

Title: FINANCIAL POLICY

Section: BOND DISCLOSURE POLICY

Date of Version: September 28, 2016

Resolution No.:

1. Definitions.

1.1. ***“Annual Filing”*** means annual financial information and operating data to be filed with the MSRB pursuant to Disclosure Agreements.

1.2. ***“Disclosure Agreement”*** means the provisions of each ordinance, order, resolution, or other agreement of the City by which the City undertakes to provide financial and operating data periodically, and timely notices of certain events, to the MSRB, whether expressly or as the only nationally recognized municipal securities information repository under SEC Rule 15c2-12.

1.3. ***“Disclosure Counsel”*** means counsel engaged from time to time by the City with the approval of the City Attorney and City Manager to give advice to the City in accordance with this Disclosure Policy.

1.4. ***“Disclosure Documents”*** means those items set forth under Sections 1.11.1, 1.11.2, and 1.11.3.

1.5. ***“Disclosure Officer”*** means the City Finance Director.

1.6. ***“Disclosure Working Group”*** for any Public Statement means the officers or employees of the City charged with exercising the responsibilities of the Disclosure Working Group in preparing or checking the Public Statement under this Disclosure Policy, as described in Section 5.

1.7. ***“EMMA”*** means the Electronic Municipal Market Access System maintained by the MSRB.

1.8. ***“Material”*** when used with respect to a fact included in a disclosure document means, generally, that a reasonable investor likely would attach significance to it in making a decision to buy, hold, or sell Securities of the City. When questions of materiality arise, counsel should be consulted.

1.9. ***“MSRB”*** means the Municipal Securities Rulemaking Board.

1.10. ***“Public Information Officer”*** means the City Communications Coordinator.

1.11. ***“Public Statement”*** means any statement or other communication that is intended (or reasonably can be expected) to be accessible to and relied upon by investors in the City’s Securities, including, as applicable:

1.11.1. **Offering Documents:** preliminary and final Official Statements and other documents by which Securities are offered to the public by the City as well as solicitation statements by which the City offers to purchase its Securities or requests consents or waivers regarding Securities;

1.11.2. **Continuing Disclosure Documents:** financial and operating data and event notices filed with the MSRB through EMMA pursuant to Disclosure Agreements;

1.11.3. **Other EMMA Filings:** other information filed with the MSRB through EMMA;

1.11.4. **Website Content:** financial, budgetary, economic, and debt related information uploaded or linked or posted to the website of the City; and

1.11.5. **Press Releases, Etc.:** press releases and other formal statements of the City Manager, the Finance Director, or other City officials or employees containing financial, budgetary, economic, or debt related information.

1.12. **“SEC”** means the United States Securities and Exchange Commission.

1.13. **“Securities”** means bonds, notes, certificates of obligation, certificates of participation, and other debt obligations or securities of the City, the payment of which the City is obligated to support by a lease, contract, or other arrangement, that are sold to or otherwise held or traded in by the public.

2. **Background.**

Investor Reliance. The City has issued and expects to continue to issue Securities in the public debt markets and, in connection therewith, to issue offering documents and to enter into continuing disclosure undertakings to update financial and operating information contained in the offering documents at least annually and to file timely notices of certain events with the MSRB through EMMA. Investors in the City’s Securities rely on the filings and may rely on portions of the City’s website and other Public Statements in deciding whether to buy, hold, or sell the City’s Securities.

Federal Securities Laws. Under federal securities laws, the City must exercise reasonable care to avoid material misstatements or omissions in preparing Public Statements that are used to sell or tender for Securities in primary offerings, and it may not knowingly or recklessly include material misstatements or misleading statements in other Public Statements while its Securities are outstanding. Knowledge of any officer or employee of the City as well as information in files of the City may be imputed to the City.

3. **Purposes.** This policy is promulgated to establish a framework for compliance by City with its disclosure and/or contractual obligations with respect to the securities it issues or that are issued on its behalf, pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Securities Act of 1933, as amended, including, in particular, Rule 15c2-12, as amended, promulgated under the 1934 Act, and other applicable rules, regulations, and orders.

This policy also intended to confirm and enhance existing policies and procedures regarding compliance with federal securities laws relating to disclosure in order to:

3.1. **Comply with Law and Contract.** To facilitate compliance with applicable law and existing contracts when preparing and distributing Disclosure Documents in connection with Securities offerings and Continuing Disclosure Documents;

3.2. **Reduce Liability.** To reduce exposure of the City and its officials and employees to liability for damages and enforcement actions based on misstatements and omissions in Disclosure Documents;

3.3. Reduce Borrowing Costs. To reduce borrowing costs by promoting good investor relations; and

3.4. Protect the Public. To avoid damage to residents of the City and other third parties from misstatements or omissions in Disclosure Documents.

4. Policy. It is the policy of the City to comply fully with applicable securities law regarding disclosure in connection with the issuance of Securities and with the terms of its Disclosure Agreements,

5. Procedures. The following officials and employees of the City shall implement the following procedures in preparing, checking, or issuing the following Disclosure Documents.

5.1. Official Statements.

5.1.1. Disclosure Working Group. The working group for preliminary and final official statements (collectively, "Official Statement") issued in primary offerings shall consist of the following officers, employees, and consultants of the City: Finance Director, Budget Analyst(s), Disclosure Counsel, and Financial Advisor. Other officers or employees may be added as necessary depending on the expertise required for the particular offering.

5.1.2. Establishing Scope and Process. At the beginning of the disclosure process, the Disclosure Working Group will (a) determine (with input from the City's underwriters, in the case of a negotiated offering) what information should be disclosed in the Official Statement to present fairly a description of the source of repayment and security for the securities being offered, including related financial and operating information (which may include a discussion of material risks related to investment in the securities), (b) assign responsibilities for assembling and verifying the information, and (c) establish a schedule for producing the information and the Official Statement that will afford sufficient time for final review by the Disclosure Working Group and the Disclosure Officer and the approvals required by this Disclosure Policy. While the information included in the last offering document may be used as a starting point, the Disclosure Working Group should be encouraged to provide suggestions for improvement and not assume it represents a complete list of what is currently required.

5.1.3. Assembling Current Information. The Disclosure Officer shall (a) identify officers or employees of the City who are likely to know or be able to obtain and verify required information; (b) request that they assemble, verify, and forward the information and also notify the Disclosure Officer of any other fact that they believe to be important to investors; and (c) establish a reasonable but sufficient deadline for producing the information. The Disclosure Officer should produce (or cause to be produced) a draft of the Official Statement based on the information that they receive. The Disclosure Officer shall assure that employees within their areas devote sufficient time and care to produce timely and accurate information, when requested. The Disclosure Officer shall distribute drafts of the Official Statement to the Disclosure Working Group for review together with a description of the process used to compile it and a list of facts, if any, that employees forwarded as important but are not included in the draft.

5.1.4. Review for Process, Accuracy, and Completeness. The members of the Disclosure Working Group shall review the Official Statement drafts and Disclosure Officer process description to determine (and shall report to the Disclosure Officer as to) whether, based on information known or reported to them, (a) this Disclosure Policy was followed, (b) the material facts in the Public Statement appear to be consistent with those known to the members of the Disclosure Working Group, and (c) the Official Statement omits any material fact that is necessary to be included to prevent the Official Statement from being misleading to investors. The Disclosure Officer shall take such action as may be necessary,

based on feedback from the Disclosure Working Group, to enable the Disclosure Working Group to conclude that this Disclosure Policy was followed and that the Official Statement is accurate and complete in all material respects. The preliminary Official Statement shall be presented to the City Manager and the City Council for review.

5.1.5. Final Approval. The Official Statement shall be sent to the City's Disclosure Counsel and/or Bond Counsel for review and approval. The Disclosure Officer shall approve the final draft of the Official Statement.

5.1.6. Documentation of Procedures. The Disclosure Officer shall compile and retain a file of the actions taken to prepare, check, and approve the Official Statement, including the sources of the information included, the comments and actions of the Disclosure Working Group and the description of the process used to prepare the Official Statement.

5.2. Annual Financial Information and Operating Data.

5.2.1. Disclosure Working Group. The Disclosure Working Group for annual financial information and operating data to be filed with the MSRB pursuant to Disclosure Agreements (the "Annual Filing") shall consist of the following officers and employees of the City: Finance Director and Budget Analyst(s).

5.2.2. Assembling Current Information. The Disclosure Officer shall (a) compile and maintain (and update after every issuance or defeasance of Securities) a list of all financial information and operating data required to be filed with the MSRB pursuant to each of the Disclosure Agreements; (b) assign responsibilities to officers and employees for periodically assembling and verifying the data; (c) request that they assemble, verify, and forward the data to the Disclosure Officer and notify the Disclosure Officer if they have learned of any other fact that they consider to be material with respect to the information provided; and (d) establish a schedule for producing the data (and the Annual Filing document) that will afford sufficient time for final review by the Disclosure Working Group and the Disclosure Officer and the approvals required by this Disclosure Policy. The Disclosure Officer shall distribute drafts of the Annual Filing to the Disclosure Working Group for review together with a description of the process used to compile it.

5.2.3. Review for Process, Accuracy, and Completeness. The members of the Disclosure Working Group shall review the Annual Filing drafts and Disclosure Officer process description to determine (and shall report to the Disclosure Officer as to) whether, based on information known or reported to them, (a) this Disclosure Policy was followed, (b) the material facts in the Annual Filing appear to be consistent with those known to the members of the Disclosure Working Group, and (c) the Annual Filing omits any material fact that is necessary to be included to prevent the Annual Filing from being misleading to investors. The Disclosure Officer shall take such action as may be necessary, based on feedback from the Disclosure Working Group, to enable the Disclosure Working Group to conclude that this Disclosure Policy was followed and that the Annual Filing is accurate and complete in all material respects. The Annual Filing and the Disclosure Officer report regarding the process used to prepare and check the Annual Filing shall be presented to the City Manager and City Council prior to posting.

5.2.4. Final Approval. The Disclosure Officer shall approve the final draft of the Annual Filing.

5.2.5. Posting. The Disclosure Officer shall be responsible for the Annual Filing with the MSRB through EMMA by the deadline established by the Disclosure Agreements. The Disclosure Officer shall exercise

reasonable care to file the Annual Filing in the format and with the identifying information required by the Disclosure Agreements, including applicable CUSIP numbers for the City's Securities.

5.2.6. Documentation of Procedures. The Disclosure Officer shall compile and retain a file of the actions taken to prepare, check, and approve the Annual Filing, including the sources of the information included, the comments and actions of the Disclosure Working Group, the Disclosure Officer's report regarding the process used to prepare the Annual Filing.

5.3. Event Notices.

5.3.1. Identification of Reportable Events. The Disclosure Officer shall maintain a list of events of which the City is required to provide notice to the MSRB pursuant to the Disclosure Agreements. The Disclosure Officer (with the assistance of members of the Disclosure Working Group for Official Statements) shall (a) identify the officers and employees of the City who are most likely to first obtain knowledge of the occurrence of such events and (b) request in writing that they notify the Disclosure Officer immediately after learning of any such event, regardless of materiality, and repeat such request in a quarterly reminder.

5.3.2. Preparation of Event Notice. The Disclosure Officer shall (a) assess the materiality of any reported event with the assistance of the City's Disclosure Counsel and the City Attorney (reportable under the Disclosure Agreements only if material) and, if notice of the event must be given (or if no materiality standard applies to that particular event); (b) prepare an Event Notice giving notice of the event; and (c) except for notices of a rating change, bond call, or defeasance, forward the draft Event Notice to the City's Disclosure Counsel and the City Attorney for their review.

5.3.3. Review and Approval of Event Notice. The City's Disclosure Counsel and City Attorney shall promptly review and approve or comment on the Event Notice. The Disclosure Officer shall revise the Event Notice, if necessary. The Disclosure Officer shall not file the Event Notice Statement until it is approved by the City's Disclosure Counsel and the City Attorney, unless the Event Notice (a) gives notice of a rating change, bond call, or defeasance or (b) such approval has not been received by the applicable Disclosure Agreement filing deadline.

5.3.4. Posting. The Disclosure Officer shall file the Event Notice with the MSRB through EMMA by the deadline established by the Disclosure Agreements or, if the facts cannot be correctly and fairly described by the deadline, then as soon thereafter as possible. The Disclosure Officer shall exercise reasonable care to file the Event Notice in the format and with the identifying information required by the Disclosure Agreements, including CUSIP numbers for the applicable Securities.

5.3.5. Documentation of Procedures. The Disclosure Officer shall compile and retain a file of the actions taken to report each event and prepare, check, and approve the notice of the event, including the approvals of the City's Disclosure Counsel and City Attorney, if obtained.

6. Training.

6.1. Personnel to be Trained. Each member of a Disclosure Working Group, the City Manager, the City Attorney, and the Public Information Officer.

6.2. Training Content. The training program and materials shall be prepared by or with the assistance of the issuer's outside Disclosure Counsel and approved by the Disclosure Officer. The training program

shall impart the requirements of federal and state securities laws and the Disclosure Agreements, the meaning of “material,” and the duties of such officers and employees under this Disclosure Policy.

6.3. Training Frequency. Each affected officer and employee shall undergo training (a) promptly after being appointed to a position described in Section 6.1 and (b) annually or as necessary to address any changes in law or this Disclosure Policy.

7. Updates to Policies and Procedures.

7.1. Periodic Review. The Disclosure Policy shall be reviewed annually by the Disclosure Policy Working Groups. In addition, at any time all officers and employees of the City are invited and encouraged to make suggestions for changes to this Disclosure Policy so that it fosters better compliance with applicable laws, results in better information to investors, or makes the procedures required by this Disclosure Policy more efficient.

7.2. Recommendations for Change. Following receipt of any such suggestions, the Disclosure Officer shall give their recommendation and advice regarding the suggestions to the Disclosure Working Groups. The Disclosure Working Groups shall consider the suggestions and the Disclosure Officer’s recommendation and advice, to determine whether to propose a change to this Disclosure Policy, and to submit such proposal to the City’s Disclosure Counsel for review.

7.3. Changes to Disclosure Policy. The City Council shall approve, and the Disclosure Officer shall implement any change to this Disclosure Policy that is proposed by the Disclosure Working Groups and is determined by the City’s Disclosure Counsel to be advisable.

8. Miscellaneous.

8.1. Internal Use Only. This Disclosure Policy is intended for the internal use of the City only and is not intended to establish any duties in favor of or rights of any person other than the City.

8.2. Waiver of Procedures. The officers and employees charged by this Disclosure Policy with performing or refraining from any action may depart from this Disclosure Policy when they and the Disclosure Officer in good faith determine that such departure is in the best interests of the City and consistent with the duties of the City under federal and state securities laws. If the Disclosure Officer is charged by this Disclosure Policy with taking or refraining from such action, any such departure shall require approval of the City Attorney.

8.3. Document Retention. Documents shall be retained for a minimum time period that is in accordance with the State and Federal record retention laws.

8.4 Internal Audit. All provisions of this policy shall be subject to internal audit and review for compliance.

APPENDIX A

The following provisions are intended to cover websites, press releases, investor inquiries, and other instances in which statements might be made that could be determined to be subject to scrutiny under federal securities laws within the scope of a Disclosure Policy.

1. Website.

1.1. **Review of Website.** The Public Information Officer and Disclosure Officer shall review the City's Website Content at least annually to assure that (a) material third-party information is not linked or referred to without appropriate disclaimers, is not hyperlinked, and is not included unless the Disclosure Officer has reason to believe that it is reliable, and identifies the source of the information; (b) all material information and financial and operating data is removed from the website or moved to a clearly labeled archives page or is presented in a way that clearly identifies the applicable date; (c) no material forward-looking statements (projections, forecasts, etc.) are included unless they are based on reasonable assumptions and are accompanied by a description of the substantial risks to achieving the forecasted results; and (d) the material information presented is consistent with the knowledge of such persons and not internally inconsistent.

1.2. **Postings.** The Public Information Officer and Disclosure Officer shall review Website Content to assure consistency with Section 1.1 of Appendix A. With respect to each Public Statement it receives from the Disclosure Officer, the Public Information Officer shall add a link to the document or post the document in the appropriate section of the website.

1.3. **Documentation of Procedures.** The Public Information Officer and Disclosure Officer shall compile and maintain a record of (a) the scope and results of each review of the Website Content pursuant to Section 1.1 of Appendix A, and (b) the actions taken following each such review.

2. Investor Inquiries.

2.1. **Investor Inquiry Coordination.** The Disclosure Officer shall coordinate responses to investor inquiries. Assistance from the City's Financial Advisor, Disclosure Counsel, or Bond Counsel will be sought if necessary or prudent.

2.2. **Processing of Investor Inquiries.** Except for communications that occur in connection with primary offerings, all inquiries from investors shall be managed by the Disclosure Officer. If any other employee of the City receives an inquiry from an investor, that employee shall refer such inquiry to the Disclosure Officer.

2.3. **Responses to Investor Inquiries.** With respect to each inquiry from an investor, (a) if information necessary to respond to such inquiry has already been included in a Public Statement, then the Disclosure Officer shall refer the investor to the Public Statement, and (b) if information necessary to respond to such inquiry is not obtainable from information included in a Public Statement, then the Disclosure Officer shall determine the best manner to respond to such inquiry in a manner that assures that it is accurate, which may include convening a meeting of the Disclosure Working Group for broader inquiries or ones that require subjective judgment in responding, or initiating the issuance of a Public Statement if it is advisable.

2.4. **Documentation.** The Disclosure Officer shall compile and maintain a record of investor inquiries and responses.

3. **Press Releases, Etc.**

3.1. **Notification of Disclosure Officer.** The Public Information Officer shall notify the Disclosure Officer of each Public Statement to be issued by the Public Information Officer and, whenever possible, provide them with an opportunity to review and comment before release.

3.2. **Review of Public Statement.** The Disclosure Officer shall review each Public Statement to determine whether it could reasonably be material to investors in the City's Securities and, if so, to assure that the factual statements in the Public Statement are supported and appropriately qualified. The Disclosure Officer shall develop appropriate qualifications with the assistance of Disclosure Counsel. The Disclosure Officer shall forward their comments to the Public Information Officer, who shall take them into account before releasing the Public Statement, whenever possible. If the Disclosure Officer determines that a released Public Statement requires correction, the Public Information Officer shall be notified and a clarifying and/or correcting Public Statement shall be released.

3.3. **Posting.** Whenever the Disclosure Officer determines that a Public Statement could reasonably be material to investors, they shall determine whether such information is already readily accessible to investors and, if not, shall file such Public Statement as a voluntary Disclosure Document with the MSRB through EMMA.

3.4. **Documentation of Procedures.** The Disclosure Officer shall compile and retain a file of the actions taken to review any Public Statement issued by the Public Information Officer.