AGENDA

SPECIAL MEETING OF THE WINDSOR HEIGHTS CITY COUNCIL
TUESDAY, MARCH 31, 2020 – 6:00 P.M.
DUE TO COVID-19 ALL MEETINGS OF THE WINDSOR HEIGHTS CITY COUNCIL WILL BE HELD VIRTUALLY VIA ZOOM MEETING. PLEASE SEE INSTRUCTIONS AT THE END OF THIS AGENDA FOR PARTICIPATION IN THE MEETING.

Notice to the Public: If you would like the supporting documents and information, please call City Hall by noon the day of the meeting. Copies of City Council Agendas are free to the public. In consideration of all, if you have a cell phone, please turn it off or put it on silent ring. The use of obscene and vulgar language, hate speech, racial slurs, slanderous comments, and any other disruptive behavior during the Council meeting will not be tolerated and the offender may be barred by the presiding officer from further comment before the Council during the meeting and/or removed from the meeting.

1. **Call to Order and Roll Call**

2. **Approval of the Agenda**

3. **Consideration of Resolution No. 2020-44 – A Resolution Suspending Public Offering for Sale of General Obligation Corporate Purpose and Refunding Bonds, Series 2020A and Authorizing the Development of Private Placement Proposals ($8,500,000)**

4. **Consideration of Resolution No. 2020-45 – A Resolution Suspending Public Offering for Sale of General Obligation Urban Renewal Bonds, Series 2020B and Authorizing the Development of Private Placement Proposals ($7,500,000)**

5. **Consideration of Resolution No. 2020-46 - A Resolution Approving Robert W. Baird & Co. as Placement Agent for the City of Windsor Heights, Iowa**

6. **Adjourn to 6:00 pm on Monday, April 6, 2020, for a Regular Council Meeting via Zoom Meeting**
   Join Zoom Meeting
   https://zoom.us/j/626391026?pwd=am9naXlQT2NkRTRUUmd5eWs2dmNHUT09
   Meeting ID: 626 391 026
   Password: 059887
   Dial by your location
   +1 312 626 6799 US (Chicago)
   +1 929 205 6099 US (New York)
   +1 346 248 7799 US (Houston)
   +1 669 900 6833 US (San Jose)
   +1 253 215 8782 US
   +1 301 715 8592 US
   Find your local number: https://zoom.us/u/ayPx7l0eE

The agenda was posted on the official bulletin boards, posted to www.windsorheights.org, and city social media platforms in compliance with the requirements of city ordinances and the open meetings law.

From:	tpooler@independentpublicadvisors.com
To:	Mark Arentsen; Rachelle Swisher; Travis Cooke
Cc:	John Danos
Subject:	Windsor Heights Levy and TIF update
Date:	Monday, March 30, 2020 1:53:00 PM
Attachments:	image003.png Windsor_Heights_TIF_GO_Storm_Planning_20200330.pdf

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Good afternoon all: Attached are the updated exhibits. These include the most recent indications I have received from the placement agent. This is already inclusive of the fee charged by the agent, which takes the place of, and is lower than, the underwriter fee I had assumed for the competitive sale. We will evaluate bids as they come in on the 6th. The fees/rates for each bid will be considered then.

These rates are in line with—and somewhat lower than -- early estimates I made for the competitive sale, and I think it would be unwise to try and chase the competitive market when you have a viable alternative, especially with construction commitments already made. There is a Aa3 school district pricing today; I can provide those results for context when they are available.

Please let me know if you have any questions.

Thank you,
Tionna

Tionna Reed Pooler, President
Des Moines: 515.259.8193 | Kansas City: 816.521.6844
tpooler@independentpublicadvisors.com

Independent Public Advisors, LLC

City of Windsor Heights **Exhibit 1**

Debt Levy Analysis--Estimated 2020A Bonds

March 30, 2020

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
					Debt Levy Analysis							**Ann. Est. Res Property Owner Impact**			**Debt Capacity**				
	Fiscal	**Taxable**	**Existing**	**Debt Svc**	**Phase 1 (2018-2020):**		**2020A Debt Levy**			**Annual Total**		**Per $100,000**	**$182,500 home**	**$275,000 home**	**Legal**	**Existing Debt**		**Proposed Debt**	
	Year	**Valuation**	**Debt Svc**	**Levy**	**Levy Margin**	**2017A**	**New Money**	**Refunding**	**Less LOSST**	**Debt Svc**	**Levy**	**Txbl Value (TV)**	**$103,875 (TV)**	**$156,525 (TV)**	**Capacity**	**Par**	**Use**	**Par**	**Use**
												$100,000	$103,875	$156,525	$100,000	$94,230	$152,971	$94,230	$152,971
1	2018	254,506,132	379,083	1.48948	1.51052	364,165				743,248	2.92035	292	303	457	19,976,622	6,145,000	31%	6,145,000	31%
2	2019	273,911,783	385,446	1.40719	1.59281	407,900				793,346	2.89636	290	301	453	21,910,106	4,755,000	22%	4,755,000	22%
3	2020	280,135,512	296,158	1.05720	1.94280	490,100				786,258	2.80671	281	292	439	22,065,274	3,335,000	15%	18,985,000	86%
4	2021	294,670,669	500	0.00170			903,619	201,957	-424,209	681,868	**2.31400**	231	240	362	23,833,579	2,590,000	11%	16,195,000	68%
5	2022	294,670,669	500	0.00170			617,612	204,778	-390,000	432,890	1.46906	147	153	230	23,833,579	2,240,000	9%	13,415,000	56%
6	2023	294,670,669	500	0.00170			617,106	206,514	-390,000	434,120	1.47324	147	153	231	23,833,579	1,890,000	8%	10,590,000	44%
7	2024	294,670,669	500	0.00170			616,396	203,148	-390,000	430,044	1.45941	146	152	228	23,833,579	1,530,000	6%	9,315,000	39%
8	2025	294,670,669	500	0.00170			615,482	209,782	-390,000	435,764	1.47882	148	154	231	23,833,579	1,160,000	5%	8,010,000	34%
9	2026	294,670,669	500	0.00170			619,364	206,212	-390,000	436,076	1.47988	148	154	232	23,833,579	785,000	3%	6,680,000	28%
10	2027	294,670,669	500	0.00170			617,940	207,642	-390,000	436,082	1.47990	148	154	232	23,833,579	395,000	2%	5,315,000	22%
11	2028	294,670,669	500	0.00170			616,312	208,970	-390,000	435,782	1.47888	148	154	231	23,833,579	0	0%	3,925,000	16%
12	2029	294,670,669	500	0.00170			619,480	210,196	-390,000	440,176	1.49379	149	155	234	23,833,579	0	0%	2,905,000	12%
13	2030	294,670,669	500	0.00170			617,342	206,320	-390,000	434,162	1.47338	147	153	231	23,833,579	0	0%	1,870,000	8%
14	2031	294,670,669	500	0.00170				212,444		212,944	0.72265	72	75	113	23,833,579	0	0%	1,425,000	6%
15	2032	294,670,669	500	0.00170				213,364		213,864	0.72577	73	75	114	23,833,579	0	0%	970,000	4%
16	2033	294,670,669	500	0.00170				209,182		209,682	0.71158	71	74	111	23,833,579	0	0%	515,000	2%
17	2034	294,670,669	0	0.00000						0	0.00000	0	0	0	23,833,579	0	0%	260,000	1%
18	2035	294,670,669	0	0.00000						0	0.00000	0	0	0	23,833,579	0	0%	0	0%

Key Assumptions:

1. The refunding of Series 2014A is assumed. Execution is subject to favorable market conditions at the time of sale.
2. Existing debt service (column C) is reduced as a result of the anticpated refunding of Series 2014A.
3. The debt service for 2020A includes the portion dedicated to the refunding of Series 2014A (column H).
4. Debt levy and debt capacity calculations assume no growth in valuation. Valuation growth would increase both debt margin and funding capacity.
5. FY20 and later capacity includes additional $7.5 million of 2020B bonds to be issued through TIF.
6. Bonds are closed April 2020; an additional 0.50% has been added to February 2020 borrowing rates for timing. Debt service is estimated.
7. Due to residential property tax rollback of 56.9180%, a house assessed with the median household value of $182,500 will pay taxes based on a taxable value of $103,875 for fiscal year 2020.
   Median household value as per the 2013-2017 US Census American Community Survey 5-Year estimate.
8. Commercial, residential, and multi-residential rollback varies from year to year and will have an impact on estimated owner impact. Individual tax credits may alter estimates.

City of Windsor Heights **Exhibit 2**

TIF Model Summary- Estimated Series 2020B

March 30, 2020 (Based on FY20 Valuation, 0% Growth)

LN#	Fiscal Year Ending:	Audit 06/30/17	Audit 06/30/18	Actual 06/30/19	Projected 06/30/20	Projected 06/30/21
1	**Beginning Balance:**	$1,377,001	$1,389,485	$1,047,191	$1,150,007	$2,130,286
2	**Revenues & Resources:**					
3	Property Tax:	$1,794,787	$1,860,988	$1,862,387	$2,159,491	$2,252,809
4	Interest/Other:	1,582	0	-52,306	0	0
5	Bond Proceeds:	0	0	0	0	7,418,902
6	**Total Revenue & Resources:**	**$1,796,369**	**$1,860,988**	**$1,810,081**	**$2,159,491**	**$9,671,711**
7	**Expenses:**					
8	Debt Obligations:					
9	Series 2007A (Colby Park)	$ 186,840	$ -	$ -	$ -	$ -
10	Series 2008A (Civic Center/ Hickman 63rd)	5,699	-	-	-	-
11	Series 2008B(Civic Center/ Hickman 63rd)	16,384	-	-	-	-
12	Series 2011A (Gen Fund Loan)	407,613	5,938	-	-	-
13	Series 2011B (Univ Refi)	-	-	-	-	-
14	Series 2012A (Univ Refi)	260,610	258,560	-	-	-
15	Series 2013A (Refi)	-	-	-	-	-
16	Series 2016A (Hickman 63rd)	170,312	137,825	136,675	135,025	137,825
17	Series 2016B (Hickman 63rd)	333,427	270,660	272,398	273,548	274,385
18	Series 2017B (Refi 2011A)	-	399,990	406,293	405,325	408,500
19	Prospective Series 2020B (Street)	-	-	-	-	1,277,715
20	Subtotal Debt	$ 1,380,884	$ 1,072,974	$ 815,365	$ 813,898	$ 2,098,425
21	Agreements	$ 50,500	$ 50,500	$ 53,506	$ -	$ -
22	Economic Development Transfer	82,685	-	25,000	217,315	100,000
23	Capital Expenditures	71,400	895,376	672,069	-	8,600,000
24	Administrative/Professional Fees:	198,415	184,433	141,325	148,000	-
25	**Total Expenses**	$ 1,783,884	$ 2,203,283	$ 1,707,265	$ 1,179,213	$ 10,798,425
26	**(+/-) Reserves**	12,485	(342,295)	102,816	980,279	(1,126,714)
27	**Ending Balance:**	$ 1,389,486	$ 1,047,191	$ 1,150,007	$ 2,130,286	$ 1,003,571
28	**Unused Potential Revenue:**	n.a.	n.a.	n.a.	n.a.	n.a.
29	**Economic Development Fund**					
30	Beginning Balance:	$ -	$ -	$ -	$ 25,000	$ 25,000
31	Transfers In:	82,685	-	25,000	-	100,000
32	Grants Made:	(82,685)	-	-	-	(100,000)
33	Transfers Out:	-	-	-	-	-
34	Ending Balance:	$ -	$ -	$ 25,000	$ 25,000	$ 25,000

Notes: FY21 Projects-7.5 University, 800K trail connection.

Proposed debt service figures are rounded estimates.

City of Windsor Heights **Exhibit 2**

TIF Model Summary- Estimated Series 2020B

March 30, 2020 (Based on FY20 Valuation, 0% Growth)

LN#	Fiscal Year Ending:	Projected 06/30/22	Projected 06/30/23	Projected 06/30/24	Projected 06/30/25	Projected 06/30/26	Projected 06/30/27	Projected 06/30/28
1	**Beginning Balance:**	$1,003,571	$867,091	$741,129	$621,325	$505,671	$389,165	$271,906
2	**Revenues & Resources:**							
3	Property Tax:	$2,252,809	$2,252,809	$657,228	$659,368	$656,043	$661,793	$656,913
4	Interest/Other:	0	0	0	0	0	0	0
5	Bond Proceeds:	0	0	0	0	0	0	0
6	**Total Revenue & Resources:**	**$2,252,809**	**$2,252,809**	**$657,228**	**$659,368**	**$656,043**	**$661,793**	**$656,913**
7	**Expenses:**							
8	Debt Obligations:							
9	Series 2007A (Colby Park)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Series 2008A (Civic Center/ Hickman 63rd)	-	-	-	-	-	-	-
11	Series 2008B(Civic Center/ Hickman 63rd)	-	-	-	-	-	-	-
12	Series 2011A (Gen Fund Loan)	-	-	-	-	-	-	-
13	Series 2011B (Univ Refi)	-	-	-	-	-	-	-
14	Series 2012A (Univ Refi)	-	-	-	-	-	-	-
15	Series 2013A (Refi)	-	-	-	-	-	-	-
16	Series 2016A (Hickman 63rd)	135,525	133,225	135,638	137,938	135,125	137,000	133,750
17	Series 2016B (Hickman 63rd)	275,130	270,783	271,083	270,923	270,410	274,285	272,655
18	Series 2017B (Refi 2011A)	-	-	-	-	-	-	-
19	Prospective Series 2020B (Street)	1,878,634	1,874,763	270,312	266,163	267,013	267,767	268,425
20	Subtotal Debt	$ 2,289,289	$ 2,278,770	$ 677,032	$ 675,023	$ 672,548	$ 679,052	$ 674,830
21	Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	Economic Development Transfer	100,000	100,000	100,000	100,000	100,000	100,000	100,000
23	Capital Expenditures	-	-	-	-	-	-	-
24	Administrative/Professional Fees:	-	-	-	-	-	-	-
25	**Total Expenses**	$ 2,389,289	$ 2,378,770	$ 777,032	$ 775,023	$ 772,548	$ 779,052	$ 774,830
26	**(+/-) Reserves**	(136,480)	(125,961)	(119,804)	(115,655)	(116,505)	(117,259)	(117,917)
27	**Ending Balance:**	$ 867,091	$ 741,129	$ 621,325	$ 505,671	$ 389,165	$ 271,906	$ 153,989
28	**Unused Potential Revenue:**	n.a.	n.a.	$1,502,263	$1,500,123	$1,503,448	$1,497,698	$1,502,578
29	**Economic Development Fund**							
30	Beginning Balance:	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
31	Transfers In:	100,000	100,000	100,000	100,000	100,000	100,000	100,000
32	Grants Made:	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
33	Transfers Out:	-	-	-	-	-	-	-
34	Ending Balance:	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000

Notes: FY21 Projects-7.5 University, 800K trail connection.
Proposed debt service figures are rounded estimates.

City of Windsor Heights, IA
General Obligation Series 2020AB
Private Placement Estimates as of March 30, 2020
First Coupon: 12/1/2020
Dated/Delivery: 4/30/2020

Fiscal Year	Series 2020A			Series 2020B		
End	Principal	Interest	Total	Principal	Interest	Total
06/30/21	925,000	180,577	1,105,577	1,120,000	157,215	1,277,215
06/30/22	675,000	147,390	822,390	1,755,000	123,134	1,878,134
06/30/23	690,000	133,620	823,620	1,785,000	89,263	1,874,263
06/30/24	700,000	119,544	819,544	215,000	54,812	269,812
06/30/25	720,000	105,264	825,264	215,000	50,663	265,663
06/30/26	735,000	90,576	825,576	220,000	46,513	266,513
06/30/27	750,000	75,582	825,582	225,000	42,267	267,267
06/30/28	765,000	60,282	825,282	230,000	37,925	267,925
06/30/29	785,000	44,676	829,676	235,000	33,486	268,486
06/30/30	795,000	28,662	823,662	240,000	28,950	268,950
06/30/31	200,000	12,444	212,444	245,000	24,318	269,318
06/30/32	205,000	8,364	213,364	250,000	19,590	269,590
06/30/33	205,000	4,182	209,182	250,000	14,765	264,765
06/30/34				255,000	9,940	264,940
06/30/35				260,000	5,018	265,018
Totals	8,150,000	1,011,163	9,161,163	7,500,000	737,855	8,237,855

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March 26, 2020

<u>Via Email</u>
Mark Arentsen
City Administrator/City Hall
Windsor Heights, Iowa

Re: General Obligation Corporate Purpose and Refunding Bonds, Series 2020A
Our File No. 503155-10

Dear Mark:

We have prepared and attach the necessary proceedings suspending the public offering of the Bonds and authorizing the development of private placement proposals for the sale of such Bonds.

As soon as possible after the City Council meeting, please return one fully executed copy of all of the completed pages in these proceedings. If you have any questions, please contact Cheryl Ritter or me.

Best regards,

John P. Danos

Attachments

cc: Tionna Pooler
Diana VanVleet
Travis Cooke
Rachelle Swisher
Paul Donna

RESOLUTION NO. 2020-44

Resolution suspending public offering for sale of General Obligation Corporate Purpose and Refunding Bonds, Series 2020A and authorizing the development of private placement proposals

WHEREAS, the City of Windsor Heights (the "City"), in Polk County, State of Iowa, previously issued its $3,090,000 General Obligation Capital Loan Notes, Series 2014A, dated January 6, 2014 (the "2014A Notes"), a portion of which currently remain outstanding, maturing on June 1 in each of the years and in such amounts and bearing interest at such rates as follows:

Year	Principal Amount	Interest Rate Per Annum	Year	Principal Amount	Interest Rate Per Annum
2021	$145,000	2.10%	2028	$180,000	3.50%
2022	$150,000	2.30%	2029	$190,000	3.60%
2023	$155,000	2.50%	2030	$195,000	4.00%
2024	$155,000	2.65%	2031	$205,000	4.00%
2025	$165,000	2.85%	2032	$215,000	4.00%
2026	$170,000	3.00%	2033	$220,000	4.00%
2027	$175,000	3.20%			

; and

WHEREAS, pursuant to the resolution (the "2014A Note Resolution") authorizing the issuance of the 2014A Notes, the City reserved the right to prepay part or all of the principal of the 2014A Notes maturing in each of the years 2021 through 2033 (the "Callable 2014A Notes"), inclusive, prior to maturity on June 1, 2020 or on any date thereafter, subject to the provisions of the 2014A Note Resolution; and

WHEREAS, the City heretofore proposed to enter into a loan agreement (the "Loan Agreement"), pursuant to the provisions of Section 384.24A of the Code of Iowa, and to borrow money thereunder in a principal amount not to exceed $8,500,000 for the purpose of paying the costs, to that extent, of (1) constructing street improvements and incidental water utility system, sanitary sewer system, storm water drainage and sidewalk improvements; (2) acquiring and installing street lighting, signage and signalization; and (3) current refunding the Callable 2014A Notes; and pursuant to law and duly published notice of the proposed action has held a hearing thereon on March 2, 2020; and

WHEREAS, the City intends to enter into the Loan Agreement in the future and to issue General Obligation Corporate Purpose and Refunding Bonds, Series 2020A (the "Bonds") in evidence of its obligations thereunder; and

WHEREAS, a Preliminary Official Statement (the "P.O.S.") has been prepared and approved to facilitate a public offering for the sale of the Bonds, and the City has authorized its use by Independent Public Advisors, LLC as financial advisor (the "Financial Advisor") to the City; and

WHEREAS, the City Council has acted to set April 6, 2020 (the "Sale Date") as the initial date for the receipt of bids through the public offering of the Bonds; and

WHEREAS, recent conditions of volatility in the bond market have made it difficult to predict positive financial outcomes from a competitive sale at this time; and

WHEREAS, the City has been approached by Robert W. Baird & Co. Inc. (the "Placement Agent") about the possibility of selling the Bonds through a negotiated private placement on terms favorable to the City; and

WHEREAS, it is now necessary to suspend the Sale Date, to authorize the Placement Agent (in cooperation with the Financial Advisor) to develop private placement proposals for the Bonds and to set a date for the consideration of such proposals;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Windsor Heights, Iowa, as follows:

Section 1. The Sale Date is hereby suspended. The City may at a later date, upon further action of this City Council, set a new Sale Date and resume the public offering of the Bonds.

Section 2. The Placement Agent, in consultation with the Financial Advisor and Dorsey & Whitney LLP, as bond counsel to the City, take such actions as are necessary to develop private placement proposals for the Bonds and to present such proposals to the City Council for consideration at the meeting on April 6, 2020.

Section 3. Further action with respect to the Bonds is hereby adjourned to the City Council meeting on April 6, 2020.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved March 31, 2020.

____
Mayor

Attest:

____
City Clerk

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March 26, 2020

Via Email
Mark Arentsen
City Administrator/City Hall
Windsor Heights, Iowa

Re: General Obligation Urban Renewal Bonds, Series 2020B
Our File No. 503155-12

Dear Mark:

We have prepared and attach the necessary proceedings suspending the public offering of the Bonds and authorizing the development of private placement proposals for the sale of such Bonds.

As soon as possible after the City Council meeting, please return one fully executed copy of all of the completed pages in these proceedings. If you have any questions, please contact Cheryl Ritter or me.

Best regards,

John P. Danos

Attachments

cc: Tionna Pooler
Diana VanVleet
Travis Cooke
Rachelle Swisher
Paul Donna

RESOLUTION NO. 2020-45

Resolution suspending public offering for sale of General Obligation Urban Renewal Bonds, Series 2020B and authorizing the development of private placement proposals

WHEREAS, the City of Windsor Heights (the "City"), in Polk County, State of Iowa, heretofore proposed to enter into a loan agreement (the "Loan Agreement"), pursuant to the provisions of Section 384.24A of the Code of Iowa, and to borrow money thereunder in a principal amount not to exceed $7,500,000 for the purpose of paying the costs, to that extent, of constructing street improvements and incidental water utility system, sanitary sewer system, storm water drainage and sidewalk improvements; and acquiring and installing street lighting, signage and signalization; and pursuant to law and duly published notice of the proposed action has held a hearing thereon on March 2, 2020;

WHEREAS, the City intends to enter into the Loan Agreement in the future and to issue General Obligation Urban Renewal Bonds, Series 2020B (the "Bonds") in evidence of its obligations thereunder; and

WHEREAS, a Preliminary Official Statement (the "P.O.S.") has been prepared and approved to facilitate a public offering for the sale of the Bonds, and the City has authorized its use by Independent Public Advisors, LLC as financial advisor (the "Financial Advisor") to the City; and

WHEREAS, the City Council has acted to set April 6, 2020 (the "Sale Date") as the initial date for the receipt of bids through the public offering of the Bonds; and

WHEREAS, recent conditions of volatility in the bond market have made it difficult to predict positive financial outcomes from a competitive sale at this time; and

WHEREAS, the City has been approached by Robert W. Baird & Co. Inc. (the "Placement Agent") about the possibility of selling the Bonds through a negotiated private placement on terms favorable to the City; and

WHEREAS, it is now necessary to suspend the Sale Date, to authorize the Placement Agent (in cooperation with the Financial Advisor) to develop private placement proposals for the Bonds and to set a date for the consideration of such proposals;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Windsor Heights, Iowa, as follows:

Section 1. The Sale Date is hereby suspended. The City may at a later date, upon further action of this City Council, set a new Sale Date and resume the public offering of the Bonds.

Section 2. The Placement Agent, in consultation with the Financial Advisor and Dorsey & Whitney LLP, as bond counsel to the City, take such actions as are necessary to develop private placement proposals for the Bonds and to present such proposals to the City Council for consideration at the meeting on April 6, 2020.

Section 3. Further action with respect to the Bonds is hereby adjourned to the City Council meeting on April 6, 2020.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved March 31, 2020.

____
Mayor

Attest:

____
City Clerk

RESOLUTION NO. 2020-46

A RESOLUTION APPROVING ROBERT W. BAIRD & CO AS PLACEMENT AGENT FOR THE CITY OF WINDSOR HEIGHTS, IOWA

WHEREAS, the City of Windsor Heights, Iowa proposes placement and issuance of approximately $8,170,000 General Obligation Corporate Purpose and Refunding Bonds, Series 2020A; and

WHEREAS, the City of Windsor Heights, Iowa proposes placement and issuance of approximately $7,500,000 General Obligation Urban Renewal Bonds, Series 2020B; and

WHERAS, the City of Windsor Heights, Iowa wishes to engage Robert W. Baird & Co as placement agent for the above referenced securities.

NOW, THEREFORE BE IT HEREBY RESOLVED that the City Council of the City of Windsor Heights, Iowa does hereby approve the attached placement agent engagement letter between the City and Robert W. Baird & Co.

Passed and approved this 31st day of March, 2020.

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Dave Burgess, Mayor

ATTEST:

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Travis Cooke, City Clerk

March 27, 2020

Mr. Mark Arentsen, Interim City Administrator
City of Windsor Heights, Iowa
1145 66th Street Suite 1
Windsor Heights, IA 50324

Re. Placement Agent Engagement Letter

Mr. Arentsen:

On behalf of Robert W. Baird & Co. Incorporated ("Baird" or "we"), we wish to thank you for the opportunity to serve as placement agent for the City of Windsor Heights, Iowa (the "Issuer" or "you") on its proposed placement and issuance of approximately $8,170,000[1] General Obligation Corporate Purpose and Refunding Bonds, Series 2020A and $7,500,000[1] General Obligation Urban Renewal Bonds, Series 2020B (the "Securities").

1. Services to be Provided by Baird. Baird is hereby engaged to serve as placement agent for the proposed placement and issuance of the Securities, and in such capacity, Baird agrees to provide the following services:

- Review and evaluate the proposed terms of the placement and the Securities
- Assist in the preparation of the private placement memorandum and/or other disclosure documents
- Identify and contact potential investors, provide them with offering-related information, respond to their inquiries and, if requested, coordinate their due diligence sessions
- Negotiate the pricing, including the interest rate, and other terms of the Securities
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Securities
- Such other usual and customary placement agent services as may be requested by the Issuer

2. Disclosures Concerning Baird's Role as Placement Agent as Required by the MSRB: At the Issuer's request, Baird may provide incidental municipal advisory services, including advice as to the structure, timing, terms and other matters concerning the issuance of the Securities. Please note that Baird would be providing such advisory services in its capacity as placement agent and not as a municipal advisor or financial advisor to the Issuer. As placement agent, Baird's primary role is to arrange for the placement of the Securities in an arm's length commercial transaction between the Issuer and Baird. Baird has financial and other interests that differ from those of the Issuer. Unlike a municipal advisor, Baird as placement agent does not have a fiduciary duty to the Issuer under the federal securities law and is therefore not required by federal law to act in the best interest of the Issuer without regard to its own financial or other interests. The Issuer will prepare and provide the Baird with financials, budgets, estimated debt service requirements and coverage, historical sales tax collections by industry classification, Issuer demographic information, and underlying credit ratings), (the "Information Package") and other legal documents to be used in connection with the Placement (together with all supplements, modifications, and additions thereto prior to the Closing Date, the "Placement Materials"). The Issuer acknowledges and agrees that it is solely responsible for the

[1] Preliminary, subject to change

completeness, truth, and accuracy of the Placement Materials and that the Placement Agent and each Purchaser may rely upon, as complete, true, and accurate, the Placement Materials and all information provided by the Issuer to the Placement Agent for use in connection with the Placement and that the Placement Agent does not assume any responsibility therefor. As part of its services, Baird will review the Placement Memorandum and/or other disclosure document (if any) applicable to the placement of the Securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the Securities.

As placement agent, Baird will not be required to purchase the Securities or to find one or more buyers of the Securities, but rather to use its reasonable best efforts to arrange for the sale of the Securities to one or more, purchasers, each a "qualified institutional buyer" or an "accredited investor," as defined in the Securities Act of 1933 If all of the conditions to its obligations for the placement of any Securities have been satisfied, Baird as placement agent has a duty to arrange for the placement of the Securities at a fair and reasonable price to the Issuer but must balance that duty with its duty to arrange for the sale of the Securities to investors at prices that are fair and reasonable.

Baird is registered with the Municipal Securities Rulemaking Board ("MSRB") and the SEC. The MSRB website is www.msrb.org. Two investor brochures, Information for Municipal Securities Investors and Information for Municipal Advisory Clients, describe the protections that may be provided by the MSRB's rules. The brochures are available on the MSRB website. The MSRB website also contains information about how to file a complaint with an appropriate regulatory authority.

If the Issuer is obligated under a current continuing disclosure agreement, the Issuer will submit information about the transaction through EMMA's continuing disclosure service, if material, and provide details including, but not limited to, the amount of debt being issued and its impact on the debt position, the purpose of the debt and use of proceeds, source of repayment, payment dates, interest rate, maturity and amortization of the debt, covenants, prepayment terms, events of default and remedies, acceleration events, other material terms, evidence of compliance with additional debt test, ratings, CUSIP number, transfer and redistribution rights and financial reporting requirements. If the Issuer is not obligated under a current continuing disclosure agreement, Baird recommends that the Issuer submit information about the transaction through EMMA's continuing disclosure service located in the continuing disclosure category of "Financial/Operating Data – Investment/Debt/Financial Policy."

3. Fees and Expenses; Conflicts of Interest. Baird's placement agent fee shall be $4.50 per $1,000 of principal amount issued. The placement agent fee will be contingent upon the closing of the placement of the Securities and the amount of the fee will be based on the principal or par amount of the Securities issued. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest because the placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than necessary. Other firms who provide services in connection with the proposed placement may also have fees that are contingent on the closing of the placement of the Securities.

The Issuer shall be responsible for paying all costs of issuance, including without limitation, municipal advisor and bond counsel and all other expenses incident to the performance of the Issuer's obligations under the proposed placement.

Baird is a full service securities firm and as such Baird and its affiliates may from time to time provide advisory, brokerage, consulting and other services and products to municipalities, other institutions, and individuals including the Issuer, certain Issuer officials or employees, and potential purchasers of the Securities for which Baird may receive customary compensation; however, such services are not related to the proposed offering. Baird has previously served as underwriter, placement agent or financial advisor on other bond offerings and financings for the Issuer and expects to serve in such capacities in the future. Baird may also be engaged from time to time by the Issuer to manage investments for the Issuer (including the proceeds from the proposed offering) through a separate contract that sets forth the fees to be paid to Baird. Baird manages various mutual funds, and from time to time those funds may own bonds and other securities issued by the Issuer (including the Securities). Additionally, clients of Baird may from time to time purchase, hold and sell bonds and other securities issued by the Issuer (including the Securities).

In the ordinary course of fixed income trading business, Baird may purchase, sell, or hold a broad array of investments and may actively trade securities and other financial instruments, including the Securities and other municipal bonds, for its own account and for the accounts of customers, with respect to which Baird may receive a mark-up or mark-down, commission or other remuneration. Such investment and trading activities may involve or relate to the offering or other assets, securities and/or instruments of the Issuer and/or persons and entities with relationships with the Issuer. Spouses and other family members of Baird associates may be employed by the Issuer.

Baird has identified the following additional potential or actual material conflicts: Katie Morrow, a Baird Public Finance associate, is the sister of Gary Trees, a member of the City's Combined Construction Board and sister in law of Tegan Trees, a member of the Park Advisory Board and the Design Review Board. Katie will not be taking an active role in this engagement.

4. Term and Termination. The term of this engagement shall extend from the date of this letter to the closing of the placement of the Securities. Notwithstanding the forgoing, either party may terminate Baird's engagement at any time without liability of penalty upon at least 30 days' prior written notice to the other party. If Baird's engagement is terminated by the Issuer, the Issuer to reimburse Baird for its out-of-pocket expenses incurred until the date of termination.

5. Limitation of Liability. The Issuer agrees that neither Baird nor its employees, officers, agents or affiliates shall have any liability to the Issuer for the services provided hereunder except to the extent it is judicially determined that Baird engaged in gross negligence or willful misconduct.

6. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of Iowa. This Engagement Letter may not be amended or modified except by means of a written instrument executed by both parties hereto. This Engagement Letter may not be assigned by either party without the prior written consent of the other party. The Issuer acknowledges that Baird may, at its option and expense and after announcement of the offering, place announcements and advertisements or otherwise publicize a description of the offering and Baird's role in it on Baird's website and/or other marketing material and in such financial and other newspapers and journals as it may choose, stating that Baird has acted as underwriter for the offering. The Issuer also agrees that Baird may use the Issuer's name and logo or official seal for these purposes.

7. Disclosures of Material Financial Characteristics and Material Financial Risks: Because the Issuer has retained a municipal advisor in connection with the offering and Baird has not recommended the offering or its structure to the Issuer, Baird is not required to provide additional disclosures to the Issuer of the material financial characteristics and material financial risks of the proposed offering under MSRB Rule G-17.

If there is any aspect of this Engagement Letter that you believe requires further clarification, please do not hesitate to contact us. In addition, please consult your own financial and/or municipal, legal, accounting, tax and other advisors as you deem appropriate. We understand that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the proposed placement and issuance of the Securities. If our understanding is not correct, please let us know.

Please evidence your receipt and agreement to the foregoing by signing and returning this Engagement Letter.

Again, we thank you for the opportunity to assist you with your proposed placement and issuance of the Securities and the confidence you have placed in us.

Sincerely,

ROBERT W. BAIRD & CO. INCORPORATED

By: Paul Donna ________________________________

Paul Donna, Managing Director

Accepted this ___ day of _________, 20__

CITY OF WINDSOR HEIGHTS, IOWA

By:________________________________

Mark Arentsen, Interim City Administrator

Disclosures of Material Financial Characteristics and Financial Risks of Proposed Offering of Fixed Rate Bonds

Robert W. Baird & Co. Incorporated ("Baird") has been engaged as underwriter for the proposed offering by you (or the "Issuer") of fixed rate bonds, notes, certificates of participation or other debt securities ("Fixed Rate Bonds"), to be sold on a negotiated basis. The following is a general description of the financial characteristics and security structures of Fixed Rate Bonds, as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds.

This document is being provided to an official of the Issuer who has the authority to bind the Issuer by contract with Baird, who does not have a conflict of interest with respect to the offering.

If the Fixed Rate Bonds proposed to be issued are "conduit revenue bonds," you will be a party to the bond purchase agreement and certain other legal documents to be entered into in connection with the issuance, but the material financial risks described below will be borne by the borrower or obligor, as set forth in those legal documents.

Financial Characteristics

Maturity and Interest. Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies or authorities, such as the Issuer. Maturity dates for Fixed Rate Bonds will be fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. Maturity dates, including the final maturity date, are subject to negotiation and will be reflected in the official statement. At each maturity, the scheduled principal or par amount of the Fixed Rate Bonds will have to be repaid.

Fixed Rate Bonds will pay fixed rates of interest typically semi-annually on scheduled payment dates, although some Fixed Rate Bonds may accrue interest to be paid at maturity. Such bonds are often referred to as capital appreciation or zero-coupon bonds. The interest rates to be paid on Fixed Rate Bonds may differ for each series or maturity date. The specific interest rates will be determined based on market conditions and investor demand and reflected in the official statement for the Fixed Rate Bonds. Fixed Rate Bonds with longer maturity dates will generally have interest rates that are greater than securities with shorter maturity dates.

Redemption. Fixed Rate Bonds may be subject to optional redemption, which allows the Issuer, at its option, to redeem some or all of the Fixed Rate Bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds may be subject to optional redemption only after the passage of a specified period of time from the date of issuance, and upon payment of the redemption price set forth in the official statement for the Fixed Rate Bonds, which typically is equal to the par amount of the Fixed Rate Bonds being redeemed (plus accrued interest) but may include a redemption premium. The Issuer will be required to send out a notice of optional redemption to the holders of Fixed Rate Bonds, usually a certain period of time prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires the Issuer to redeem specified principal amounts of the Fixed Rate Bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the Fixed Rate Bonds to be redeemed. Fixed Rate Bonds may also be subject to extraordinary or mandatory redemption upon the occurrence of certain events, authorizing or requiring you to redeem the Fixed Income Bonds at their par amount (plus accrued interest).

Credit Enhancements. Fixed Rate Bonds may feature credit enhancements, such as an insurance policy provided by a municipal bond insurance company that guarantees the payment of principal of an interest on the bonds when due in the event of default. Other credit enhancements could include a letter of credit provided by a financial institution, or financial support from a state agency.

Tax Status. If Fixed Rate Bonds are intended to be tax-exempt, counsel will provide an opinion that interest on the Fixed Rate Bonds will be excluded from gross income for federal income tax purposes. Certain Fixed Rate Bonds may also be exempt from state personal income tax.

Some Fixed Rate Bonds (or a portion of those being issued) may be taxable, meaning that interest on the Fixed Rate Bonds will be included in gross income for federal income tax purposes.

Security

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below. The security for Fixed Rate Bonds will vary, depending on whether they are general obligation bonds, revenue bonds, conduit bonds or other types.

General Obligation Bonds

"General obligation bonds" are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. Ad valorem taxes necessary to pay debt service on general obligation bonds may not be subject to state constitutional property tax millage limits (an unlimited tax general obligation bond). The term "limited" tax is used when such limits exist. General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

Revenue Bonds

"Revenue bonds" are debt securities that are payable only from a specific source or sources of revenues that are generated from a particular enterprise or service you offer, such as water, electricity, sewer, health care, housing, transportation, toll roads and bridges, parking, parks and recreation fees, and stadiums and entertainment facilities. Revenue bonds are not a pledge of your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants, license or user fees, or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors. Some revenue bonds may be backed by your full faith and credit or moral obligation. A moral obligation is a non-binding covenant by you to make a budget recommendation to your legislative body to appropriate moneys needed to make up any revenue shortfall in order to meet debt service obligations on the revenue bonds, but the legislative body is not legally obligated to make such appropriation.

Certain revenue bonds may be structured as certificates of participation, which are instruments evidencing a pro rata share in a specified pledged revenue stream, usually lease payments that are typically subject to annual appropriation. With certificates of participation, the lessor or party receiving payments assigns those payments to a trustee that distributes them to the certificate holders. Certificates of participation do not constitute general obligation indebtedness of the issuer or municipality and are not backed by a municipality's full faith and credit or taxing power. Certificates of participation are payable solely from specific revenue sources.

Tax Increment or Tax Allocation Bonds
"Tax increment" or "tax allocation" bonds are a form of revenue bonds that are payable from the incremental increase in taxes realized from any appreciation in property values resulting from capital improvements benefitting the properties located in a particular location such as a tax incremental district. They are commonly used to redevelop, add infrastructure or otherwise improve a blighted, neglected or under-utilized area to encourage development in that area. Tax increment bonds may also be payable from increased sales taxes generated in a designated district. The proceeds of an issuance of tax increment or tax allocation bonds are typically applied to pay the costs of infrastructure and other capital improvements in the designated district. The incremental taxes or other revenues may not be sufficient to meet debt service obligations on the tax increment or tax allocation bonds. Some tax increment or tax allocation bonds may also be backed by an issuer's full faith and credit or moral obligation.

Conduit Bonds
Conduit revenue bonds may be issued by a governmental issuer acting as conduit for the benefit of a private sector entity or a 501(c)(3) organization (the "borrower" or "obligor"). Industrial revenue bonds are a form of conduit revenue bonds. Conduit revenue bonds commonly are issued for not-for-profit hospitals, health care facilities, educational institutions, single and multi-family housing, airports, industrial or economic development projects, corporations, and student loan programs, among other borrowers or obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the borrower or obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the borrower or obligor defaults.

Charter School Bonds
Fixed Rate Bonds issued for the benefit of charter schools are a form of conduit revenue bonds. They are issued by a government entity acting as a conduit for the benefit of a charter school. The charter school is the borrower or obligor for the bonds. Principal and interest on charter school bonds normally are paid exclusively from revenues pledged by the charter school. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the charter school defaults.

Financial and Other Covenants
Issuers of Fixed Rate Bonds (and/or obligors) may be required to agree to certain financial and other covenants (such as debt service coverage ratios) that are designed to protect bond holders. Covenants are a form of additional security. The failure to continue to meet covenants may trigger an event of default or other adverse consequences to you and/or the obligor giving bond holders certain rights and remedies.

The description above regarding "Security" is only a brief summary of certain possible security provisions for the Fixed Rate Bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the Bonds.

Financial Risk Considerations
Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following (generally, the borrower or obligor, rather than you, will bear these risks for conduit revenue bonds):

Issuer Default Risk
You (or the obligor) may be in default if the funds pledged to secure Fixed Rate Bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you (and/or the obligor) and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds may be able to exercise a range of available remedies against you (or the obligor). For example, if Fixed Rate Bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the Fixed Rate Bonds are revenue bonds, you (or the obligor) may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your (or the obligor's) credit ratings and may effectively limit your (or the obligor's) ability to publicly offer bonds or other securities at market interest rate levels. Further, if you (or the obligor) are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you (or the obligor) may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you (or the obligor) are unable to comply with covenants or other provisions agreed to in connection with the issuance of the Fixed Rate Bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Redemption Risk
Your (or the obligor's) ability to redeem Fixed Rate Bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you (or the obligor) may be unable to take advantage of the lower interest rates to reduce debt service. In addition, if Fixed Rate Bonds are subject to extraordinary or mandatory redemption, you (or the obligor) may be required to redeem the bonds at times that are disadvantageous.

Refinancing Risk

If your (or the obligor's) financing plan contemplates refinancing some or all of the Fixed Rate Bonds at maturity (for example, if there are term maturities or if a shorter final maturity is chosen than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you (or the obligor) from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your (or the obligor's) ability to refund the Fixed Rate Bonds to take advantage of lower interest rates.

Reinvestment Risk
You (or the obligor) may have proceeds of the Fixed Rate Bonds to invest prior to the time that you (or the obligor) are able to spend those proceeds for the authorized purpose. Depending on market conditions, you (or the obligor) may not be able to invest those proceeds at or near the rate of interest that you (or the obligor) are paying on the bonds, which is referred to as "negative arbitrage".

Tax Compliance Risk (applicable if the Fixed Rate Bonds are tax-exempt bonds)
The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS), and, if applicable, state tax laws. You (and the obligor) must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You (and the obligor) also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of the representations or a failure to comply with certain tax-related covenants may cause the interest on the Fixed Rate Bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you (or the obligor) pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you (or the obligor) or the Fixed Rate Bonds or your (or the obligor's) other bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the Fixed Rate Bonds are declared taxable, or if you (or the obligor) are subject to audit, the market price of the Fixed Rate Bonds and/or your (or the obligor's) other bonds may be adversely affected. Further, your (or the obligor's) ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing Fixed Rate Bonds.

Continuing Disclosure Risk.
In connection with the issuance of Fixed Rate Bonds, you (and/or the obligor) may be subject to continuing disclosures which require dissemination of annual financial and operating information and notices of material events. Compliance with these continuing disclosure requirements is important and facilitates an orderly secondary market. Failure to comply with continuing disclosure requirements may affect the liquidity and marketability of the Fixed Rate Bonds, as well as your (and/or the obligor's) other outstanding securities. Because instances of material non-compliance with previous continuing disclosure requirements must be disclosed in an official statement, failure to comply with continuing disclosure requirements may also make it more difficult or expensive for you (or the obligor) to market and sell future bonds.