

AGENDA

SCOTT COUNTY PUBLIC SAFETY AUTHORITY

Wednesday, September 2, 2020 at 1:00 pm

Join by Webex

<https://scottcountyiowa.webex.com/webappng/sites/scottcountyiowa/meeting/download/46dbf1b1c40e4799899256bd26a7ad9f?siteurl=scottcountyiowa&MTID=meb4c7b63b4eed7c10cd72bbbc25d89c7>

OR BY PHONE

1-408-418-9388

Access Code: 146 928 8526

Password: 784512

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

Current Officers: Chairperson: Dale Barber
Secretary: Carolyn Scheibe
Treasurer: Vacancy

4. Approval of authorization of debt payment
5. Discuss the policies regarding municipal securities disclosure
6. Other items of interest
7. Adjournment

MINUTES
PUBLIC SAFETY AUTHORITY

Tuesday, August 13th, 2019 AT 1:00 P.M.

The Board of Commissioners of the Public Safety Authority met in room 638 of the Scott County Administrative Center Tuesday, August 13th, 2019 at 1:00 P.M.

Commissioners present: Dale Barber and Carolyn Scheibe were present and Wilma Drummond attended via conference phone.

Staff present: David Farmer, Budget & Administrative Services Director and Renee Luze-Johnson, Executive Assistant.

Others present: none

Moved by Barber, seconded by Scheibe, approval of the minutes of the September 5, 2018 meeting.

Roll Call: Dale Barber- Aye
Carolyn Scheibe- Aye
Wilma Drummond- Aye

Chairperson Barber discussed the annual election of officers.

Moved by Scheibe, seconded by Drummond to keep the current officers.

Roll Call: Dale Barber- Aye
Carolyn Scheibe- Aye
Wilma Drummond- Aye

David Farmer discussed the debt service schedules and the fact that the County recently reaffirmed the Aa1 credit rating.

Moved by Drummond, seconded by Scheibe the approval of the resolution providing for the authorization of debt payment for Series 2012 in the amount of \$287,717.50 (\$167,717.50-interest and \$120,000-principal) and debt payment for Series 2013 in the amount of \$1,680,200 (\$35,200-interest and \$1,645,000-principal), and the authorization of trustee administrative fees up to \$6,000.00.

Roll Call: Dale Barber- Aye
Carolyn Scheibe- Aye
Wilma Drummond- Aye

Other items of interest: None.

Moved by Scheibe, seconded by Drummond, motion to adjourn at 1:03 pm.

OFFICE OF THE COUNTY ADMINISTRATOR

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Davenport, Iowa 52801-1003

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August 20, 2020

TO: Public Safety Authority

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

SUBJ: 2012 and 2013 Debt Issuance Payments

The Public Safety Authority has a net principal payment of \$1,800,000 and interest payments of \$167,617.50 due in fiscal year 2020. The net amount due as of June 30, 2020 is \$9,275,000. After payment, the net amount due as of June 30, 2021 is \$7,475,000. Final principal payment will be June 1, 2025.

It is recommended, the PSA authorize payment for the 2012 and 2013 debt service. I will be in attendance at the September 2, 2020 meeting for any other questions.

R E S O L U T I O N

SCOTT COUNTY PUBLIC SAFETY AUTHORITY

September 2, 2020

APPROVING OF AUTHORIZATION OF DEBT PAYMENTS

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

Section 1. That the authorization of the Series 2012 Debt Payment in the total amount of \$1,850,317.50 (\$167,717.50-interest and \$1,685,000-principal) due on December 1, 2020 and June 1, 2021 as presented by the County Administrator is hereby approved.

That the authorization of the Series 2013 Debt Payment in the total amount of \$117,300 (\$2,300-interest and \$115,000-principal) due on December 1, 2020 and June 1, 2021 as presented by the County Administrator is hereby approved.

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

Section 2. This resolution shall take effect immediately.

Annual Training Re: Municipal Securities Disclosure

Cristina Kuhn

801 Grand Ave., Suite 4100
Des Moines, Iowa 50309
515-283-1000

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Disclosure Training Objectives

- Gain a better understanding of your disclosure responsibilities and how to manage them
- This session will provide...
 - Overview of regulatory oversight and applicable rules relating to disclosure
 - Review of contents of Official Statement, Continuing Disclosure Certificate and Disclosure Policy
 - Discussion of how to comply with disclosure requirements

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Glossary of Terms

- **Issuer**– Governmental entity that issues bonds
- **Financial Advisor/Municipal Advisor**– Financial advisor (municipal advisor) to an Issuer
- **Underwriter**– Company that purchases an issue of bonds
- **SEC**– Federal Securities and Exchange Commission
- **OS**– Official Statement
- **CDC**– Continuing Disclosure Certificate
- **EMMA**– Electronic Municipal Market Access
<http://emma.msrb.org>
- **Dissemination Agent Agreement**– Agreement between Issuer and company that will post disclosure material on EMMA

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Purpose of Disclosure-Telling A Story

- The SEC wants municipal issuers to provide ongoing information about their debt issues
 - Ensures market transparency by making information available to the public
 - Ensures Bonds sold to investors on the secondary market are properly priced based on information provided by Issuers
 - This story of the Issuer is done through the POS and final OS at the time of the offering of the debt, and then on a continuing basis (annually and material events)

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Official Statement – At a glance (continued)

-Appendices to the POS

- Appendix A: Information about the County
- Appendix B: Bond Counsel Opinion Form
- Appendix C: Audited Financial Statements
- Appendix D: Continuing Disclosure Certificate
- Official Bid Form

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Responsibility for Official Statement

- Issuers are primarily responsible for the content of their disclosure documents, regardless of who prepared the document
- An Issuer does not discharge its disclosure obligations by hiring professionals to prepare the official statement
- An Issuer has “an affirmative obligation” to know the contents of its official statement, including the financial statements
- Executing an official statement without first reading the document to ascertain whether it is accurate may be reckless (the basis for certain anti-fraud causes of action by the SEC)



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Underwriter can't buy until Rule 15c2-12 is satisfied

- Two aspects of the Rule
 - 1) Prohibits an Underwriter from purchasing or selling Bonds without first determining the Issuer has agreed to provide ongoing disclosure of certain information, including
 - Annual financial information (often more than just audited financial statements)
 - Material event notices
 - 2) Requires the final Official Statement to include a description of any *material non-compliance* with continuing disclosure obligations in the five years prior to the offering

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SEC Authority-Why Should you care?



- Issuers **are** subject to anti-fraud provisions of federal securities laws
- The Securities and Exchange Commission (the "SEC") regulates Underwriters through Rule 15c2-12 (the "Rule") under the Securities Exchange Act of 1934; because of the Rule, the Issuer contractually agrees to provide certain ongoing continuing disclosures



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Responsibility for Official Statement

- The SEC can bring enforcement actions against Issuers, members of its governing body, government employees and officials, and professionals working on the issue
 - As an example, in 2008 the SEC charged several former San Diego city officials with fraud in connection with false and misleading statements in the official statement. In October of 2010, four of the former San Diego city officials settled with the SEC, agreeing to financial penalties ranging from \$5,000 to \$25,000 (this was the first instance of the SEC securing financial penalties against city officials in a muni bond fraud case).
 - In another example, in 2013, the SEC charged the City of Miami and its former budget director with securities fraud in connection with several bond offerings and disclosures made to the public.

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SEC Trend of Municipal Entity Oversight

- Before the 2007 financial crisis, the SEC was less focused on municipal entities
- Steps have since been taken to increase federal regulatory oversight (e.g. Dodd Frank Act)
- In recent years the SEC has expressed concern regarding Issuers' compliance with disclosure obligations
- A series of enforcement actions and the infamous MCDC initiative highlights the SEC's increased interest in the municipal bond market

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2014 SEC Increasing Involvement-MCDC

- On March 10, 2014, the SEC announced its “Municipalities Continuing Disclosure Cooperation Initiative” (the “MCDC Initiative”), which allowed Issuers to self-report instances of materially inaccurate statements in official statements until December 1, 2014
- Several Issuers and Underwriters participated in the MCDC Initiative to receive favorable settlement terms from the SEC

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MCDC RESULTS

- MCDC Orders:
 - 72 Underwriter Orders
 - Orders were issued in 3 batches
 - The penalties imposed range from \$20,000 to \$500,000; \$18 million in the aggregate
 - 72 Issuer Orders
 - As part of the MCDC Initiatives, no penalties imposed to Issuers, but settlement orders with standard requirements.
 - Issuers included two states; seven state authorities; 29 localities; seven local authorities; nine school districts or charter schools; six colleges or universities; five health care providers; five utilities; and one retirement community. (two municipalities from Iowa)



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Continuing Disclosure Obligations Today

- Post-MCDC Initiative, the SEC has advised Issuers that any enforcement actions will result in more severe penalties.
 - *“Those who do not self-report and instead decide to take their chances can expect to face increased sanctions for violations.”*

Andrew J. Ceresney,
Director of the SEC Enforcement Division

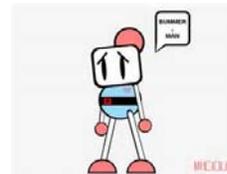


- **It is very important for Official Statements to be accurate, including the information about the Issuer's past continuing disclosure compliance**

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Official Statement-Continuing Disclosure Section

- **What could happen if the Continuing Disclosure Section contains materially inaccurate information?**
 - Could result in no bids/no sale
 - SEC could bring an enforcement action against the County AND the officers/individuals responsible for the preparation of the Official Statement



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Final Official Statement

- If the Issuer has not complied with the continuing disclosure obligations of previous bond issues, but makes the statement shown on the previous slide as to compliance, this could constitute a material misstatement and subject the Issuer to an SEC enforcement action under anti-fraud provisions of federal securities laws
- Examples of noncompliance with continuing disclosure obligations:
 - Failure to report material event
 - Failure to file annual information
 - Late filing of material event or annual information

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Official Statement-Continuing Disclosure Section

- **What could happen if the Continuing Disclosure Section contains materially inaccurate information?**
 - Could result in no bids/no sale
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Final Official Statement

- To satisfy Rule 15c2-12, an Official Statement often includes a statement listing:

“any instances in the previous five years in which [the Issuer] failed to comply, in all material respects, with any previous undertakings in a written [disclosure agreement].”

- In YOUR Official Statement:

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

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Your Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Scott County, Iowa (the “Issuer”), on the [12th day of August, 2019 (the “Dated Date”) in connection with the issuance of \$ _____ General Obligation Communications and Refunding Bonds, Series 2019 (the “Bonds”), dated [August 12, 2019]. The Bonds are being issued pursuant to a resolution of the Issuer approved on July 23, 2019 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

“Dissemination Agent” shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

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

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

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Continuing Disclosure Certificate

- Annual Reports
 - Audited financials
 - Tables, schedules or other financial information contained in the Official Statement, for example:

COUNTY PROPERTY VALUES
 COUNTY INDEBTEDNESS
 COUNTY TAX RATES, LEVIES AND COLLECTIONS

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Continuing Disclosure Certificate Material Listed Events

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

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Event # 15 & 16: “Financial Obligation”

- **The rule defines “financial obligation” to include:**
 - i. a **debt obligation**;*
 - ii. a **derivative instrument** entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or*
 - iii. a **guarantee** of either (i) or (ii)*

- **A “financial obligation” does not include**
 - i. **municipal securities** for which a final official statement has been provided to the MSRB consistent with Rule 15c2-12*

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Event # 15 & 16: “Financial Obligation”

- **“Financial obligations” intended to include:**
 - Debt, debt-like, and debt-related obligations;
 - Those obligations that could impact liquidity, overall creditworthiness, or an existing security holder’s rights

- **“Financial obligation” not intended to include:**
 - Ordinary financial and operating liabilities

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Event # 15: “Debt Obligation”

- **“Debt obligation”** intended to capture short- and long-term debt obligations of an issuer under terms of indenture, loan agreement, or similar contract to be repaid over time (regardless of repayment period)
- **Includes leases** that operate as a vehicle to borrow money (i.e. capital leases)
- May be **broader than definitions** of debt under state law or accounting standards

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Event # 15: “Derivative Instrument”

- **“Derivative instrument” intended to include**
 - Derivative instruments relating to existing/planned debt obligation
 - Obligation “planned” upon execution of related instrument if “reasonable person would view it likely or probable that the issuer . . . will incur the related yet-to-be-incurred debt obligation at a future date”
 - Standard likely met if “relevant derivative instrument would serve no economic purpose without the future debt obligation (regardless of whether the future debt obligation is ultimately incurred)”
 - Some instruments relating to existing/planned debt of third party (e.g. if hedges against risks of a related debt obligation)
- **“Derivative instrument does not include:**
 - Instruments designed to mitigate investment risk
- **Examples:**
 - Swap, security-based swap, futures or forward contract, option, or any combination of (or similar instrument to) the foregoing if issuer is a counterparty
 - Provided instrument related to existing/planned debt obligation

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Event #15: “Guarantee”

- **“Guarantee”** captures **any guarantee** of payment of a financial obligation provided by issuer (as a guarantor) for benefit of itself or a third party.
- **Two disclosures possible:**
 - One for guarantor
 - Another for beneficiary that executed the debt obligation or derivative instrument if it is material & the guarantee is a material term

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Event # 15: “Material”

- **A “material” financial obligation is important to the total mix of info available to the reasonable investor**
 - Flexible, facts-and-circumstances approach
 - Little guidance as to what would meet that standard
- **Amount of financial obligation is not the only factor, making threshold tests problematic**
- **Potentially relevant factors include:**
 - (i) the source of pledged securities, (ii) priority rights, (iii) par or notional amounts, (iv) covenants, (v) events of default, (vi) remedies, & (vii) the obligated person’s overall balance sheet, bond portfolio, and existing obligations

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Event # 16: Modifications/Defaults

- **“Modification of Terms”** interpreted to include
 - Written or verbal waiver or change to non-material terms (provided it reflects financial difficulties)
- **“Default”** interpreted to include
 - Any default that reflects financial difficulties, even if it does not qualify as an “event of default” under the terms of a transaction
 - Payment & nonpayment defaults
 - Payment default: failure to pay principal, interest or other funds due
 - Nonpayment default: failure to comply with specified covenant under terms of particular transaction

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Event # 15 & 16: Filing Requirements

- **Material event notice to be filed within 10 business days of occurrence of event**
 - Form of notice not prescribed; at minimum should include:
 - Material terms of financial obligation (#15)
 - Summary of default & relevant financial difficulties (#16)
- **Examples of material terms to include in filing**
 - **From 2018 Release**
 - Date of incurrence, principal amount, maturity & amortization, interest rate (if fixed) or method of computation (if variable), & any default rates, depending on the circumstances (2018 Release)
 - **From MSRB Regulatory Notice 2015-03** (voluntary disclosure)
 - Source of repayment, payment dates, liquidity requirements, prepayment terms, events of acceleration, governing law, “most favored nation”-type clauses, tax status of interest, redistribution rights, & financial reporting requirements

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Implementing Policies and Procedures Regarding Municipal Securities Disclosure

- The County's Policies and Procedures (the "Policy") addresses three aspects of disclosure:
 - 1) Preparation and approval of official statements in connection with new bond issues;
 - 2) On-going continuing disclosure requirements under a CDC; and
 - 3) Education of staff and elected officials with respect to disclosure matters.

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1. New Offerings of Bonds – Official Statements of the Issuer

- **Under Federal Antifraud Laws, the OS must not:**
 - contain any untrue statement of a material fact
 - omit to state a material fact necessary to make statements in OS not misleading under circumstances in which they were made
- **Accuracy of OS is responsibility of issuer:** An Underwriter, Municipal Advisor, or law firm may assist you in preparing the OS, but **it is imperative that you review the OS for accuracy before it is published.** Failing to do so could result in untrue statements, thereby subjecting the Issuer and its employees and elected officials to liability

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1. Preparing OS: 5 Steps (Appendix I)

5 steps for preparing & approving OS

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

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1. Preparing OS: 5 Steps

5 steps for preparing & approving OS

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

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2. Continuing Disclosure Compliance (CDC Compliance)

Relevant Rules

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

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2. Continuing Disclosure Compliance (CDC Compliance—Appendix II)

13 points for meeting CDC obligations

- **Point 1—Point person for CDC compliance**
 - Disclosure Officer has primary responsibility for CDC compliance, including (i) annual filings, (ii) material event notices, (iii) voluntary filings, (iv) other filings required by CDC
- **Point 2—Understanding new CDC obligations**
 - Prior to executing CDC when issuing bonds, the issuer is to ensure it fully understands its CDC obligations by discussing them with (i) bond/disclosure counsel, (ii) the underwriter, and/or (iii) the municipal advisor
- **Point 3—Ensuring accuracy of public statements**
 - Under antifraud rules, all public statements and releases of info regarding issuer's finances must be accurate & not misleading in all material respects (e.g. - website updates, press releases, market notices, etc.)
 - Disclosure Officer has primary responsibility; public officials also responsible
 - Applies to info that is reasonably expected to reach markets or investors

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2. Continuing Disclosure Compliance (CDC Compliance—Appendix II Cont'd)

13 points for meeting CDC obligations (cont'd)

- **Point 4—Maintain list of outstanding bonds subject to CDC**
 - Disclosure Officer to compile & maintain list of all outstanding bond issues subject to a CDC, **including applicable filing dates**.
 - Info to be tracked using “Disclosure Table, Part I” of the Policy:

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

- **Point 5—Maintain copies of Disclosure Docs**
 - Disclosure Officer to assemble/maintain copies of executed CDC, final OS, and any Dissemination Agent Agreements for each applicable bond issue

2. Continuing Disclosure Compliance (CDC Compliance—Appendix II Cont'd)

13 points for meeting CDC obligations (cont'd)

- **Point 6—Document & track information to file**
 - Disclosure Officer to document and track info required to be filed and dates of filing
 - Info to be tracked using “Disclosure Table, Part II” of the Policy:

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

2. Continuing Disclosure Compliance (CDC Compliance—Appendix II Cont'd)

13 points for meeting CDC obligations (cont'd)

- **Point 7—Register for filing reminders**
 - Disclosure Officer to register for CDC-filing email reminders from the “EMMA” website (<http://emma.msrb.org>)
- **Point 8—Prepare filing in advance**
 - At least 30 days before earliest deadline on Disclosure Table, Disclosure Officer to begin process of compiling info for filing
 - Coordinate with any outside professionals hired to compile this information, such as Dissemination Agent or Municipal Advisor
- **Point 9—Confirm completeness of filing**
 - At least 10 days before each filing deadline, Disclosure Officer to determine if all necessary items under CDC ready for filing
 - Coordinate with any outside professionals (as in Point 8)

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2. Continuing Disclosure Compliance (CDC Compliance—Appendix II Cont'd)

13 points for meeting CDC obligations (cont'd)

- **Point 10—File the information**
 - At least 3 days before each filing deadline, Disclosure Officer to file (or confirm outside professionals filed) necessary items on EMMA
 - After filing, Disclosure Officer to confirm all items available on EMMA and note filing date on Disclosure Table
- **Point 11—Watch out for Listed Events**
 - Disclosure Officer is responsible for determining if any “Listed Events” have taken place (see next slide for 16 Listed Events)
 - If so, Disclosure Officer to discuss same with external legal & financial professionals and to cause the filing of notice on EMMA within ten business days of such Listed Events

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2. Continuing Disclosure Compliance (CDC Compliance—Appendix II Cont'd)

- 1) Payment delinquencies
- 2) Non-payment related defaults, if material
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties
- 5) Substitution of credit or liquidity providers, or their failure to perform
- 6) Adverse determinations with respect to the tax status of the bonds
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- 13) Merger, consolidation, or acquisition involving Issuer, if material
- 14) Appointment of a successor or additional trustee or the change of name of a trustee, if material
- 15) Incurrence of financial obligation of issuer or agreement to covenant, event of default, remedy, priority right or similar term, if material
- 16) Default, acceleration, termination, modification or similar event under financial obligation of issuer reflecting financial difficulties

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2. Continuing Disclosure Compliance (CDC Compliance—Appendix II Cont'd)

13 points for meeting CDC obligations (cont'd)

- **Point 12—Contact person for investor inquiries**
 - Disclosure Officer is primary contact for investor inquiries and must maintain any investor-relations content on issuer's website
- **Point 13—Point person for voluntary filings**
 - Disclosure Officer is responsible for coordinating & filing any voluntary information on EMMA after consulting with issuer's legal & financial professionals

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3. Training of Staff and Governing Body Members

- Staff and members of the governing body must also be aware of these procedures. Accordingly, continuous training is important to teach new individuals and remind current individuals of the Issuer's continuing disclosure obligations.
- Three formats of training will aid in maintaining effective disclosure policies and procedures
 1. Annual Training
 2. Specific Training
 3. Governing Body Training

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Disclosure Update Take-Aways

- The Official Statement tells the County's story to the Bondholders:
 - Be accurate
 - Read the Official Statement
 - Actively Participate in the Preparation
- Responsibilities don't end with closing--There are ongoing, "post-issuance" disclosure requirements
 - Annual report disclosure
 - Material event disclosure — **2 New Amendments**

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Disclosure Update Take-Aways

- Post-issuance compliance is taking on more significance in light of increased regulatory scrutiny
- Adopt **and** follow policies and procedures to comply with federal securities disclosure laws
- Consult bond or disclosure counsel for assistance



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Questions?



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