Issuer to file unaudited financials or other information (for example, the already-prepared annual financial report filed with the State) together with a notice describing that the audit is not available
  - At the time the audit is approved by the Issuer, the Issuer should promptly file it on EMMA
  - The date the audit gets approved starts the clock for getting the audit filed on EMMA

## III. Systematic Training (Staff and Governing Body Members)

### Relevant Considerations

- **Staff and elected officials must follow procedures**
  - Regular training important
  - Educate new and existing individuals about obligations under federal securities laws and CDCs
- **Three training formats to aid in maintaining effective disclosure policies and procedures**
  - 1) Annual Training (certified by Disclosure Officer in writing)
  - 2) Specific Training (conduct as appropriate)
  - 3) Governing Body Training (at least biennially)
- **Office procedures that include training new staff**



# An EMMA Example

<https://emma.msrb.org/> – a portion of the landing page

The screenshot shows the EMMA landing page. At the top, there is a navigation bar with links: "Browse Issuers", "Tools and Resources", "Market Activity", "MyEMMA", "EMMA Dataport", and "100% A+". A search bar is located at the top right with the text "Search by CUSIP, Description, State, etc.". Below the navigation bar, the text reads "The official source for municipal securities data and documents" and "Provided by the Municipal Securities Rulemaking Board". A map of the United States is displayed with state abbreviations, and a button says "Click on a state to start your search". To the right of the map are three call-to-action buttons: "Learn" (New to EMMA? Find out more.), "Evaluate" (Access New Issue Calendar and other market tools.), and "Monitor" (Sign up for MyEMMA).

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>  
Screenshot image permission granted by the MSRB 2023.



ANNUAL TRAINING RE: MUNICIPAL SECURITIES DISCLOSURE

# An EMMA Example

**City of Grimes, Iowa:** Many ways to get to an Issuer's filings. You can click on the state (and search within that option), use the advanced search feature (portion below) or enter a cusip into the search bar

The screenshot shows the advanced search filters for the City of Grimes, Iowa. The "Security Information" section is expanded, showing various search criteria. The "State" is set to "IA" and the "Issuer Name" is "grimes". Other criteria include "Purpose/Sector", "Source of Repayment", "Rate Type", "Insured", "Tax Status", "Callable", "Next Call Date", "Next Call Price", "Interest Rate", "Closing Date", "Dated Date", "Maturity Date", and "Current Long-Term Ratings" (Fitch, KBRA, Moody's, S&P). There are also checkboxes for "Include Matured Municipal Bonds and Notes" and "Include Fully Called or Redeemed Bonds and Notes". A "Security Type" dropdown is set to "All Securities".

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>  
Screenshot image permission granted by the MSRB 2023.



ANNUAL TRAINING RE: MUNICIPAL SECURITIES DISCLOSURE



## An EMMA Example

### Issuer Landing Page Example (portion shown below)

**GRIMES IOWA (IA)**  
Click on a tab to access data and documents about this issuer's municipal securities.

**Issuer's Contact Information** This issuer has not provided contact information.

**Educational Resources**

- Customizing an Issuer Homepage
- How Can Issuers Use EMMA?
- Contact Us

Issues Trade Activity Pre-Sale Documents Official Statements Refunded Issues Financial Disclosures Event-Based Disclosures

Click on the issue description to view details about the issue.

Display  results Search within list:

First Previous 1 2 3 Next Last

Issue Description	Dated Date	Maturity Dates
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022A	06/14/2022	2023 to 2037
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2021A	06/23/2021	2022 to 2036
GENERAL OBLIGATION LOCAL OPTION SALES SERVICES AND USE TAX BONDS SERIES 2021B	06/23/2021	2022 to 2040
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B	09/23/2020	2021 to 2032
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020A	06/25/2020	2021 to 2035

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>  
Screenshot image permission granted by the MSRB 2023.



## An EMMA Example

### Financial Disclosures Listed (portion shown below)

Issues Trade Activity Pre-Sale Documents Official Statements Refunded Issues Financial Disclosures Event-Based Disclosures

Financial and operational disclosures submitted by this issuer within the last five years are listed. Click on the disclosure description to view details about the disclosure.

Display  results Search within list:

First Previous 1 Next Last

Posting Date	Disclosure Description	Disclosure Document
02/01/2023	Audited Financial Statements or ACFR: City of Grimes, IA Independent Auditor's Report	
06/17/2022	Annual Financial Information and Operating Data: Grimes IA FY21 Annual Financial Report	
01/13/2022	Audited Financial Statements or ACFR: City of Grimes, IA Independent Auditor's Reports	
06/25/2021	Annual Financial Information and Operating Data: Grimes IA FY20 Annual Financial Report	
02/09/2021	Audited Financial Statements or ACFR: Grimes IA FY20 Independent Auditor's Report	
06/15/2020	Annual Financial Information and Operating Data: Grimes IA FY19 Financial and Operating Annual Report	
04/16/2020	Audited Financial Statements or ACFR: Grimes IA FY19 Independent Auditor's Reports	
05/08/2019	Annual Financial Information and Operating Data: annual financial information	
05/08/2019	Audited Financial Statements or ACFR: financial statements	
03/28/2018	Annual Financial Information and Operating Data: annual filing information	
03/28/2018	Audited Financial Statements or ACFR: financial statements	

Displaying 1 to 11 of 11 results

First Previous 1 Next Last

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>  
Screenshot image permission granted by the MSRB 2023.



## An EMMA Example

### Event-Based Disclosures Listed (portion shown below)

Issues Trade Activity Pre-Sale Documents Official Statements Refunded Issues Financial Disclosures **Event-Based Disclosures**

Event-based disclosures submitted by this issuer within the last five years are listed. Click on the disclosure description to view details about the disclosure.

Display 10 results Search within list:

First Previous 1 Next Last

Posting Date	Disclosure Description	Disclosure Document
12/01/2022	Financial Obligation - Incurrence or Agreement: City of Grimes, IA Notice of Financial Obligation - Signature Ernst Holdings LLC	
07/18/2022	Financial Obligation - Incurrence or Agreement: City of Grimes, IA - Notice of Financial Obligation - Rock Creek Investments	
05/24/2022	Financial Obligation - Incurrence or Agreement: City of Grimes IA - Notice of Financial Obligation - Sewer Revenue Bonds Series 2022	
09/23/2020	Bond Call: City of Grimes, IA Notice of Bond Call Series 2012	
05/06/2020	Financial Obligation - Incurrence or Agreement: City of Grimes, IA Financial Obligation - Development Agreement Anderson Four	
04/06/2020	Other Event-based Disclosures: Voluntary Notice of Grimes WRA Membership	
01/14/2020	Financial Obligation - Incurrence or Agreement: Financial Obligation - SRF Loan - City of Grimes IA	
10/25/2019	Financial Obligation - Incurrence or Agreement: City of Grimes, IA Second Amendment to Development Agreement	
10/17/2019	Financial Obligation - Incurrence or Agreement: Grimes IA Development Agreement - PMR Realty Group LLC	
07/15/2019	Change of Tender Agent, Remarketing Agent or Other On-going Party: CHANGE OF PAYING AGENT/REGISTRAR	

Displaying 1 to 10 of 10 results

First Previous 1 Next Last

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>  
Screenshot image permission granted by the MSRB 2023.



ANNUAL TRAINING RE: MUNICIPAL SECURITIES DISCLOSURE

41

## An EMMA Example

### The Landing Page for a Specific Offering (portion shown below)

Issue Details

[Return to search results](#)

CITY OF GRIMES, IOWA GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020A (IA)  
GRIMES IOWA GO CORP PURP BDS 2020A (IA)\*

Dated Date: 06/25/2020  
Underwriting Spread Amount: Not Disclosed - Competitive Sale  
Closing Date: 06/25/2020  
Time of Formal Award: 06/10/2020 09:00 AM  
Time of First Execution: 06/10/2020 01:00 PM

View issuer homepage:  
 GRIMES IOWA

**Final Scale** Official Statement Continuing Disclosure Trade Activity

View other securities in this issue, which are listed in the official statement.

Display 10 results Search within list:

First Previous 1 2 Next Last

CUSIP*	Principal Amount at Issuance (\$)	Security Description *	Coupon	Maturity Date	Initial Offering (%)			Current LT Rating			
					Price/Yield	Price	Yield	Fitch	KBRA	Moody's	S&P
398526LJ0	1,095,000	CORP PURP-SER A	2	06/01/2021	-	101.583	.3	-	-	-	-
398526LK7	495,000	CORP PURP-SER A	2	06/01/2022	-	103.176	.35	-	-	-	-

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>  
Screenshot image permission granted by the MSRB 2023.



ANNUAL TRAINING RE: MUNICIPAL SECURITIES DISCLOSURE

42

## An EMMA Example

### Continuing Disclosure Filings for a Specific Offering (portion shown below)

View continuing disclosure or advance refunding document, which provides important information about the security after initial issuance.

FINANCIAL INFORMATION & DOCUMENTS		Collapse
Most Recent	City of Grimes, IA Independent Auditor's Report for the year ended 06/30/2022 posted 02/01/2023 (395 KB)	details

#### Annual Financial Information and Operating Data

Grimes IA FY21 Annual Financial Report for the year ended 06/30/2021 posted 06/17/2022 (190 KB)	details
Grimes IA FY20 Annual Financial Report for the year ended 06/30/2020 posted 06/25/2021 (187 KB)	details
Grimes IA FY19 Financial and Operating Annual Report for the year ended 06/30/2019 posted 06/15/2020 (70 KB)	details

#### Audited Financial Statements or ACFR

City of Grimes, IA Independent Auditor's Report for the year ended 06/30/2022 posted 02/01/2023 (395 KB)	details
City of Grimes, IA Independent Auditor's Reports for the year ended 06/30/2021 posted 01/13/2022 (358 KB)	details
Grimes IA FY20 Independent Auditor's Report for the year ended 06/30/2020 posted 02/09/2021 (455 KB)	details

EVENT NOTICES		Collapse
Most Recent	City of Grimes, IA Notice of Financial Obligation - Signature Ernst Holdings LLC as of 11/22/2022 posted 12/01/2022 (8.5 MB)	details

#### Financial Obligation - Incurrence or Agreement

City of Grimes, IA Notice of Financial Obligation - Signature Ernst Holdings LLC as of 11/22/2022 posted 12/01/2022 (8.5 MB)	details
City of Grimes, IA - Notice of Financial Obligation - Rock Creek Investments as of 07/12/2022 posted 07/18/2022 (8.3 MB)	details
City of Grimes IA - Notice of Financial Obligation - Sewer Revenue Bonds Series 2022 as of 05/27/2022 posted 05/24/2022 (13.3 MB)	details

Source: Municipal Securities Rulemaking Board website:  
<https://emma.msrb.org/>  
Screenshot images permission granted by the MSRB 2023.



ANNUAL TRAINING RE: MUNICIPAL SECURITIES DISCLOSURE

43

## An EMMA Example

### How the continuing disclosure review flows through a financing

- In the process of the initial offering of bonds, the continuing disclosure compliance is reviewed.
- Dorsey prepares a memo for the Issuer or underwriter (depending on who Dorsey is representing).
- The Issuer's past compliance is disclosed in the OS; here is the statement as it appeared in the City of Grimes, Iowa General Obligation Corporate Purpose Bonds, Series 2022A:

#### CONTINUING DISCLOSURE

The Issuer will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the 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 Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

During the previous five years, the Issuer has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.



ANNUAL TRAINING RE: MUNICIPAL SECURITIES DISCLOSURE

44

## Conclusion

- **Key Takeaways**
  - Disclosure responsibilities do not end with closing
    - Annual report disclosure
    - Material event disclosure
  - Increased SEC scrutiny of post-issuance compliance
- **Compliance considerations for amended Rule**
  - Adopt or amend revised policies and procedures
  - Review and catalogue existing debt obligations
  - Consult bond or disclosure counsel for assistance

## Municipal Securities Disclosure

Questions?

2024 Annual Training

## Thank You for Attending

**Need CLE and HR Credit?** Return your completed sign-in to: [attendance@dorsey.com](mailto:attendance@dorsey.com). Certificates will be sent to those who return the completed form.

**Questions?** If you have questions, you are welcome to follow-up directly with the presenters.

**Materials and Sign-In** are available for download from the reminder email sent yesterday from [Events@Dorsey.com](mailto:Events@Dorsey.com).



ANNUAL TRAINING RE: MUNICIPAL SECURITIES DISCLOSURE

## Contact Information

Amy Bjork  
[bjork.amy@dorsey.com](mailto:bjork.amy@dorsey.com)

Jennifer Block  
[block.jennifer@dorsey.com](mailto:block.jennifer@dorsey.com)

John Danos  
[danos.john@dorsey.com](mailto:danos.john@dorsey.com)

Darla Giese  
[giese.darla@dorsey.com](mailto:giese.darla@dorsey.com)

David Grossklaus  
[grossklaus.david@dorsey.com](mailto:grossklaus.david@dorsey.com)

Emily Hammond  
[hammond.emily@dorsey.com](mailto:hammond.emily@dorsey.com)

Cristina Kuhn  
[kuhn.cristina@dorsey.com](mailto:kuhn.cristina@dorsey.com)

Erin Regan  
[regan.erin@dorsey.com](mailto:regan.erin@dorsey.com)

Patty Scallon  
[scallon.patty@dorsey.com](mailto:scallon.patty@dorsey.com)

James Smith  
[smith.james@dorsey.com](mailto:smith.james@dorsey.com)

Dorsey & Whitney LLP  
(515) 283-1000



ANNUAL TRAINING RE: MUNICIPAL SECURITIES DISCLOSURE

48



**David D. Grossklaus**  
Partner  
grossklaus.david@dorsey.com  
Des Moines, Iowa  
(515) 699-3287

David Grossklaus is a Partner in Dorsey's Public Finance Group. As trusted counsel, David helps clients with respect to all aspects of tax-exempt financings. He serves in the role of underwriter, disclosure, bond, bank, governmental issuer and corporate counsel for projects across the country, including Alaska.

He also advises state governments on federal and state program financings and has experience with all levels of federal tax exempt private activity financings. In addition, clients entrust David to provide general counsel with respect to debt restructurings, acquisitions, corporate governance issues and economic development projects.

David's practice includes representing national and regional investment banks, banks and financial institutions.

David also counsels state agency and authority clients carrying out federal programs such as state revolving funds, housing programs, prison financings, highway trust fund financings, tobacco securitizations and USDA financings.



**James H. Smith**  
Partner  
smith.james@dorsey.com  
Des Moines, Iowa  
(515) 699-3276

James Smith is a Partner in Dorsey's Public Finance Group regularly serves as underwriters' counsel, disclosure counsel, bond counsel and trustee counsel on public finance matters, with an emphasis on state housing finance agency (HFA) transactions. Having worked for several years at the Iowa Finance Authority before joining Dorsey, James has a unique perspective of HFA work, including a thorough understanding of housing and state revolving fund programs. James applies this direct experience to help governmental issuers and their finance professionals obtain necessary program funding.

In addition to his HFA-related work in numerous states, James also frequently serves as bond counsel, disclosure counsel and/or underwriter's counsel on general governmental, utility and economic development transactions.





**Jennifer Block**  
Senior Attorney  
block.jennifer@dorsey.com  
Des Moines, Iowa  
(515) 699-3274

Jennifer Block's public finance practice is focused on municipal disclosure in light of MSRB and SEC regulation and oversight. She counsels municipal clients, conduit borrowers, underwriters, investment banking firms, and other municipal market participants on primary and continuing disclosure matters. Her work includes drafting initial offering documents, conducting due diligence, developing primary and post-issuance disclosure procedures, providing compliance training to help clients navigate SEC and MSRB rules, and preparing bond purchase agreements.

She uses her securities background to help her clients understand municipal disclosure and efficiently bring financings to a close. Her long and varied experience in securities finance allows her to spot potential issues and proactively provide solutions to keep projects on track..

## Legal Notice

**This presentation is intended for general information purposes only and should not be construed as legal advice or legal opinions on any specific facts or circumstances. An attorney-client relationship is not created through this presentation.**