

ITEM #	<u>11</u>
DATE:	<u>10/10/23</u>
DEPT:	<u>FINANCE</u>

COUNCIL ACTION FORM

SUBJECT: RESOLUTION APPROVING OFFICIAL STATEMENT FOR GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2023D, SETTING DATE OF SALE FOR OCTOBER 24, 2023, AND AUTHORIZING ELECTRONIC BIDDING FOR THE SALE

BACKGROUND:

The FY 2023/24 Budget includes General Obligation (G.O.) Bond-funded capital improvement projects in the amount of \$12,870,000. The City Council held a public hearing on the issuance of these bonds on April 11, 2023. Separately, on September 14, 2021, the City Council held a public hearing for the issuance of G.O. Bonds to fund a capital improvement project for the Indoor Aquatic Center.

This action is to proceed with a total G.O. Bond issuance of \$12,870,000, which includes \$11,663,300 for capital improvement projects and \$1,000,000 for a portion of the Indoor Aquatic Center. Council action is required to approve the official statement, set the date of sale for October 24, 2023, and authorize electronic bidding.

The Official Statement, or “Preliminary Official Statement,” is the offering document for municipal securities, in preliminary form, which does not contain pricing information. The Statement provides several financial disclosures and information about the City. This “Preliminary Official Statement” is on file in the City Clerk’s Office and is attached to this report.

Additionally, Council is asked to approve electronic bidding as the method to provide a secure and highly competitive process for the sale of the bonds. The proposed issuance is in compliance with the City Council approved debt policy. Projects to be funded by this bond issue include the following:

Arterial Street Pavement Improvements	1,500,000
Asphalt Street Pavement Improvements	3,000,000
Concrete Pavement Improvements	950,000
Collector Street Pavement Improvements	1,200,000
Seal Coat Street Pavement Improvements	1,750,000
South 16th Street Road Widening	325,000
Campustown Public Improvements	1,200,000
Alley Pavement Improvements	400,000
Intelligent Transportation System	468,300
Traffic System Capacity Improvements	370,000
Indoor Aquatic Center (Essential Purpose URA)	1,000,000
Park System Facility Improvements (General Corporate Purpose)	500,000
Subtotal Tax Supported Bonds	\$12,663,300
Estimated Issuance Costs	206,700
Grand Total – 2023/24 GO Issue	\$12,870,000

ALTERNATIVES:

1. Approve the Official Statement for General Obligation Corporate Purpose Bonds, Series 2023D, set the date of sale for October 24, 2023, and authorize electronic bidding for the sale.
2. Refer the Official Statement back to City staff for modifications.

CITY MANAGER'S RECOMMENDED ACTION:

Issuance of these bonds is necessary to accomplish the City's approved Capital Improvements Plan for the current fiscal year. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 10, 2023

New Issue

Rating: Application Made to Moody's Investors Service

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code) for tax years beginning after December 31, 2022. See "TAX EXEMPTION AND RELATED TAX MATTERS" herein.

CITY OF AMES, IOWA

\$12,870,000* General Obligation Corporate Purpose Bonds, Series 2023D

BIDS RECEIVED: Tuesday, October 24, 2023, 10:00 A.M., Central Time

AWARD: Tuesday, October 24, 2023, 6:00 P.M., Central Time

Dated: Date of Delivery (November 9, 2023)

Principal Due: June 1, as shown inside front cover

The \$12,870,000* General Obligation Corporate Purpose Bonds, Series 2023D (the "Bonds") are being issued pursuant to Division III of Chapters 384 of the Code of Iowa and a resolution to be adopted by the City Council of the City of Ames, Iowa (the "City"). The Bonds are being issued for the purpose of paying the costs, to that extent, of constructing street, alley, stormwater drainage, sanitary sewer, water system and sidewalk improvements; acquiring and installing street department equipment, traffic control devices and systems, street lighting, signage and signalization assets.

The purchaser of the Bonds agrees to enter into a loan agreement (the "Loan Agreement") with the City pursuant to the authority contained in Section 384.24A of the Code of Iowa. The Bonds are issued in evidence of the City's obligations under the Loan Agreement. The Bonds are general obligations of the City for which the City will pledge its power of levy direct ad valorem taxes against all taxable property within the City without limitation as to rate or amount to the repayment of the Bonds.

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry-only form, in the principal amount of \$5,000 and integral multiples thereof. The purchaser will not receive certificates representing their interest in the Bonds purchased. The City's Treasurer as Registrar/Paying Agent (the "Registrar") will pay principal on the Bonds, payable annually on June 1, beginning June 1, 2024, and interest on the Bonds payable initially on June 1, 2024 and thereafter on each December 1 and June 1 to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursements to the beneficial owners of the Bonds as described herein. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month next preceding the interest payment date (the "Record Date").

THE BONDS WILL MATURE AS LISTED ON THE INSIDE FRONT COVER

MINIMUM BID:	\$12,741,300
GOOD FAITH DEPOSIT:	\$128,700 Required of Purchaser Only
TAX MATTERS:	Federal: Tax-Exempt State: Taxable See "TAX EXEMPTION AND RELATED TAX MATTERS" for more information.

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as, and if issued subject to the legal opinion as to legality, validity and tax exemption of Dorsey & Whitney LLP, Bond Counsel, Des Moines, Iowa, to be furnished upon delivery of the Bonds. It is expected the Bonds will be available for delivery on or about November 9, 2023 via Fast Automated Securities Transfer delivery with the Registrar holding the Bonds on behalf of DTC. This Preliminary Official Statement in the form presented is deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to revisions, corrections or modifications as determined to be appropriate, and is authorized to be distributed in connection with the offering of the Bonds for sale.

*Preliminary; subject to change.

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

CITY OF AMES, IOWA

\$12,870,000* General Obligation Corporate Purpose Bonds, Series 2023D

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

<u>Year</u>	<u>Amount*</u>
2024	\$1,105,000
2025	830,000
2026	870,000
2027	910,000
2028	960,000
2029	1,010,000
2030	1,060,000
2031	1,105,000
2032	1,165,000
2033	1,220,000
2034	1,285,000
2035	1,350,000

***PRINCIPAL**

ADJUSTMENT: Preliminary; subject to change. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$13,500,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

INTEREST: Interest on the Bonds will be payable on June 1, 2024 and semiannually thereafter.

REDEMPTION: Bonds due after June 1, 2031 will be subject to call for prior redemption on said date or on any day thereafter upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Bonds to prospective bidders in the interest of receiving competitive bids in accordance with the “TERMS OF OFFERING” contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the final “Preliminary Official Statement”.

Review Period: This Preliminary Official Statement has been distributed to City staff as well as to prospective bidders for an objective review of its disclosure. Comments, omissions or inaccuracies must be submitted to PFM Financial Advisors LLC (the “Municipal Advisor”) at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of the Bonds, the legislative body will authorize the preparation of a final Official Statement that includes the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the underwriter (the “Syndicate Manager”) and syndicate members. Copies of the final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

REPRESENTATIONS

No dealer, broker, salesman or other person has been authorized by the City, the Municipal Advisor or the underwriter to give any information or to make any representations other than those contained in this Preliminary Official Statement or the final Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the City, the Municipal Advisor or the underwriter. This Preliminary Official Statement or the final Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and other sources which are believed to be reliable, but it is not to be construed as a representation by the Municipal Advisor or underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement or the final Official Statement, nor any sale made thereafter shall, under any circumstances, create any implication there has been no change in the affairs of the City or in any other information contained herein, since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information from the City and other sources, which are believed to be reliable.

The Bonds are being offered when, and if issued by the City and accepted by the underwriter, subject to receipt of an opinion as the legality, validity and tax exemption by Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel. It is expected that the Bonds in the definitive form will be available on or about November 9, 2023 via Fast Automated Securities Transfer delivery with the Registrar holding the Bonds on behalf of DTC.

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Preliminary Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

City of Ames, Iowa

Mayor/City Council

<u>Member</u>	<u>Office</u>	<u>Initial Term Commenced</u>	<u>Term Expires</u>
John Haila	Mayor	January 2, 2018	December 31, 2025
Gloria Betcher	Council Member – 1 st Ward	January 2, 2014	December 31, 2025
Tim Gartin	Council Member – 2 nd Ward	January 2, 2014	December 31, 2023
Anita Rollins	Council Member – 3 rd Ward	January 3, 2022	December 31, 2025
Rachel Junck	Council Member – 4 th Ward	January 2, 2020	December 31, 2023
Bronwyn Beatty-Hansen	Council Member – At Large	January 1, 2016	December 31, 2023
Amber Corrieri	Council Member – At Large	January 2, 2014	December 31, 2025
Tabitha Etten	Ex-Officio		

Administration

Steven Schinker, City Manager
Corey Goodenow, Director of Finance
Renee Hall, City Clerk
Roger Wisecup II, City Treasurer
John Dunn, Director of Water and Pollution Control
John Joiner, Director of Public Works
Donald Kom, Director of Electric Utility

City Attorney

Mark Lambert
Ames, Iowa

Bond Counsel

Dorsey & Whitney LLP
Des Moines, Iowa

Municipal Advisor

PFM Financial Advisors LLC
Des Moines, Iowa

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TERMS OF OFFERING

CITY OF AMES, IOWA

Bids for the purchase of the City of Ames, Iowa's (the "City") \$12,870,000* General Obligation Corporate Purpose Bonds, Series 2023D (the "Bonds") will be received on Tuesday, October 24, 2023, before 10:00 A.M., Central Time, after which time they will be tabulated. The City Council will consider award of the Bonds at 6:00 P.M., Central Time, on the same day. Questions regarding the sale of the Bonds should be directed to the City's Municipal Advisor, PFM Financial Advisors LLC (the "Municipal Advisor"), 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309, telephone 515-724-5734. Information may also be obtained from Mr. Roger Wisecup, City Treasurer, City of Ames, 515 Clark Avenue, Ames, Iowa, 50010, telephone 515-239-5119.

The following section sets forth the description of certain terms of the Bonds, as well as the "TERMS OF OFFERING" with which all bidders and bid proposals are required to comply.

DETAILS OF THE BONDS

GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2023D, in the principal amount of \$12,870,000* to be dated the date of delivery (anticipated to be November 9, 2023), in the denomination of \$5,000 or multiples thereof, will mature on June 1 as follows:

<u>Year</u>	<u>Amount*</u>
2024	\$1,105,000
2025	830,000
2026	870,000
2027	910,000
2028	960,000
2029	1,010,000
2030	1,060,000
2031	1,105,000
2032	1,165,000
2033	1,220,000
2034	1,285,000
2035	1,350,000

* Preliminary; subject to change.

ADJUSTMENT TO BOND MATURITY AMOUNTS

The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$13,500,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

INTEREST ON THE BONDS

Interest on the Bonds will be payable on June 1, 2024, and semiannually on the 1st day of December and June thereafter. Principal and interest shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month preceding the interest payment date (the “Record Date”). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

OPTIONAL REDEMPTION

Bonds due after June 1, 2031, will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

TERM BOND OPTION

Bidders shall have the option of designating the Bonds as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above represent a serial maturity or a mandatory redemption requirement for a term bond maturity. (See the “OFFICIAL BID FORM” for more information.) In any event, the above principal amount scheduled shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both.

GOOD FAITH DEPOSIT

A good faith deposit in the amount of \$128,700 (the “Deposit”) is required from the lowest bidder only. The lowest bidder is required to submit such Deposit payable to the order of the City, not later than 12:00 P.M., Central Time, on the day of the sale of the Bonds and in the form of either (i) a cashier’s check provided to the City or its Municipal Advisor, or (ii) a wire transfer as instructed by the City’s Municipal Advisor. If not so received, the bid of the lowest bidder may be rejected and the City may direct the second lowest bidder to submit a deposit and thereafter may award the sale of the Bonds to the same. No interest on a deposit will accrue to the successful bidder (the “Purchaser”). The Deposit will be applied to the purchase price of the Bonds. In the event a Purchaser fails to honor its accepted bid proposal, any deposit will be retained by the City.

FORM OF BIDS AND AWARD

All bids shall be unconditional for the entire issue of Bonds for a price not less than \$12,741,300, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations as set forth in the “BIDDING PARAMETERS” section herein. Bids must be submitted on or in substantial compliance with the “OFFICIAL BID FORM” provided by the City. The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (the “TIC”) basis assuming compliance with the “ESTABLISHMENT OF ISSUE PRICE” herein, and “GOOD FAITH DEPOSIT” herein. The TIC shall be determined by the present value method, i.e., by ascertaining the semiannual rate, compounded semiannually, necessary to discount to present value as of the dated date of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest which is twice the semiannual rate so ascertained (also known as the Canadian Method). The TIC shall be as determined by the Municipal Advisor based on the “TERMS OF OFFERING” and all amendments, and on the bids as submitted. The Municipal Advisor’s computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

BIDDING PARAMETERS

Each bidder's proposal must conform to the following limitations:

1. Each annual maturity must bear a single rate of interest from the dated date of the Bonds to the date of maturity.
2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
3. The initial price to the public for each maturity must be 98% or greater.

RECEIPT OF BIDS

Forms of Bids: Bids must be submitted on or in substantial compliance with the "TERMS OF OFFERING" and "OFFICIAL BID FORM" provided by the City or through PARITY[®] competitive bidding system (the "Internet Bid System"). The City shall not be responsible for malfunction or mistake made by any person, or as a result of the use of an electronic bid or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the "OFFICIAL BID FORM". The time as maintained by the Internet Bid System shall constitute the official time with respect to all bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City's Treasurer, City Hall, 515 Clark Avenue, Ames, Iowa 50010.

Electronic Internet Bidding: Electronic internet bids will be received at the office of the City's Municipal Advisor, PFM Financial Advisors LLC, Des Moines, Iowa, and at the office of the City's Treasurer. Electronic internet bids must be submitted through the Internet Bid System. Information about the Internet Bid System may be obtained by calling 212-849-5021.

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

BOOK-ENTRY-ONLY ISSUANCE

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

MUNICIPAL BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall

be paid by the Purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds. The City reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser.

DELIVERY

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

ESTABLISHMENT OF ISSUE PRICE

In order to establish the issue price of the Bonds for federal income tax purposes, the City requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate "maturity," and the public does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a bid is submitted for the bidder's own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the City to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the City shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

If the City advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the City at or prior to closing a certification, substantially in the form attached hereto as EXHIBIT 1-A, as to the reasonably expected initial offering price as of the award date.

If the City advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the hold-the-offering price rule applies, the Purchaser shall (1) upon the request of the City confirm that the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the City a certification substantially in the form attached hereto as EXHIBIT 1-B, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Municipal Advisor.

Bidders should prepare their bids on the assumption that the Bonds will be subject to the “hold-the-offering-price” rule. Any bid submitted pursuant to the “TERMS OF OFFERING” and “OFFICIAL BID FORM” shall be considered a firm offer for the purchase of the Bonds, and bids submitted will not be subject to cancellation or withdrawal.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement will be further supplemented by offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and underwriter, together with any other information required by law or deemed appropriate by the City, shall constitute a final Official Statement of the City with respect to the Bonds, as that term is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”). By awarding the Bonds to any underwriter or underwriting syndicate submitting an “OFFICIAL BID FORM” therefore, the City agrees that no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 25 copies of the final Official Statement to permit each “Participating Underwriter” (as that term is defined in the Rule) to comply with the provisions of the Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the final Official Statement to the Participating Underwriter. Any underwriter executing and delivering an “OFFICIAL BID FORM” with respect to the Bonds, agrees thereby, if its bid is accepted by the City, (i) it shall accept such designation, and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the final Official Statement.

ELECTRONIC EXECUTED DOCUMENTS

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

CONTINUING DISCLOSURE

The City will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Certificates to provide annually certain financial information and operating data relating to the City (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City not later than June 30th after the close of each fiscal year, commencing with the close of the fiscal year ending June 30, 2023, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See “APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE”. The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in “APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE”. These covenants have been made in order to assist the Purchaser in complying with section (b)(5) of the Rule.

In accordance with the reporting requirements of paragraph (f)(3) of the Rule, within the past five years, the City has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.

Regarding the Mary Greeley Medical Center’s (the “Medical Center”) the quarterly financials for the quarter ended September 30, 2019 were filed one day late. In addition, the Medical Center’s Annual Financial Information and Operating Data Report for the Fiscal Year ending June 30, 2021 was not timely filed.

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

CUSIP NUMBERS

It is anticipated that Committee on Uniform Security Identification Procedures (“CUSIP”) numbers will be printed on the Bonds and the Purchaser must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Municipal Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL
City of Ames, Iowa
/s/ Roger Wisecup, City Treasurer

SCHEDULE OF BOND YEARS

\$12,870,000*

City of Ames, Iowa

General Obligation Corporate Purpose Bonds, Series 2023D

Bonds Dated: November 9, 2023

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

Principal Due: June 1, 2024-2035

<u>Year</u>	<u>Principal *</u>	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2024	\$1,105,000	620.03	620.03
2025	830,000	1,295.72	1,915.75
2026	870,000	2,228.17	4,143.92
2027	910,000	3,240.61	7,384.53
2028	960,000	4,378.67	11,763.19
2029	1,010,000	5,616.72	17,379.92
2030	1,060,000	6,954.78	24,334.69
2031	1,105,000	8,355.03	32,689.72
2032	1,165,000	9,973.69	42,663.42
2033	1,220,000	11,664.56	54,327.97
2034	1,285,000	13,571.03	67,899.00
2035	1,350,000	15,607.50	83,506.50

Average Maturity (dated date): 6.488 Years

* Preliminary; subject to change.

EXHIBIT 1

FORMS OF ISSUE PRICE CERTIFICATES

EXHIBIT 1-A
§ _____
CITY OF AMES, IOWA
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2023D
ISSUE PRICE CERTIFICATE
(competitive sale 3 bids)

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

1. Reasonably Expected Initial Offering Price.

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

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms. For purposes of this Issue Price Certificate:

(a) *City* means City of Ames, Iowa.

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

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

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was October 24, 2023.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP, Des Moines, Iowa in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: November 9, 2023

SCHEDULE A
EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID

(Attached)

EXHIBIT 1-B
§ _____
CITY OF AMES, IOWA
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2023D
ISSUE PRICE CERTIFICATE
(Form - Fewer than 3 bids)

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([SHORT NAME OF UNDERWRITER]) [the “Representative”], on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. **Initial Offering Price of the Bonds.** [SHORT NAME OF UNDERWRITER] [The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. **First Price at which Sold to the Public.** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein] [in Schedule C], if different].

3. **Hold the Offering Price Rule.** [SHORT NAME OF UNDERWRITER] [The Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [SHORT NAME OF UNDERWRITER] [Representative]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. **Defined Terms.** For purposes of this Issue Price Certificate:

(a) **Holding Period** means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (October 31, 2023), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) **City** means City of Ames, Iowa.

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

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

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was October 24, 2023.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER][The Underwriting Group]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP, Des Moines, Iowa in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

By: _____

Name: _____

Dated: November 9, 2023

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS
(Attached)

SCHEDULE B
PRICING WIRE
(Attached)

SCHEDULE C

**SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE
AT THE INITIAL OFFERING PRICE**

(Attached)

PRELIMINARY OFFICIAL STATEMENT

CITY OF AMES, IOWA

\$12,870,000* General Obligation Corporate Purpose Bonds, Series 2023D

INTRODUCTION

This Preliminary Official Statement contains information relating to the City of Ames, Iowa (the “City”) and its issuance of \$12,870,000* General Obligation Corporate Purpose Bonds, Series 2023D (the “Bonds”). This Preliminary Official Statement has been authorized by the City and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries may be made to the City’s Municipal Advisor, PFM Financial Advisors LLC (the “Municipal Advisor”), 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309, telephone 515-724-5734. Information may also be obtained from Mr. Roger Wisecup, City Treasurer, City of Ames, 515 Clark Avenue, Ames, Iowa, 50010, telephone 515-239-5119.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Division III of Chapters 384 of the Code of Iowa and a resolution to be adopted by the City Council of the City. The Bonds are being issued for the purpose of paying the costs, to that extent, of constructing street, alley, stormwater drainage, sanitary sewer, water system and sidewalk improvements; acquiring and installing street department equipment, traffic control devices and systems, street lighting, signage and signalization assets.

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

<u>Sources of Funds*</u>	
Par Amount of Bonds	\$12,870,000.00
<u>Uses of Funds*</u>	
Deposit to Project Fund	\$12,663,300.00
Underwriter’s Discount	128,700.00
Cost of Issuance and Contingency	<u>78,000.00</u>
Total Uses	\$12,870,000.00

* Preliminary; subject to change.

INTEREST ON THE BONDS

Interest on the Bonds will be payable on June 1, 2024 and semiannually on the 1st day of December and June thereafter. Principal and interest shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month preceding the interest payment date (the “Record Date”). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

OPTIONAL REDEMPTION

Bonds due after June 1, 2031 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

PAYMENT OF AND SECURITY FOR THE BONDS

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

Section 76.2 of the Code of Iowa, 2023, as amended (the “Iowa Code”), provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of this resolution shall be filed with the County Auditor in which the City is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the City, until funds are realized to pay the bonds in full.

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

Pursuant to the provisions of Section 76.4 of the Iowa Code, each year while the Bonds remain outstanding and unpaid, any funds of the City 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 Bonds 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 City’s budget.

BOOK-ENTRY-ONLY ISSUANCE

The information contained in the following paragraphs of this subsection “BOOK-ENTRY-ONLY ISSUANCE” has been extracted from a schedule prepared by Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE”. The information in this section concerning DTC and DTC’s book-entry-only system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry-only transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation

("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has S&P Global Ratings: 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.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry-only system for the Securities is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co., nor any other DTC nominee, will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

FUTURE FINANCING

The City does not anticipate issuing any additional general obligation debt within 90 days of this Official Statement.

LITIGATION

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations.

At closing, the City will certify that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the Bonds, or the titles of the City officers to their respective positions, or the validity of the Bonds, or the power and duty of the Bonds to provide and apply adequate taxes for the full and prompt payment of the principal and interest of the Bonds, and that no measure or provision for the authorization or issuance of the Bonds has been repealed or rescinded."

DEBT PAYMENT HISTORY

The City knows of no instance in which they have defaulted in the payment of principal and interest on its debt.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see "TAX EXEMPTION AND RELATED TAX MATTERS" herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as APPENDIX B to this Preliminary Official Statement. Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the purchaser at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel. Dorsey & Whitney LLP is also serving as Disclosure Counsel to the City in connection with the issuance of the Bonds.

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 of the transaction or the future performance of the parties to the transaction."

TAX EXEMPTION AND RELATED TAX MATTERS

Federal Income Tax Exemption: The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers under the Code.

The opinion set forth in the preceding sentence will be subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution authorizing the issuance of the Bonds, the City will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by 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 and Railroad Retirement benefits, taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, and corporations that may be subject to the alternative minimum tax. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

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

State of Iowa Income Taxes: The interest on the Bonds is NOT exempt from present Iowa income taxes.

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 Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. 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 Bonds. 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 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their 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 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Qualified Tax-Exempt Obligations: In the resolution authorizing the issuance of the Bonds, the City will NOT designate the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Original Issue Discount: The Bonds maturing in the years _____ (collectively, the “Discount Bonds”) are being sold at a discount from the principal amount payable on such Discount Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the “Issue Price”) and the principal amount payable at maturity constitutes “original issue discount” under the Internal Revenue Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Internal Revenue Code is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under section 1288 is added to the owner’s federal tax basis in determining gain or loss upon disposition of such Discount Bond (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Discount Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

An owner of a Discount Bond who disposes of such Discount Bond prior to maturity should consult owner’s tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity.

Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership Discount Bonds.

The Internal Revenue Code contains provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences to certain taxpayers. No opinion is expressed as to state and local income tax treatment of original issue discount. All owners of Discount Bonds should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences associated with the purchase, ownership, redemption, sale or other disposition of Discount Bonds.

Original Issue Premium: The Bonds maturing in the years _____ are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire the Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder’s constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Bonds acquired at a premium.

BONDHOLDER'S RISKS

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement (including the appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

Tax Levy Procedures: The Bonds are general obligations of the City, payable from and secured by a continuing ad-valorem tax levied against all of the taxable property within the boundaries of the City. As part of the budgetary process of the City, each fiscal year the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the boundaries of the City. A failure on the part of the City to make a timely levy request, or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service on the Bond for a particular fiscal year, may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds.

Changes in Property Taxation: The Bonds are general obligations of the City secured by an unlimited ad valorem property tax as described more fully in the "PAYMENT OF AND SECURITY FOR THE BONDS" herein.

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 Bonds. 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 Bonds and the security for the Bonds.

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

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 Bondholders 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 opinion to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

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 for the Bonds or the Loan Agreement, including principal of and interest on the Bonds.

Secondary Market: There can be no guarantee there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds 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 bond issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

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

Rating Loss: Moody's Investors Service ("Moody's") has assigned a rating of '___' to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Bankruptcy and Insolvency: The rights and remedies provided in the Resolution for the Bonds may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor's rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds, the Loan Agreement and the Resolution for the Bonds, including the opinion of Bond Counsel, will be similarly qualified. If the City were to file a petition under chapter nine of the federal bankruptcy code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution for the Bonds. In the event the City fails to comply with its covenants under the Resolution for the Bonds or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under Iowa Code Chapter 76 sections 76.16 and 76.16A of the Act, as amended, a city, county, or other political subdivision may become a debtor under Chapter 9 of the Federal bankruptcy code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

Forward-Looking Statements: This Preliminary Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Preliminary Official Statement, the words "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 City to pay debt service when due on the Bonds.

Cybersecurity: The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the City's information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the City's operations and financial condition.

The City maintains insurance policies to cover the various aspects of a cyber-attack. See "GENERAL INFORMATION ABOUT THE CITY OF AMES, IOWA – THE CITY – subsection "INSURANCE" located in APPENDIX A to this Preliminary Official Statement. The City cannot predict whether these policies would be sufficient in the event of a cyber breach. The Bonds are secured by an unlimited ad valorem property tax as described more fully in the "PAYMENT OF AND SECURITY FOR THE BONDS" herein.

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

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

Risk of Audit: The Internal Revenue Service has an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given as to whether the Internal Revenue Service will commence an audit of the Bonds. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

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

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

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 Bonds. 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 Bonds. In addition, regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability, or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. See “TAX EXEMPTION AND RELATED TAX MATTERS” herein.

Pension and Other Post-Employment Benefits (“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 except for those covered by another retirement system. 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 Annual Comprehensive Financial Report for its Fiscal Year ended June 30, 2022 (the “IPERS ACFR”) indicates that as of June 30, 2022, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 89.50%, and the unfunded actuarial liability was \$4.615 billion. The IPERS ACFR identifies the IPERS Net Pension Liability/(Asset) at June 30, 2022, at approximately \$3.778 billion, while its net pension liability/(asset) at June 30, 2021 was approximately (\$345.2) million. The IPERS ACFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See “APPENDIX C – JUNE 30, 2022 INDEPENDENT AUDITOR’S REPORTS” for additional information on IPERS. However, the information presented in such financial reports or on such websites is not incorporated into this Preliminary Official Statement by any references.

In the Fiscal Year ended June 30, 2022, the City's IPERS contribution totaled approximately \$10,223,542. The City is current in its obligations to IPERS.

At June 30, 2022, the City reported a liability of \$131,427 for its proportionate share of the net pension liability (asset). While the City's contributions to IPERS are controlled by state law, there can be no assurance the City 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 City. See "EMPLOYEES AND PENSIONS" included in APPENDIX A to this Preliminary Official Statement, and "JUNE 30, 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT" included in APPENDIX C to this Preliminary Official Statement for additional information on pension and liabilities of the City.

Bond Counsel, the Municipal Advisor and the City 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.

The City contributes to 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 City being required to make annual contributions to MFPRSI. Contribution amounts are set by State statute. The MFPRSI Actuarial Valuation Report indicates that as of July 1, 2022, the date of the most recent actuarial valuation for MFPRSI, the funded ratio of MFPRSI was 84.43%, and the unfunded actuarial liability was approximately \$568.4 million. The MFPRSI Financial Statements for its Fiscal Year ended June 30, 2022 (the "MFPRSI Report") identifies the MFPRSI Net Pension Liability at June 30, 2022, at approximately \$561.5 million (market value), while its net pension liability at June 30, 2021 was approximately \$224.5 million (market value). The MFPRSI Report is available on the MFPRSI website. See "EMPLOYEES AND PENSIONS" included in APPENDIX A to this Preliminary Official Statement, and "JUNE 30, 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT" included in APPENDIX C to this Preliminary Official Statement for additional information on MFPRSI.

In the Fiscal Year ended June 30, 2022, the City's MFPRSI contribution totaled approximately \$2,268,424. The City is current in its obligations to MFPRSI.

At June 30, 2022, the City reported a liability of \$6,008,465 for its proportionate share of the net pension liability (asset). While the City's contributions to MFPRSI are controlled by state law, there can be no assurance the City 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 City. See "EMPLOYEES AND PENSIONS" included in APPENDIX A to this Preliminary Official Statement, and "JUNE 30, 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT" included in APPENDIX C to this Preliminary Official Statement for additional information on pension and liabilities of the City.

Bond Counsel, the Municipal Advisor and the City 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.

The City and hospital provide health and dental care benefits for retirees and their beneficiaries through a single-employer, defined benefit plan. The hospital also provides a life insurance benefit. The City has the authority to establish and amend benefit provisions of the plan. Participants must be age 55 or older. The contribution requirements of the City are established and may be amended by the City. Plan members are currently not required to contribute. The City funds on a pay-as-you-go basis. For additional information, see "OTHER POST-EMPLOYMENT BENEFITS" included in APPENDIX A to this Preliminary Official Statement, and "JUNE 30, 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT" included in APPENDIX C to this Preliminary Official Statement.

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

RATING

The Bonds have been rated ‘ ___ ’ by Moody’s. Currently, Moody’s rates the City’s outstanding General Obligation long-term debt ‘Aa1’. The existing rating on long-term debt reflects only the view of the rating agency and any explanation of the significance of such rating may only be obtained from Moody’s. The ratings described above are not recommendations to buy, sell or hold the Bonds. There is no assurance that any such rating will continue for any period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of Moody’s, circumstances so warrant. Therefore, after the date hereof, investors should not assume that the ratings are still in effect. A downward revision or withdrawal of either rating is likely to have an adverse effect on the market price and marketability of the Bonds. The City has not assumed any responsibility either to notify the owners of the Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Preliminary Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Certificate, or to contest any revision or withdrawal.

MUNICIPAL ADVISOR

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

CONTINUING DISCLOSURE

The City will covenant in a Continuing Disclosure Certificate for the benefit of the owners and beneficial owners of the Bonds to provide annually certain financial information and operating data relating to the City (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City no later than June 30th after the close of each fiscal year, commencing with the fiscal year ending June 30, 2023, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See “FORM OF CONTINUING DISCLOSURE CERTIFICATE” included in APPENDIX D to this Preliminary Official Statement. The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in the “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

In accordance with the reporting requirements of paragraph (f)(3) of the Rule, within the past five years, the City has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.

Regarding the Mary Greeley Medical Center’s (the “Medical Center”) the quarterly financials for the quarter ended September 30, 2019 were filed one day late. In addition, the Medical Center’s Annual Financial Information and Operating Data Report for the Fiscal Year ending June 30, 2021 was not timely filed.

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

FINANCIAL STATEMENTS

The City's "JUNE 30, 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT", as prepared by City management and audited by a certified public accountant, is reproduced as APPENDIX C. The City's certified public accountant has not consented to distribution of the audited financial statements and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City's prior Annual Comprehensive Financial Report may be obtained from PFM Financial Advisors LLC.

CERTIFICATION

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. I have reviewed the information contained within the Preliminary Official Statement prepared on behalf of the City by PFM Financial Advisors LLC, Des Moines, Iowa, and to the best of my knowledge, information and belief, said Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading regarding the issuance of \$12,870,000* General Obligation Corporate Purpose Bonds, Series 2023D.

CITY OF AMES, IOWA
/s/ Roger Wisecup, City Treasurer

* Preliminary; subject to change.

APPENDIX A

GENERAL INFORMATION ABOUT THE CITY OF AMES, IOWA

The \$12,870,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2023D (the "Bonds") are general obligations of the City of Ames, Iowa (the "City") for which the City will pledge its power to levy direct ad valorem taxes against all taxable property within the City without limitation as to rate or amount to the repayment of the Bonds.*

* Preliminary, subject to change.

CITY PROPERTY VALUATIONS

IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The Story County Auditor adjusted the final Actual Values for 2022. The reduced values, determined after the application of rollback percentages, are the taxable values subject to tax levy. For assessment year 2022, the taxable value rollback rate was 54.6501% of actual value for residential property; 91.6430% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable rollback rate of 54.6501% would apply to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars (\$0) but does not exceed one hundred fifty thousand dollars (\$150,000) with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars (\$150,000). No adjustment was ordered for utility property because its assessed value did not increase enough to qualify for reduction. Utility property is limited to an 8% annual growth.

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

PROPERTY VALUATIONS (1/1/2022 Valuations for Taxes Payable July 1, 2023 through June 30, 2024)

	<u>100% Actual Value</u>	<u>Taxable Value (With Rollback)</u>
Residential	\$4,224,975,500	\$2,308,953,296
Commercial	1,071,898,222	924,053,036
Industrial	177,153,700	156,213,595
Railroads	12,808,159	11,519,677
Utilities w/o Gas & Electric	<u>724,039</u>	<u>724,039</u>
Gross valuation	\$5,487,559,620	\$3,401,463,643
Less military exemption	<u>(1,926,080)</u>	<u>(1,926,080)</u>
Net valuation	\$5,485,633,540	\$3,399,537,563
TIF Increment	\$17,675,578	\$17,675,578
Taxed separately		
Ag. Land & Building	\$4,397,100	\$4,029,640
Gas & Electric Utilities	\$37,862,320	\$7,160,026

2022 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY ¹⁾

	<u>Taxable Valuation</u>	<u>Percent of Total</u>
Residential	\$2,308,953,296	67.74%
Gas & Electric Utilities	7,160,026	0.21%
Commercial, Industrial, Railroads, Utility	<u>1,092,510,347</u>	<u>32.05%</u>
Total Gross Taxable Valuation	\$3,408,623,669	100.00%

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

TREND OF VALUATIONS

<u>Assessment Year</u>	<u>Payable Fiscal Year</u>	<u>100% Actual Valuation</u>	<u>Taxable Valuation (With Rollback)</u>	<u>Taxable TIF Increment</u>
2018	2019-20	\$4,842,735,118	\$3,079,908,598	\$45,584,078
2019	2020-21	5,026,796,234	3,112,286,020	75,857,137
2020	2021-22	5,191,529,367	3,257,725,869	81,120,190
2021	2022-23	5,516,177,632	3,399,701,391	57,260,674
2022	2023-24	5,545,568,538	3,406,697,589	17,675,578

The 100% Actual Valuation, before rollback and after the reduction of military exemption, includes Ag. Land & Buildings, TIF Increment and Gas & Electric Utilities. The Taxable Valuation, with the rollback and after the reduction of military exemption, includes Gas & Electric Utilities and excludes Ag. Land & Buildings and Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding Taxable TIF Increment and debt service levies are certified against Taxable Valuation including the Taxable TIF Increment.

LARGER TAXPAYERS

Set forth in the following table are the persons or entities which represent larger taxpayers within the boundaries of the City, as provided by the Story County Auditor's office. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. With the exception of the electric and natural gas provider noted below (which is subject to an excise tax in accordance with Iowa Code chapter 437A), the City's mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

<u>Taxpayer¹⁾</u>	<u>Type of Property/Business</u>	<u>1/1/2022²⁾ Taxable Valuation</u>
Iowa State University Research Park	Commercial	\$67,803,701
Barilla America Inc.	Industrial	49,670,131
Clinic Building Company Inc.	Commercial	35,497,425
Campus Investors IS LLC	Commercial	34,570,683
FPA6 University West LLC	Commercial	25,179,953
Spirit Realty LP	Commercial	23,716,140
Bricktowne Ames LC	Commercial	21,973,417
SZ Ames Apartments LLC	Commercial	21,839,873
GW Land Holdings LLC	Commercial	20,447,255
Dayton Park LLC	Commercial	20,098,133

1) This list represents some of the larger taxpayers in the City, not necessarily the 10 largest taxpayers.

2) The January 1, 2022 Taxable valuations listed represents only those valuations associated with the title holder and may not necessarily represent the entire taxable valuation.

Source: Story County Auditor

CITY INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the Actual Value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2022 Actual Valuation currently applicable to the Fiscal Year 2023-24, is as follows:

2022 Gross Actual Valuation of Property	\$5,545,568,538 ¹⁾
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$277,278,426
Less: G.O. Debt Subject to Debt Limit	(78,045,000)*
Less: Other Debt Subject to Debt Limit	<u>(401,986)²⁾</u>
Net Debt Limit	\$198,831,440 *

- 1) Actual Valuation of property as reported by the Iowa Department of Management for the Fiscal Year 2023-24.
- 2) Other Debt Subject to Debt Limit includes TIF rebate agreement payments appropriated for Fiscal Year 2023-24.

DIRECT DEBT

General Obligation Debt Paid by Taxes and Other Sources ¹⁾ (Includes the Bonds)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/09/2023</u>
9/14	\$9,695,000	Corporate Purpose Improvements	6/26	\$2,225,000
9/15A	18,445,000	Corporate Purpose Improvements & Refunding	6/35	5,440,000
9/16A	11,650,000	Corporate Purpose Improvements & Refunding	6/28	3,995,000
9/17A	10,975,000	Corporate Purpose Improvements & Refunding	6/29	3,835,000
9/18A	7,490,000	Corporate Purpose Improvements	6/30	4,790,000
9/19A	10,775,000	Corporate Purpose Improvements	6/31	7,485,000
9/20A	17,865,000	Corporate Purpose Improvements & Refunding	6/32	10,285,000
9/21A	19,640,000	Corporate Purpose Improvements & Refunding	6/33	15,880,000
11/22A	12,440,000	Corporate Purpose Improvements	6/34	11,240,000
11/23D	12,870,000 *	Corporate Purpose Improvements	6/35	<u>12,870,000</u> *
Total				\$78,045,000 *

- 1) The City’s general obligation debt is abated by tax increment reimbursements, water revenues, sewer revenues, airport revenues, resource recovery revenues and special assessments.

* Preliminary; subject to change.

Annual Fiscal Year Debt Service Payments (Includes the Bonds)

Fiscal Year	<u>Existing Debt</u>		<u>The Bonds</u>		<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal and Interest</u>	<u>Principal*</u>	<u>Principal and Interest*</u>	<u>Principal*</u>	<u>Principal and Interest*</u>
2023-24	\$9,120,000	\$11,509,706	\$1,105,000	\$1,466,075	\$10,225,000	\$12,975,781
2024-25	8,560,000	10,563,731	830,000	1,418,250	9,390,000	11,981,981
2025-26	8,235,000	9,866,981	870,000	1,416,750	9,105,000	11,283,731
2026-27	7,780,000	9,077,356	910,000	1,413,250	8,690,000	10,490,606
2027-28	6,790,000	7,774,506	960,000	1,417,750	7,750,000	9,192,256
2028-29	6,130,000	6,905,681	1,010,000	1,419,750	7,140,000	8,325,431
2029-30	5,660,000	6,209,181	1,060,000	1,419,250	6,720,000	7,628,431
2030-31	5,060,000	5,427,981	1,105,000	1,411,250	6,165,000	6,839,231
2031-32	4,175,000	4,418,594	1,165,000	1,416,000	5,340,000	5,834,594
2032-33	2,255,000	2,388,175	1,220,000	1,412,750	3,475,000	3,800,925
2033-34	1,350,000	1,405,500	1,285,000	1,416,750	2,635,000	2,822,250
2034-35	<u>60,000</u>	61,950	<u>1,350,000</u>	1,417,500	<u>1,410,000</u>	1,479,450
Total	\$65,175,000		\$12,870,000*		\$78,045,000*	

* Preliminary; subject to change.

OTHER DEBT

Water Revenue Debt

The City has water revenue debt paid solely from the net revenues of the Water Utility as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/09/2023</u>
1/15	\$68,081,339	Water Revenue Bonds (SRF)	6/37	\$44,494,000
8/22	3,500,000	Water Revenue Bonds (SRF)	6/42	3,356,000 ¹⁾
6/23C	12,161,000	Water Revenue Bonds (SRF)	6/43	<u>12,161,000</u> ²⁾
Total				\$60,011,000

- 1) Based on preliminary debt service schedule established prior to final project draws. The City has an outstanding balance of \$2,295,462.11 based on draws through September 11, 2023.
- 2) Based on preliminary debt service schedule established prior to final project draws. The City has an outstanding balance of \$832,578.30 based on draws through September 11, 2023.

Sewer Revenue Debt

The City has sewer revenue debt paid solely from the net revenues of the Sewer Utility as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/09/2023</u>
11/12	\$2,474,250	Sewer Revenue Bonds (SRF)	6/33	\$1,262,000
9/16	641,332	Sewer Revenue Bonds (SRF)	6/36	429,000
2/18-1	767,771	Sewer Revenue Bonds (SRF)	6/38	585,000
10/18-2	5,206,055	Sewer Revenue Bonds (SRF)	6/38	4,339,000
1/23-1	4,071,000	Sewer Revenue Bonds (SRF)	6/42	4,070,000 ¹⁾
1/23-2	7,631,852	Taxable Sewer Revenue Bonds (SRF)	6/42	7,630,852
8/23-3	2,150,000	Sewer Revenue Bonds (SRF)	6/43	<u>2,150,000</u> ²⁾
Total				\$20,465,852

- 1) Based on preliminary debt service schedule established prior to final project draws. The City has an outstanding balance of \$337,526.04 based on draws through September 11, 2023.
- 2) Based on preliminary debt service schedule established prior to final project draws. The City has an outstanding balance of \$10,750 based on draws through September 11, 2023.

Electric Revenue Debt

The City has electric revenue debt paid solely from the net revenues of the Electric Utility as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/09/2023</u>
12/15B	\$9,500,000	Electric Revenue Bonds	6/27	\$3,625,000

Hospital Revenue Debt

The City has hospital revenue debt paid solely from the net revenues of Mary Greeley Medical Center as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/09/2023</u>
11/12	\$26,000,000	Mary Greeley Medical Center & Refunding	6/27	\$1,910,000
06/16	64,790,000	Mary Greeley Medical Center & Refunding	6/36	57,125,000
11/19	35,000,000	Mary Greeley Medical Center	6/34	<u>27,180,000</u>
Total				\$86,215,000

OVERLAPPING DEBT

<u>Taxing District</u>	<u>1/1/2022 Taxable Valuation</u> ¹⁾	<u>Portion of Taxable Valuation Within the City</u>	<u>Percent Applicable</u>	<u>G.O. Debt</u> ²⁾	<u>City's Proportionate Share</u>
Story County	\$5,835,737,049	\$3,428,402,807	58.75%	\$4,179,681	\$2,455,563
Ames CSD	3,113,976,403	3,064,401,613	98.41%	85,065,000	83,712,467
Gilbert CSD	679,181,562	348,734,699	51.35%	22,235,000	11,417,673
Nevada CSD	567,475,396	1,354,335	0.24%	8,778,000	21,067
United CSD	395,739,776	13,912,160	3.52%	1,320,000	46,464
DMACC	62,389,305,642	3,428,402,807	5.50%	86,510,000	<u>4,758,050</u>
City's share of total overlapping debt:					\$102,411,284

- 1) Taxable Valuation excludes military exemption and includes Ag Land, Ag Buildings, all Utilities and TIF Increment.
- 2) Includes general obligation bonds, PPEL notes, certificates of participation and new jobs training certificates.

DEBT RATIOS

	<u>G.O. Debt</u>	<u>Debt/Actual Market Value (\$5,545,568,538)</u> ¹⁾	<u>Debt/66,427 Population</u> ²⁾
Total General Obligation Debt	\$78,045,000*	1.41%*	\$1,174.90*
City's Share of Overlapping Debt	\$102,411,284	1.85%	\$1,541.71

- 1) Based on the City's 1/1/2022 100% Actual Valuation; includes Ag Land, Ag Buildings, all Utilities and TIF Increment.
- 2) Population based on the City's 2020 U.S. Census.

* Preliminary; subject to change.

LEVIES AND TAX COLLECTIONS

<u>Fiscal Year</u>	<u>Levy</u>	<u>Collected During Collection Year</u>	<u>Percent Collected</u>
2019-20	\$31,041,345	\$30,109,340	97.00%
2020-21	31,838,345	30,756,123	96.60%
2021-22	32,428,985	31,361,804	96.71%
2022-23	33,603,968	33,497,600	99.68%
2023-24	34,748,203	-----In Process of Collection-----	

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

Source: The City's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022 and the City's Adoption of Budget and Certification of City Taxes Form 85-811 for FY 2022-23 and FY 2023-24.

TAX RATES

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>
Story County	5.12714	5.02778	4.95627	4.50207	4.50196
Story County Hospital	0.94500	0.90891	0.87250	0.93350	0.93090
County Ag. Extension	0.07784	0.07960	0.07582	0.11527	0.11735
City of Ames	10.02557	10.14681	9.87363	9.82936	10.20097
City Assessor	0.35032	0.34504	0.38331	0.33790	0.35183
Ames Comm. School District	14.34142	14.34107	14.34470	14.28616	13.93640
Gilbert Comm. School District	18.87279	18.08785	17.20522	17.05730	16.80418
Nevada Comm. School District	16.81278	14.71656	14.91083	14.71344	14.69969
United Comm. School District	12.49845	12.00008	10.44720	9.76510	9.76371
Des Moines Area Comm. College	0.65249	0.63533	0.67789	0.69448	0.74410
State of Iowa	0.00280	0.00270	0.00260	0.00240	0.00180
Total Tax Rate:					
Ames CSD Resident	31.52258	31.48724	31.18672	30.70114	30.78531
Gilbert CSD Resident	36.05395	35.23402	34.04724	33.47228	33.65309
Nevada CSD Resident	33.99394	31.86273	31.75285	31.12841	31.54860
United CSD Resident	29.67961	29.14625	27.28922	26.18008	26.61262

LEVY LIMITS

A city's general fund tax levy is limited to \$8.10 per \$1,000 of taxable value, with provision for an additional \$0.27 per \$1,000 levy for an emergency fund which can be used for general fund purposes (Code of Iowa, Chapter 384, Division I). Cities may exceed the \$8.10 limitation upon authorization by a special levy election. Further, there are limited special purpose levies, which may be certified outside of the above-described levy limits (Code of Iowa, Section 384.12). The amount of the City's general fund levy subject to the \$8.10 limitation is \$6.34138 for Fiscal Year 2023-24, and the City has levied no emergency levy. The City has certified special purpose levies outside of the above-described levy limits as follows: \$0.60552 for the operation and maintenance of a public transit system. Debt service levies are not limited.

FUNDS ON HAND (CASH AND INVESTMENTS AS OF AUGUST 31, 2023)

Governmental	
General Fund	\$12,867,315
Debt Service Fund	2,538,914
Capital Projects Fund	22,603,299
Other Governmental Funds	36,516,771
Business-type	
Mary Greeley Medical Center	380,448,091
Electric Utility	58,209,046
Sewer Utility	20,584,015
Water Utility	19,559,846
Other Enterprise Funds	34,981,098
Internal Service Funds	<u>26,256,586</u>
Total all funds	\$614,564,981

GENERAL FUND BUDGETS (ACCRUAL BASIS)

The table below represents a comparison between the final Fiscal Year 2021-22 actual financial performance, the amended Fiscal Year 2022-23 budget, and the adopted Fiscal Year 2023-24 budget on an accrual basis.

	Actual <u>FY 2021-22</u>	Amended <u>FY 2022-23</u>	Adopted <u>FY 2023-24</u>
Revenues:			
Property taxes	\$20,584,293	\$21,253,501	\$24,361,388
Other City taxes	2,415,735	2,696,946	2,401,073
Licenses and permits	1,198,379	1,613,440	1,613,440
Use of money and property	(487,337)	580,414	591,514
Intergovernmental	2,446,414	2,582,192	2,625,611
Charges for fees and services	2,191,715	2,058,674	2,232,500
Miscellaneous	249,894	337,937	201,358
Transfers in	11,735,851	11,155,054	8,740,084
Proceeds of Capital Asset Sales	<u>0</u>	<u>0</u>	<u>0</u>
Total revenues	\$40,334,994	\$42,278,158	\$42,766,968
Expenditures:			
Public safety	\$19,525,219	\$21,328,127	22,400,342
Public works	1,117,282	1,100,189	1,099,840
Health and social services	0	0	0
Culture and recreation	8,773,252	9,121,684	9,700,911
Community & economic development	984,823	1,082,796	1,120,746
General government	2,894,167	3,662,733	3,331,529
Capital projects	638,203	4,359,493	0
Transfers out	<u>7,661,061</u>	<u>5,692,904</u>	<u>5,113,600</u>
Total expenditures	\$41,594,007	\$46,347,926	\$42,766,968
Excess (deficiency) of revenues over (under) expenditures	(1,289,907)	(4,069,768)	0
Fund balance at beginning of year	<u>\$15,558,734</u>	<u>\$14,299,671</u>	<u>\$10,229,903</u>
Fund balance at end of year	\$14,299,671	\$10,229,903	\$10,229,903

THE CITY

CITY GOVERNMENT

The City of Ames, Iowa (the “City”) is governed under and operates under a Mayor-Council form of government with a City Manager. The principle of this type of government is that the Council sets policy and the City Manager carries it out. The six members of the Council are elected for staggered four-year terms. One member is elected from each of the four wards and two are elected at large. The Council appoints the City Manager as well as the City Attorney. The City Manager is the chief administrative officer of the City. The Mayor is elected for a four-year term, presides at Council meetings and appoints members of various City boards, commissions and committees with the approval of the Council.

EMPLOYEES AND PENSIONS

The City currently has 1,436 full-time employees of which 515 are governmental employees and 912 are employees of the Mary Greeley Medical Center, and 1,081 part-time employees (including seasonal employees) of which 457 are governmental employees and 624 are employees of the Mary Greeley Medical Center. Included in the City’s full-time employees are 58 sworn police officers and 62 firefighters.

The City participates in two statewide employee retirement systems, the Iowa Public Employees Retirement System (“IPERS”) and the Municipal Fire and Police Retirement System of Iowa (“MFPRSI”). The State of Iowa administers IPERS and a nine-member board of trustees governs the MFPRSI. Though separate and apart from state government, the MFPRSI board is authorized by state legislature, which also establishes by statute the pension and disability benefits and the system’s funding mechanism. All full-time employees must participate in either IPERS or MFPRSI.

Iowa Public Employees Retirement System: The City contributes to IPERS, which is a cost-sharing, multiple-employer, contributory defined benefit public employee retirement system administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute, to plan members and beneficiaries. IPERS is authorized to adjust the total contribution rate up or down each year, by no more than 1 percentage point, based upon the actuarially required contribution rate. The City’s contributions to IPERS for the past three fiscal years, as shown below, equal the required contributions for each year.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
IPERS City Contribution	\$9,139,672	\$9,131,127	\$10,223,542

At June 30, 2022, the City reported a liability of \$131,427 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by the actuarial valuation of that date. The City’s proportion of the net pension liability (asset) was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all employers participating in IPERS, actuarially determined. At June 30, 2021, the City’s proportion was (0.0381%), which was a decrease of 1.2368% from its proportion measured as of June 30, 2020.

For additional information on IPERS, refer to Section IV, Note F, beginning on page 60 of the City’s June 30, 2022 ACFR contained in APPENDIX C to this Preliminary Official Statement.

Bond Counsel, the City and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from 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.

Municipal Fire and Police Retirement System of Iowa: The City contributes to MFPRSI, which is a cost-sharing, multiple-employer defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to firefighters and police officers. Benefit provisions are established by state statute, and vest after four years of credited service.

MFPRSI plan members are required to contribute a percentage of their annual covered salary, and the City is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the City are established, and may be amended by state statute. The City’s contributions to MFPRSI for the past three fiscal years, as shown below, equal the required contributions for each year.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
MFPRSI City Contribution	\$2,076,217	\$2,200,185	\$2,268,424

At June 30, 2022, the City reported a liability of \$6,008,465 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by the actuarial valuation of that date. The City’s proportion of the net pension liability (asset) was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all employers participating in IPERS, actuarily determined. At June 30, 2021, the City’s proportion was 2.6755%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2020.

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

For additional information on MFPRSI, refer to Section IV, Note F, Municipal Fire and Police Retirement System of Iowa (MFPRSI) beginning on page 64 of the City’s June 30, 2022 ACFR contained in APPENDIX C to this Preliminary Official Statement.

OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

The City provides health and dental care benefits for retired employees and their beneficiaries through a single-employer, defined benefit plan. The hospital also provides a life insurance benefit. The City has the authority to establish and amend benefit provisions of the plan. The post-employment benefit is limited to the implied subsidy since retirees pay 100% of the premium for the insurance benefits, since the premium rates are based on the entire pool of covered members, the retirees receive an implied subsidy since their rate are not risk adjusted. As of June 30, 2022 there were 603 active employees and 36 inactive employees or beneficiaries receiving benefits.

The following table shows the components of the City’s annual OPEB cost for the Fiscal Year ended June 30, 2022, the amount actually contributed to the plan, and changes in the City’s annual OPEB obligation.

	<u>City</u>
Balance, beginning of Year	\$2,550,569
Changes for the year:	
Service Cost	181,568
Interest	56,886
Difference between expected and actual experience	398,929
Change in Assumptions or other inputs	(99,678)
Benefit Payments	<u>(197,042)</u>
Net Changes	<u>340,663</u>
Net OPEB obligation, end of year	<u>\$2,891,232</u>

For additional information regarding the City’s Other Post-Employment Benefits, refer to Section IV, Note G, beginning on page 68 of the City’s June 30, 2022 ACFR contained in APPENDIX C to this Preliminary Official Statement.

UNION CONTRACTS

City employees are represented by the following bargaining units:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
International Association of Firefighters	June 30, 2025
Public, Professional and Maintenance Employees	June 30, 2024
International Union of Operating Engineers (Local 234C)	June 30, 2025
International Union of Operating Engineers (Local 234D)	June 30, 2025

INSURANCE

The City's insurance coverage is as follows:

<u>Type of Insurance</u>	<u>All Limits</u>
General Liability	\$2,000,000
Auto Liability	\$2,000,000
Wrongful Acts	\$2,000,000
Excess (over all other coverage except Iowa liquor liability)	\$13,000,000
Law Enforcement	\$2,000,000
Public Official	\$2,000,000
Employee Benefit	\$1,000,000
Medical Malpractice	\$15,000,000
Underinsured Motorist	\$1,000,000
Uninsured Motorist	\$1,000,000
Commercial Property	
Commercial Property & Boiler and Machinery, Power Generation related	\$200,000,000
Municipal Properties & Boiler and Machinery, Non-Power Generation	\$224,368,999
Terrorism – TRIA (Federally defined terrorist acts)	Included in both of above
Commercial Property Flood Insurance	
Non-flood Plain Facilities (power generation)	\$100,000,000
Non-flood Plain Facilities (non-power)	\$5,000,000
Flood Plain Facilities:	
Transit	\$6,000,000
Water Pollution Control	\$6,000,000
Airport	\$7,500,000
All Other	\$1,000,000
Airport Liability	\$3,000,000
Cyber Liability	\$1,000,000

GENERAL INFORMATION

LOCATION AND TRANSPORTATION

The City is located in Story County in central Iowa. It is approximately thirty miles north of Des Moines, Iowa, the State capital and largest city in the state. The City is located on Interstate Highways 35 and 30. The City was incorporated in 1864 under the laws of the State of Iowa, later amended in July, 1975 under the Home Rule City Act.

The City, with a United States Census Bureau 2020 population of 66,427, is known for its excellent quality of life which includes a relatively crime-free environment, an extensive park system, superior cultural/recreations facilities and a nationally recognized school system. The City is the home of Iowa State University (“ISU”). ISU was established in 1859 and is an integral part of the community.

The City operates a mass transit system to provide efficient and economical transportation to all members of the community. A fixed routing service is available on a daily basis to most residents and a Dial-A-Ride service is available for elderly or handicapped residents. The City operates a municipal airport, which handles primarily charter services. National air service is available at the Des Moines International Airport, approximately thirty miles south of the City. The City is also provided freight services through the Union Pacific Railroad line.

LARGER EMPLOYERS

A representative list of larger employers in the City is as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u> ¹⁾
Iowa State University	Higher Education	18,212
Mary Greeley Medical Center	Health Care	1,545
McFarland Clinic, P.C.	Health Care	1,200
Danfoss Corp.	Hydro-Transmissions	1,052
Iowa Department of Transportation	Public Transportation	975
City of Ames	Municipal Government	972
USDA	Government	750
Ames Community School District	Education	700
Hach Chemical	Water Testing	580
Workiva	Software	550

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

Source: The City and the City’s 2022 Annual Comprehensive Financial Report

BUILDING PERMITS

Permits for the City are reported on a calendar year basis. City officials reported most recently available construction activity for a portion of the current calendar year, as of August 31, 2023. The figures below include both new construction and remodeling.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Residential Construction:</u>					
Number of units:	379	461	397	402	285
Valuation:	\$27,504,682	\$34,947,523	\$34,201,457	\$33,826,621	\$15,953,624
<u>Commercial Construction:</u>					
Number of units:	203	155	162	163	161
Valuation:	<u>\$210,645,223</u>	<u>\$150,034,358</u>	<u>\$62,880,240</u>	<u>\$76,251,698</u>	<u>\$105,911,485</u>
Total Permits	582	616	559	565	446
Total Valuations	\$238,149,905	\$184,981,881	\$97,081,697	\$110,078,319	\$121,865,109

U.S. CENSUS DATA

Population Trend

Population Trend:	1980 U.S. Census	43,775
	1990 U.S. Census	47,198
	2000 U.S. Census	50,731
	2010 U.S. Census	58,965
	2020 U.S. Census	66,427

Source: U.S. Census Bureau

UNEMPLOYMENT RATES

		<u>City of Ames</u>	<u>Story County</u>	<u>State of Iowa</u>
Annual Averages:	2019	1.8%	1.8%	2.7%
	2020	3.5%	3.5%	5.2%
	2021	2.7%	2.7%	3.8%
	2022	2.0%	2.0%	2.7%
	2023 (as of August)	2.1%	2.1%	2.8%

Source: U.S. Bureau of Labor Statistics

EDUCATION

Public education is provided by the Ames Community School District, with a fall 2022 certified enrollment of 4,439.6. The district, with approximately 650 employees, owns and operates one early childhood center, five elementary schools, one middle school, one high school and a facilities and maintenance building. Nevada Community School District, Gilbert Community School District and United Community School District all lie partially within the City and provide public education to portions of the City.

The Iowa State University (“ISU”) 2022 Fall enrollment is currently 30,708. ISU is the City’s largest employer with faculty and staff totaling approximately 18,212, including teaching assistants and hourly part-time employees. ISU, in addition to its educational function, is a leading agricultural research and experimental institution.

The Iowa State Center is the cultural center of ISU and the City. It attracts major dramatic and musical events, as well as seminars and conferences to the City. It is a complex of three structures: two theaters with capacities of approximately 2,750 and 450, and a continuing education building with a 450-seat auditorium and 24 meeting rooms. Connected to this complex are two of Iowa State University’s major Big 12 athletic venues: Jack Trice football stadium with a seating capacity of 61,500 and Hilton Coliseum with capacity for approximately 15,000.

In addition to ISU located in the City, the following institutions provide higher education within 30 miles of the City: Drake University, Grand View University, Des Moines University (formerly University of Osteopathic Medicine and Health Services). Two-year degree programs are offered at Des Moines Area Community College, Upper Iowa University, Vatterott College and Kaplan University (formerly Hamilton College).

FINANCIAL SERVICES

Financial services for the residents of the City are provided by First National Bank Ames, Iowa and VisionBank of Iowa. In addition, the City is served by branch offices of Availa Bank, Bank of the West, Bankers Trust Company, Central State Bank, CoBank ACB, Exchange State Bank, First Interstate Bank, Midwest Heritage Bank F.S.B., South Story Bank & Trust; US Bank, N.A., and Wells Fargo Bank, as well as by several credit unions.

First National Bank Ames and VisionBank of Iowa report the following deposits as of June 30 for each year:

<u>Year</u>	<u>First National Bank Ames</u>	<u>VisionBank of Iowa</u>
2018	\$648,715,000	\$357,109,000
2019	745,795,000	365,706,000
2020	855,840,000	448,663,000
2021	952,731,000	490,477,000
2022	978,988,000	486,110,000

Source: Federal Deposit Insurance Corporation (FDIC)

APPENDIX B

FORM OF LEGAL OPINION

APPENDIX C

JUNE 30, 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

OFFICIAL BID FORM

To: City Council of
City of Ames, Iowa

Sale Date: October 24, 2023
10:00 A.M., CT

RE: \$12,870,000* General Obligation Corporate Purpose Bonds, Series 2023D (the "Bonds")

This bid is a firm offer for the purchase of the Bonds identified in the "TERMS OF OFFERING" and on the terms set forth in this bid form and "TERMS OF OFFERING", and is not subject to any conditions, except as permitted by the "TERMS OF OFFERING". By submitting this bid, we confirm we have an established industry reputation for underwriting new issuance of municipal bonds.

For all or none of the above Bonds, in accordance with the "TERMS OF OFFERING", we will pay you \$ _____ (not less than \$12,741,300) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>
_____	2024	_____	_____	2030	_____
_____	2025	_____	_____	2031	_____
_____	2026	_____	_____	2032	_____
_____	2027	_____	_____	2033	_____
_____	2028	_____	_____	2034	_____
_____	2029	_____	_____	2035	_____

* Preliminary; subject to change. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$13,500,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

We hereby designate that the following Bonds to be aggregated into term bonds maturing on June 1 of the following years and in the following amounts (leave blank if no term bonds are specified):

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

In making this offer we accept all of the terms and conditions of the "TERMS OF OFFERING" published in the Preliminary Official Statement dated October 10, 2023, and represent we are a bidder with an established industry reputation for underwriting new issuances of municipal bonds. In the event of failure to deliver the Bonds in accordance with the "TERMS OF OFFERING" as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST COST: _____ % (Based on dated date of November 9, 2023)

Account Manager: _____ By: _____

Account Members: _____

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Ames, Iowa this 24th day of October 2023.

Attest: _____ By: _____

Title: _____ Title: _____