



101 NE Harvey, Grimes, Iowa 50111 515.986.3036 Fax 515.986.3846

**CITY COUNCIL MEETING**

Grimes City Hall  
101 NE Harvey Street  
April 12, 2016 at 5:30 pm

**Mayor Thomas M. Armstrong**

**City Council: Jill Altringer, Eric Johansen, Jeremy Hamp  
Ty Blackford and Doug Bickford, City Administrator Kelley Brown  
City Clerk Rochelle Williams, City Treasurer Deb Gallagher,  
City Attorneys Tom Henderson, Erik Fisk, City Engineer John Gade**

**Every member of the public and every Council Member desiring to speak shall address the presiding officer, and upon recognition by the presiding officer, shall confine comments to the question under debate, avoiding all indecorous language and references to personalities and abiding by the following rules of civil debate.**

- **We may disagree, but we will be respectful of one another**
- **All comments will be directed to the issue at hand**
- **Personal attacks will not be tolerated**

**GENERAL AGENDA ITEMS.**

1. Call to Order  
Pledge of Allegiance
2. Roll Call
3. Approval of the Agenda
4. Approval of the Consent Agenda (**Discussion is not allowed unless the Mayor or a City Council Member ask for an item to be removed and placed under Council actions for consideration**)
  - A. Minutes from previous meeting
  - B. Request to close NE 2<sup>nd</sup> from NE Jacob to alley on 5/28/16 for graduation party
  - C. Sauerman & Son Inc. –Ag Lime for infields and warning racks at South Complex, waterworks an Lions Park baseball and softball fields - \$2,979.68
  - D. Mid-American Energy – Purchase five (5) light poles and installation Crossroad Business Park of Grimes Plat 6 \$24,774.45 (City will be reimbursed by developer)
  - E. Mississippi Lime Company – Quicklime for water plant \$3,597.00
  - F. Mississippi Lime Company – Quicklime for water plant \$3,549.00
  - G. Greater Des Moines Convention & Visitors Bureau – Hotel Motel Tax Giving \$3937.26
  - H. Central Pump & Motor, LLC – Baldor Motor \$5097.21
  - I. A&W Electric Inc. wiring for fuel tank - \$3,091.88
  - J. Engagement Letter for Bond Counsel Services with Dorsey and Whitney LLP



*101 NE Harvey, Grimes, Iowa 50111 515.986.3036 Fax 515.986.3846*

- K. Iowa Department of Transportation Project Approval #BRM-3125(613)-8N-77 (development and completion of bridge project N James Street over Little Beaver Creek)
- L. RightStuf – Development Agreement Payment payment \$4,883.
- M. IOWADOT - \$2,508.77 (material testing for SE 19<sup>th</sup> Street Project)
- N. MidAmerican Energy - \$14,026.64 (Grimes Waste Water Treatment Plant Upgrade to provide underground primary distribution system and pad mounted transformer of 277/480 volt, three-phase, four-wire underground electric service for project)
- O. Conduit Systems License Agreement - agreement between City of Grimes and Iowa Network Services, Inc to provide conduit system specifically for the use of telecommunication providers and expressly for the purpose of providing fiber optic based broadband connectivity.
- P. Ronald Pearce Asphalt Paving \$17,500 (overlay between 7<sup>th</sup> and 8<sup>th</sup> on NE Harvey Street and continue the intersection of 8<sup>th</sup> Street.
- Q. Change Order #1 Rice Lake Construction Group for the Water/Wastewater Improvements increasing contract \$89,000 (cover gross pricing error made by Custom Conveyor)
- R. Rice Lake Construction bid for piping and misc work for emergency Reverse Osmosis System \$215,600
- S. Jetco Electric bid for electrical and controls work for the emergency reverse osmosis system \$56,750
- T. Utility Refunds
- U. Resolution 04-0416 Setting Date for Public Hearing on Urban Renewal Plan Amendment for May 10, 2016
- V. Letter of Engagement with Dorsey and Whitney for the Urban Renewal Plan Amendment
- W. Payment #3 Covenant Construction Services, LLC \$70,727.87 (2015 Grimes Parkland Improvements Project)
- X. Change Order #2 Covenant Construction Services, LLC increasing contract \$4,200 to include addition of ag-lime to touch up warning tracks and infields for fields in North Sports Complex (2015 Grimes Parkland Improvements Project)
- Y. Payment #4 to McAninch Corporation \$60,361.86 for Crossroads Business Park of Grimes Plat 6 – SE Destination Drive Extension
- Z. Payment #7 Jensen Construction Company \$140,317.85 for the Heritage at Grimes Plat 2 Phase 2 Little Beaver Creek Tributary Crossing
  - a. Change Order #3 to Jensen Construction Company increasing contract \$20,705 for additional labor, materials, equipment and trucking required addressing a conflict between the proposed box culvert retaining wall footing and the existing sanitary sewer for the Heritage at Grimes Plat 2 Phase 2 Little Beaver Creek Tributary Crossing
  - b. Harn R/O \$5,500 (monthly lease and pilot report)
  - c. Iowa Signal Inc. \$2,665 (created a full 3 lanes east bound on jSE 19<sup>th</sup> Stret and to relocate the signal loops to help ease traffic
  - d. Claims Report for April 12, 2016
  - e. Finance Report for March 2016

- 5. Fire Department Report
- 6. Patrol Report



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7. Presentation from DART – Des Moines Area Regional Transit Authority – Elizabeth Presutti and Amanda Wanke
8. Presentation from Alex Noble – Boy Scout Troop 171 – Eagle Scout Project

**PUBLIC AGENDA ITEMS** Council may consider and potentially act on the following Public Agenda items.

- A. Gateway Industrial Park Preliminary Plat
- B. Public Hearing on General Obligation Refunding Loan Agreement
- C. Public Hearing on General Obligation Water Improvement Loan Agreement
- D. Resolution 04-0316 Taking Additional Action On Proposal To enter Into Loan Agreements, Combining Loan Agreements and Authorizing the Use of a Preliminary Official Statement for the Sale of Bonds
- E. Form of Letter Amendment Agreement to Serve as Dissemination Agent for Secondary Market and Disclosure Agreement to Serve as Dissemination Agent for Secondary Market Disclosure Addendum between City of Grimes and Piper Jaffray and Co.
- F. Set Date for sale of Bonds and authorizes Piper Jaffray to Distribute
- G. Public Hearing on Proposed Action to Institute Proceedings to Enter Into a Loan Agreement and to Borrow Money Thereunder in a Principal Amount Not To Exceed \$3,500,000

**PUBLIC FORUM**

**“Those people wishing to address the Council need to sign up on the sheet which has been provided on the table near the door. Each person will be allowed three minutes from the podium and may address no more than two issues per Grimes Rules of Procedure for Conduct of City Business – May 2005.”**

**COUNCIL ACTIONS**

- A. Third Reading of Ordinance 654 granting Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, a Delaware Corporation, its lessees, successors and assigns, a natural gas franchise the authority to construct, operate, maintain, and extend a natural gas distribution plant and system, and granting the right to use the streets, alleys, and other public places within the present or future corporate limits of the City of Grimes, Iowa.
- B. Resolution 04-0116 Dispensing With The Special Election Requirement On The Matter Of Granting A Gas Franchise To Black Hills/Iowa Gas Utility Company, LLC, D/B/A Black Hills Energy

**COUNCIL DISCUSSIONS**

1. Mayor’s Report



*101 NE Hawley, Grimes, Iowa 50111 515.986.3036 Fax 515.986.3846*

- a. Monarch Pledge - Plant, Grow, Fly Program
- b. Correspondence from Board of Adjustment Member
2. City Attorney's Report
3. City Engineer's Report
4. City Staff Report
5. Old Business
6. New Business
7. Recess Open Session
8. Reconvene Open Session
9. Resolution 03-0416 providing for Closed Session ref 21.5 1 (c) To discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where its disclosure would be likely to prejudice or disadvantage the position of the governmental body in that litigation.
10. Rise from Closed Session
11. Reconvene Open Session
12. Open Session – cont.
13. New Business – cont.

## **ADJOURNMENT**

**CITY COUNCIL MEETING**  
 Tuesday, March 22, 2016  
 Grimes City Hall 5:30 P.M.

The regular meeting of the Grimes City Council was called to order by Mayor Tom Armstrong on Tuesday, March 22, 2016 at 5:30 P.M. at the Grimes City Hall. The Pledge of Allegiance was led by Mayor Armstrong.

Roll Call: Present: Hamp, Johansen, Altringer Absent: Blackford and Bickford

**GENERAL AGENDA ITEMS.**  
**APPROVAL OF THE AGENDA**

Mayor Armstrong asked for approval of the agenda with the addition of item N. 2016 Ford F550 plus equipment for a total of \$78,646 for public works.

Moved by Altringer, Seconded by Johansen; the Agenda with the addition requested by the Mayor shall be approved.

Roll Call: Ayes: All. Nays: None. Motion passes: 3 to 0.

**Approval of the Consent Agenda**

A. Minutes from previous meeting B. Lawson Products (nuts, bolts, washers for shop) \$3,215.64  
 C. AECOM – Grimes NW Transportation Corridor Feasibility Study- \$12,188.50 D. Alcohol License Renewal for Spirits and More Class E Liquor License with Sunday Sales E. Alcohol License Renewal for AmericInn of Grimes Class C with Sunday Sales F. Bishop Engineering Company – Heritage at Grimes Professional Services \$7,800 G. AccuJet LLC \$12,415 (clean and televise to find infiltration on truck line from Lyons Park towards plant) H. Set a Public Hearing on Proposal To Enter Into A General Obligation Loan Agreement in a Principal Amount Not To Exceed \$2,200,000 for April 12, 2016 I. A&W Electric Inc. \$6,600 (research electrical system and panel at new public works building) J. Public Purpose per Resolution 06-2814 \$680.98 K. Finance Report for January and February 2016 L. Claims Report of March 22, 2016 \$541,571.72 M. Harn R/O Systems 1<sup>st</sup> Payment 10% of total - \$53,895 N. Purchase of 2016 Ford F550 Truck with additional equipment for Public Works- \$78,646

Moved by Altringer, Seconded by Johansen; the Consent Agenda shall be approved.

Roll Call: Ayes: All. Nays: None. Motion passes: 3 to 0.

Jan-16

	Beg Balance	Receipts	Expenses	Ending Balance
General Fund	3,192,631.38	160,162.28	363,236.68	2,989,556.98
Special Revenue Fund	2,196,643.61	114,547.76	27,573.43	2,283,617.94
Debt Service Capital Improvements	3,339,328.85	12,234.39	115,379.00	3,236,184.24
Enterprise Fund	4,414,231.98	55,994.66	247,946.28	4,222,280.36
	6,088,830.81	341,721.24	354,631.03	6,075,921.02
<b>Total</b>	<b>19,231,666.63</b>	<b>684,660.33</b>	<b>1,108,766.42</b>	<b>18,807,560.54</b>

Feb-16

	Beg Balance	Receipts	Expenses	Ending Balance
General Fund	2,989,556.98	130,021.50	469,257.72	2,650,320.76
Special Revenue Fund	2,283,617.94	134,833.22	11,343.68	2,407,107.48
Debt Service Capital Improvements	3,236,184.24	11,237.72	0.00	3,247,421.96
Enterprise Fund	4,222,280.36	3,248.52	216,938.30	4,008,590.58
Total	6,075,921.02	378,648.80	272,281.14	6,182,288.68
	18,807,560.54	657,989.76	969,820.84	18,495,729.46

#### **Update from Grimes Volunteer Support Services – Jay Brewer – President**

Jay Brewer President of Grimes Volunteer Support Services (GVSS) was present to update the Council on their activities. Brewer thanked the Council and the volunteers for their support of GVSS and for the continued supplying of their offices by the City. Brewer stated that in 2015 they averaged 172 trips a year and so far in 2016 they are averaging 203 trips. He added since their beginning in 2011 they have been on 4,700 trips, driven over 99,600 miles (which is four times around the globe) and contributed over 16,500 hours of service to organize and provide assistance to residents of Grimes all without charge. Mayor Armstrong thanked Brewer for the great job their organization does.

#### **US Water Report**

Andy Wood of US Water and Grimes Water and Wastewater was present to update the Council on the department. Wood advised that work is continuing on the Reverse Osmosis study. Wood also provided information on daily work and maintenance of the facilities.

#### **PUBLIC AGENDA**

##### **A.Public Hearing, Approval of Plans and Specifications for the Heritage at Grimes Plat 2 Phase 4 Division I – NE Beaverbrooke Boulevard Paving Improvements Division II Highway 141 Turn Lanes and Traffic Signal, Grimes, Iowa**

Mayor Armstrong opened the Public Hearing at 5:45 pm.

City Engineer John Gade stated that the extent of the work involved is as follows for Heritage at Grimes Plat 2 Phase 4 Project.

Division I - NE Beaverbrooke Boulevard Paving Improvements: This division involves the paving of approximately 6000 LF of 22' wide, 9" PCC w/ CD's, 4-lane divided roadway from Highway 141 west to N James St. Project includes paving of 2, multi-lane roundabouts, approximately 10,000 LF of 10', 5" PCC trails, 7,000 LF of 5' wide, 5" PCC sidewalks, signage and striping. Division II – Highway 141 Turn Lanes & Traffic Signal: This division involves the paving of turn lanes on Highway 141 at both NE 10<sup>th</sup> Street and NE Beaverbrooke Blvd as well as the installation of traffic signals at NE

Beaverbrooke Blvd. More specifically, the project consists of 12" PCC for a SB right-hand deceleration lanes at both NE Beaverbrooke Blvd and NE 10<sup>th</sup> St, a 12" PCC NB left turn lane and associated median paving, and a traffic signal at NE Beaverbrooke Blvd.

There being no further written or oral comment the Hearing was closed at 5:47 pm.

Moved by Altringer, Seconded by Johansen; the plans and specification for the project shall be approved.

Roll Call: Ayes: All. Nays: None. Motion passes: 3 to 0.

**B. Recommendation of Award for the Heritage at Grimes Plat 2 Phase 4 to Concrete Technologies, Inc. for a low bid of \$3,532,673.00**

City Engineer Gade advised that four bids were received on the project. He added that the Engineer's opinion of probable construction cost was \$4,359,430.50. Gade stated the bids ranged from a high bid of \$4,884,622.94 to a low bid of \$3,532,673.00. He added that Concrete Technologies Inc. submitted the low bid and they recommended award to Concrete Technologies Inc. for the low bid of \$3,532,673.00.

Moved by Altringer, Seconded by Hamp; the award of the Heritage at Grimes Plat 2 Phase 4 to Concrete Technologies, Inc for a low bid of \$3,532,673.00 shall be approved.

Roll Call: Ayes: All. Nays: None. Motion passes: 3 to 0.

**PUBLIC FORUM**

No one addressed the Council.

**COUNCIL ACTIONS**

**A. Second Reading of Ordinance 654 granting Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, a Delaware Corporation, its lessees, successors and assigns, a natural gas franchise and the authority to construct, operate, maintain, and extend a natural gas distribution plant and system, and granting the right to use the streets, alleys, and other public places within the present or future corporate limits of the City of Grimes, Iowa.**

Moved by Altringer, Seconded by Johansen; the Second Reading of Ordinance 654 granting Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, a Delaware Corporation, its lessees, successors and assigns, a natural gas franchise and the authority to construct, operate, maintain, and extend a natural gas distribution plant and system, and granting the right to use the streets, alleys, and other public places within the present or future corporate limits of the City of Grimes, Iowa shall be approved.

Roll call. Ayes: all. Nays: none. Motion passes 3 to 0.

**B. Approval of Household Hazardous Waste Storage License for Metro Waste Authority.**

Judy Mendenhall the Facilities Manager for Metro Waste Authority Hazardous Waste Drop Off along with Building Official Scott Clyce addressed the Council with a request for a hazardous waste storage license. Mendenhall reviewed some of the requirements that are at the site for accepting household hazardous waste storage.

Moved by Altringer, Seconded by Johansen; the Household Hazardous Waste storage license for Metro Waste Authority shall be approved.

Roll call. Ayes: all. Nays: none. Motion passes 3 to 0.

**COUNCIL DISCUSSIONS**

**Mayors Report**

Mayor Armstrong reported that he was happy to have participated in the Commissioning of the new Grimes Fire Truck today.

Mayor Armstrong advised that due to the new census numbers that stated that Grimes population is now 11,423 this allowed another voting representative for the Des Area Metropolitan Planning Organization for the policy and technical committees. Mayor Armstrong asked to appoint Council Member Jill

Altringer as the Primary to the Policy Committee and Erik Johansen as the Alternate to the Policy Committee.

Moved by Hamp, Seconded by Johansen; the appointments shall be approved.

Roll call. Ayes: all. Nays: none. Motion passes 3 to 0.

Mayor Armstrong asked to appoint Dave Sigler as the Primary to the Technical Committee and Blake Putney as the Alternate to the Technical Committee.

Moved by Altringer, Seconded by Johansen; the appointments shall be approved.

Roll call. Ayes: all. Nays: none. Motion passes 3 to 0.

### **City Attorney Report**

**No Report**

### **City Engineer Report**

**No Report**

### **City Staff Report**

City Administrator Kelley Brown read from the speech that she delivered earlier in the evening during the commissioning of the new Grimes Fire Truck.

*Tonight is the Commissioning of our beautiful new fire truck. Why do I think it is so beautiful? Well, it IS beautiful but the real beauty stands in the story of the planning and designing of the truck and what this truck truly stands for. This truck started out as a dream. After literally years of research, trips to view other trucks and educating themselves on what are the best options available, the committee all sat down and designed each and every piece, component, compartment and tool of that truck. The end result is that Grimes gets the most cost effective, state of the art machine designed from the hearts and souls of the men and women on our department. To me, that's what the truck truly stands for. Look at each and every man and woman on our department. It started as a dream for them as well. "How can I make a difference?" They researched what it takes to be on a fire and rescue department, they went through the education and certifications needed to be able to serve, and they took all of their knowledge and trained and trained so that they could step forward and be the best.*

*So when you look at the new truck, think of ALL that it stands for and know that when you need them, they will be there bringing their best, not only because they know that Grimes deserves the best, but also because that's just the kind of men and women they are. TRUE HEROES!!*

### **Old Business**

### **New Business**

**Recess Open Session at 6:02 pm.**

**Reconvene Open Session at 6:24 pm.**

**Resolution 03-0416 providing for Closed Session ref 21.5 1 (c) To discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where its disclosure would be likely to prejudice or disadvantage the position of the governmental body in that litigation.**

Moved by Altringer, Seconded by Hamp; Resolution 03-0416 shall be approved.

Roll call. Ayes: all. Nays: none. Motion passes 3 to 0.

**Rise from Closed Session**

Moved by Johansen, Seconded by Hamp; the City Council shall rise from Closed Session at 7:12 p. m.  
Roll call. Ayes: all. Nays: none. Motion passes 3 to 0.

**Reconvene Open Session**

Moved by Altringer, Seconded by Hamp to reconvene open session.

**New Business – cont.**

Mayor Armstrong advised there was no action coming out of Closed Session.

Moved by Hamp; Seconded by Altringer; there being no further business, the meeting shall be adjourned at 7:15 p.m.

Roll Call: Ayes: All. Nays: None. Motion passes: 3 to 0.

ATTEST:

\_\_\_\_\_  
Rochelle Williams, City Clerk

\_\_\_\_\_  
Thomas M. Armstrong, Mayor



The workshop meeting of the Grimes City Council was called to order by Mayor Armstrong on Tuesday, March 22, 2016 at 7:30 pm at Grimes City Hall.

Roll Call: Present: Altringer, Johansen, Hamp Absent: Blackford, Bickford

**APPROVAL OF THE AGENDA**

Moved by Altringer, seconded by Hamp; the agenda shall be approved.

Roll call. Ayes: All. Nays: None. Motion passes 3 to 0.

**28E Discussion – Fire Department**

The Council held general discussion regarding a possible 28E agreement between the City of Grimes and the City of Johnston.

**New Business**

Moved by Hamp, Seconded by Johansen; there being no further business, the workshop meeting is adjourned at 8:28 pm.

ATTEST:

\_\_\_\_\_  
Rochelle Williams, City Clerk

\_\_\_\_\_  
Thomas M. Armstrong, Mayor

## Rochelle Williams

---

**From:** Kelley Brown  
**Sent:** Monday, March 21, 2016 12:02 PM  
**To:** Olivia DeYoung; Rochelle Williams  
**Subject:** FW: Street closure

Ladies -

Please take care of Cindy.

Thanks!  
Kelley

-----Original Message-----

**From:** Cindy Shaffer [<mailto:grimesiowa@msn.com>]  
**Sent:** Monday, March 21, 2016 11:57 AM  
**To:** Kelley Brown  
**Cc:** [cindy.shaffer@va.gov](mailto:cindy.shaffer@va.gov)  
**Subject:** Street closure

\* Good morning,

I am looking for the process on how to request closing NE 2nd from NE Jacob to the alley on 5/28/16 from 12-6 for my daughters graduation party. Please let me know how we proceed.

Thank you for your time.

Cindy Shaffer  
200 NE Jacob Street  
515 491-7872

Sent from my iPhone



P.O. No. \_\_\_\_\_

17509

# CITY OF GRIMES

101 N. Harvey, Grimes, IA 50111 phone: 515-986-3036 fax: 515-986-3846

## PURCHASE REQUEST/PURCHASE ORDER

Source/Supplier Saulermon & Son

Name

455 SE 37<sup>th</sup> St Grimes IA 50111

Address

Phone Number/Fax Number

ITEMS	QTY	UNIT PRICE	TOTAL
<u>Hauling charges</u>			<u>2979.68</u>

### PURCHASE JUSTIFICATION:

Ag line for infield and warning tracks at the South Complex, waterworks and lions park baseball & soft ball fields

DEPARTMENT: Parks-

LINE ITEM:

BEGINNING BUDGET BALANCE:

ENDING BUDGET BALANCE:

PURCHASE REQUESTED BY: David Syle DATE: 3-21-16

### PURCHASE ORDER APPROVAL AND ASSIGNMENT

Kelley Brown  
Kelley L. Brown City Administrator/Clerk *clb*

3-21-16  
Date

Council Approval date: (if over \$2500)

- Purchaser's Copy
- Vendor's Copy
- File Copy

RECEIVED FEB 18



MidAmerican Energy Company  
PO Box 657  
Des Moines, Iowa 50306-0657

February 12, 2016

City of Grimes  
Attention: Kelley Brown  
101 North Harvey  
Grimes, Iowa 50111

Dear Ms. Brown:

Revised proposal with 2016 costs - streetlight proposal for the installation of five (5) streetlights in Crossroads Business Park of Grimes Plat 6. This proposal includes the installation of streetlights on:

**SE Destination Drive, Grimes, Iowa**

We Propose To:

Install:	5	100 W Equivilant	LED streetlights on five (5) poles
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These lights will be installed on steel poles and served by underground conductors, but will be billed to the city at the wood pole, overhead rate because the developer has agreed to pay the streetlight facilities charge.

MidAmerican Energy Company's street light proposal is based on the approved street light analysis provided by the City. MidAmerican Energy Company will install the lights based on the staked locations provided in the field by the customer.

If this proposal meets with your approval, please sign and return one (1) copy of this letter and one (1) copy of the print. The other copy is for your file.



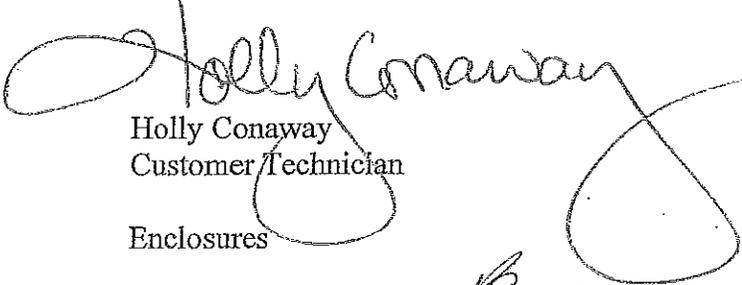
February 12, 2016

Page 2

Upon receipt of your approval and payment in the amount of \$24,774.45 we will prepare work instructions and schedule the installation of these lights. This proposal is valid for 90 days and if MidAmerican Energy Company construction has not commenced within 12 months it may be voided.

If you have any questions, please contact me at (515) 242-3902.

Sincerely,  
MidAmerican Energy Company



Holly Conaway  
Customer Technician

Enclosures

Accepted By:  \_\_\_\_\_

Date: 3/20/16 Date Service Required: \_\_\_\_\_



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P.O. Box 840033  
Kansas City, MO 64184-0033

Phone: 800-437-5463  
314-543-6300  
Fax: 314-543-6570

**Invoice Number:** 1252302

**Terms:** NET 15 DAYS

**Date:** 03/21/2016

**Bill To**  
83302 GRIMES IA CITY OF  
101 NORTH HARVEY STR  
GRIMES, IA 50111 USA

**Ship To**  
83303 GRIMES IA CITY OF  
US WATER  
7850 NW 128TH ST  
GRIMES, IA 50111 US

Shipment Date	Product Number	Product Description	Quantity UOM	Unit Price	Amount
03/21/2016	247	GRAN STANDARD QUICKLIME~ - CaO	23.980 TN	\$150.00	\$3,597.00

Bill of Lading:

VIA: TRUCK

FOB: STE GENEVIEVE, MO

Order #: 583037-1

Customer PO: VERBAL JEFF

Carrier: RUAN LOGIS

Trailer No: 96169

Freight Terms: COLLECT

Net Weight: 47,960.000

Subtotal: \$3,597.00

Total Tax: \$0.00

Total Amount Due: \$3,597.00

Note: Pricing includes palletizing and stretch wrapping where applicable.

600-5-810-6350.4

CC 4-12-16

P.O. No. \_\_\_\_\_

17548 ✓

# CITY OF GRIMES

101 N. Harvey, Grimes, IA 50111 phone: 515-986-3036 fax: 515-986-3846

## PURCHASE REQUEST/PURCHASE ORDER

Source/Supplier Mississippi Lime Company  
Name

P.O. Box 840033, Kansas City, MO. 64184-0033  
Address

800-437-5463/314-543-6570  
Phone Number/Fax Number

ITEMS	QTY	UNIT PRICE	TOTAL
<u>Quicklime</u>	<u>23.98</u>	<u>150.00</u>	<u>3,597.00</u>

PURCHASE JUSTIFICATION: \_\_\_\_\_

600-5-810-6350-4

DEPARTMENT: Water

LINE ITEM: \_\_\_\_\_

BEGINNING BUDGET BALANCE: \_\_\_\_\_

ENDING BUDGET BALANCE: \_\_\_\_\_

PURCHASE REQUESTED BY: J. Waters DATE: 3-22-2016

### PURCHASE ORDER APPROVAL AND ASSIGNMENT

Kelley L. Brown 3-23-16  
Kelley L. Brown City Administrator/Clerk 20 Date

Council Approval date: (if over \$2500)

- Purchaser's Copy
- Vendor's Copy
- File Copy



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314-543-6300  
**Fax:** 314-543-6570

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P.O. Box 840033  
Kansas City, MO 64184-0033

**Invoice Number:** 1254098

**Terms:** NET 15 DAYS

**Date:** 04/03/2016

**Bill To** GRIMES IA CITY OF  
83302 101 NORTH HARVEY STR  
GRIMES, IA 50111 USA

**Ship To** GRIMES IA CITY OF  
83303 US WATER  
7850 NW 128TH ST  
GRIMES, IA 50111 US

Shipment Date	Product Number	Product Description	Quantity UOM	Unit Price	Amount
04/03/2016	247	GRAN STANDARD QUICKLIME~ - CaO	23.660 TN	\$150.00	\$3,549.00
Bill of Lading:		VIA: TRUCK	FOB: STE GENEVIEVE, MO		
Order #: 583994-1		Freight Terms: COLLECT			
Customer PO: VERBAL JEFF		Net Weight: 47,320.000			
Carrier: RUAN LOGIS		Trailer No: 96169			
Subtotal:					\$3,549.00
Total Tax :					\$0.00
Total Amount Due:					\$3,549.00

Note: Pricing includes palletizing and stretch wrapping where applicable.

CC App 4-12-16

P.O. No. \_\_\_\_\_

# CITY OF GRIMES

17559

101 N. Harvey, Grimes, IA 50111 phone: 515-986-3036 fax: 515-986-3846

## PURCHASE REQUEST/PURCHASE ORDER

Source/Supplier Mississippi Lime Co.  
Name

P.O. Box 840033, Kansas City, MO. 64184-0033  
Address

800-437-5463 / 314-543-6570  
Phone Number/Fax Number

ITEMS	QTY	UNIT PRICE	TOTAL
Lime	23.660 TN	150.00	3,549.00

PURCHASE JUSTIFICATION: \_\_\_\_\_

600-5-810-12350.4

DEPARTMENT: Water

LINE ITEM: \_\_\_\_\_

BEGINNING BUDGET BALANCE: \_\_\_\_\_

ENDING BUDGET BALANCE: \_\_\_\_\_

PURCHASE REQUESTED BY: J. Waters DATE: 4-4-2016

### PURCHASE ORDER APPROVAL AND ASSIGNMENT

Kelley Brown \_\_\_\_\_ DATE: 4-5-16  
Kelley L. Brown City Administrator/Clerk (29) Date

Council Approval date: (if over \$2500)

- Purchaser's Copy
- Vendor's Copy
- File Copy

Invoice

Greater Des Moines Convention & Visitors Bureau  
 400 Locust St., Suite 265  
 Des Moines, IA 50309-2350

Date	Invoice #
3/22/2016	15970

RECEIVED MAR 24

Bill To
Grimes, City of Tom Armstrong 101 N. Harvey Grimes, IA 50111

Due Date
3/22/2016

Description	Amount
Hotel/Motel Tax for the Quarter Ending 12/31/15  <i>cc 4-12-16</i>	3,937.26
<b>Total</b> \$3,937.26	
<b>Payments/Credits</b> \$0.00	
<b>Balance Due</b> \$3,937.26	

Please make checks payable to: Greater Des Moines Convention & Visitors Bureau  
 Thank You!

Phone #	Fax #	E-mail	Web Site
(515)286-4960	(515) 244-9757	nancy@catchdesmoines.com	www.catchdesmoines.com



**Central Pump & Motor, LLC**

5152-B NE 12th Avenue  
Pleasant Hill, IA 50327

515-412-1738

lisa@centralpumpiowa.com

**Invoice**

Date	Invoice #
3/15/2016	2186

Bill To
City of Grimes 101 Harvey Street Grimes, IA 50111

P.O. No.	Terms	Due Date	Project
	Net 30	4/14/2016	

Quantity	Description	Rate	Amount
	New Baldor motor for Raw pump #4, with installation. While on site, debris was removed from scum pump #1.		
1	EM4117T w/M13C-1 Baldor Motor	4,500.00	4,500.00
	For installation/removal of debris:		
4	Field Labor	90.00	360.00
1	Trip Charge - Out of Town	90.00	90.00
60	Mileage	1.00	60.00
	Shipping	87.21	87.21
	Delivered 3/15/16.		
<i>CC App 4-12-16</i>			
<b>Total</b>			<b>\$5,097.21</b>

P.O. No. \_\_\_\_\_

17540

# CITY OF GRIMES

101 N. Harvey, Grimes, IA 50111 phone: 515-986-3036 fax: 515-986-3846

## PURCHASE REQUEST/PURCHASE ORDER

Source/Supplier Central Pump  
Name

Address

Phone Number/Fax Number

ITEMS	QTY	UNIT PRICE	TOTAL
Baldor Motor	1		5,097.21

PURCHASE JUSTIFICATION: Replace bad RAW #2 motor

DEPARTMENT: 610-5-815-6350

LINE ITEM: \_\_\_\_\_

BEGINNING BUDGET BALANCE: \_\_\_\_\_

ENDING BUDGET BALANCE: \_\_\_\_\_

PURCHASE REQUESTED BY: Andrew Wood DATE: 3-24-16  
PURCHASE ORDER APPROVAL AND ASSIGNMENT

Kelley Brown  
Kelley L. Brown City Administrator/Clerk

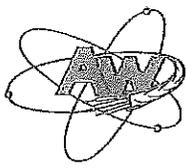
3-25-16  
Date

Council Approval date: (if over \$2500)

- Purchaser's Copy
- Vendor's Copy
- File Copy

CC 41216

**INVOICE**



**A&W ELECTRIC, INC.**  
 309 S 7th, STE A  
 ADEL, IA 50003

brendar@awelectricalcontractors.com

S.O. No.	Date	Invoice #
B536	3/24/2016	25180

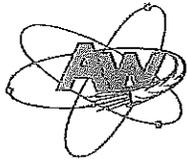
<b>Bill To</b>	<b>Phone #</b>
<i>CITY OF GRIMES</i>	515-986-3986
<i>101 N HARVEY</i>	<b>Fax #</b>
<i>GRIMES, IA 50111</i>	515-993-2130
<i>Due Upon Receipt</i>	<b>P.O. No.</b>

Quan...	Description	Rate	U/M	Amount
	INSTALL POWER FOR NEW DIESEL TRUCK WIRES CAPPED IN U/G BOX. REFEED WIRE TO POLE #2. REMOVED GFIs ON POLES #3 AND #4. INSTALLED BLANK COVERS FOR POLES 3 AND 4. REMOVED UNUSED WIRE FROM BRKR 24 RELABELED PANEL SCHEDULE. PIPED AND WIRED NEW FUEL TANK. SET JB FOR SWITCH AND ENG STOP			
1	SERVICE CALL	87.00	hr	87.00
16	REGULAR HOURS	75.00	hr	1,200.00
4	MET 1G BLANK COVER SILVER	0.98	ea	3.92
4	3/4 LOCKNUT	0.19	ea	0.76
1	3/4 CHASE NIPPLE	0.81	ea	0.81
90	#12 THHN CU STR	0.18	ft	16.20
2	3/4 STR LT CONN	4.50	ea	9.00
1	3/4 LT FLEX	1.66	ea	1.66
1	4/5 STEEL BOX	1.03	ea	1.03
5	1 G RAISED CVR	1.03	ea	5.15
10	ORANGE/BLUE WIRENUTS	0.20	ea	2.00
12	TEK SCREW S TAP	0.43	ea	5.16
1	KIL XT-1 1/2 AL EX-PRF COND BODY	65.54	ea	65.54
1	KIL CUP-1 1/2 RECESSED HEAD PLUG PLUG	4.84	ea	4.84
1	KIL CUP-2 3/4 RECESSED HEAD PLUG	4.94	ea	4.94
1	HOF A16RR126HCR 3R ENCL HNG CVR	226.14	ea	226.14
1	PNS PS20AC1 TOGGLE SWITCH 20A 1P WHT	3.79	ea	3.79
1	SQD 9001KR9R 30MM PUSH PULL OPERATOR RED KNOB	164.24	ea	164.24
1	SQD 9001KA3 30MM CONTACT BLOCK 1N/C	27.54	ea	27.54
1	SQD 9001K25 PUSHBUTTON FLUSHPLATE 30MM TYPE K	42.38	ea	42.38
1	KIL GRSS 3/4 EX PRF COND BODY BODY	111.43	ea	111.43
1	APP RB75-50 777 3/4X1/2 RED BUSH	1.99	ea	1.99
30	COND RIG 050 1/2" RIG	1.84	ea	55.20
1	ECN RIG ELL 90D 085 384 RIG GAL 90 ELBOW	6.46	ea	6.46
2	KIL GUF - 1 1/2 EX-PRF F/F UNION	16.04	ea	32.08
2	CAD ROOF TP PIPNEOPT SUPP	32.54	ea	65.08

*We accept credit cards: Master-card, Visa, Discover, and American Express.*

Accounts not paid within 15 days of the date of the invoice are subject to a 1.5% monthly finance charge.

<b>Sales Tax (0.0%)</b>
<b>Total</b>



**A&W ELECTRIC, INC.**

309 S 7th, STE A  
ADEL, IA 50003

brendar@awelectricalcontractors.com

# INVOICE

S.O. No.	Date	Invoice #
B536	3/24/2016	25180

Bill To
CITY OF GRIMES 101 N HARVEY GRIMES, IA 50111
Due Upon Receipt

Phone #
515-986-3986
Fax #
515-993-2130

P.O. No.
----------

Quan...	Description	Rate	U/M	Amount
7	POW PS-1100-3-1/2" EG PLT RIG COND CLMP	2.84	ea	19.88
2	ECN RIG CPLG 050 1/2" RIG GAL	1.54	ea	3.08
2	KIL ENY-1 1/2" EXPL-PRF SEAL	10.45	ea	20.90
1	KIL ENY-2 3/4" EXPL-PRF SEAL	16.99	ea	16.99
1	ECN RIG NIP 075X600 3/4X6 RIG GALV NIP	2.84	ea	2.84
1	ECN RIG NIP 050X600 1/2X6 RIG GALV NIP	2.64	ea	2.64
1	KIL ECF-110 1/2X10 EX-PRF FLX CPLG	226.93	ea	226.93
1	KIL XLB-1 1/2 AL EX-PRF CON BODY	63.45	ea	63.45
4	ECN RIG NIP 050XCL 1/2X CLOSE X1-1/8 GALV RIG NIP	0.98	ea	3.92
1	HOF CSD12126 77290 ENCLOSURE	405.15	ea	405.15
1	HOF CWHK HNDL KEYLOCK FITS DRS CAST/BK	98.36	ea	98.36
3	CUT 12/3 SEO CUTTING REEL	1.24	ea	3.72
1	T&B 2524 1/2 .500-.625 CORD CONN	9.88	ea	9.88
20	7/8 X 1 5/8 STRUT W/H	3.27	ea	65.40
4	1/4 BOLTS	0.55	ea	2.20
4	1 1/4 X 1/4' FENDER WASHERS	0.55		2.20

We accept credit cards: Master-card, Visa, Discover, and American Express.

Accounts not paid within 15 days of the date of the invoice are subject to a 1.5% monthly finance charge.

Sales Tax (0.0%)	\$0.00
<b>Total</b>	<b>\$3,091.88</b>

P.O. No. \_\_\_\_\_

17579

# CITY OF GRIMES

101 N. Harvey, Grimes, IA 50111 phone: 515-986-3036 fax: 515-986-3846

## PURCHASE REQUEST/PURCHASE ORDER

Source/Supplier Adw Electric

Name

309 S 7th St STA Adel IA 50002

Address

Phone Number/Fax Number

ITEMS	QTY	UNIT PRICE	TOTAL
labor	16 hrs	75 <sup>00</sup>	\$ 1200 <sup>00</sup>
Service call			87 <sup>00</sup>
Parts	materials		1804.88
			<u>\$ 3091.88</u>

PURCHASE JUSTIFICATION: Explosion proof wiring for fuel tank at new shop

DEPARTMENT: streets-fuel

LINE ITEM: \_\_\_\_\_

BEGINNING BUDGET BALANCE: \_\_\_\_\_

ENDING BUDGET BALANCE: \_\_\_\_\_

PURCHASE REQUESTED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

### PURCHASE ORDER APPROVAL AND ASSIGNMENT

Kelley Brown  
Kelley L. Brown City Administrator/Clerk (M)

David Sgler  
Date 3-25-16

CC 4-12-16

Council Approval date: (if over \$2500)

- Purchaser's Copy
- Vendor's Copy
- File Copy

March 17, 2016

VIA E-MAIL

Kelley Brown  
City Administrator/City Hall  
Grimes, Iowa

Re: Grimes, Iowa  
Bond Counsel Services

Dear Kelley:

I am writing to explain our role as Bond Counsel and Disclosure Counsel for the City of Grimes's (the "City") proposed General Obligation borrowing to advance refund certain outstanding City debt. It is our understanding that the City will issue General Obligation Refunding Bonds (the "Bonds") in a principal amount not to exceed \$2,200,000 into the municipal bond market through a negotiated underwriting by Piper Jaffray & Co. (the "Underwriter").

As Bond Counsel, it is our responsibility to provide legal representation to the City with respect to the authorization of the issuance of the Bonds. In serving the City as Bond Counsel, we will prepare appropriate resolutions, notices, agreements, filings and certificates, consult with the Underwriter, and undertake such additional duties as we deem necessary to help the City through this transaction. At closing of the issuance of the Bonds, assuming the proper conditions are in place, we will deliver our opinion that (1) the Bonds are valid and binding general obligations of the City, and (2) the interest paid on the Bonds will be excluded from gross income for federal income tax purposes.

We have also been asked to serve as Disclosure Counsel in order to assist with securities regulatory compliance for the offering of the Bonds. As Disclosure Counsel we will assist the Underwriter with preparation of the body of the Official Statement which will be necessary for the sale of the Bonds, and we will consult and advise on related disclosure and continuing disclosure matters. We will perform "due diligence" functions and perform certain other functions as may be necessary to fulfill our responsibilities as Disclosure Counsel. We will not be responsible for the preparation of Appendix A to the Official Statement, but we will coordinate with the Underwriter as they work with you to prepare that portion of the document.

Page 2

It has come to our attention that our firm from time-to-time represents the Underwriter on certain unrelated legal matters, and the City's position will be technically adverse to the Underwriter as it issues the Bonds. Professional rules require a law firm to obtain client consents before representing one client on a matter which is adverse to another current client, even though the representations are on unrelated subject matters. In asking these consents, we assure you: (1) that we will not use confidential client information in any way to either client's disadvantage, and (2) that we will be able, fully and properly, to represent the City and the Underwriter on their separate matters without our representation of either client being affected by our representation of the other client. The Underwriter has already consented to this representation. By execution of this letter, the City will consent to the representation under these described conditions and consents to our current and future representation of the Underwriter on unrelated matters.

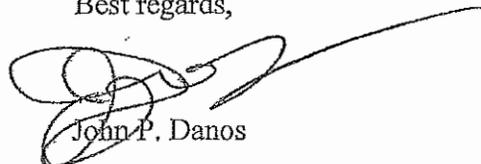
In performing our services as Bond Counsel and Disclosure Counsel, our sole client in this matter will be the City of Grimes. We will not represent any other party in this financing and it is mutually understood that the services to be provided by us as described herein are solely for the benefit of the City.

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake, (iii) the time we anticipate devoting to the project, and (iv) the responsibilities we assume, we estimate that our fees and expenses for legal services as Bond Counsel and Disclosure Counsel will not exceed \$17,000.

After this arrangement is approved on behalf of the City, please have this letter executed in the space below and either fax an executed copy of this letter to our office at (515) 283-1060 or scan and email an executed copy to [lemke.susan@dorsey.com](mailto:lemke.susan@dorsey.com). If you have questions, please call me.

We look forward to working with you. Thank you for the opportunity to serve the City.

Best regards,

  
John P. Danos

JPD/sl

Page 3

I understand and agree to the arrangements stated above.

**CITY OF GRIMES, IOWA**

**BY:** \_\_\_\_\_  
Mayor

**Date:** \_\_\_\_\_

**ATTEST:** \_\_\_\_\_  
City Clerk

**Date:** \_\_\_\_\_

IOWA BANKERS MORTGAGE CORPORATION BI-WEEKLY  
ENROLLMENT FORM

(Please complete and return to PO Box: 6220, Johnston, IA 50131)

1. _____ Bank Name	6. _____ IBMC Loan Number
2. _____ Bank Routing number	7. _____ First Withdrawal Date (Friday) (Two withdrawals must be made before 10 <sup>th</sup> of the month in which payment is to be posted. If not sure on date please call 800-873-9667)
3. _____ Acct #: Checking, Savings (circle)	8. _____ Customer Name (please print)
4. Additional Payments to Principal- Please deduct an extra \$ _____ every two weeks*	9. _____ Signature (by signing you have read entire form)
5. Include the \$50 enrollment fee in my first draft (circle one)**	YES      NO

**AUTHORIZATION**

- I understand that I will receive a "Welcome" letter describing when my first draft, as well as subsequent drafts for the year, will occur before any draft on the bi-weekly program is initiated.
- I understand that exactly one half of my total mortgage payment will be drafted every two weeks. This means I will make one extra payment to the loan over the course of the year.
- Iowa Bankers Mortgage Corporation (IBMC) reserves the right to cancel this program at anytime. Similarly, you may cancel your bi-weekly payment option at anytime with 30 days written notice. IBMC also reserves the right to cancel you from the program should any of your payments go NSF (non sufficient funds). There will be a \$30.00 charge to your account on all returned payments.
- If your loan is sold at anytime, you will be cancelled from the program. If your loan is sold within one year of your first draft date, you will receive a refund of the enrollment fee.
- Your bi-weekly payments may change each year as your taxes and/or insurance amounts change.
- I understand that by participating in the bi-weekly program, it in no way lessens my obligations under my existing mortgage contract as defined on the note and deed of trust.

I (we) hereby authorize and request Iowa Bankers Mortgage Corporation (IBMC) to initiate electronic debit entries or effect a charge by any other commercially accepted practice to my (our) account indicated below in the financial institution named below ("Bank"), and I (we) authorize and request BANK to honor the debit entries initiated by IBMC on the transaction date specified in the "Welcome" letter. This authority pertains to my (our) IBMC loan number and the schedule of payments described in the related contract. The authority is to remain in force and in effect until the schedule of payments is completed or until IBMC has received written notification from me (or either of us) of its termination in such a time and such a manner as to afford IBMC and/or bank reasonable opportunity to act on it. The Bi-Weekly payment plan is in lieu of and will accommodate my regular scheduled payments only. I understand I will be charged \$2.00 per draft for participating in the program. \*\*\*Once enrolled, drafts will occur every other Friday. \*\*\*

\*Additional payments to the principal can be transacted through this debit as I (we) have designated above. Please keep in mind that this additional amount will be drafted every two weeks, but will be applied toward the reduction of your principal only once a month when your regular payment is due.

\*\*If you select "YES" then you agree to have an additional \$50 deducted from your account for your first draft only. This is a one-time fee and does not go toward payment of your loan. If you select "NO" please include a separate check below for the \$50 one-time enrollment fee.

Attach voided check (preferable) or deposit slip here from the account you would like the draft to come from.

Attach separate check for \$50 for the initial enrollment fee unless you have chosen to pay the enrollment fee in your first draft.

Please return this form to the address listed above!

**IOWA DEPARTMENT OF TRANSPORTATION  
Federal-aid Agreement  
For a City Highway Bridge Program Project**

Recipient: City of Grimes

Project No: BRM-3125(613)--8N-77

Iowa DOT Agreement No: 1-16-HBRR-007

CFDA No. and Title: 20.205 Highway Planning and Construction

This is an agreement between the City of Grimes, Iowa (hereinafter referred to as the Recipient) and the Iowa Department of Transportation (hereinafter referred to as the Department). Iowa Code Sections 306A.7 and 307.44 provide for the Recipient and the Department to enter into agreements with each other for the purpose of financing transportation improvement projects on streets and highways in Iowa with Federal funds.

The Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21), Public Law 112-141, continued the Surface Transportation Program (STP), now codified at Section 133(b) of Title 23, United States Code (U.S.C.). The STP makes Federal funds available for replacement or rehabilitation of highway bridges on public roads on and off the Federal-aid System. A portion of STP funds have been set-aside for this purpose and designated as the Highway Bridge Program.

Pursuant to the terms of this agreement, applicable statutes, and 761 Iowa Administrative Code (IAC) Chapter 161, the Department agrees to provide Highway Bridge Program funding to the Recipient for the authorized and approved costs for eligible items associated with the project.

Under this agreement, the parties further agree as follows:

1. The Recipient shall be the lead local governmental agency for carrying out the provisions of this agreement.
2. All notices required under this agreement shall be made in writing to the appropriate contact person. The Department's contact person will be the District 1 Local Systems Engineer. The Recipient's contact person shall be the City Administrator.
3. The Recipient shall be responsible for the development and completion of the following bridge project:
  - A. FHWA Structure Number: 282270
  - B. Location: N. James Street over Little Beaver Creek
  - C. Preliminary Estimated Total Cost: \$1,610,000
4. The eligible project construction limits shall include the bridge plus grading and/or paving to reach a "touchdown point" determined by the Department. Within the eligible project construction limits, eligible project activities will be limited to the following: construction, engineering, inspection, and right-of-way acquisition. Under certain circumstances eligible activities may also include utility relocation or railroad work that is required for construction of the project. Certain activities necessary to comply with Federal or State environment or permit requirements, including studies and/or mitigation of the project's environmental impacts, are also eligible.
5. Costs associated with work outside the eligible project construction limits, routine maintenance activities, operations, and monitoring expenses, are not eligible. In addition, administrative costs, and fees or interest associated with bonds or loans are not eligible.
6. The Recipient shall receive reimbursement for costs of authorized and approved eligible project activities from Highway Bridge Program funds. The portion of the eligible project costs reimbursed by Highway Bridge Program funds shall be limited to a maximum of 80% of eligible costs or \$1,000,000, whichever is less. Reimbursed costs will be limited to federal funds that are made available for cities through the Federal Highway Bridge Replacement Program outlined in 761 Iowa Administrative Code, Chapter 161.

7. The Recipient shall let the project for bids through the Department.
8. If any part of this agreement is found to be void and unenforceable, the remaining provisions of this agreement shall remain in effect.
9. It is the intent of both (all) parties that no third party beneficiaries be created by this agreement.
10. Responsibility for compliance with the Federal and State laws, regulations, policies, or procedures required by this agreement is not assignable without the prior written consent of the Department.
11. This agreement shall be executed and delivered in two or more copies, each of which shall be deemed to be an original and shall constitute but one and the same agreement.
12. The project shall be let to contract within 3 years of the date this agreement is approved by the Department. If not, the Recipient may be in default, for which the Department may revoke funding commitments. This agreement may be extended for a period of 6 months upon receipt of a written request from the Recipient at least 30 days prior to the 3 year deadline.
13. This agreement and the attached Exhibit 1 constitute the entire agreement between the Department and the Recipient concerning this project. Representations made before the signing of this agreement are not binding, and neither party has relied upon conflicting representations in entering into this agreement. Any change or alteration to the terms of this agreement shall be made in the form of an addendum to this agreement. The addendum shall become effective only upon written approval of the Department and the Recipient.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date shown opposite its signature below.

RECIPIENT: City of Grimes

By \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_

Title \_\_\_\_\_

I, \_\_\_\_\_, certify that I am the Clerk of the City, and that \_\_\_\_\_,

who signed said Agreement for and on behalf of the City was duly authorized to execute the same by virtue of a

formal Resolution duly passed and adopted by the City, on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signed \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_

City Clerk of Grimes, Iowa

IOWA DEPARTMENT OF TRANSPORTATION  
Highway Division

By \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_

Gregg Durbin, P.E.  
Local Systems Engineer  
District 1

**EXHIBIT 1**  
**General Agreement Provisions for use of Federal Highway Funds on Non-primary Projects**

Unless otherwise specified in this agreement, the Recipient shall be responsible for the following:

**1. General Requirements.**

- a. The Recipient shall take the necessary actions to comply with applicable State and Federal laws and regulations. To assist the Recipient, the Department has provided guidance in the Federal-aid Project Development Guide (Guide) and the Instructional Memorandums to Local Public Agencies (I.M.s) that are referenced by the Guide. Both are available on-line at: [http://www.iowadot.gov/local\\_systems/publications/im/lpa\\_ims.htm](http://www.iowadot.gov/local_systems/publications/im/lpa_ims.htm). The Recipient shall follow the applicable procedures and guidelines contained in the Guide and I.M.s in effect at the time project activities are conducted.
- b. In accordance with Title VI of the Civil Rights Act of 1964 and associated subsequent nondiscrimination laws, regulations, and executive orders, the Recipient shall not discriminate against any person on the basis of race, color, national origin, sex, age, or disability. In accordance with Iowa Code Chapter 216, the Recipient shall not discriminate against any person on the basis of race, color, creed, age, sex, sexual orientation, gender identity, national origin, religion, pregnancy, or disability. The Recipient agrees to comply with the requirements outlined in I.M. 1.070, Title VI and Nondiscrimination Requirements which includes the requirement to provide a copy of the Recipient's Title VI Plan or Agreement and Standard DOT Title VI Assurances to the Department.
- c. The Recipient shall comply with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), Section 504 of the Rehabilitation Act of 1973 (Section 504), the associated Code of Federal Regulations (CFR) that implement these laws, and the guidance provided in I.M. 1.080, ADA Requirements. When pedestrian facilities are constructed, reconstructed, or altered, the Recipient shall make such facilities compliant with the ADA and Section 504.
- d. To the extent allowable by law, the Recipient agrees to indemnify, defend, and hold the Department harmless from any action or liability arising out of the design, construction, maintenance, placement of traffic control devices, inspection, or use of this project. This agreement to indemnify, defend, and hold harmless applies to all aspects of the Department's application review and approval process, plan and construction reviews, and funding participation.
- e. As required by 49 CFR 18.26, the Recipient is responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S. C. 7501-7507) and Subpart F of 2 CFR 200. Subpart F of 2 CFR 200 stipulates that non-Federal entities expending \$750,000 or more in Federal awards in a year shall have a single or program-specific audit conducted for that year in accordance with the provision of that part. Auditee responsibilities are addressed in Subpart F of 2 CFR 200.500. The Federal funds provided by this agreement shall be reported on the appropriate Schedule of Expenditures of Federal Awards (SEFA) using the Catalog of Federal Domestic Assistance (CFDA) number and title as shown on the first page of this agreement. If the Recipient will pay initial project costs and request reimbursement from the Department, the Recipient shall report this project on its SEFA. If the Department will pay initial project costs and then credit those accounts from which initial costs were paid, the Department will report this project on its SEFA. In this case, the Recipient shall not report this project on its SEFA.
- f. The Recipient shall supply the Department with all information required by the Federal Funding Accountability and Transparency Act of 2006 and 2 CFR Part 170.
- g. The Recipient shall comply with the following Disadvantaged Business Enterprise (DBE) requirements:
  - i. The Recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any Department-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Department-assisted contracts.
  - ii. The Recipient shall comply with the requirements of I.M. 3.710, DBE Guidelines.

iii. The Department's DBE program, as required by 49 CFR Part 26 and as approved by the Federal Highway Administration (FHWA), is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- h. Termination of funds. Notwithstanding anything in this agreement to the contrary, and subject to the limitations set forth below, the Department shall have the right to terminate this agreement without penalty and without any advance notice as a result of any of the following: 1) The Federal government, legislature or governor fail in the sole opinion of the Department to appropriate funds sufficient to allow the Department to either meet its obligations under this agreement or to operate as required and to fulfill its obligations under this agreement; or 2) If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the Department to make any payment hereunder are insufficient or unavailable for any other reason as determined by the Department in its sole discretion; or 3) If the Department's authorization to conduct its business or engage in activities or operations related to the subject matter of this agreement is withdrawn or materially altered or modified. The Department shall provide the Recipient with written notice of termination pursuant to this section.

## **2. Programming and Federal Authorization.**

- a. The Recipient shall be responsible for including the project in the appropriate Regional Planning Affiliation (RPA) or Metropolitan Planning Organization (MPO) Transportation Improvement Program (TIP). The Recipient shall also ensure that the appropriate RPA or MPO, through their TIP submittal to the Department, includes the project in the Statewide Transportation Improvement Program (STIP). If the project is not included in the appropriate fiscal year of the STIP, Federal funds cannot be authorized.
- b. Before beginning any work for which Federal funding reimbursement will be requested, the Recipient shall contact the Department to obtain the procedures necessary to secure FHWA authorization. The Recipient shall submit a written request for FHWA authorization to the Department. After reviewing the Recipient's request, the Department will forward the request to the FHWA for authorization and obligation of Federal funds. The Department will notify the Recipient when FHWA authorization is obtained. The cost of work performed prior to FHWA authorization will not be reimbursed with Federal funds.

## **3. Federal Participation in Work Performed by Recipient Employees.**

- a. If Federal reimbursement will be requested for engineering, construction inspection, right-of-way acquisition or other services provided by employees of the Recipient, the Recipient shall follow the procedures in I.M. 3.310, Federal-aid Participation in In-House Services.
- b. If Federal reimbursement will be requested for construction performed by employees of the Recipient, the Recipient shall follow the procedures in I.M. 3.810, Federal-aid Construction by Local Agency Forces.
- c. If the Recipient desires to claim indirect costs associated with work performed by its employees, the Recipient shall prepare and submit to the Department an indirect cost rate proposal and related documentation in accordance with the requirements of 2 CFR 225. Before incurring any indirect costs, such indirect cost rate proposal shall be certified by the FHWA or the Federal agency providing the largest amount of Federal funds to the Recipient.

## **4. Design and Consultant Services**

- a. The Recipient shall be responsible for the design of the project, including all necessary plans, specifications, and estimates (PS&E). The project shall be designed in accordance with the design guidelines provided or referenced by the Department in the Guide and applicable I.M.s.
- b. If the Recipient requests Federal funds for consultant services, the Recipient and the Consultant shall prepare a contract for consultant services in accordance with 23 CFR Part 172. These regulations require a qualifications-based selection process. The Recipient shall follow the procedures for selecting and using consultants outlined in I.M. 3.305, Federal-aid Participation in Consultant Costs.

- c. If Preliminary Engineering (PE) work is Federally funded, and if right-of-way acquisition or actual construction of the project is not started by the close of the tenth fiscal year following the fiscal year in which the Federal funds were authorized, the Recipient shall repay to the Department the amount of Federal funds reimbursed to the Recipient for such PE work. PE includes work that is part of the development of the PS&E for a construction project. This includes environmental studies and documents, preliminary design, and final design up through and including the preparation of bidding documents. PE does not include planning or other activities that are not intended to lead to a construction project. Examples include planning, conceptual, or feasibility studies.

#### **5. Environmental Requirements and other Agreements or Permits.**

- a. The Recipient shall take the appropriate actions and prepare the necessary documents to fulfill the FHWA requirements for project environmental studies including historical/cultural reviews and location approval. The Recipient shall complete any mitigation agreed upon in the FHWA approval document. These procedures are set forth in I.M. 3.105, Concept Statement Instructions; 3.110, Environmental Data Sheet Instructions; 3.112, FHWA Environmental Concurrence Process; and 3.114, Cultural Resource Regulations.
- b. If farmland is to be acquired, whether for use as project right-of-way or permanent easement, the Recipient shall follow the procedures in I.M. 3.120, Farmland Protection Policy Act Guidelines.
- c. The Recipient shall obtain project permits and approvals, when necessary, from the Iowa Department of Cultural Affairs (State Historical Society of Iowa; State Historic Preservation Officer), Iowa Department of Natural Resources, U.S. Coast Guard, U.S. Army Corps of Engineers, the Department, or other agencies as required. The Recipient shall follow the procedures in I.M. 3.130, 404 Permit Process; 3.140, Storm Water Permits; 3.150, Highway Improvements in the Vicinity of Airports or Heliports; and 3.160, Asbestos Inspection, Removal and Notification Requirements.
- d. In all contracts entered into by the Recipient, and all subcontracts, in connection with this project that exceed \$100,000, the Recipient shall comply with the requirements of Section 114 of the Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all their regulations and guidelines. In such contracts, the Recipient shall stipulate that any facility to be utilized in performance of or to benefit from this agreement is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities or is under consideration to be listed.

#### **6. Right-of-Way, Railroads and Utilities.**

- a. The Recipient shall acquire the project right-of-way, whether by lease, easement, or fee title, and shall provide relocation assistance benefits and payments in accordance with the procedures set forth in I.M. 3.605, Right-of-Way Acquisition, and the Department's Office of Right of Way Local Public Agency Manual. The Recipient shall contact the Department for assistance, as necessary, to ensure compliance with the required procedures, even if no Federal funds are used for right-of-way activities. The Recipient shall obtain environmental concurrence before acquiring any needed right-of-way. With prior approval, hardship and protective buying is possible. If the Recipient requests Federal funding for right-of-way acquisition, the Recipient shall also obtain FHWA authorization before purchasing any needed right-of-way.
- b. If the project right-of-way is Federally funded and if the actual construction is not undertaken by the close of the twentieth fiscal year following the fiscal year in which the Federal funds were authorized, the Recipient shall repay the amount of Federal funds reimbursed for right-of-way costs to the Department.
- c. If a railroad crossing or railroad tracks are within or adjacent to the project limits, the Recipient shall obtain agreements, easements, or permits as needed from the railroad. The Recipient shall follow the procedures in I.M. 3.670, Work on Railroad Right-of-Way, and I.M. 3.680, Federal-aid Projects Involving Railroads.
- d. The Recipient shall comply with the Policy for Accommodating Utilities on City and County Federal-aid Highway Right of Way for projects on non-primary Federal-aid highways. For projects connecting to or involving some work inside the right-of-way for a primary highway, the Recipient shall follow the Iowa DOT Policy for Accommodating Utilities on Primary Road System. Certain utility relocation, alteration, adjustment, or removal costs to the Recipient for the project may be eligible for Federal funding reimbursement. The Recipient should also use the procedures outlined in I.M. 3.640, Utility Accommodation and Coordination, as a guide to coordinating with utilities.

- e. If the Recipient desires Federal reimbursement for utility costs, it shall submit a request for FHWA authorization prior to beginning any utility relocation work, in accordance with the procedures outlined in I.M. 3.650, Federal-aid Participation in Utility Relocations.

## 7. Contract Procurement.

The following provisions apply only to projects involving physical construction or improvements to transportation facilities:

- a. The project plans, specifications, and cost estimate (PS&E) shall be prepared and certified by a professional engineer or architect, as applicable, licensed in the State of Iowa.
- b. For projects let through the Department, the Recipient shall be responsible for the following:
  - i. Prepare and submit the PS&E and other contract documents to the Department for review and approval in accordance with I.M. 3.505, Check and Final Plans and I.M. 3.510, Check and Final Bridge or Culvert Plans, as applicable.
  - ii. The contract documents shall use the Department's Standard Specifications for Highway and Bridge Construction. Prior to their use in the PS&E, specifications developed by the Recipient for individual construction items shall be approved by the Department.
  - iii. Follow the procedures in I.M. 3.730, Iowa DOT Letting Process, to analyze the bids received, make a decision to either award a contract to the lowest responsive bidder or reject all bids, and if a contract is awarded, execute the contract documents and return to the Department.
- c. For projects that are let locally by the Recipient, the Recipient shall follow the procedures in I.M. 3.720, Local Letting Process, Federal-aid.
- d. The Recipient shall forward a completed Project Development Certification (Form 730002) to the Department in accordance with I.M. 3.750, Project Development Certification Instructions. The project shall not receive FHWA Authorization for construction or be advertised for bids until after the Department has reviewed and approved the Project Development Certification.
- e. If the Recipient is a city, the Recipient shall comply with the public hearing requirements of the Iowa Code Section 26.12.
- f. The Recipient shall not provide the contractor with notice to proceed until after receiving written notice the Department has concurred in the contract award.

## 8. Construction.

- a. A full-time employee of the Recipient shall serve as the person in responsible charge of the construction project. For cities that do not have any full time employees, the mayor or city clerk will serve as the person in responsible charge, with assistance from the Department.
- b. Traffic control devices, signing, or pavement markings installed within the limits of this project shall conform to the "Manual on Uniform Traffic Control Devices for Streets and Highways" per 761 Iowa Administrative Code Chapter 130. The safety of the general public shall be assured through the use of proper protective measures and devices such as fences, barricades, signs, flood lighting, and warning lights as necessary.
- c. For projects let through the Department, the project shall be constructed under the Department's Standard Specifications for Highway and Bridge Construction and the Recipient shall comply with the procedures and responsibilities for materials testing according to the Department's Materials I.M.s. Available on-line at: <http://www.iowadot.gov/erl/current/IM/navigation/nav.htm>.
- d. For projects let locally, the Recipient shall provide materials testing and certifications as required by the approved specifications.

- e. If the Department provides any materials testing services to the Recipient, the Department will bill the Recipient for such testing services according to its normal policy as per Materials I.M. 103, Inspection Services Provided to Counties, Cities, and Other State Agencies.
- f. The Recipient shall follow the procedures in I.M. 3.805, Construction Inspection, and the Department's Construction Manual, as applicable, for conducting construction inspection activities.

**9. Reimbursements.**

- a. After costs have been incurred, the Recipient shall submit to the Department periodic itemized claims for reimbursement for eligible project costs. Requests for reimbursement shall be made at least annually but not more than bi-weekly.
- b. To ensure proper accounting of costs, reimbursement requests for costs incurred prior to June 30 shall be submitted to the Department by August 1 if possible, but no later than August 15.
- c. Reimbursement claims shall include a certification that all eligible project costs, for which reimbursement is requested, have been reviewed by an official or governing board of the Recipient, are reasonable and proper, have been paid in full, and were completed in substantial compliance with the terms of this agreement.
- d. The Department will reimburse the Recipient for properly documented and certified claims for eligible project costs. The Department may withhold up to 5% of the Federal share of construction costs or 5% of the total Federal funds available for the project, whichever is less. Reimbursement will be made either by State warrant or by crediting other accounts from which payment was initially made. If, upon final audit or review, the Department determines the Recipient has been overpaid, the Recipient shall reimburse the overpaid amount to the Department. After the final audit or review is complete and after the Recipient has provided all required paperwork, the Department will release the Federal funds withheld.
- e. The total funds collected by the Recipient for this project shall not exceed the total project costs. The total funds collected shall include any Federal or State funds received, any special assessments made by the Recipient (exclusive of any associated interest or penalties) pursuant to Iowa Code Chapter 384 (cities) or Chapter 311 (counties), proceeds from the sale of excess right-of-way, and any other revenues generated by the project. The total project costs shall include all costs that can be directly attributed to the project. In the event that the total funds collected by the Recipient does exceed the total project costs, the Recipient shall either:
  - 1) in the case of special assessments, refund to the assessed property owners the excess special assessments collected (including interest and penalties associated with the amount of the excess), or
  - 2) refund to the Department all funds collected in excess of the total project costs (including interest and penalties associated with the amount of the excess) within 60 days of the receipt of any excess funds. In return, the Department will either credit reimbursement billings to the FHWA or credit the appropriate State fund account in the amount of refunds received from the Recipient.

**10. Project Close-out.**

- a. Within 30 days of completion of construction and/or other activities authorized by this agreement, the Recipient shall provide the completed pre-audit checklist to the Department and request a final audit, in accordance with the procedures in I.M. 3.910, Final Review, Audit, and Close-out Procedures for Federal-aid Projects.
- b. For construction projects, the Recipient shall provide a certification by a professional engineer or architect, as applicable, licensed in the State of Iowa, indicating the construction was completed in substantial compliance with the project plans and specifications.
- c. Final reimbursement of Federal funds shall be made only after the Department accepts the project as complete.

- d. The Recipient shall maintain all books, documents, papers, accounting records, reports, and other evidence pertaining to costs incurred for the project. The Recipient shall also make these materials available at all reasonable times for inspection by the Department, FHWA, or any authorized representatives of the Federal Government. Copies of these materials shall be furnished by the Recipient if requested. Such documents shall be retained for at least 3 years from the date of FHWA approval of the final closure document. Upon receipt of FHWA approval of the final closure document, the Department will notify the Recipient of the record retention date.
  
- e. The Recipient shall maintain, or cause to be maintained, the completed improvement in a manner acceptable to the Department and the FHWA.



RECEIVED MAR 23

March 1, 2016

City of Grimes  
101 N. Harvey St.  
Grimes, IA 50111

To Whom It May Concern:

In accordance with the Development Agreement between the City of Grimes, Iowa and The Right Stuf International, Inc. dated August 9, 2005, the correspondence certifies that the company is operating as a distribution center facility at 512 N. Main St. within the city of Grimes as of February 15, 2016.

Property taxes in the amount of \$21,463.00 were paid to the Polk County Treasurer on March 16, 2016. Documentation of this payment is attached.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Miller", written over the printed name "Teresa Miller".

Teresa Miller

Controller

The Right Stuf International, Inc.

CC App 4-12-16

RECEIVED MAR 23

Select Area

Tax Payments

Parcel Number

311.00305.510.000Class

CommercialStatus  
Active

Payment History

Installment1				
Year	2016			
Bill Number	RE1746920			
Receipt Number		B16.125238		
Amount Paid		\$21,463.00		
Date Paid	9/21/2015			
Installment2				
Year	2016			
Bill Number	RE1746920			
Receipt Number		U16.25935		
Amount Paid		\$21,463.00		
Date Paid	3/16/2016			
Installment1				
Year	2015			
Bill Number	RE1544905			
Receipt Number		B15.50832		
Amount Paid		\$23,334.00		
Date Paid	9/15/2014			
Installment2				
Year	2015			
Bill Number	RE1544905			
Receipt Number		B15.196021		
Amount Paid		\$23,334.00		
Date Paid	3/16/2015			
Installment1				
Year	2014			
Bill Number	RE1142303			
Receipt Number		B14.23251		
Amount Paid		\$24,875.00		
Date Paid	9/12/2013			
Installment2				
Year	2014			
Bill Number	RE1142303			
Receipt Number		B14.180582		
Amount Paid		\$24,875.00		
Date Paid	3/5/2014			
Installment1				
Year	2013			
Bill Number	RE 007336935			
Receipt Number	201300101:RE			
Amount Paid		007336935		
Amount Paid		\$24,454.00		
Date Paid	9/13/2012			
Installment2				
Year	2013			
Bill Number	RE 007336935			
Receipt Number	201300201:RE			
Amount Paid		007336935		
Amount Paid		\$24,454.00		
Date Paid	3/4/2013			
Installment1				
Year	2012			

RECEIVED APR - 4



INVOICE  
PAYABLE UPON RECEIPT

PAGE: 1

INVOICE NUMBER: 32301

03/31/16

MAKE CHECK PAYABLE TO: IOWA DEPARTMENT OF TRANSPORTATION

CUST: 02283 GRIMES, CITY OF

STOCK ISSUE:

GRIMES, CITY OF  
101 N HARVEY ST  
GRIMES

IA 50111

MATERIAL TESTING

QUANTITY LINE DESCRIPTION

STOCK NUMBER

AMOUNT DUE

2,508.77

\*\* TOTAL DUE \*\*

2,508.77

I HEREBY CERTIFY THAT THE  
ABOVE ITEM(S) AS LISTED ARE  
TRUE, CORRECT & WHOLLY UNPAID

*Pay per email  
John G. 4-5-16*

*Sarah Doser-Pansgaard*

*cc 4-12-16*

*310-750-6781 MW  
\*material testing SE 19th St*

DETACH AND RETURN WITH PAYMENT TO:

CASHIER OFFICE  
IOWA DEPARTMENT OF TRANSPORTATION  
800 LINCOLN WAY  
AMES, IA 50010

GRIMES, CITY OF

INVOICE NO: 32301 AMOUNT ENCLOSED:

PLEASE WRITE YOUR INVOICE NUMBER ON YOUR CHECK

MATLS. 491  
 JULY 2015

IOWA DEPARTMENT OF TRANSPORTATION

Office of Materials

TABULATION OF ASSURANCE & VERIFICATION TESTING COSTS

CONTRACTOR: CONCRETE TECHNOLOGIES, INC.	CITY: CITY OF GRIMES
WORK TYPE: P.C.C.P.	COUNTY: POLK
DATE: MARCH 28, 2016	PROJECT: STP-U-3125(611)--70-77
CONTRACT: 31527	

Route: SE 19th Street

Any questions, please call Becky Hanson 515-239-1087 e-mail rebecca.hanson@dot.iowa.gov

# TESTS	TYPE OF TEST	RATE	AMOUNT
2	SIEVE ANALYSIS	127.21	254.42
	FREEZE AND THAW	86.51	0.00
2	ABRASION	54.56	109.12
1	COARSE AGGR. SP. GR. & ABSORB.	26.71	26.71
2	PORTLAND CEMENT TEST OR SLAG TEST	332.58	665.16
	MIXING WATER TEST	66.59	0.00
2	ADMIXTURE/WATER REDUCER	76.48	152.96
	FLYASH PHYS TEST	261.28	0.00
2	FLYASH CHEM. & PHYS TEST	369.15	738.30
	AIR ENTRAINING AGENT	90.70	0.00
2	ALUMINUM OXIDE	68.31	136.62
	REINFORCING STEEL	266.91	0.00
	HI STRENGTH FASTENERS	47.89	0.00
	PROTECTIVE COATING	31.44	0.00
	PCC PLANT CALIBRATION INSPECTION	282.70	0.00
	FLOWABLE MORTAR	76.37	0.00
1	CAL. PROFIL. SMOOTHNESS (per 2 lane mile)	325.76	325.76
	MISCELLANEOUS STRUCTURAL STEEL	114.78	0.00
	FENCE MATERIALS	142.34	0.00
	DRAINTILE	115.84	0.00
	STANDARD LIGHT POLES	15.93	0.00
	NUCLEAR DENSITY TEST	447.92	0.00
	ELECTRICAL CABLE	261.70	0.00
2	CONDUIT	49.86	99.72
	MISCELLANEOUS METALS	82.36	0.00
	MATERIALS LAB QUALITY HMA MIX	276.83	0.00
	PRESTRESSED CONCRETE BRIDGE BEAMS	173.60	0.00
COST CENTER 6310	OBJECT 901 X 902	FUNCTION 010	TOTAL \$ 2,508.77



MidAmerican Energy  
10510 Douglas Ave,  
Urbandale, IA 50322

March 23, 2016

City of Grimes  
Attention: Dave Sigler  
101 NE Harvey St  
Grimes, IA 50111

Reference: Grimes Waste Water Treatment Plant Upgrades

Dear Mr. Sigler:

The enclosed drawing shows MidAmerican Energy Company's proposal to provide the underground primary distribution system and pad mounted transformer for the applicant's 277/480 volt, three-phase, four-wire underground electric service for the above project. The applicant charge for this installation is \$14,026.64. This proposal is valid for 90 days and if MidAmerican Energy Company construction has not commenced within 12 months it may be voided. This proposal is subject to the following terms:

MidAmerican Energy Company Proposes To:

1. Furnish and install the pad mounted transformer at the location shown on the enclosed drawing.
2. Furnish and install underground primary cable between the transformer and MidAmerican Energy Company's distribution system in customer-installed conduit.
3. Connect the primary and secondary cables at the transformer.
4. Furnish instrument transformers as required for metering (above 1200 amp), which may be picked up at MidAmerican Energy Company's storeroom.
5. Furnish and install the applicable electric meter(s).

The Applicant Agrees To:

1. Furnish and install the transformer pad including specified elbows and ducts, according to the enclosed transformer pad drawings and minimum specifications. A level graded, 10 foot minimum clearance is to be maintained from the front of the pad to the nearest fixed structure.

March 23, 2016

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2. Furnish and install an additional secondary duct for temporary service (if required).
3. Furnish, install, own and maintain all 4-inch ducts as shown on attached prints. All ducts shall be black w/red stripe or grey in color, PVC type schedule 40 or schedule 40 HDPE coil-able. Applicant shall install the ducts a minimum of forty-two (42) inches and a maximum of forty-eight (48) inches below finish grade with capped and staked ends and equipped with pull wires. MidAmerican Energy Company will provide marker balls for the duct ends. These are available at MidAmerican Energy Company's storeroom. Applicant is responsible for correct placement and depth of conduit. **Note: No more than ten (10) conduits allowed within the secondary compartment of the transformer pad.**
4. All duct elbows shall be fiberglass, forty-eight (48) inches in radius, heavy wall, with factory assembled plastic couplings on each end to mate with schedule 40 PVC duct.
5. Furnish and install barrier walls around the transformer that may be required by the governing authorities' standards to shield windows, doors and other building openings.
6. Furnish and install guard posts around the transformer (if needed).
7. Notify MidAmerican Energy Company 24 hours before pouring the concrete transformer pad. Please contact me at (515) **Error! Bookmark not defined.** to arrange for inspection.
8. Furnish, install, own, and maintain all secondary cable between the transformer and the metering point.
9. Furnish easements to MidAmerican Energy Company without cost. (Furnish survey drawing and/or legal description for easement preparation.) If a 3<sup>rd</sup> party easement is required any cost associated in obtaining the easement will be paid by the applicant.
10. Install metering instrument transformers sized and furnished by MidAmerican Energy Company, and furnish and install the meter test switch for all services above 1200 Amp.
11. Furnish and install an electric meter setting for each tenant, applicable sockets, conduit, cabinets and wiring according to MidAmerican Energy Company's standards.
12. **Furnish and install an oil containment structure (moat) around MidAmerican Energy Company's transformer. Please note the required specification for the oil containment structure is located on the design print provided with this proposal and in MidAmerican Energy Company's Electric Service Manual (curb style containment structure is not acceptable).**

March 23, 2016

Page 3

13. Locate all underground facilities such as storm and sanitary sewer, septic lines, underground electric cable, communication cable, irrigation systems and water lines that are not located by members of One Call. MidAmerican Energy Company assumes no liability for private facilities not located.
14. Be responsible for complying with all aspects of compliance as required by any local, state, or federal permit or plan associated with storm water pollution prevention or erosion control. It is specifically understood and agreed that MidAmerican Energy Company is providing the service requested by the Applicant solely for the Applicant. MidAmerican Energy Company will not become or agree to become a co-permittee or operator for the purpose of applicants' compliance with any local, state or federal permit or plan associated with storm water pollution prevention or erosion control.
15. Stake all necessary lot lines, corners and buildings before installation of the primary cable.

**All meter and related metering equipment locations shall be approved by the company. Unless Company approval of an exception is given, all meters and related meter equipment must be installed outside and securely attached to permanent structure.**

**MidAmerican Energy Company will not hook up permanent electric service until the oil containment structure is installed around the transformer.**

If a change is made to your facility that requires oil containment around any existing transformers, you will be responsible for the cost to install the containment structure/s.

If MidAmerican Energy Company is required to start construction of underground electric facilities during the winter season, the work will be subject to an additional winter construction charge.

There is an additional charge for connecting and disconnecting your temporary construction power pole. If this additional service is required, MidAmerican Energy Company will bill the Applicant accordingly.

The undersigned certifies that the structure served by the electric distribution system meets the energy conservation standards as contained in the Iowa Administrative Code Section 661-16.800 sometimes known as the "State Building Code Thermal and Lighting Efficiency Standards."

MidAmerican Energy Company installed facilities will remain the property of MidAmerican Energy Company.

March 23, 2016

Page 4

If this proposal is satisfactory, please sign and return one (1) copy to me. MidAmerican Energy Company will release the work for scheduling upon receipt of the signed proposal, easement and payment of \$14,026.64. If you have questions, please call me at (515) 252-6565.

Sincerely,  
MidAmerican Energy Company



Michael Younts  
Customer Technician

Enclosures:

Option A  I am requesting bushing mounted current transformers for metering greater than 1200 amps (one meter only).

Option B  I am not requesting bushing mounted current transformers for metering.

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_ Date Service Required: \_\_\_\_\_

## **Rochelle Williams**

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**From:** Lance Aldrich <lja@foxeng.com>  
**Sent:** Wednesday, March 30, 2016 9:21 AM  
**To:** Taylor Hopper  
**Cc:** Kelley Brown; Rochelle Williams  
**Subject:** Re: Grimes Water/Wastewater Improvements - Electrical Service Proposal

All,

I'll add that the cost of this work from Mid-American can be included and funded through the SRF loan (the wastewater/clean water one), just like pay requests from Rice Lake will be.

**Lance Aldrich, P.E.**  
**FOX Engineering Associates, Inc.**  
414 South 17th Street | Suite 107 | Ames, IA 50010  
Office | 515.233.0000 | Cell | 515.290.6404  
[www.foxeng.com](http://www.foxeng.com)

---

**From:** "Taylor Hopper" <tah@foxeng.com>  
**To:** "Kelley Brown" <kelbrown@ci.grimes.ia.us>  
**Cc:** "Rochelle Williams" <rwilliams@ci.grimes.ia.us>, "Lance Aldrich" <lja@foxeng.com>  
**Sent:** Wednesday, March 30, 2016 9:00:44 AM  
**Subject:** Grimes Water/Wastewater Improvements - Electrical Service Proposal

Kelley,

Attached is a proposal from Mid American for the new electric service required as part of the screw pump project. The official proposal should be coming directly from Mid American soon. This new service will power the existing raw wastewater pumping station, the new screw pumps, and Heartland pump station.

Our electrical engineer reviewed the proposal and feels it is appropriate. You should check option B at the bottom of the proposal as we are below 1200 amps. The contractor has requested that this proposal be approved and paid as soon as practical. Having the new service available will make things easier for them.

Let me know if you have any questions or concerns.

Thanks,

**Taylor Hopper, P.E.**  
**FOX Engineering Associates, Inc.**  
414 South 17th Street | Suite 107 | Ames, IA 50010  
Office | 515.233.0000 | Cell | 515.520.9702  
[www.foxeng.com](http://www.foxeng.com)

---

**From:** "Younts, Michael" <MYounts@midamerican.com>  
**To:** "Hopper, Taylor" <tah@foxeng.com>  
**Cc:** "Aldrich, Lance" <lja@foxeng.com>, [cruiserelectric@gmail.com](mailto:cruiserelectric@gmail.com)  
**Sent:** Wednesday, March 23, 2016 11:44:36 AM  
**Subject:** RE: Grimes Water/Wastewater Improvements - Electrical Service Proposal

Taylor,

Attached is the proposal for the Grimes Waste Water Plant upgrades. Please review and let me know if you have any questions.

Thanks,

Michael Younts

Customer Technician

MidAmerican Energy

10510 Douglas Ave

Urbandale, IA 50322

Work: (515) 252-6565

Cell: (515) 979-8294

Email: [MYounts@midamerican.com](mailto:MYounts@midamerican.com)

**CONDUIT SYSTEM LICENSE AGREEMENT**

City of Grimes, Iowa

On this 6 day of April, 2016, this Conduit System Lease Agreement (hereinafter "Agreement") is made and entered into by and between the City of Grimes, Iowa, a municipal corporation, Grimes City Hall, 101 NE Harvey Street, Grimes, Iowa 50111 (hereinafter referred to as "City"), and Iowa Network Services, Inc., an Iowa corporation located at 7760 Office Plaza Drive South, West Des Moines, IA 50266 (hereinafter referred to as "Licensee").

WHEREAS, City owns a system of conduit, innerduct, manholes and hand holes (hereinafter "Conduit System") within and under certain public street, sidewalk and alley rights-of-way in the Grimes Technology Improvement District ("GTID"), and it is the intent of the City to provide the Conduit System specifically for the use of telecommunication providers, and expressly for the purpose of providing fiber optic based broadband connectivity within the GTID; and,

WHEREAS, the Conduit System is intended (i) to limit the number of utility street cuts by collocation of fiber optic facilities within the City's rights-of-way located in the area that comprises the GTID (these rights-of-way located within the GTID being collectively referred to in this Agreement as the "ROW") and (ii) to increase the availability of fiber optic based broadband to broadband users located within the GTID, including but not limited to those users that are currently underserved, in part, due to the limited space available for conduit placement within the ROW; and

WHEREAS, Licensee owns and/or operates, within the City of Grimes certain telecommunications facilities not subject to this Agreement, portions of which are located within the GTID, the extent of which may change over time ("Licensee Network"); and

WHEREAS, Licensee desires to install, use and maintain fiber optic telecommunication cables and appurtenances ("Licensee Fiber Optics") in the Conduit System, all at the sole cost and expense of the Licensee; and

WHEREAS, Licensee desires to utilize the Conduit System for the provision of non-profit telecommunication services to Licensee only, in a non-competitive manner.

WHEREAS, the Licensee has agreed to be bound by the terms and conditions set forth herein which shall govern the Licensee's existing and future use the Conduit System; NOW,

THEREFORE, in consideration of the foregoing and the following covenants and agreements, it is hereby agreed by and between City and Licensee (hereinafter "Parties") as follows:

1. **USE OF CONDUIT SYSTEM.** City hereby licenses space in the Conduit System (hereinafter "Space") to Licensee on a non-exclusive basis, for Licensee to install, use and maintain Licensee Fiber Optics, in a single innerduct as assigned by City, in limited segments of

the Conduit System, where space is available, and where approved by City, at City's sole discretion as set forth below within and through the area identified in the attached Exhibit "A."

The Space provided to Licensee for installation shall include 100% use of a single two-inch conduit in the bank system of City owned conduit. As used in this Agreement, the boundaries of Licensee's licensed area are as defined in Exhibit "A." Prior to any installation by Licensee of Licensee Fiber Optics within the Conduit System, Licensee shall submit a permit application (pursuant to the City's then-current permitting system) in accordance with section 12c of this agreement, including a depiction of the proposed installation, to the City for review and approval (the "Permit Application"). The City shall respond in writing to Licensee's Permit Application within fifteen (15) business days after submission to the City by issuing a permit or providing comments for revision of the Permit Application. Upon receipt of the permit, Licensee may begin installation of the approved Licensee Fiber Optics ("Installation") and the terms of the approved Installation shall be incorporated in this Agreement as an addendum (each an "Installation Addendum").

## 2. TERM.

(a) Term. The term of this Agreement shall begin on the Effective Date, and shall end on the date that is twenty-five (25) years from the Effective Date, unless earlier terminated as provided herein ("Term").

(b) Renewal Term. The Parties agree to negotiate in good faith terms acceptable to both Parties for the renewal of this Agreement. Nothing in this Agreement is intended to or does create a legally binding obligation on either Party to renew this Agreement or to reach definitive renewal terms. Each Party acknowledges that if negotiations do not result in definitive renewal terms, then no renewal term is granted and neither Party is entitled to any compensation from the other Party for any reason connected with the negotiations or their termination.

## 3. CONSIDERATION.

(a) Location. During the Term of this Agreement, Licensee agrees to, at Licensee's sole cost and expense, respond to requests for location of Licensee Fiber Optics through the Iowa One-Call System associated with any part of the System where the Licensee has existing and new constructed Facilities located in the Conduit System.

(b) Damage Due to Failure to Locate. In the event Licensee fails to locate Licensee Fiber Optics or fails to locate such Licensee Fiber Optics correctly, Licensee, to the extent allowed by law, shall be liable for any and all costs and expenses arising directly and solely out of Licensee's failure to locate.

(c) License payment. Licensee shall make a single license payment in an amount equal to five dollars (\$5.00) per foot of utilized innerduct, in this case 1,670-ft, for a total license payment of eight thousand, three hundred fifty dollars and no cents (\$8,350).

4. STANDARDS AND SPECIFICATIONS. Licensee shall design, construct, install, secure, use, operate and maintain the Licensee Fiber Optics according to the manner set forth in its permit application, unless a change is approved by the City in accordance with the terms thereof.

5. OTHER USE. This Agreement shall be subject to and subordinate to City's right to maintain and use the Conduit System, and to use, alter or excavate any portion of the ROW or utilities; provided, however, that the City shall use commercially reasonable efforts to minimize any adverse impact on Licensee's rights under this Agreement. In the event that the City desires to make planned changes to the Conduit System, the City shall provide Licensee not less than ninety (90) days prior written notice setting forth a description of any changes in the Conduit System that could reasonably result in a material diminution or reduction of Licensee's rights under this Agreement. Upon receipt of such notice as described above, Licensee shall have the right to terminate any affected Installation Addendum of this Agreement without further liability.

6. CITY'S TITLE. City is the owner and/or holder of the property comprising the ROW associated with the Conduit System and shall be the owner of the Conduit System, subject in each case to the terms and limitations under which they are owned or held, including but not limited to covenants, conditions, restrictions, easements, including pre-existing fiber optic easements or licenses, reversionary interests, bond mortgages and indentures, and other matters, including but not limited to encroachments, licenses and permits, whether or not of record, and to the rights of tenants and licensees in possession.

7. RESTRICTION. Licensee shall not (a) create, or permit any lien, encumbrance or other property interest in the Conduit System, or (b) subject to the provisions of section 23 below, directly or indirectly sell or otherwise transfer any interest hereunder to any person or entity without the prior approval of City, which approval shall not be unreasonably withheld. Licensee shall not sub-lease its Space in the Conduit System to any third party. Licensee may not sell or resell to third parties or otherwise assign its rights and privileges contained in this Agreement to any third parties.

8. ACCEPTANCE.

Assets constructed or installed, and work performed related to the construction of said Assets within the ROW and attached to the Conduit System, by Licensee in compliance with the permit application shall be considered acceptable to the City. Acceptance shall not be unreasonably withheld or delayed by the City. Assets not accepted shall be brought into compliance by Licensee. If physical conditions in the ROW prevent Licensee from satisfying the terms of the permit, the Licensee and City shall work together to reach a solution mutually agreeable to both Parties.

9. OWNERSHIP. The Conduit System shall at all times be and remain the property of City. Main Line Extensions, Building Extensions, innerduct, manholes and/or hand holes (collectively "Assets") constructed or installed by Licensee within the ROW, shall become property of the City immediately upon acceptance. The Fiber Optics shall at all times be and

remain the property of Licensee. Licensee shall install and maintain the Licensee Fiber Optics at Licensee's own expense and risk.

10. INTENDED USE. City certifies the continuity and integrity of the Conduit System, that it is acceptable for its intended use, and that the Space assigned to Licensee is available on a where-is and as-is and as-available basis. Any deficiency in the segment of the Conduit System where the Licensee has, either existing Fiber Optics or desires to install Fiber Optics shall be brought into compliance at the sole cost of the Licensee, prior to installing or changing existing installation of Licensee Fiber Optics.

11. OBLIGATIONS.

(a.) Licensee Obligations.

(i.) During the Term of this Agreement, Licensee shall maintain the Licensee Fiber Optics in a functional and safe condition. All installation and maintenance of the Licensee Fiber Optics shall be the responsibility of Licensee and shall be performed under its direction by contractors approved by City, such approval not to be unreasonably withheld. Licensee shall perform such maintenance as is reasonably necessary and customary for normal use of the Licensee Fiber Optics. The installation and maintenance of the Licensee Fiber Optics shall be performed in a manner that minimizes any interruption or disruption of the ROW, utilities, communications or streets (including traffic control devices and systems) and shall restore the ROW, utilities, communications and streets (including traffic control devices and systems) in accordance with current City practice. The Licensee shall follow reasonable guidance and instructions from City for this purpose which need not be the lowest cost or most cost effective method for Licensee.

(ii.) If Licensee identifies any degradation in service, failures or defects in the Conduit System, Licensee shall promptly report such degradation in service, failures or defects to the City.

(iii.) Licensee shall be responsible for all damage, loss, and expense which may result by reason of defective material and/or workmanship in connection with work performed by Licensee under this Agreement, arising within a period of one (1) year from acceptance of said work by the City pursuant to Section 8 above. Licensee shall promptly repair such defect and pay, or cause to be paid, all expenses associated with said repair; and Licensee shall save and hold the City harmless from all damages, loss, and expense occasioned by or resulting from such defect.

(iv.) Licensee shall be responsible for all One Call locates of their fiber whether in City conduits or in its own Private Network.

(vi.) Licensee shall relocate or remove their facilities in accordance with applicable Grimes Code Sections.

(b) City Obligations.

(i.) Ongoing maintenance and repair of the Conduit System shall be the responsibility of the City; except that damage or degradation of the Conduit System that is attributable to negligence of the Licensee, and segments of the Conduit System occupied by Licensee Fibers shall be at the expense of the Licensee. The City shall maintain the Conduit System in good working condition, ensuring continuity between manholes, hand holes and Building Entrance points, and usable for its intended purpose.

(ii.) The City retains the following rights in regard to this agreement:

To terminate this agreement for misuse, non-use or failure of Licensee to comply with the provisions hereof ("Event of Default"); provided, however, the City shall provide written notice of any alleged Event of Default and the Licensee shall have thirty (30) days after receipt of such written notice from the City to cure the alleged Event of Default. However, in the event the nature of the default is such that it is not capable of being cured within 30 days, then the parties may mutually agree upon an additional reasonable period in which to complete such cure.

To use, control and regulate the use of the City streets, roads, easements, other public places and the Rights of Way, and the space above and beneath the same; and the Conduit System; and

To require the removal or relocation of any of the Facilities from the Conduit System if necessary or desirable, in the sole judgment of the City, for any public or municipal purpose or project, at the Licensees' sole cost and expense.

Licensee may abandon any segment where a removal or relocation is required. Licensee or the City may, upon one year prior written notice, elect to surrender and Terminate this agreement and all rights thereunder. Upon the effective date of termination, the Term of this Agreement shall end and the Licensee's rights to use of public rights of way shall cease.

## 12. LICENSEE USE OF CONDUIT SYSTEM.

(a) Third Party Contracts. Licensee shall not act in any way which would materially and adversely interfere with City's performance of City contracts for provision of communication services or leasing space within the Conduit System.

(b) Damage from Misuse. Licensee shall not use the Conduit System except as intended under this Agreement. If Conduit System damage is attributable to misuse or abuse by Licensee, then Licensee shall pay City for the repair or replacement of the affected portion of Conduit System and any damage to City property in accordance with City schedule of time and material charges then in effect.

(c) Use in Accordance with Law. By agreeing to this Agreement, Licensee agrees to obey and comply with all applicable governmental ordinances, laws, rules, regulations,

or restrictions, including, but not limited to, relevant provisions of the Grimes Code of Ordinances, the Iowa Code, and City permitting requirements.

13. **INDEMNIFICATION.** To the extent allowed by law, Licensee shall indemnify and hold City harmless from any and all damages, losses, claims, suits, actions or judgments, including all expenses, reasonable attorney fees, witness fees and costs of defending or prosecuting any such claim, or appeals therefrom, relating to personal injury (including death) and damage to tangible personal property to the extent arising from Licensee's negligent or willful acts or omissions in connection with the performance of this Agreement or Licensee's negligent or willful acts or omissions in connection with the installation, use or maintenance of the Licensee Fiber Optics or the Conduit System, including any interference or damage to any third person or property. Licensee agrees to investigate (and at City's election, defend with counsel approved by City), indemnify, and hold harmless City from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges and expenses (including, without limitation, attorney's fees) and causes of action of whatsoever character which City may be subjected to on account of loss of or damage to or destruction of property, including but not limited to the Conduit System, and loss of use thereof to the extent arising from Licensee's, its agents' or contractors' negligent or willful acts or omissions in connection with the performance of this Agreement, or Licensee's, its agents' or contractors' negligent or willful acts or omissions in connection with the installation, use or maintenance of the Licensee Fiber Optics or the Conduit System.

14. **INSURANCE.** Licensee agrees to maintain, during the term of this Agreement, policies of insurance in accordance with the Grimes Code of Ordinances. The City acknowledges and agrees that Licensee may self-insure.

15. **TERMINATION.**

(a) **By Licensee.** Licensee may terminate this Agreement for any reason or no reason, upon ninety (90) days written notice to City. Upon termination of this Agreement as herein provided, at its sole cost and expense, Licensee shall, upon written demand from City, and within ninety (90) days after receipt of such demand, completely remove all of the Licensee Fiber Optics and restore the Conduit System and any other facilities, cables, public property, as nearly as possible, to the state and condition of its existence immediately prior to commencement of this Agreement with all cost borne by the Licensee. Failure to remove the Licensee Fiber Optics within the required timeframe shall constitute abandonment and title thereto shall pass to the City. If the City does not demand removal, Licensee may, at its option, completely remove all the Licensee Fiber Optics or abandon said Licensee Fiber Optics to City ownership without cost or expense to the City.

(b) **By City.** City may terminate this Agreement only for a breach of this Agreement as detailed below in Section 16, when said breach remains uncured after Licensee is provided written notice pursuant to Section 16.

16. VIOLATIONS; TIME TO CURE; SUMMARY TERMINATION. If at any time in the performance of this Agreement, Licensee should violate any law(s), standard(s) of good practice, or material term of this Agreement, City may notify Licensee in writing of said violation, and Licensee shall have thirty (30) days to cure said violation to City's satisfaction, or such longer period as may be reasonably necessary under the circumstances provided that Licensee commences to cure such failure within such thirty (30) day period and thereafter diligently pursues such cure. If Licensee does not cure said violation to City's satisfaction within said period, City may summarily terminate this Agreement, upon ninety (90) day advance written notice to Licensee.

17. NOTICES. City and Licensee agree to keep contact information complete and updated. Except as otherwise provided in this Agreement, any notice or other communication shall be given in writing and sent by registered or certified mail, postage prepaid, return receipt requested or by recognized overnight delivery, or by email provided the email is followed in writing by one of the aforementioned methods within seventy-two (72) hours. Except as otherwise specifically provided, notices and other communications shall be deemed given and received three days after the date of mailing or, in the case of notices or other communications delivered in person, when received at the recipient's designated address for notices. The addresses for notice may be changed by giving written notice in accordance with this Section.

(a) City. City's representative for notice and communications with Licensee is:

Grimes City Hall  
101 NE Harvey Street  
Grimes, Iowa 50111

(b) Licensee. Licensee's representative for notice and communications with City is:

IOWA NETWORK SERVICES  
17760 OFFICE PLAZA DRIVESOUTH  
WEST DES MOINES, IA 50266

18. BINDING UPON SUCCESSORS. This Agreement, shall bind both Parties hereto, and their successors and permitted assigns.

19. MISCELLANEOUS.

(a) Headings. The front page of this Agreement and the heading of the paragraphs of this Agreement are strictly for convenience and shall not in any way be construed as amplifying or limiting any of the content of this Agreement as set forth in the body of such paragraphs.

(b) Entire Agreement. This Agreement, with all its attached exhibits, constitutes the entire agreement between the Parties with respect to the subject matter to which it refers and supersedes all previous agreements, whether written or oral, between City and

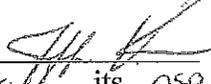


IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates set forth below.

CITY OF GRIMES, IOWA

By: \_\_\_\_\_  
Thomas Armstrong, Mayor

IOWA NETWORK SERVICES, INC.

By:  \_\_\_\_\_  
Jeff Kloock, its OSP ENGINEER

## EXHIBIT A

### General Description

A proposed fiber line to be placed in an existing City of Grimes 2-inch conduit generally located between the E. 1st Street south back of curb and south right-of-way; Beginning at the intersection of E. 1st Street and SE Little Beaver hence 300-ft east and 25-ft south to an existing handhole at the point of beginning; hence 1,670-ft west to a proposed handhole perpendicular to the west right-of-way line of NE Jacob Street.

## **Rochelle Williams**

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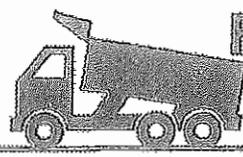
**From:** Dave Sigler  
**Sent:** Wednesday, April 06, 2016 1:51 PM  
**To:** Rochelle Williams  
**Subject:** agenda item

Requesting to put an overlay section on the council agenda of roughly 6,000 sq ft. for a total of \$17,900.

This will extend the previous overlay that stopped midway between 7<sup>th</sup> and 8<sup>th</sup> St on NE Harvey St and continue through the intersection of 8<sup>th</sup> St. This has become a problem area the past few years as the pot hole filling is no longer lasting as the concrete in the entire intersection would otherwise need to be tore out and replaced. The overlay option is a better financial option as this is a very reasonable bid.

Dave Sigler  
Public Works Administrator  
City of Grimes  
Cell 515-208-5822  
Office 515-986-3036

515-  
707  
0055



**Ronald Pearce**  
**Asphalt Paving**  
Serving the State

855  
573  
2723

Chip & Seal • Parking Lots • Driveways  
Farm Lanes • Patching Holes • ~~100~~ sq. ft.

Proposal Submitted To	Work To Be Performed By
Name <u>City of Grimes</u>	Street _____
Street _____	City <u>McBalditz</u> State <u>IA</u>
City <u>Grimes</u>	Date of Plans _____
State _____ Zip _____	Contractor <u>R Pearce</u>
Telephone Number _____	

Description of work

Harvey & 5<sup>th</sup> St. For paving Road  
with Hot Mix Asphalt 2 inches of  
Asphalt

<b>CHECK PAYABLE TO:</b>  <b>RONALDPEARCE</b>	Total Price	\$ <u>17,500</u>
	Deposit	\$ _____
	Balance	\$ _____

### ACCEPTANCE OF PROPOSAL & CONTRACT

I have read the description of work and fully understand its complete contents. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Contractor not responsible for pre-mix materials, low spots, tire impressions and vegetation growth. Property owner understands and agrees that said price is the contractors price and does not reflect on any other contractors prices, high or low. Other contractors do not set this contractors above price and terms. Therefore not to compare price or workmanship, but agrees only to price, terms and conditions of this contract agreement. And or specification listed above. To be paid in full upon completion of job. If anyone other than contractor or property owner seals or repairs said work all warranties written expressed or implied are void.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
customer's authorization contractor

### NOTICE OF CANCELLATION

Date of sale \_\_\_\_\_

You may cancel this transaction, without any penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice or phone \_\_\_\_\_ not later than midnight of \_\_\_\_\_



# TRANSMITTAL

Aspen Business Park | 414 South 17<sup>th</sup> Street, Suite 107 | Ames, Iowa 50010

DATE: April 6, 2016

TO: Kelley Brown  
City of Grimes  
101 NE Harvey Street  
Grimes, IA 50111

RE: Water / Wastewater Improvements  
2454-12A.600

DELIVERY: E-Mail

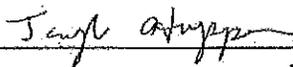
ITEMS: 1. Change Order No. 1

COMMENTS:

Kelley,

Please find enclosed Change Order No. 1. This change order rectifies the bidding error on the lime silo. If approved by council, please sign and return via email.

Let me know if you have any questions. Thank you.

  
Taylor Hopper, P.E.

COPY TO:

Date of Issuance: April 12, 2016  
 Owner: City of Grimes, Iowa  
 Contractor: Rice Lake Construction Group  
 Engineer: FOX Engineering  
 Project: Water / Wastewater Improvements

Contract Effective Date: February 9, 2016  
 Owner's Contract No.:  
 Contractor's Project No.: 1605  
 Engineer's Project No.: 2454-12A  
 Contract Name:

The Contract is modified as follows upon execution of this Change Order:

**Item 1** Custom Conveyor and their sales representative, the proposed provider of the lime storage silo under Section 11710 of the specifications, discovered a gross pricing error in their quote to, and only to, Rice Lake Construction Group soon after bidding had closed. Custom Conveyor's sales representative and Rice Lake have provided reasonable documentation of the nature of the error. This change order will allow Rice Lake to proceed with the purchase of the equipment as required. **Add \$89,000.00.**

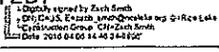
Attachments: *None*

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: <u>\$ 2,498,400.00</u>	Original Contract Times: Substantial Completion: <u>February 27, 2017</u> Ready for Final Payment: <u>May 5, 2017</u>
[Increase] [Decrease] from previously approved Change Orders No. <u>   </u> to No. <u>   </u> : <u>\$ 0.00</u>	[Increase] [Decrease] from previously approved Change Orders No. <u>   </u> to No. <u>   </u> : Substantial Completion: <u>0 days</u> Ready for Final Payment: <u>0 days</u>
Contract Price prior to this Change Order: <u>\$ 2,498,400.00</u>	Contract Times prior to this Change Order: Substantial Completion: <u>February 27, 2017</u> Ready for Final Payment: <u>May 5, 2017</u>
Increase of this Change Order: <u>\$ 89,000.00</u>	[Increase] [Decrease] of this Change Order: Substantial Completion: <u>0 days</u> Ready for Final Payment: <u>0 days</u>
Contract Price incorporating this Change Order: <u>\$ 2,587,400.00</u>	Contract Times with all approved Change Orders: Substantial Completion: <u>February 27, 2017</u> Ready for Final Payment: <u>May 5, 2017</u>

RECOMMENDED:  
 By: *Jayla Atyppe*  
 Engineer (if required)  
 Title: *Project Engineer*  
 Date: *4/6/2016*

ACCEPTED:  
 By: \_\_\_\_\_  
 Owner (Authorized Signature)  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

ACCEPTED:  
 By: Zach Smith  
 Contractor (Authorized Signature)  
 Title: Project Manager  
 Date: 4/6/2015





March 31, 2016

Fox Engineering Associates, Inc.  
414 South 17<sup>th</sup> Street  
Ames, IA 50010

Attn: Steve Troyer, P.E.

RE: Grimes, IA – Emergency RO Project

Steve,

Our Bid proposal for the work described below is \$215,600.00

Rice Lake to provide and install the yard piping as noted on sheet C1, piping in building connecting to the RO system, concrete base, installation of Aerator supplied by others, Install emergency eyewash provided by others.

Items specifically **excluded** from this proposal: Painting, Electrical and Controls, Any work with the RO system other than connecting piping, Piping and/or plumbing insulation, HVAC, Demolition.

If you have any questions please let me know.

Sincerely,  
Rice Lake Construction Group

Steve Perpich  
Project Manager

**MAIN OFFICE**  
22360 County Road 12  
PO Box 517  
Deerwood, MN 56444  
PH 218-546-5519  
FX 218-546-7016

**WISCONSIN OFFICE**  
901 Industrial St  
PO Box 486  
Hudson, WI 54016  
PH 715-386-8201  
FX 715-386-5950

# Jetco Electric Inc.

## CONTROLS DIVISION

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Friday, April 01, 2016  
To: Fox Engineering  
Re: Grimes, IA Harn RO System  
Attn: Steve Troyer

Quote Number: 4982C

Per information and plan sheets provided by Fox Engineering and Harn RO Systems Jetco is pleased to provide a proposal for the following equipment and services.

**Item 1: Square D I-Line Panel:**

See attached submittal:

*NOTE: Square D quoted this as a MLO panel with two 800A, Kirk-Keyed, Back Feed Breakers and other breakers as required by plan sheet. It does not have an integral Main Breaker.*

This improved lead time to 15 working days ARO

**Item 2: Allen Bradley MCC Bucket:**

See attached submittal.

There was only 1 ½ spaces available in the existing MCC. 200A fuses disconnect bucket needs 2 spaces.

Quote is a 200A Breaker, 65Kaic rating.

2-week lead time, ARO

**Item 3: Square D Combination Starter for 2hp Aerator**

480V, 3-phase

Circuit Breaker with Disconnect

480/120V control Power Transformer

Nema Rated Motor Starter

HOA Switch and Running Indication Light

Nema 1 Enclosure

**Item 4: Heat Trace**

25ft 8XL1-CR 120V Heating Cable

(1) AT180 2" x 180ft, Aluminum Tape

(1) RAYCLIC-PC, Power Kit/End Seal

(1) ETL, Label "Electric Traced"

(1) ECW-GF, Wall Mounted Digital Electronic Controller

(1) SB-110, Pipe Mounting Bracket

# *Jetco Electric Inc.*

## **CONTROLS DIVISION**

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### **Item 5: Control Equipment and Services:**

#### RO Building:

- (1) Foxboro IGP10 Pressure Transducer with SS block & Bleed Valve
- (1) Fiber Optic/Ethernet Converter Panel:
  - To be wall mounted where conduit for fiber optic cable comes into the building.
  - Nema 12 Painted Steel:
  - Approx. Size 20"W x 20"H x 10"D
  - Containing the following:
    - (1) 10A, 120V, 1-pole Circuit Breaker
    - (1) 120V Surge Arrestor
    - (1) 24Vdc Power Supply
    - (1) Fiber Optic/Ethernet Converter
    - (1) Fiber Optic Patch Panel with terminations.
- (1) CAT5E Cable, length as required for installation in conduit between Harn RO Control Panel and Fiber Optic/Ethernet Converter Panel.
- (1) 6-Strand Multi-Mode Fiber Optic Cable, Required Length of for installation in conduit to existing Water Plant PLC Control Panel.
- (6) Fiber Optic Terminations

#### Water Plant:

- (1) Fiber Optic/Ethernet Converter
- (1) Fiber Optic Patch Panel with terminations.
- (1) CAT5E Cable, length as required for installation in conduit between Water Plant PLC Control Panel and SCADA Computer location.
- (6) Fiber Optic Terminations

#### Services by Jetco, Inc. Controls Division:

- System Design and submittals as needed
- Modifications as necessary to Water Plant PLC Control Panel
- Termination and Testing of Fiber Optic and CAT5E Ethernet Cabling
- Programming modifications to Jordan Well System for pressure control.
- Programming modifications to SCADA System for Jordan Well System pressure Control and Harn RO System.
- Programming modifications to Water Plant PLC Control Panel if necessary
- Assistance in PLC to PLC communications programming between Harn RO System and Water Plant PLC/SCADA System.
- On-Site start-up services as required

# *Jetco Electric Inc.*

## **CONTROLS DIVISION**

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### **Item 6: Electrical Installation Services: Jetco Electrical Division**

- A: Installation of the electrical gear listed above: Square D I-Line Panel, Allen Bradley MCC Bucket, and Aerator Motor Starter.
- B: Installation of Heat Trace on process piping
- C: Installation of miscellaneous electrical panels/outlets provided by Harn RO Systems.
- E: Installation of the following conduits and power wiring in RO Building:
  - 1. 480V, 3-phase from Square D I-Line Panel to VFD's
  - 2. 480V, 3-phase from Square D I-Line Panel to Aerator Motor Starter.
  - 3. 120V, 1-phase 20A Circuit from existing distribution panel to Harn RO Control Panel.
  - 4. 120V, 1-phase 20A Circuit from existing distribution panel to Fiber Optic Converter Panel
  - 5. 120V, 1-phase 20A Circuit from existing distribution panel to Heat Trace Controller
- F: Installation of the following control conduits and wiring as necessary:
  - 1. Harn RO Control Panel to VFDs.
  - 2. Miscellaneous field mounted instruments provided by Harn to Harn RO Control Panel
  - 3. Jordan Well Pressure Transmitter to Harn RO Control Panel
  - 4. Fiber Optic Converter Panel to Harn RO Control Panel (CAT5E Network cable)
  - 5. (1) 1-1/2" Underground Conduit from Fiber Optic Converter Panel to Water Plant PLC Control Panel.
  - 6. Installation of networking cable from Water Plant Control Panel to SCADA computer location. Utilizing existing conduit.
- G: Removal of Sidewalk for underground electrical conduit installation.

### **Price Summary:**

Item 1: \$ 7,280.00  
Item 2: \$ 4,320.00  
Item 3: \$ 1,441.00  
Item 4: \$ 1,560.00  
Item 5: \$ 18,924.00  
Item 6: \$ 23,225.00  
  
Total: \$ 56,750.00

# *Jetco Electric Inc.*

## *CONTROLS DIVISION*

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Exclusions:

1. Price **does not include** replacement of Sidewalk.
2. Price **does not include** setting or mounting of equipment or instrumentation provided by Harn.
3. Price **does not include** any state or local sales taxes that may apply.

Sincerely,



John M. Whitacre  
Vice-President

4/08/2016 9:44 AM  
 PACKET: 01125 US - Refund  
 VENDOR SET: 01 Grimes, IA  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

# Utility Refunds

-----ID-----	ITM DATE	BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	---ACCOUNT NAME---	DISP
01-1			MISC VENDOR				
I-000201603311202	3/31/2016	APBNK	CRADDOCK, TAYLOR DUE: 01-036300-01	78.64	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	78.64			
01-1			MISC VENDOR				
I-000201603311203	3/31/2016	APBNK	BOSTON, CHRISTINA DUE: 01-054100-03	179.53	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	179.53			
01-1			MISC VENDOR				
I-000201603311204	3/31/2016	APBNK	ECR CORPORATE RENTALS INC DUE: 01-181848-02	63.09	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	63.09			
01-1			MISC VENDOR				
I-000201603311205	3/31/2016	APBNK	IES COMMERCIAL INC DUE: 01-181857-01	74.41	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	74.41			
01-1			MISC VENDOR				
I-000201603311206	3/31/2016	APBNK	IES COMMERCIAL INC DUE: 01-183072-02	63.79	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	63.79			
01-1			MISC VENDOR				
I-000201603311207	3/31/2016	APBNK	JOHNSON, MAUREEN DUE: 01-188100-00	23.01	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	23.01			

4/08/2016 9:44 AM  
 PACKET: 01125 US - Refund  
 VENDOR SET: 01 Grimes, IA  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

A/P Refund Item Register

-----ID-----	ITM DATE	BANK CODE	-----DESCRIPTION-----	GROSS DISCOUNT	P.O. # G/L ACCOUNT	---ACCOUNT NAME--	DISC
01-1	MISC	VENDOR					
I-000201603311208	3/31/2016	APBNK	IES COMMERCIAL INC DUE: 01-237680-02	74.41	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	74.41			
01-1	MISC	VENDOR					
I-000201603311209	3/31/2016	APBNK	HAHN, JENNA DUE: 01-311207-03	39.57	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	39.57			
01-1	MISC	VENDOR					
I-000201603311210	3/31/2016	APBNK	DAHL, KATHERINE DUE: 01-344201-02	175.09	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	175.09			
01-1	MISC	VENDOR					
I-000201603311211	3/31/2016	APBNK	JOY, SAMUEL DUE: 01-344205-03	87.85	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	87.85			
01-1	MISC	VENDOR					
I-000201603311212	3/31/2016	APBNK	BILY, KENT & SUSAN DUE: 02-016900-08	38.17	1099: 600 4-810-1-4550.1	WATER - OTHER R	
			=== VENDOR TOTALS ===	38.17			
			=== PACKET TOTALS ===	897.56			

SET DATE FOR HEARING ON URBAN  
RENEWAL PLAN AMENDMENT

419952-45

Grimes, Iowa

April 12, 2016

The Council of the City of Grimes, Iowa, met on April 12, 2016, at 5:30 o'clock, p.m., at the Grimes City Hall, 101 NE Harvey Street, Grimes, in the City, for the purpose of setting a date for a public hearing on a proposed urban renewal plan amendment. The Mayor presided and the roll being called, the following members of the Council were present and absent:

Present: \_\_\_\_\_

Absent: \_\_\_\_\_.

The Mayor announced that an amendment to the urban renewal plan for the Grimes Urban Renewal Area had been prepared, and that it was now necessary to set a date for a public hearing on the proposed amendment to the urban renewal plan. Accordingly, Council Member \_\_\_\_\_ moved the adoption of the following resolution entitled "Resolution setting date for public hearing on urban renewal plan amendment," and the motion was seconded by Council Member \_\_\_\_\_. Following due consideration, the Mayor put the question on the motion and the roll being called, the following named Council Members voted:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_.

Whereupon, the Mayor declared the resolution duly adopted as follows:

RESOLUTION NO. 04-0416

Resolution setting date for public hearing on urban renewal plan amendment

WHEREAS, this City Council of the City of Grimes, Iowa (the "City") by resolution previously established the Grimes Urban Renewal Area (the "Urban Renewal Area") and adopted an urban renewal plan (the "Plan") for the governance of projects and initiatives therein; and

WHEREAS, an amendment (the "Amendment") to the Plan has been prepared which would facilitate the undertaking of a new urban renewal project consisting of using tax increment financing to pay the costs of constructing improvements to the municipal waterworks system (the "Project") and it is now necessary that a date be set for a public hearing on the Amendment;

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

Section 1. This City Council will meet at the \_\_\_\_\_, Grimes, Iowa, on May 10, 2016, at \_\_\_\_\_ o'clock \_\_.m., at which time and place it will hold a public hearing on the proposed Amendment for the Urban Renewal Area.

Section 2. The City Clerk shall publish notice of said hearing, the same being in the form attached hereto, which publication shall be made in a legal newspaper of general circulation in Grimes, which publication shall be not less than four (4) and not more than twenty (20) days before the date set for hearing.

Section 3. Pursuant to Section 403.5 of the Code of Iowa, the City Administrator is hereby designated as the City's representative in connection with the consultation process which is required under that section of the urban renewal law.

Passed and approved this April 12, 2016.

\_\_\_\_\_  
Mayor Thomas M. Armstrong

Attest:

\_\_\_\_\_  
City Clerk Rochelle Williams

NOTICE OF PUBLIC HEARING ON PROPOSED URBAN RENEWAL PLAN  
AMENDMENT

Notice Is Hereby Given: That at 5:30 o'clock p.m., at the Grimes City Hall, 101 NE Harvey Street, Grimes, Iowa, on May 10, 2016, the City Council of the City of Grimes, Iowa, will hold a public hearing on the question of amending the urban renewal plan for the Grimes Urban Renewal Area to facilitate the undertaking of a new urban renewal project consisting of using tax increment financing to pay the costs of constructing improvements to the municipal waterworks system. A copy of the amendment is on file for public inspection in the office of the City Clerk.

At said hearing any interested person may file written objections or comments and may be heard orally with respect to the subject matter of the hearing.

Rochelle Williams  
City Clerk

• • • • •

On motion and vote the meeting adjourned.

---

Mayor Thomas M. Armstrong

Attest:

---

City Clerk Rochelle Williams

**PUBLICATION CERTIFICATE:**

STATE OF IOWA  
COUNTIES OF DALLAS AND POLK      SS:  
CITY OF GRIMES

I, the undersigned, City Clerk of the City of Grimes do hereby certify that pursuant to the resolution of its City Council fixing a date of public hearing on a proposed urban renewal plan amendment, the notice, of which the printed slip attached to the publisher's affidavit hereto attached is a true and complete copy, was published on the date and in the newspaper specified in such affidavit, which newspaper has a general circulation in the City, and copies were sent to the counties and school district.

WITNESS my hand this \_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
City Clerk Rochelle Williams

**(Attach here publisher's affidavit of publication of notice.)**

**(PLEASE NOTE: This certificate must not be dated until the publication has been made and you have reviewed it to be sure that the notice was published on the date indicated in the attached affidavit.)**

**ATTESTATION CERTIFICATE:**

STATE OF IOWA  
COUNTIES OF DALLAS AND POLK      SS:  
CITY OF GRIMES

I, the undersigned, City Clerk of the City of Grimes, do hereby certify that as such I have in my possession or have access to the complete corporate records of the City and of its officers; and that I have carefully compared the transcript hereto attached with the aforesaid records and that the attached is a true, correct and complete copy of the corporate records relating to the action taken by the City Council preliminary to and in connection with setting a date for public hearing on an urban renewal plan amendment.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
City Clerk

April 8, 2016

Kelley Brown  
City Administrator/City Hall  
101 NE Harvey Street  
Grimes, Iowa 50111

Re: 2016 Urban Renewal Plan Amendment

Dear Kelley:

The purpose of this letter is to explain our role as special legal counsel for the City of Grimes's (the "City") proposed urban renewal activity. It is our understanding that the City will amend the urban renewal plan for the Grimes Urban Renewal Area to facilitate the use of tax increment financing in connection with the undertaking of improvements to the municipal waterworks system (the "Project").

As the City's legal counsel, it will be our responsibility to coordinate the legal proceedings necessary to enable the City to amend the urban renewal plan in order to authorize the Project. In the course of our representation, we will prepare appropriate resolutions, notices, ordinances and agreements as required by state law and the Project.

In performing our services as legal counsel, our sole client on this matter will be the City of Grimes. We will not represent any other party with respect to the Project, and it is mutually understood that the services to be provided by us as described herein are solely for the benefit of the City of Grimes.

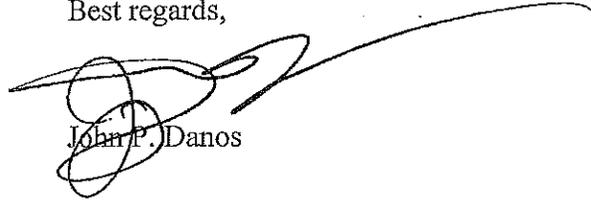
Based upon: (i) our current understanding of the Project, (ii) the duties we will undertake, (iii) the time we anticipate devoting to the process, and (iv) the responsibilities we assume, we estimate that our fees and expenses for serving as the City's legal counsel will not exceed \$3,000. If the City determines that other forms of financing are needed for the Projects, we will determine separate fee arrangements for the additional legal services

After this arrangement is approved on behalf of the City, please have this letter executed in the space below and either fax an executed copy of this letter to our office at (515) 283-1060 or scan and email an executed copy to [lemke.susan@dorsey.com](mailto:lemke.susan@dorsey.com). If you have questions, please call me.

Page 2

We look forward to working with you. Thank you for the opportunity to serve the City.

Best regards,



John P. Danos

JPD/sl

I understand and agree to the arrangements stated above.

**CITY OF GRIMES, IOWA**

**BY:** \_\_\_\_\_  
Mayor

**Date:** \_\_\_\_\_

**ATTEST:** \_\_\_\_\_  
City Clerk

**Date:** \_\_\_\_\_

# Contractor's Application for Payment No. 3

Unit Price Contract  
 Project: 2015 Grimes Parkland Improvements Project From (Contractor): Covenant Construction Services, LLC Application Date: 4/18/2016  
 To (Owner): City of Grimes Owner's Project No.: 8630-16P Period From: 3/1/2016  
 Via (Engineer): FOX Engineering Engineer's Proj. No.: 8630-16P Period To: 3/31/2016

Approved Change Order Summary:	
No.	Date Approved
1	3/8/2016
2	4/18/2016
TOTALS	
NET CHANGE BY CHANGE ORDERS	

Additions		Deductions	
	\$4,200.00		-\$133,008.00
			-\$128,808.00

**Contractor's Certification**  
 The undersigned Contractor certifies that to the best of its knowledge: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

By:  Date: 4/5/16

1. ORIGINAL CONTRACT PRICE..... \$ 1,511,342.23  
 2. Net change by Change Orders..... \$ -128,808.00  
 3. Current Contract Price (Line 1 + 2)..... \$ 1,382,534.23  
 4. TOTAL COMPLETED AND STORED TO DATE  
 (Column F on Progress Estimate)..... \$ 190,505.81  
 5. RETAINAGE:  
     a. 5%  \$190,505.81 Work Completed..... \$ 9,525.29  
     b. 5%  Stored Material..... \$  
     c. Less Total Retainage Released Early..... \$  
     d. Total Retainage (Line 5a + Line 5b - Line 5c)..... \$ 9,525.29  
 6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c)..... \$ 180,980.52  
 7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application)..... \$ 110,252.65  
 8. AMOUNT DUE THIS APPLICATION..... \$ 70,727.87  
 9. BALANCE TO FINISH, PLUS RETAINAGE  
 (Column G on Progress Estimate + Line 5 above)..... \$ 1,201,553.71

Payment of: \$ 70,727.87  
 (Line 8 or other - attach explanation of the other amount)

is recommended by:  (Engineer) Date: 4/5/16  
 Payment of: \$ 70,727.87  
 (Line 8 or other - attach explanation of the other amount)

is approved by: \_\_\_\_\_ (Owner) \_\_\_\_\_ (Date)

Endorsed by the Construction Specifications Institute.

# Progress Estimate

For (Contract): 2015 Gaines Parkland Improvements Project  
 Contractor: Covenant Construction Services, LLC

Owner's Proj. No.:  
 Engineer's Proj. No.: 9630-16P

# Contractor's Application

Application Number: 2  
 Application Date: 4/18/2016

A			B			C		D		E		F		G	
Bid Item No.	Item Description	Bid Quantity	Quantity Change (By Order)	Total Quantity	Unit Price	Extended Price	Estimated Quantity Installed	Value	Materials Presently Stored (not in C)	Total Completed and Stored to Date (D + E)	% (F / B)	Balance to Finish (G - F)			
1.01	Mobilization	1		1	\$50,325.00	\$50,325.00	0.5	\$30,195.00		\$30,195.00	60.0%	\$20,130.00			
1.02	Removals	1		1	\$5,032.00	\$5,032.00						\$5,032.00			
2.01	Earthwork - North Sports Complex	1		1	\$47,676.00	\$47,676.00	0.75	\$35,757.00		\$35,757.00	75.0%	\$11,919.00			
2.02	Earthwork - Autumn Park	1		1	\$12,714.00	\$12,714.00						\$12,714.00			
2.03	Earthwork - Glenstone Park	1		1	\$1,271.00	\$1,271.00						\$1,271.00			
2.04	Subgrade Preparation - Parking Lot	1,433		1,433	\$7.42	\$10,632.86	1400	\$9,450.00		\$9,450.00	89.7%	\$1,182.86			
2.05	Ag-Lime Placement, 6-inch	1,560		1,560	\$15,892.00	\$15,892.00						\$15,892.00			
2.06	Playground Area - Autumn Park	1		1	\$6,198.30	\$6,198.30						\$6,198.30			
4.01	Subdrain, 6-inch	90		90	\$530.00	\$47,715.00						\$47,715.00			
4.02	FES, 6-inch	1		1	\$38.14	\$38.14						\$38.14			
4.03	Subdrain Cleanout	2		2	\$2,649.00	\$5,298.00						\$5,298.00			
6.01	Modify Existing Intake	1		1	\$19,603.96	\$19,603.96						\$19,603.96			
7.01	Sidewalk, PCC, 4-inch - North Sports Complex	2049		2049	\$40.26	\$82,492.74						\$82,492.74			
7.02	Trail, PCC, 4-inch - North Sports Complex	1877		1877	\$44.50	\$83,526.50						\$83,526.50			
7.03	Intergral Sidewalk - North Sports Complex	1323		1323	\$40.26	\$53,265.98	440	\$17,714.40		\$17,714.40	33.3%	\$35,551.58			
7.04	Electer/Dugout Paving, PCC, 5-inch - North	543		543	\$21,861.18	\$11,861.18						\$11,861.18			
7.05	Sidewalk/Trail, PCC - Autumn Park	508		508	\$42.38	\$21,529.04						\$21,529.04			
7.06	Sidewalk/Trail, PCC - Glenstone Park	600		600	\$31.78	\$19,068.00						\$19,068.00			
7.07	6" Rock Subbase	5199		5199	\$34.96	\$181,757.04						\$181,757.04			
7.08	Parking Lot Paving, 6-inch PCC	1		1	\$2,961.00	\$2,961.00						\$2,961.00			
7.09	Painting & Signage	1		1	\$514.778.00	\$514,778.00						\$514,778.00			
9.01	Concession Stand	1		1	\$24,474.00	\$24,474.00	0.7753	\$18,974.69		\$18,974.69	77.5%	\$5,499.31			
9.02	Ballfield #1, Baseball Fence	5		5	\$19,780.20	\$98,901.00	3.8639	\$76,428.71		\$76,428.71	77.3%	\$22,472.29			
9.03	Ballfield #2 Thru #6, Softball Fence	2		2	\$12,576.00	\$25,152.00						\$25,152.00			
9.04	Baiting Cage & Pitching Warmup Construction	313		313	\$14.00	\$4,382.00						\$4,382.00			
9.05	4-ft Chain Link Fence	12		12	\$3,430.00	\$41,160.00						\$41,160.00			
9.06	Dugout Construction	1		1	\$21,251.00	\$21,251.00						\$21,251.00			
9.07	Basketball Court (Hwy)	1		1	\$47,305.00	\$47,305.00						\$47,305.00			
9.08	Landscaping - North Sports Park	1		1	\$58,112.00	\$58,112.00						\$58,112.00			
9.09	Landscaping - Autumn Park	1		1	\$105.90	\$1,059.00						\$1,059.00			
9.10	Irrigation Fixture Adjustment	10		10	\$1,986.00	\$19,860.00	1	\$1,986.00		\$1,986.00	100.0%	\$1,059.00			
9.11	Irrigation Modification - Field 1	2		2	\$4,502.50	\$9,005.00						\$9,005.00			
9.12	Hydraulic Seeding, Seeding, Fertilizing, and Mulching - North Sports Park	0.5		0.5	\$4,502.50	\$2,251.25						\$2,251.25			
9.13	Hydraulic Seeding, Seeding, Fertilizing, and Mulching - Type 1 - Autumn Park	0.25		0.25	\$4,502.50	\$1,125.63						\$1,125.63			
9.14	Hydraulic Seeding, Seeding, Fertilizing, and Mulching - Type 1 - Glenstone Park	2		2	\$2,648.50	\$5,297.00						\$5,297.00			
9.15	North Sports Park	0.5		0.5	\$2,648.50	\$1,324.50						\$1,324.50			
9.16	Erosion Control Mulching, Hydromulching - Autumn Park	0.25		0.25	\$2,649.00	\$662.25						\$662.25			
9.17	Erosion Control Mulching, Hydromulching - Glenstone Park	1		1	\$2,120.00	\$2,120.00						\$2,120.00			
9.18	Pillar Sock	1000		1000	\$4.133,008.00	\$4,133,008.00						\$4,133,008.00			
CO1	Value Engineering	1		1	\$4,200.00	\$4,200.00						\$4,200.00			
CO2	Ag-Lime Placement, 6-inch	100		100	\$1,302,534.23	\$130,253.42						\$130,253.42			
<b>Totals</b>						\$1,302,534.23		\$130,253.42		\$130,253.42	13.8%	\$1,172,280.81			

# Change Order No. 2

Project: <b>2015 Grimes Parkland Improvements Project</b>	Date of Contract: <b>October 27, 2015</b>
Owner: <b>City of Grimes</b>	Owner's Contract No.:
Engineer: <b>FOX Engineering</b>	Engineer's Project No.: <b>8630-16P</b>
Contractor: <b>Covenant Construction Services</b>	Date of Issuance: <b>April 4, 2016</b>

**The Contract Documents are modified as follows upon execution of this Change Order:**

**DESCRIPTIONS:** Grading existing lime infields and extending warning tracks to 1-ft beyond the fenceline.

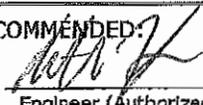
**Item 1** Includes placement of additional ag-lime to touch up the existing warning tracks and infields for fields at the North Sports Complex. Item is estimated in order to establish a unit cost. Change in Item and quantities are as follows:

a. Placement/Grading of ag-lime - Increases by 100 TON @ \$42/TON = **\$4,200.00**

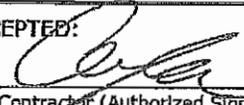
Total for Change Order No. 2 = **\$4,200.00**

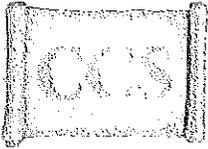
Attachments: Covenant Construction Services Change Order Request Dated March 11, 2016

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: \$1,511,342.23	Original Contract <input type="checkbox"/> Working <input type="checkbox"/> Calendar Substantial completion: Ready for final payment:
<input type="checkbox"/> Increase <input checked="" type="checkbox"/> Decrease from previously approved Change Orders: \$ 133,008.00	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease from previously approved Change Orders: Substantial completion (days): Ready for final payment (days):
Contract Price prior to this Change Order: \$1,378,334.23	Contract Times prior to this Change Order: Substantial completion: Ready for final payment:
<input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease of this Change Order: \$ 4,200.00	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease of this Change Order: Substantial completion (days): Ready for final payment (days):
Contract Price Incorporating this Change Order: \$1,382,534.23	Contract Times with all approved Change Orders: Substantial completion: Ready for final payment:

RECOMMENDED:  
By:   
Engineer (Authorized Signature)  
Date: 4/5/16

ACCEPTED:  
By: \_\_\_\_\_  
Owner (Authorized Signature)  
Date: \_\_\_\_\_

ACCEPTED:  
By:   
Contractor (Authorized Signature)  
Date: 4/5/16



Covenant Construction Services  
734 SE Alice's Road  
Waukee, IA 50263  
(515) 216-1017



March 11, 2016

Mr. Mitch Holtz  
Fox Engineering Associates, Inc.  
414 South 17<sup>th</sup> Street  
Suite 107  
Ames, IA 50010

RE: Grimes Parkland Improvements  
Change Order Request #2

Dear Mitch;

The following information is Covenant Construction Services' Change Order Request #2 for the Grimes Parkland Improvements project.

The proposed change is for the additional ag lime requested by the City of Grimes to touch up the existing warning tracks and infields. We are proposing a cost of \$42/ton to install ag lime as necessary to fill in the warning tracks and touch up the fields. The anticipated amount of ag lime is less than 100 tons. We were scheduled to start the fence fabric this week, so we are requesting an additional 7 days to complete this work.

Please review and if you should have any questions feel free to contact our office at your earliest convenience.

Sincerely,  
Covenant Construction Services

Cody Tacke

CC: Brian Flichler



# Progress Estimate

For Contract Crossroads Business Park of Grimes Plat 6 - SE Destination Drive Extension

Contractor: **Mechanich Corporation**

Owner's Proj. No.: **1005-15E**

Engineer's Proj. No.:

Application Number: **4**

Application Date: **4/23/2015**

Bid Item No.	Item Description	Division 1 Quantity	Division 1 Non-Rise Quantity	Total Quantity	Unit Price	Bid Value	Estimated Material Installed	Estimated Labor Installed	Estimated Value	D		Materials Presently in Inventory	F		Balance to Spend On (G - F)	Work Hours Spent On Rise Portion
										Rise Value	Non-Rise Value		Total Value	Materials Presently in Inventory		
1	Clearing and Grubbing	1		1	\$2,250.00	\$2,250.00	1	1	\$2,250.00	\$0	\$2,250.00		\$2,250.00	100.0%	\$2,250.00	4.25
2	Topsoil, On-Site	1333	7185	8519	\$4.30	\$36,588.70	1333	7185	\$56,888.90	\$30,899.80	\$2,250.00		\$36,588.70	100.0%	\$36,588.70	8.75
3	Excavation, Class 10	4510	18639	24149	\$3.97	\$71,722.53	4510	18639	\$13,394.70	\$58,327.83	\$71,722.53		\$71,722.53	100.0%	\$58,327.83	7.50
4	Subgrade Preparation	2645	300	2945	\$3.63	\$10,690.35	2645	300	\$9,601.35	\$1,089.00	\$10,690.35		\$10,690.35	100.0%	\$1,089.00	23.00
5	Compaction Testing	1		1	\$3,570.00	\$3,570.00	1		\$3,570.00	\$0	\$3,570.00		\$3,570.00	100.0%	\$3,570.00	15.00
6	Sanitary Sewer Gravity Main, Trenched, PVC, 8 In.	763	763	763	\$53.00	\$40,439.00		763	\$40,439.00	\$0	\$40,439.00		\$40,439.00	100.0%	\$40,439.00	58.00
7	Sanitary Sewer Service Stub, PVC, 6 In.	222	222	222	\$37.00	\$8,214.00		222	\$8,214.00	\$0	\$8,214.00		\$8,214.00	100.0%	\$8,214.00	8.00
8	Storm Sewer, Trenched, RCP, 15 In.	345	345	345	\$61.00	\$20,995.00		345	\$20,995.00	\$0	\$20,995.00		\$20,995.00	100.0%	\$20,995.00	2.00
9	Storm Sewer, Trenched, RCP, 24 In.	1	1	1	\$1,024.00	\$1,024.00		1	\$1,024.00	\$0	\$1,024.00		\$1,024.00	100.0%	\$1,024.00	1.00
10	Pipe Apron, RCP, 24 In.	1	1	1	\$902.00	\$902.00		1	\$902.00	\$0	\$902.00		\$902.00	100.0%	\$902.00	1.00
11	Footing for Pipe Apron Guard, RCP, 24 In.	1	1	1	\$23.00	\$23.00		1	\$23.00	\$0	\$23.00		\$23.00	100.0%	\$23.00	1.00
12	Pipe Apron Guard	1	1	1	\$19,044.00	\$19,044.00		1	\$19,044.00	\$0	\$19,044.00		\$19,044.00	100.0%	\$19,044.00	1.00
13	Water Main, Trenched, PVC, 8 In.	828	828	828	\$1,431.00	\$1,190,568.00		828	\$1,190,568.00	\$0	\$1,190,568.00		\$1,190,568.00	100.0%	\$1,190,568.00	16.00
14	Water Service Stub, PVC, 6 In.	6	6	6	\$856.00	\$5,136.00		6	\$5,136.00	\$0	\$5,136.00		\$5,136.00	100.0%	\$5,136.00	29.00
15	Valve Gate, 8 In.	7	7	7	\$1,172.00	\$8,204.00		7	\$8,204.00	\$0	\$8,204.00		\$8,204.00	100.0%	\$8,204.00	30.00
16	Valve Gate, 6 In.	1	1	1	\$3,727.00	\$3,727.00		1	\$3,727.00	\$0	\$3,727.00		\$3,727.00	100.0%	\$3,727.00	4.00
17	Fire Hydrant Assembly	3	3	3	\$1,181.00	\$3,543.00		3	\$3,543.00	\$0	\$3,543.00		\$3,543.00	100.0%	\$3,543.00	4.00
18	Manhole, Type SW-301, 48 In. Dia.	2	2	2	\$7,530.00	\$15,060.00		2	\$15,060.00	\$0	\$15,060.00		\$15,060.00	100.0%	\$15,060.00	9.00
19	Manhole, Type SW-401, 48 In. Dia.	2	2	2	\$2,575.00	\$5,150.00		2	\$5,150.00	\$0	\$5,150.00		\$5,150.00	100.0%	\$5,150.00	16.00
20	Intake, Type SW-505, Double Gate Intake	2	2	2	\$3,502.00	\$7,004.00		2	\$7,004.00	\$0	\$7,004.00		\$7,004.00	100.0%	\$7,004.00	29.00
21	Intake, Type SW-506, Double Gate Intake with Manhole Connection to Existing	2	2	2	\$11,564.00	\$23,128.00		2	\$23,128.00	\$0	\$23,128.00		\$23,128.00	100.0%	\$23,128.00	30.00
22	Pavement, PCC, 9 In.	1	1	1	\$4,461.00	\$4,461.00		1	\$4,461.00	\$0	\$4,461.00		\$4,461.00	100.0%	\$4,461.00	3.00
23	PCC Pavement Samples and Testing	2343	259	2602	\$47.20	\$122,814.40	2343	259	\$110,589.60	\$12,224.80	\$122,814.40		\$122,814.40	100.0%	\$122,814.40	332.00
24	Conventional Seeding, Fertilizing, and Mulching, Type 1	1	1	1	\$1,000.00	\$1,000.00		1	\$1,000.00	\$0	\$1,000.00		\$1,000.00	100.0%	\$1,000.00	4.00
25	Conventional Seeding, Fertilizing, and Mulching, Type 4	1.6	9	10.6	\$1,734.00	\$18,380.40	1.6	9	\$27,744.00	\$697.60	\$5,049.00		\$1,428.00	70.0%	\$2,000.00	9.00
26	SWPPP Management	0.15	0.85	1	\$2,040.00	\$2,040.00		1	\$2,040.00	\$0	\$2,040.00		\$2,040.00	100.0%	\$2,040.00	4.00
27	Rip-Rap, Class E	106	840	946	\$59.00	\$55,806.00	0.7	840	\$48,540.00	\$7,266.00	\$1,428.00		\$1,428.00	107.9%	\$49,968.00	7.00
28	Silt Fence or Silt Fence for Ditch Check, Removal of Sediment	990	940	1930	\$1.53	\$2,993.50	151	840	\$1,260.00	\$2,288.20	\$1,516.23		\$1,516.23	54.2%	\$1,260.00	2.25
29	Silt Fence or Silt Fence for Ditch Check, Removal of Sediment	990	940	1930	\$0.41	\$750.30			\$750.30	\$0	\$750.30		\$750.30	100.0%	\$750.30	6.00
30	Stabilized Construction Entrance	115	115	115	\$34.00	\$3,910.00	96.58		\$3,283.72	\$626.28	\$3,283.72		\$3,283.72	64.0%	\$626.28	6.00
31	Inner Protection Device, Conventional	8	8	8	\$408.00	\$3,264.00		8	\$3,264.00	\$0	\$3,264.00		\$3,264.00	100.0%	\$3,264.00	4.00
32	Inner Protection Device, Maintenance	8	8	8	\$123.00	\$984.00		8	\$984.00	\$0	\$984.00		\$984.00	100.0%	\$984.00	4.00
33	Traffic Control	1	1	1	\$1,530.00	\$1,530.00	0.9		\$1,277.00	\$253.00	\$1,277.00		\$1,277.00	90.0%	\$253.00	6.00
34	Granular Surfacing, Class A Crushed Stone, 5 In.	286	235	521	\$28.00	\$14,788.00		203.21	\$5,689.88	\$9,098.12	\$1,377.00		\$1,377.00	26.1%	\$13,411.88	4.00
35	Reinforcing Board Closure, Urban, S1-182	1	1	1	\$1,530.00	\$1,530.00		1	\$1,530.00	\$0	\$1,530.00		\$1,530.00	100.0%	\$1,530.00	3.00
36	Concrete Washout Pk	1	1	1	\$1,580.00	\$1,580.00		1	\$1,580.00	\$0	\$1,580.00		\$1,580.00	100.0%	\$1,580.00	2.00
37	Mobilization	1	1	1	\$45,300.00	\$45,300.00		1	\$45,300.00	\$0	\$45,300.00		\$45,300.00	100.0%	\$45,300.00	28.00
38	Trench Foundation	10	10	10	\$24.00	\$240.00			\$240.00	\$0	\$240.00		\$240.00	100.0%	\$240.00	28.00
39	Replacement of Unavailable Backfill Material	100	100	100	\$42.00	\$4,200.00			\$4,200.00	\$0	\$4,200.00		\$4,200.00	100.0%	\$4,200.00	28.00
40	Title Repair	100	100	100	\$19.00	\$1,900.00			\$1,900.00	\$0	\$1,900.00		\$1,900.00	100.0%	\$1,900.00	28.00
41	<b>Totals</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>\$535,852.98</b>	<b>\$535,852.98</b>			<b>\$501,569.60</b>	<b>\$34,283.38</b>	<b>\$501,569.60</b>		<b>\$501,569.60</b>	<b>93.4%</b>	<b>\$34,283.38</b>	<b>759.75</b>

# Contractor's Application for Payment No. 7

Unit Price Contract: Heritage at Glines Plat 2 Phase 2 - Little Beaver Creek Tributary Crossing  
 Project: From (Contractor): Jensen Construction Company Application Date: 4/12/2016  
 To (Owner): City of Glines Owner's Project No.: 1005-15C Period From: 3/1/2016  
 Via (Engineer): FOX Engineering Engineer's Proj. No.: 1005-15C Period To: 3/31/2016

Approved Change Order Summary:	
No.	Date Approved
1	11/10/2015
2	3/8/2016
3	4/12/2016
TOTALS	
NET CHANGE BY CHANGE ORDERS	

**Contractor's Certification**  
 The undersigned Contractor certifies that to the best of its knowledge: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such liens, security interest or encumbrances); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

By: *Paylor* Date: 5 APR 16

Endorsed by the Construction Specifications Institute.

1. ORIGINAL CONTRACT PRICE..... \$ 1,604,310.00  
 2. Net change by Change Orders..... \$ 67,234.56  
 3. Current Contract Price (Line 1 + 2)..... \$ 1,671,544.56  
 4. TOTAL COMPLETED AND STORED TO DATE  
 (Column F on Progress Estimate)..... \$ 981,614.56  
 5. RETAINAGE:  
     a. 5%  \$981,614.56 Work Completed..... \$ 49,080.73  
     b. 5%  Stored Material..... \$  
     c. Less Total Retainage Released Early..... \$  
     d. Total Retainage (Line 5a + Line 5b - Line 5c)..... \$ 49,080.73  
 6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c)..... \$ 932,533.83  
 7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application)..... \$ 792,215.98  
 8. AMOUNT DUE THIS APPLICATION..... \$ 140,317.85  
 9. BALANCE TO FINISH, PLUS RETAINAGE  
 (Column G on Progress Estimate + Line 5 above)..... \$ 739,010.73

Payment of: \$ 140,317.85  
 (Line 8 or other - attach explanation of the other amount)

Is recommended by: *Walt St* (Engineer) 4/5/16 (Date)

Payment of: \$ 140,317.85  
 (Line 8 or other - attach explanation of the other amount)

Is approved by: \_\_\_\_\_ (Owner) \_\_\_\_\_ (Date)

# Progress Estimate

# Contractor's Application

For (contract): Heritage at Gidnes Plat 2 Phase 2 - Little Beaver Creek Tributary  
 Contractor: Jensen Construction Company  
 Owner's Proj. No.: 1005-15C  
 Engineer's Proj. No.:  
 Application Number: 7  
 Application Date: 4/12/2016

A		B				C		D		E		F		G	
Bid Item No.	Item Description	Bid Quantity	Qty added by Change Order	Unit Price	Bid Value	Total Value After Change Orders	Estimated Quantity Installed	Value	Materials Presently Stored (incl. In C)	Total Completed and Stored to Date (F + E)	% (F / R)	Balance to Finish (B - F)			
<b>ESTIMATED CURRENT QUANTITIES</b>															
1.1	STRUCTURAL CONCRETE (RCB)	755		\$800.00	\$604,000.00	\$904,400.00	755	\$604,000.00		\$604,000.00	100.0%	\$34,200.00			
1.2	GRANULAR BACKFILL	1,480		\$45.00	\$66,600.00	\$66,600.00	720	\$32,400.00		\$32,400.00	48.6%	\$34,200.00			
1.3	SPECIAL BACKFILL	455		\$57.00	\$26,505.00	\$26,505.00	455	\$26,505.00		\$26,505.00	100.0%	\$28,500.00			
1.4	REVIEWMENT, CLASS B	490		\$48.00	\$23,520.00	\$23,520.00						\$23,520.00			
1.5	ELECTRICAL CIRCUITS	1		\$10,000.00	\$10,000.00	\$10,000.00						\$10,000.00			
<b>ESTIMATED RETAINING WALL QUANTITIES</b>															
2.1	STRUCTURAL CONCRETE (MISC)	735		\$830.00	\$610,050.00	\$610,050.00	316	\$262,280.00		\$262,280.00	43.0%	\$347,770.00			
2.2	GRANULAR BACKFILL	1,070		\$64.00	\$119,680.00	\$119,680.00						\$119,680.00			
2.3	ORNAIMENTAL METAL RAILINGS	615		\$70.00	\$43,050.00	\$43,050.00						\$43,050.00			
2.4	PRECAST CONCRETE COLUMN CAPS	19		\$1,500.00	\$28,500.00	\$28,500.00						\$28,500.00			
2.5	CONCRETE RESTRICTION AESTHETICS	8,045		\$9.00	\$72,405.00	\$72,405.00	1100	\$9,900.00		\$9,900.00	13.7%	\$62,505.00			
CO1.1	QUAD BOX BASE OVER-EXC-FIXED COSTS (LS)		1	\$12,000.00		\$12,000.00	1	\$12,000.00		\$12,000.00	100.0%				
CO1.2	QUAD BOX BASE OVER-EXC-EXCAVATION (CV)		306	\$31.00	\$9,486.00	\$9,486.00	306	\$9,486.00		\$9,486.00	100.0%				
CO1.3	QUAD BOX BASE OVER-EXC-SUBBASE (TON)		472.52	\$53.00	\$25,043.56	\$25,043.56	472.52	\$25,043.56		\$25,043.56	100.0%				
CO3.1	FOOTING RECONFIGURATION		1	\$20,705.00		\$20,705.00									
<b>Totals</b>					<b>\$1,604,310.00</b>	<b>\$1,671,544.56</b>		<b>\$981,614.56</b>		<b>\$981,614.56</b>	<b>61.2%</b>	<b>\$689,930.00</b>			

# Change Order No. 3

Project: <b>Heritage at Grimes Plat 2 Phase 2 – Little Beaver Creek Tributary Crossing</b>	Date of Contract: <b>August 11, 2015</b>
Owner: <b>City of Grimes</b>	Owner's Contract No.:
Engineer: <b>FOX Engineering</b>	Engineer's Project No.: <b>1005-15C</b>
Contractor: <b>Jensen Construction Company</b>	Date of Issuance: <b>April 4, 2016</b>

**The Contract Documents are modified as follows upon execution of this Change Order:**

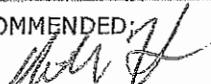
**DESCRIPTIONS:** Additional Labor, Materials, Equipment and Trucking required addressing a conflict between the proposed box culvert retaining wall footing and the existing sanitary sewer.

- Item 1 Adjustment of contract price for increase in required work as per revised plansheets by Stanley Consultants to address field determined conflict. The following is a summary of the increase in work:
- i. Labor - includes necessary additional labor needed to investigate the issue, excavate & backfill the larger footing, place the additional concrete and reinforcing steel in footing 8S, remove the portion of the existing concrete encasement in conflict and form around the existing manhole. Also includes payroll taxes and insurance costs for the additional labor. Increase in Cost = \$9,895.00
  - ii. Materials - includes additional concrete and reinforcing steel needed for footing 8S. Increase in Cost = \$6,510.00
  - iii. Equipment - includes Additional equipment on site that will be used on this revised work. A mini excavator will be required that is not currently on site. Increase in Cost = \$3,650.00.
  - iv. Trucking - includes haul off of concrete from sewer encasement and additional equipment trucking to mobilize a mini excavator to perform the removals. Increase in Cost= \$650.00

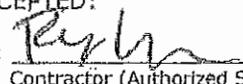
Total for Change Order No. 3 = **\$20,705.00**

Attachments: Revised Plan Sheets V4.8, V4.11 & V4.12

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
<p>Original Contract Price: \$1,604,310.00</p> <p><input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease from previously approved Change Orders: \$ 46,529.56</p> <p>Contract Price prior to this Change Order: \$1,650,839.56</p> <p><input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease of this Change Order: \$ 20,705.00</p> <p>Contract Price incorporating this Change Order: \$1,671,544.56</p>	<p>Original Contract <input type="checkbox"/> Working <input checked="" type="checkbox"/> Calendar Substantial completion: June 30, 2016 Ready for final payment: August 30, 2016</p> <p><input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease from previously approved Change Orders: Substantial completion: 10 Working Days Ready for final payment: 10 Working Days</p> <p>Contract Times prior to this Change Order: Substantial completion: June 30, 2016 + 10 Working Days Ready for final payment: August 30, 2016 + 10 Working Days</p> <p><input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease of this Change Order: Substantial completion (days): 5 Working Days Ready for final payment (days): 5 Working Days</p> <p>Contract Times with all approved Change Orders: Substantial completion: June 30, 2016 + 15 Working Days Ready for final payment: August 30, 2016 + 15 Working Days</p>

RECOMMENDED:  
By:   
Engineer (Authorized Signature)  
Date: 4/5/16

ACCEPTED:  
By: \_\_\_\_\_  
Owner (Authorized Signature)  
Date: \_\_\_\_\_

ACCEPTED:  
By:   
Contractor (Authorized Signature)  
Date: 4 APR 16



MEMBRANE WATER TREATMENT SYSTEMS

**Harn R/O Systems, Inc.**  
310 Center Court  
Venice, FL 34285  
(941) 488-9671

INVOICE NUMBER: 1829-IN  
INVOICE DATE: 3/31/2016  
CUSTOMER NO: WAS001  
CUSTOMER PO: W2015-0528  
JOB NUMBER: 15-2146C  
TERMS: NET 30

**BILL TO:** City of Grimes, IA  
101 NE Harvey  
Grimes, IA 50111

**SHIP TO:** Grimes WTP  
1801 N. James Street  
Grimes, IA 50111

**DESCRIPTION:**

**AMOUNT**

**RO System Pilot Lease**  
**Per signed proposal dated 7/1/15 and Grimes project # W2015-0528**  
**Start-up date: 8/20/2015**  
**Lease period: Minimum 3 months**

8<sup>th</sup> Monthly Installment  
Monthly Lease: 3/20/16 – 4/19/16

**\$ 3,000.00**

Pilot Report  
Interim Phase 1 Report – Jordan Aquifer Treatment – February 2016

**2,500.00**

*cc 4-12-16*

**TOTAL DUE \$ 5,500.00**

Payment Terms are Net 30 days. 1.5% will be charged each month on past due invoices.

Iowa Signal Inc.  
 3711 SE Capitol Circle  
 Grimes, Ia 50111

# Invoice

Date	Invoice #
4/4/2016	3228

Bill To
City of Grimes 101 N. Harney Grimes, IA 50111

P.O. No.	Terms
	Net 30

Description	Qty	Rate	Amount
Hwy 141 & 19th St. Traffic loop replacements - Eastbound	2	800.00	1,600.00
6'x8' loop detector	1	900.00	900.00
6'x20' loop detector			
Hwy 44 & Main	1	100.00	100.00
Replaced grout around traffic signal pole Service call	1	65.00	65.00
Labor			
Please make payable to Iowa Signal Inc. & remit to the above address. Thank you.			<b>Total</b> \$2,665.00
			<b>Balance Due</b> \$2,665.00

 COPY

Phone #
515-249-5076

P.O. No. \_\_\_\_\_

17677

# CITY OF GRIMES

101 N. Harvey, Grimes, IA 50111 phone: 515-986-3036 fax: 515-986-3846

## PURCHASE REQUEST/PURCHASE ORDER

Source/Supplier 10wa Signal

Name

3711 SE Capital Cir Grimes IA 50111

Address

Phone Number/Fax Number

ITEMS

QTY

UNIT PRICE

TOTAL

219th traffic loop 2 800 1600

movement 1 900 900

labor 65<sup>00</sup>

Repairs around pole at SE Main 100<sup>00</sup>

PURCHASE JUSTIFICATION: Created a full 3 lanes east bound on

SE 19th St and had to relocate the signal loops

to help ease traffic

DEPARTMENT: Signals

LINE ITEM: \_\_\_\_\_

BEGINNING BUDGET BALANCE: \_\_\_\_\_

ENDING BUDGET BALANCE: \_\_\_\_\_

PURCHASE REQUESTED BY: David Sibley DATE: 4-7-16

### PURCHASE ORDER APPROVAL AND ASSIGNMENT

Kelley L. Brown City Administrator/Clerk

Date

Council Approval date: (if over \$2500)

Purchaser's Copy

Vendor's Copy

File Copy

Alex Noble  
Address  
Phone: 515-986-3908  
Email: aznoble2@msn.com

Grimes City Council  
101 NE Harvey Street  
Grimes, IA 50111

April 7, 2016

Dear Grimes City Council Members:

My name is Alex Noble, and I am a Boy Scout from the Grimes Troop 171. I am currently working on my Eagle Scout Project. My project is to update the split rail fence at Lions Park. My plan is to replace the fencing in its existing structure. I am seeking approval for my park improvements and aid in marking off the work area.

Recently, I have been working with Mr. Clyce, Grimes City Building Administrator, to determine the necessary requirements for the project. First, I need to determine how much of the parking lot can be marked off at a given time due to baseball games and practices. Next, I will remove the posts and mark off the area for safety. Then I will dig existing holes to fit the cement in around the post. The posts will be buried into a cement-filled hole with a cement footing. The cement will taper off to prevent water build up around the post. There will be 3-4 inches of rock in the bottom of the hole for drainage. The posts and rails will be treated pine, as to prevent rotting. Troop 171 will complete all construction, along with a few of my friends and family.

Again, I am seeking approval in order to be able to begin my project. I also am looking for help from the city in marking off the parking lot area under construction. I appreciate your consideration.

Thanks for your time,

Alex Noble  
Boy Scout Troop 171







March 29, 2016

**Brent Culp**  
Snyder & Associates, Inc.  
2727 SW Snyder Blvd.  
Ankeny, IA 50023

**Preliminary Plat of Gateway Industrial Park**

*FOX Ref No: 8630-16B.211*

FOX Engineering has completed the second review for the Preliminary Plat of Gateway Industrial Park dated March 25, 2016. Please address the following comments:

1. On Sheet 1, please state the following under ZONING:
  - a. Lot 1 is in the HWY 141 Mixed Use Corridor Zone 1.
  - b. Lot 2 is in the HWY 141 Mixed Use Corridor Zone 2 & Transportation Overlay District.
  - c. Lot 5 is in the Transportation Overlay District.
2. Discussion is necessary in regard to the proposed Outlot X. It is assumed that this Outlot X purpose is to avoid Lot 2 being classified as entirely in Zone 1 of the HWY 141 Corridor. FOX recommends removing this Outlot X and adding a note to the preliminary and final plats stating that Lot 2 shall be considered Zone 2 of the HWY 141 Corridor.
3. It is assumed that easements will be obtained to construct the improvements on EBH property.
4. On Sheet 2 & 3, please eliminate the Transportation Overlay District lines from Lot 1. The adopted Grimes Zoning Map does not include the Transportation Overlay District on Lot 1.
5. Discussion is necessary about providing a 10-ft MidAmerican Electrical Easement along the north ROW line. This would require the 10-ft PUE to shift to the south so they would not overlap.
6. 166.08, FOX Engineering has reviewed the proposed streets within this development in relation to the Comprehensive Plan and have the following comments:
  - a. The Developer desires to cost share the street improvements on SE 19<sup>th</sup> Street from Gateway Drive to HWY 141. FOX recommends further discussion during the construction plan review.
  - b. Discussion is necessary in regard to the proposed 35 mph speed limit on Little Beaver Drive. The speed limit on Little Beaver Drive north of SE 19<sup>th</sup> Street through the residential area is 25 mph.
  - c. Please revise the proposed SE 19<sup>th</sup> Street median cut just east of SE Little Beaver. There is no need to provide a northbound left turn lane at this location.
  - d. Please dimension the length of the proposed turn lanes on SE 19<sup>th</sup> Street and taper ratio.
  - e. Discussion is necessary about the HWY 141 & SE 19<sup>th</sup> Street Traffic Signal costs. Each corner was responsible for \$40,000 for these signals.
  - f. The Developer is proposing to construct 100% of their share of Little Beaver as part of this development. EBH will be responsible for the remaining public improvements to this roadway.
  - g. Typical Street Cross Section comments:
    - i. Please plan on 6-inch modified subbase and subdrain
    - ii. Please show quarter point joints.
    - iii. Pavement depth shall be confirmed by a Geotechnical Report.
    - iv. State the width of the sidewalk (5-ft).

- 
7. 166.08, FOX Engineering has reviewed the proposed storm sewer within this development in relation to the Comprehensive Plan and have the following comments:
    - a. FOX reserves the right to provide a fully comprehensive review of the stormwater management plan until commencing the review of the construction plans. Conceptually, the following comments apply:
      - i. In general, the plan appears to meet city design standards.
      - ii. Please clarify that the allowed peak discharge from each lot shall not exceed the 5-yr existing condition (meadow/prairie) peak discharge.
    - b. Discussion is necessary in regard to the proposed 20-ft Drainage Easement along the north side of Lot 1. This easement overlaps a proposed 10-ft PUE. Ideally these easements would not overlap.
  8. 166.08, FOX Engineering has reviewed the proposed sanitary sewer within this development in relation to the Comprehensive Plan and have the following comments:
    - a. The City is investigating the existing 30-ft sanitary sewer easement along HWY 141.
  9. 166.08, FOX Engineering has reviewed the proposed water main within this development in relation to the Comprehensive Plan and have the following comments:
    - a. The Developer is showing a 12-inch water main along SE Gateway Drive. This assumes the 12-inch water main along HWY 141 ROW will be relocated to Gateway Drive.
    - b. The proposed 12-inch water main at the SE corner of the development connecting to the HWY 141 water main will not be required. The 12-inch water will continue south along the Gateway Drive ROW in the Old Home Place subdivision. It is assumed this water main work will be a city project to relocate the water from the HWY 141 ROW. Please show the proposed 12-inch water main on the Old Home Place subdivision.
  10. 166.08, FOX Engineering has reviewed the proposed trails and sidewalks within this development in relation to the Comprehensive Plan and we have the following comments:
    - a. Staff recommended elimination of the sidewalk along the north side of Lot 1. They key is that we do not desire a sidewalk connection to HWY 141 since there will be a trail connection along the north side of SE 19th Street. It is possible that a sidewalk extension along Lot 1 could be required with the site plan development of Lot 1 (just not to HWY 141).
    - b. The sidewalk crossings ramps at Gateway and Little Beaver should be revised to bring the ramps much closer to SE 19<sup>th</sup> Street.

**PRELIMINARY PLAT SCHEDULE:**

**PLANNING & ZONING:** April 5, 2016 at 5:30 at the Grimes City Hall

**COUNCIL MEETING:** April 12, 2016 at 5:30 at the Grimes City Hall

If you have any questions or concerns, please contact John Gade at (515) 233-0000. The City reserves the right to modify or add to these comments.

FOX ENGINEERING ASSOCIATES, INC.

*John Gade*

John Gade, P.E.

Copy to: Kelley Brown, City of Grimes





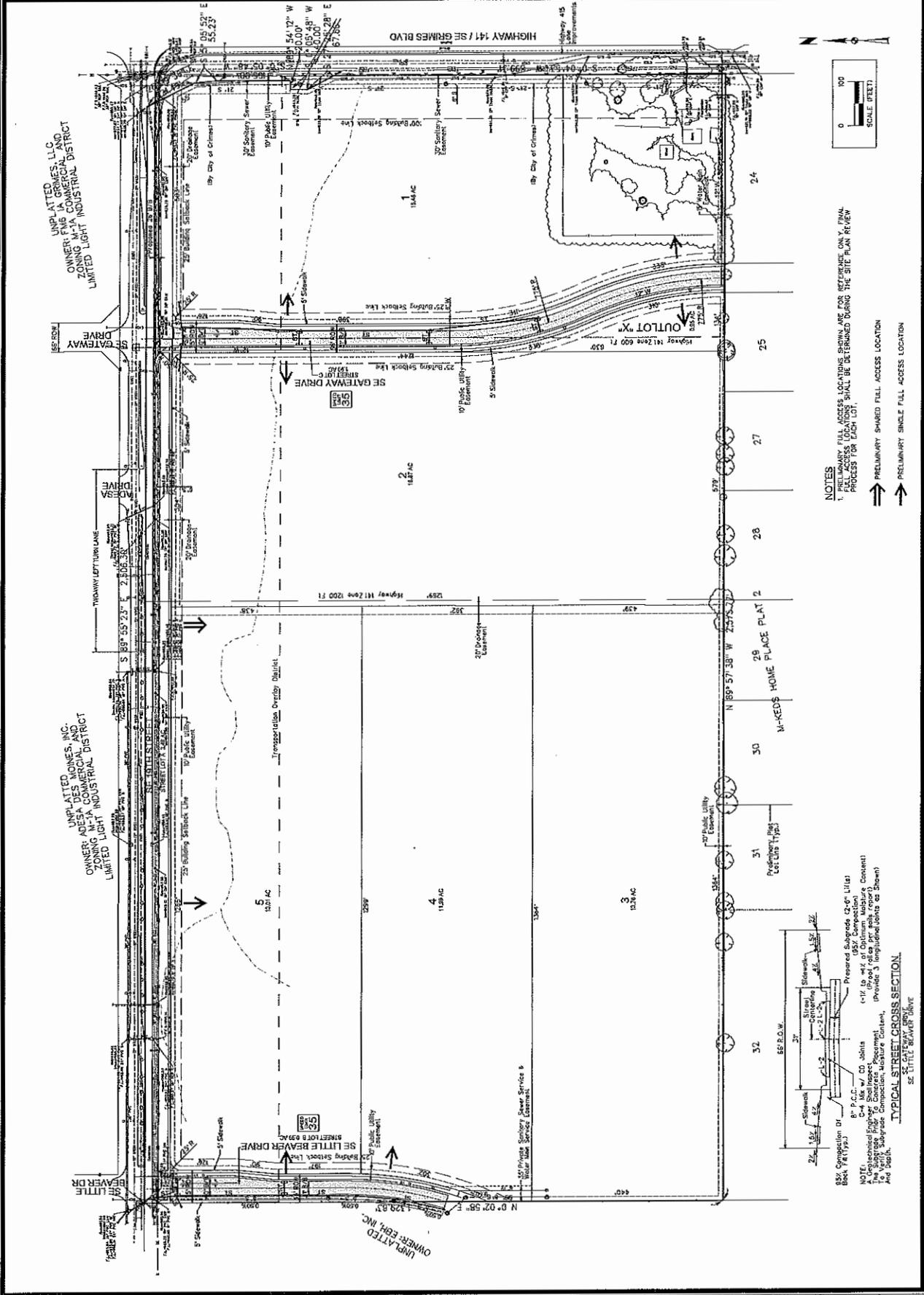


Project No: 1160210  
 Sheet 2 of 3

**GATEWAY INDUSTRIAL PARK**  
**PRELIMINARY PLAT - 2016**

**SNYDER & ASSOCIATES, INC.**  
 2727 S.W. SNYDER BLVD  
 ANKENY, IOWA 50022  
 515-964-2020 | www.snyder-associates.com

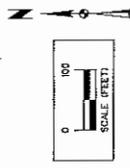
DATE	BY	REVISED PER CITY COMMENTS
02/25/16	AV	
03/09/15	AV	
03/09/15	AV	



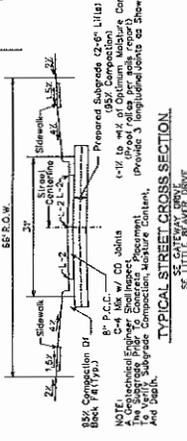
UNPLATTED  
 OWNER: PIG TA GRIMES, LLC  
 ZONING: M-1A COMMERCIAL DISTRICT  
 LIMITED LIGHT INDUSTRIAL DISTRICT

UNPLATTED  
 OWNER: ADESA DESIGN, INC.  
 ZONING: M-1A COMMERCIAL DISTRICT  
 LIMITED LIGHT INDUSTRIAL DISTRICT

UNPLATTED  
 OWNER: EPH, INC.



- NOTES**
1. ALL ACCESS LOCATIONS SHALL BE DETERMINED DURING THE SITE PLAN REVIEW PROCESS FOR EACH LOT.
- PRELIMINARY SHADED FULL ACCESS LOCATION  
 PRELIMINARY SINGLE FULL ACCESS LOCATION



88' Connection DI  
 24" Sidewalk  
 8" Curb  
 12" Travel Lane  
 8" Curb  
 24" Sidewalk  
 2" Utility Strip  
 Prepared Subgrade (2'-6" L1/L2)  
 (17' to 14' (195' Connection)  
 (17' to 14' (195' Connection)  
 A. Geotechnical Engineer Shall Inspect  
 to Verify Subgrade Compaction, Moisture Content,  
 and Depth. Provide 3 longitudinal joints as shown.



April 8, 2016

Via Email

Kelley Brown  
City Administrator/City Hall  
Grimes, Iowa

Re: General Obligation Water Improvement and Refunding Loan Agreement  
Our File No. 419952-44

Dear Kelley:

We have prepared and attach the necessary proceedings for use on April 12, 2016 covering the hearing and additional action on the Loan Agreements, combining the Loan Agreements and approving the use of a preliminary official statement (the "P.O.S") by Piper Jaffray & Co. in connection with the marketing of General Obligation Water Improvement and Refunding Bonds, Series 2016.

The proceedings attached include the following items:

1. Minutes of the meeting covering the hearing, followed by the resolution combining the Loan Agreements into a single Loan Agreement and taking additional action in connection with the Loan Agreement. This resolution simply sets forth the City Council's determination to enter into the Loan Agreement in the future, and its adoption constitutes the "additional action" required by the Iowa Code. The resolution also provides for the authorization of the P.O.S. for the sale of Bonds.
2. Attestation Certificate with respect to the validity of the transcript.

Prior to the adoption of the resolution, you and the City Council should review the P.O.S., which we have also reviewed as your disclosure counsel, carefully for accuracy and to ensure that there are no important facts being left out of the document that might bear on potential risks to bond holders. In addition, the financial data set forth as Appendix A to the P.O.S. (which Piper Jaffray & Co. has worked with you to prepare) should be carefully reviewed for accuracy. Please contact us with any questions regarding the P.O.S.

On April 12<sup>th</sup> the City Council should meet as scheduled, hold a hearing on its intention to enter into the Loan Agreements and adopt the attached resolution. The minutes as drafted assume that no objections will be filed with respect to the proposal to enter into the Loan Agreement.

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 Emily Hammond or me.

Best regards,

John P. Danos

Attachments

cc: Rochelle Williams  
Deb Harmsen  
Diana VanVleet

NEW ISSUE - DTC BOOK ENTRY ONLY

Moody's Rating Service: " \_ "

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986; provided however such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code." See "Tax Exemption and Related Tax Matters" herein.

**Grimes, Iowa**  
**\$2,165,000\* General Obligation Refunding Bonds, Series 2016A**  
**\$3,500,000\* General Obligation Corporate Purpose Bonds, Series 2016B**

Dated: Date of Delivery

The General Obligation Refunding Bonds, Series 2016A (the "Series 2016A Bonds") and the General Obligation Corporate Purpose Bonds, Series 2016B (the "Series 2016B Bonds") as described above (collectively the "Bonds") will be issued by the City of Grimes, Iowa (the "Issuer") as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by Bankers Trust Company, Des Moines, Iowa, as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning December 1, 2016 (each an "Interest Payment Date") to the registered owners thereof. Interest shall be payable by check or draft of the Registrar mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Registrar or to such other address as is furnished to the Registrar in writing by a registered owner.

The Series 2016A Bonds are not subject to redemption prior to maturity.

The Series 2016B Bonds maturing after June 1, 2022, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

**MATURITY SCHEDULE \* – See Next Page**

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel. Dorsey & Whitney LLP is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery on or about May 25, 2016\*.

The Date of this Official Statement is \_\_\_\_\_, 2016

\* Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**\$2,165,000\* General Obligation Refunding Bonds, Series 2016A**  
**\$3,500,000\* General Obligation Corporate Purpose Bonds, Series 2016B**

**SERIES 2016A MATURITY SCHEDULE \***

<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>	<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>
June 1, 2018	\$425,000				June 1, 2021	\$440,000			
June 1, 2019	425,000				June 1, 2022	445,000			
June 1, 2020	430,000								

\$ \_\_\_\_\_,000 \* \_\_\_\_\_% Term Bond due \_\_\_\_\_, \_\_\_\_\_ priced to yield \_\_\_\_\_% CUSIP Number \_\_\_\_\_\*\*

**SERIES 2016B MATURITY SCHEDULE \***

<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>	<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>
June 1, 2017	\$205,000				June 1, 2025	\$235,000			
June 1, 2018	205,000				June 1, 2026	240,000			
June 1, 2019	210,000				June 1, 2027	245,000			
June 1, 2020	210,000				June 1, 2028	255,000			
June 1, 2021	215,000				June 1, 2029	260,000			
June 1, 2022	220,000				June 1, 2031	270,000			
June 1, 2023	225,000				June 1, 2032	275,000			
June 1, 2024	230,000								

\$ \_\_\_\_\_,000 \* \_\_\_\_\_% Term Bond due \_\_\_\_\_, \_\_\_\_\_ priced to yield \_\_\_\_\_% CUSIP Number \_\_\_\_\_\*\*

\* Preliminary, subject to change

\*\* CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

## FORWARD-LOOKING STATEMENTS

This Official Statement, including Appendix A, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget" or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

**OFFICIAL STATEMENT**  
**GRIMES, IOWA**  
**\$2,165,000 \* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A**  
**\$3,500,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2016B**

**INTRODUCTORY STATEMENT**

This Official Statement presents certain information relating to the City of Grimes, Iowa (the "Issuer" or "City"), in connection with the sale of the Issuer's General Obligation Refunding Bonds, Series 2016A (the "Series 2016A Bonds" and General Obligation Corporate Purpose Bonds, Series 2016B (the "Series 2016B Bonds") (collectively the "Bonds"). The Series 2016A Bonds are being issued to provide funds i) for the advance refunding of the Issuer's outstanding General Obligation Corporate Purpose Bonds, dated August 1, 2007, and ii) to pay the costs associated with the issuance of the Series 2016A Bonds. The Series 2016B Bonds are being issued to provide funds i) constructing improvements to the City's Municipal Waterworks system, and ii) to pay the costs associated with the issuance of the Series 2016B Bonds. See "SOURCES AND USES OF FUNDS" herein.

This Preliminary Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information which is to be made available through a final Official Statement.

This Introductory Statement is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety.

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against all of the property valuation of the Issuer. See "THE BONDS – Source of Security for the Bonds" herein.

All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

**THE BONDS**

**General**

The Bonds are dated as of the Date of Delivery, and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 1, 2016, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of Bankers Trust Company, Des Moines, Iowa as Registrar and Paying Agent (the "Registrar") mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Registrar or to such other address as is furnished to the Registrar in writing by a registered owner.

**Authorization for the Issuance**

The Bonds are being issued pursuant to the Code of Iowa, 2015, as amended, Section 384.25 and Chapter 76.

**Book Entry Only System**

*The following information concerning The Depository Trust Company ("DTC"), New York, New York and DTC's book-entry system has been obtained from sources the Issuer believes to be reliable. However, the Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.*

The Depository Trust Company ("DTC"), New York, NY will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

---

\* Preliminary, subject to change

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

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest and premium, if any, on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Issuer nor the Registrar will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as a Bondholder.

### Transfer and Exchange

In the event that the Book Entry System is discontinued, any Bond may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall execute and deliver a new Bond or Bonds of the same maturity, interest rate, and aggregate principal amount.

Bonds may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Bonds which have been selected for prepayment and is not required to transfer or exchange any Bonds during the period beginning 15 days prior to the selection of Bonds for prepayment and ending the date notice of prepayment is mailed. The Registrar may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Bonds surrendered pursuant to the provisions of this and the preceding paragraph shall be canceled by the Registrar and shall not be redelivered.

### Redemption

Optional Redemption. The Series 2016A Bonds are not subject to optional redemption prior to maturity.

The Series 2016B Bonds maturing after June 1, 2022, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Mandatory Sinking Fund Redemption The Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption (by lot, as selected by the Registrar) on \_\_\_\_\_ 1 and \_\_\_\_\_ in each of the years \_\_\_\_\_ through \_\_\_\_\_ at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

#### \_\_\_\_ Term Bond

<u>Mandatory Sinking Fund Date</u>	<u>Principal Amount</u>
	\$

(maturity)

Selection of Bonds for Redemption Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Bonds of a single maturity are to be redeemed, the Bonds to be redeemed will be selected by lot or other random method by the Registrar in such a manner as the Registrar may determine.

Notice of Redemption. Prior to the redemption of any Bonds under the provisions of the Bond Resolution, the Registrar shall give notice by certified mail or electronic means not less than thirty (30) days prior to the redemption date to each registered owner thereof.

On the dates so designated for redemption, notice having been given in the manner and under the conditions hereinabove, provided and moneys for payment of the redemption price being held in the Sinking Fund, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date. Interest on the Bonds so called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefit hereunder, and the Bondholders shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Bonds which have been duly called for redemption, with respect to which irrevocable instructions to call for redemption at a stated redemption have been given to the Registrar, and moneys for the payment the face amount thereof, premium, if any, and interest on are held in separate accounts by the Registrar in trust for Bondholders shall not thereafter be deemed to be outstanding under the provisions of the Resolution, other than be entitled to receive payment from such sources.

### **Source of Security for the Bonds**

The Bonds are general obligations of the Issuer. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to amount.

## **BONDHOLDERS' RISKS**

### **Tax Levy Procedures**

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad-valorem tax levied against all of the property within the Issuer. Pursuant to Section 76.2 of the Code of Iowa, the Issuer has, in the Bond Resolution, provided for an annual levy upon all the taxable property within its corporate boundaries sufficient to pay the principal of and interest on the Bonds when due. A certified copy of the Bond Resolution will be filed with the County Auditor and such filing creates a duty of the County Auditor to enter annually such levies for collection until funds are realized to pay principal of and interest on the Bonds in full. A failure on the part of the County Auditor to make a timely levy or a levy that is inaccurate or is insufficient to make full payments of the debt service on the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds.

### **2013 Property Tax Legislation**

During its 2013 session the Iowa Legislature enacted, and the Governor signed legislation that, among other things, reduces the limit on annual assessed value growth with respect to residential and agricultural property from 4% to 3%, reduces as a rollback the taxable value applicable to commercial, industrial and railroad property to 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, and provides a partial exemption on telecommunications property. The legislation also created a new separate classification for multifamily residential properties which were previously taxed as commercial properties, and assigns an incremental rollback percentage over several years for multifamily residential properties such that the multifamily residential rollback determination will match that for residential properties in the 2022 assessment year. As a result of this legislation, local governments expect to experience reductions in property tax revenues over the next several fiscal years. The legislation includes state-funded replacement moneys for a portion of the expected reduction in property tax revenues to the local governments, but such replacement funding is limited in both amount and duration of availability. There can be no assurance the state-funded replacement moneys will be provided by the state, if at all, during the term the Bonds remain outstanding. The Issuer does not expect the state replacement funding to fully address the property tax reductions resulting from the legislation during the term the Bonds remain outstanding. The legislation does not limit the legal obligation of the Issuer to pay debt service on the Bonds or the amount the Issuer is required to levy for payments of debt service on the Bonds, however, there can be no assurances that it will not have a material adverse impact with respect to the Issuer's financial position.

### **Changes in Property Taxation**

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect the Issuer's financial condition. Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Issuer's financial condition.

## **Matters Relating to Enforceability of Agreements**

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

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Bond Resolution or the Loan Agreement. The remedies available to the owners of the Bonds upon an event of default under the Bond Resolution or the Loan Agreement, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Loan Agreement or the Bond Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Bond Resolution or the Loan Agreement, including principal of and interest on the Bonds.

## **Pension**

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Comprehensive Annual Financial Report for its fiscal year ended June 30, 2015 (the "IPERS CAFR") indicates that as of June 30, 2015, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 83.7%, and the unfunded actuarial liability was \$5.455 billion. The IPERS CAFR identifies the IPERS Net Pension Liability at June 30, 2015, at approximately \$4.94 billion, while its net pension liability at June 30, 2014 was approximately \$3.97 billion. The IPERS CAFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See "APPENDIX D — AUDITED FINANCIAL STATEMENTS OF THE ISSUER" for additional information on IPERS.

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

In fiscal year 2015, the Issuer's IPERS contribution totaled approximately \$175,467. The Issuer is current in its obligations to IPERS.

Pursuant to Governmental Accounting Standards Board Statement No. 68, IPERS has allocated the net pension liability among its members, with the Issuer's identified portion at June 30, 2015 at approximately \$668,578. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See Appendix D hereto for additional information on pension and liabilities of the Issuer.

## **Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, and secondary marketing practices in connection with a particular Bond or Bonds issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

## **Ratings Loss**

Moody's Rating Service ("Rating Agency") has assigned a rating of "\_\_\_" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Rating

Agency, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

### **Forward-Looking Statements**

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

### **Tax Matters, Bank Qualification and Loss of Tax Exemption**

As discussed under the heading “**TAX EXEMPTION AND RELATED TAX MATTERS**” herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The Issuer will designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. However, the Issuer’s failure to comply with such covenants could cause the Bonds not to be “qualified tax-exempt obligations” and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

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

### **DTC-Beneficial Owners**

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

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

### **Other Factors**

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

### **Proposed Federal Tax Legislation**

From time to time, Presidential proposals, federal legislative committee proposals or legislative proposals are made that would, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds. It cannot be predicted whether or in what forms any of such proposals that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. See “**TAX EXEMPTION AND RELATED TAX MATTERS**” herein.

## Summary

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

## LITIGATION

The City encounters litigation occasionally, as a course of business, however, no litigation currently exists that is not believed to be covered by current insurance carriers and no litigation has been proposed that questions the validity of these Bonds.

## ACCOUNTANT

The cash-basis financial statements of the Issuer included as **APPENDIX D** to this Official Statement have been examined by to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said office, and said office expresses no opinion with respect to the Bonds or the Official Statement.

## UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by Piper Jaffray & Co., (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Bonds at an aggregate purchase price of \$ \_\_\_\_\_ plus accrued interest to the Closing Date.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

Piper Jaffray & Co., has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

## THE PROJECT

The Series 2016A Bonds are being issued to provide funds i) for the advance refunding of the Issuer's outstanding General Obligation Corporate Purpose Bonds, dated August 1, 2007, and ii) to pay the costs associated with the issuance of the Series 2016A Bonds. The Series 2016B Bonds are being issued to provide funds i) constructing improvements to the City's Municipal Waterworks system, and ii) to pay the costs associated with the issuance of the Series 2016B Bonds.

## SOURCES AND USES OF FUNDS \*

The following are the estimated sources and uses of funds with respect to the bonds.

<u>Sources of Funds</u>	<u>Series 2016A</u>	<u>Series 2016B</u>
Bond Proceeds	\$2,165,000.00	\$3,500,000
Reoffering Premium		\$70,000
<u>Total Sources of Funds</u>	<u>\$2,165,000.00</u>	<u>\$3,570,000</u>
<u>Uses of Funds</u>		
Escrow of 8/1/07 GO Bonds	\$2,119,466.70	\$3,500,000
Estimated Costs of Issuance	21,300.00	\$30,000
Underwriter's Discount	TBD	TBD
Contingency	TBD	TBD
<u>Total Uses of Funds</u>	<u>\$2,165,000.00</u>	<u>\$3,570,000</u>

\* Preliminary, subject to change

## TAX EXEMPTION AND RELATED TAX MATTERS

### Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986 (the "Code"), provided, however that such interest must be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes).

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

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

### Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

### Qualified Tax-Exempt Obligations

In the resolution authorizing the issuance of the Bonds, the Issuer will designate the Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

### Original Issue Premium

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

## LEGAL MATTERS

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

The legal opinion to be delivered will express the professional judgment of Bond Counsel, and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

#### RATING

The Bonds are rated “\_\_\_” by Moody’s. The rating reflects only the views of Rating Agency, and an explanation of the significance of that rating may be obtained only from Rating Agency and its published materials. The rating described above is not a recommendation to buy, sell or hold the Bonds. There can be no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of Rating Agency, circumstances so warrant. Therefore, after the date hereof, investors should not assume that the rating is still in effect. A downward revision or withdrawal of the rating is likely to have an adverse effect on the market price and marketability of the Bonds. The Issuer has not assumed any responsibility either to notify the owners of the Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Certificate, or to contest any revision or withdrawal.

#### CONTINUING DISCLOSURE

The Issuer has covenanted for the benefit of the holders of the Bonds to provide certain financial information and operating data relating to the Issuer, and to provide notices of the occurrence of certain enumerated events, if deemed by the Issuer to be material (the “Undertaking”). The specific nature of the information that the Issuer may provide pursuant to the Undertaking is summarized in “APPENDIX C - Form of Continuing Disclosure Certificate.”

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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Brief descriptions or summaries of the City, the Bonds, the Bond Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Bond Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the City.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Owners of any of the Bonds.

The attached APPENDICES A, B, C and D are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

The City has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the City Council of the City.

GRIMES, IOWA

/s/Kelley Brown  
City Administrator

**APPENDIX A - INFORMATION ABOUT THE ISSUER**

**CITY OF GRIMES, IOWA**

**CITY OFFICIALS**

<b>MAYOR</b>	Tom Armstrong
<b>COUNCIL MEMBERS</b>	Jeremy Hamp Doug Bickford Ty Blackford Jill Altringer Eric Johansen
<b>CITY ADMINISTRATOR</b>	Kelley Brown
<b>CITY CLERK</b>	Rochelle Williams
<b>CITY TREASURER</b>	Deb Gallagher
<b>CITY ATTORNEY</b>	Thomas Henderson Whitfield & Eddy, P.L.P

**CONSULTANTS**

<b>BOND COUNSEL</b>	Dorsey & Whitney LLP Des Moines, Iowa
<b>DISCLOSURE COUNSEL</b>	Dorsey & Whitney LLP Des Moines, Iowa
<b>UNDERWRITER</b>	Piper Jaffray & Co. Des Moines, Iowa
<b>PAYING AGENT</b>	Bankers Trust Company Des Moines, Iowa

## General Information

The City of Grimes is located in Polk and Dallas Counties, approximately nine miles northwest of Des Moines, in Jefferson and Webster Townships. The proximity Grimes to the city of Des Moines places it in a position of serving both a suburban residential area and a trading center for the surrounding agricultural area. Many residents living in Grimes work in Des Moines and other nearby communities. Rail transportation is furnished by the Norfolk Southern Railroad. The City is served by Iowa Highways 44 and 141 which interchange with Interstate Highways 35 and 80, adjacent to the City's southern boundary. Grimes is within the Greater Des Moines Metropolitan Area and is easily accessible to the Des Moines International Airport and associated air transportation facilities.

Children in the community attend the fine facilities of the Dallas Center-Grimes Community School District Johnston Community School District and Urbandale Community School District. Continuing education centers within commuting distance include: Iowa State University, Ames; Drake University, Grand View College, the American Institute of Business, Des Moines; Area XI Des Moines Area Community College, Ankeny; and Simpson College, Indianola.

## Government

The City operates under a mayor-council form of government having five Council members elected at large. Grimes has an excellent fire and rescue department with modern fire-fighting equipment, with 8 full-time fire fighters and also share a station with the City of Johnston. Police protection is provided to the community by the Polk County Sheriff's department.

The City owns and operates an excellent library containing several thousand volumes and many periodicals for the use and enjoyment of its citizens.

The City has seven parks containing playground equipment, baseball diamonds, tennis courts, picnic facilities and shelter houses. There are also 2 sports complexes housing baseball, softball, soccer fields, tennis, volleyball and a skate park.

## Utilities

The following utilities operate within the City of Grimes providing the services indicated:

Electric Power:	MidAmerican Energy
Natural Gas:	Black Hills Energy
Telephone:	CenturyLink

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Source: City of Grimes

## Population

The following table sets forth population trends for the Issuer:

<u>Year</u>	<u>Population</u>
2015 special	11,243
2010	8,246
2004 special	5,862
2000	5,098
1995 special	4,177
1990	2,653
1980	1,973
1975	1,342
1973 special	1,250
1970	834
1960	697

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Source: U.S. Census Bureau

## Pensions

Plan Description. Iowa Public Employees' Retirement System ("IPERS") membership is mandatory for employees of the Issuer. The Issuer's employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The Issuer's employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the Issuer's employee retires before normal retirement age, the employees' monthly retirement benefit will be permanently reduced by an early-

retirement reduction. IPERS provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees' beneficiaries upon the death of the eligible employee. See "APPENDIX D-AUDITED FINANCIAL STATEMENTS OF THE ISSUER-NOTES TO THE FINANCIAL STATEMENTS" for additional information on IPERS. Additionally, copies of IPERS annual financial report may be obtained from [www.ipers.org](http://www.ipers.org). Moreover, IPERS maintains a website at [www.ipers.com](http://www.ipers.com). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Contributions. Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2013, the rate allowed by statute was less than the actuarially required rate. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the Issuer and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2014 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the future.

In fiscal year 2015, pursuant to the IPERS' required rate, the Issuer's employees contributed 5.95% of pay and the Issuer contributed 8.93% for a total rate of 14.88 percent. The Issuer's contributions to IPERS for the year ended June 30, 2015 were \$175,467 which amount is not less than its actuarially determined calculated annual actuarial valuation. The Issuer's share of the contribution, payable from the applicable funds of the Issuer, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The Issuer has always made its full required contributions to IPERS.

The following table sets forth the contributions made by the Issuer and its employees to IPERS for the period indicated. The Issuer cannot predict the levels of funding that will be required in the future.

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees' Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2011	\$95,849	6.95%	\$	4.50%
2012	113,548	8.07		5.38
2013	134,221	8.67		5.78
2014	154,433	8.93		5.95
2015	175,467	8.93		5.95
2016 (1)	NA	8.93	NA	5.95

(1) Budgeted  
SOURCE: The Issuer

The Issuer cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the Issuer. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the Issuer which could affect other budgetary matters.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for the fiscal years ended June 30, 2015 through, and including, 2011 (collectively, the "IPERS CAFRs (2011-2015)"), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the "IPERS Actuarial Reports (2011-2015)"). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

**Table 2 – Funding Status of IPERS**

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2011	22,575,309,199	22,772,000	28,257,080,114	5,681,770,915	79.89	28,234,308,114	.08	6,574,872,719	86.42
2012	23,530,094,461	23,025,000	29,446,197,486	5,916,103,025	79.91	29,423,172,486	.07	6,786,158,720	87.18
2013	24,711,096,187	24,757,000	30,498,342,320	5,787,246,133	81.02	30,473,585,320	.08	6,880,131,134	84.12
2014	26,460,428,085	28,039,000	32,004,456,088	5,544,028,003	82.68	31,976,417,088	.09	7,099,277,280	78.09
2015	27,915,379,103	28,430,000	33,370,318,731	5,454,939,628	83.65	33,341,888,731	.09	7,326,348,141	74.46

Source: IPERS CAFRs (2011-2015) and IPERS Actuarial Reports (2011-2015)

For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year ended June 30, 2015, see IPERS CAFRs (2011-2015)

**Table 3 – Recent returns of IPERS**

According to IPERS, the market value investment return on program assets is as follows:

Fiscal Year Ended June 30	Investment Return %
2011	19.91%
2012	3.73
2013	10.12
2014	15.88
2015	3.96

**Net Pension Liabilities.**

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The Issuer was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2015, the Issuer reported a liability of \$668,578 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7.5%. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See “APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at [www.ipers.org](http://www.ipers.org).

Bond Counsel, Disclosure Counsel, the Issuer, and the Financial Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the material available from IPERS as discussed above or included on the IPERS website, including, but not limited to, updates of such information on the Auditor of State’s website or links to other websites through the IPERS website.

**Other Post Employment Benefits (OPEB)**

**Plan Description** - The City operates a single-employer benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 27 active and 1 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

**Funding Policy** – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$300 for single coverage and \$900 for family coverage. For year ended June 30, 2015, the City contributed \$284,711 and \$666 of contributions were made by plan members eligible for benefits.

**Population by Age**

Presented below is the 2010 Census figures according to age group for the County of Polk and the State of Iowa:

<u>Age Group</u>	<u>Polk County</u>	<u>State of Iowa</u>
Under 19 years of age	28.1%	26.9%
20 to 24 years of age	6.7	7.0
25 to 44 years of age	29.5	24.5
45 to 64 years of age	24.9	26.7
65 to 84 years of age	9.2	12.4
85 and over	1.6	2.3
Median Age	34.7	38.1

Presented below is the 2015 special census for the City of Grimes:

<u>Age Group</u>	<u>City of Grimes</u>
Under 19 years of age	32.8
20 to 24 years of age	4.5
25 to 44 years of age	33.2
45 to 64 years of age	21.4
65 to 84 years of age	13.9
85 and over	1.1
Median Age	32.9

Source: U.S. Census Bureau

**Major Employers**

Following are the major employers within the City and the current number of people they employ:

<u>Business Name</u>	<u>Employees</u>
Toyota of Des Moines	250+
Walmart Supercenter	250+
Dallas Center Grimes School District	175+
Ryko Solutions, Inc.	150+
Adesa Des Moines	100+
FedEx Ground	100+
Northwest Steel Erection Co.	100+
Ace Construction	50+
Availon	50+
Beisser Lumber Company	50+
CINTAS	50+
Communication Data Link	50+
Continental Fire Sprinkler Company	50+
Dormark Bridge Construction	50+
Fareway	50+
Frito Lay Food Distribution	50+
Golden Rule	50+
Huston Manufacturing	50+
Soil Tek	50+
The Right Stuff	50+

Source: Grimes Chamber & Economic Development

## Employment Statistics

The State of Iowa Department of Job Service reports unemployment unadjusted rates as follows (February 2016):

<u>Governmental Body</u>	<u>Percentage Unemployed</u>
National Average	4.90%
State of Iowa	3.70
Polk County	4.20

Source: Iowa Workforce Development

## Historical Employment Statistics

Presented below are the historical unemployment rates for the years indicated for Polk County and the State of Iowa.

<u>Calendar Year</u>	<u>Polk County</u>	<u>State Of Iowa</u>
2014	4.30%	4.40%
2013	4.80	4.60
2012	5.40	5.20
2011	6.10	5.90
2010	6.60	6.70

Source: Iowa Workforce Development

## Retail Sales

Presented below are retail sales statistics for the City of Grimes for the period indicated:

<u>Year Ended</u>	<u>Taxable Retail Sales</u>	<u>Number of Businesses</u>
2015	\$237,212,521	256
2014	221,356,306	244
2013	180,274,128	240
2012	162,298,531	234
2011	145,580,529	230

Source: Iowa Department of Revenue

## Median Family Income

Polk County had an estimated median family income of \$59,844, compared to \$52,716 for the State of Iowa. The following table represents the distribution of family incomes for the Counties according to the 2009-2014 American Community Survey 5 year estimated table:

<u>Household Income</u>	<u># of Households</u>	<u>% of Households</u>
Under \$10,000	9,984	5.7%
10,000 to 14,999	6,817	3.9%
15,000 to 24,999	15,166	8.7%
25,000 to 34,999	16,792	9.6%
35,000 to 49,999	23,548	13.5%
50,000 to 74,999	34,799	19.9%
75,000 to 99,999	24,699	14.1%
100,000 to 149,999	26,037	14.9%
150,000 to 199,999	9,293	5.3%
200,000 or more	7,624	4.4%

Source: U.S. Census Bureau

## Building Permits

Presented below are the building permits issued in the City for the calendar year indicated.

<u>Year</u>	<u>Single Family</u>	<u>Commercial</u>	<u>Multi-Family</u>	<u>Value</u>
2016	33	7	8	\$9,517,338
2015	197	55	22	\$72,260,331
2014	214	13	129	121,347,824
2013	145	20	31	36,186,929
2012	123	26	88	38,888,339
2011	111	8	16	43,741,150
2010	128	14	32	42,134,761
2009	137	4	100	41,481,993
2008	115	27	46	29,285,126
2007	137	15	134	32,334,663
2006	120	27	115	50,940,292
2005	131	15	24	33,070,043

Source: City of Grimes

## Property Tax Legislation

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4% to 3%, (ii) assigns a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, (iii) creates a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities, land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) ("Multi-residential Property") that begins in the 2015 assessment year, and assigns a declining rollback percentage of 3.75% to such properties for each subsequent year until 2021 assessment year (the rollback percentage for Multi-residential Properties will be equal to the residential rollback percentage in 2022 assessment year and thereafter) and (iv) exempts a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Prior to Fiscal Year 2017-18, the appropriation is a standing unlimited appropriation, but beginning in fiscal year 2017-18 the standing appropriation cannot exceed the actual fiscal year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3% from 4%, the gradual transition for Multi-residential Property from the commercial rollback percentage (100% of Actual Value in Fiscal Year 2013-14) to the residential rollback percentage (currently 54.4002% of Actual Valuation), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State of Iowa's discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal year 2017-18, the impact of the Act on the City's future property tax collections is uncertain and the City is unable to accurately assess the financial impact of the Act's provisions on the City's future operations.

In Moody's Investor Service US Public Finance Weekly Credit Outlook, dated May 30, 2013, Moody's Investor Service ("Moody's") projected that local governments in the State of Iowa are likely to experience modest reductions in property tax revenues starting in fiscal year 2014-15 as a result of the Act, with sizeable reductions possible starting in fiscal year 2017-18. According to Moody's, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of Multi-residential Property (such as college towns), or significant amounts of telecommunications property.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the City.

## Property Tax Valuations

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the county auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages for residential, agricultural and commercial valuations are as follows:

<u>Fiscal Year</u>	<u>Residential Rollback</u>	<u>Ag. Land &amp; Buildings</u>	<u>Commercial</u>
2016-17	55.6259	46.1068	90.0000
2015-16	55.7335	44.7021	90.0000
2014-15	54.4002	43.3997	95.0000
2013-14	52.8166	59.9334	100.0000
2012-13	50.7518	57.5411	100.0000
2011-12	48.5299	69.0152	100.0000

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Source: Iowa Department of Revenue

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2014 are used to calculate tax liability for the tax year starting July 1, 2015 through June 30, 2016. Presented below are the historic property valuations of the Issuer by class of property.

## Property Valuations

Actual Valuation						
Valuation as of January	2015	2014	2013	2012	2011	2010
Fiscal Year	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Residential:	675,481,704	581,071,310	526,780,151	490,111,826	478,933,590	459,886,940
Agricultural Land:	6,978,381	7,238,450	7,348,600	5,958,860	5,923,730	5,209,200
Ag Buildings:	194,550	260,900	277,190	270,570	304,300	234,220
Commercial:	180,786,031	178,806,512	177,805,420	170,559,175	148,828,460	154,538,120
Industrial:	11,360,659	9,744,677	9,205,694	8,521,898	8,101,600	5,144,600
Multiresidential:	14,672,885					
Personal RE:	0	0	0	0	0	0
Railroads:	0	0	0	274,592	388,107	333,270
Utilities:	1,500,155	1,721,131	1,993,467	2,255,685	2,335,461	2,211,003
Other:	0	0	0	0	0	0
<b>Total Valuation:</b>	<b>890,974,365</b>	<b>778,842,980</b>	<b>723,410,522</b>	<b>677,952,606</b>	<b>644,815,248</b>	<b>627,557,353</b>
Less Military:	635,236	601,900	594,492	581,504	548,088	510,698
<b>Net Valuation:</b>	<b>890,339,129</b>	<b>778,241,080</b>	<b>722,816,030</b>	<b>677,371,102</b>	<b>644,267,160</b>	<b>627,046,655</b>
TIF Valuation:	53,418,971	41,861,611	40,197,255	36,665,411	40,463,000	35,421,000
Utility Replacement:	32,425,081	27,582,952	24,486,743	27,581,936	27,096,020	26,629,127
Taxable Valuation						
Valuation as of January	2015	2014	2013	2012	2011	2010
Fiscal Year	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Residential:	364,962,902	315,211,105	277,994,346	251,005,558	237,771,784	217,525,142
Agricultural Land:	3,217,522	3,235,741	3,189,270	3,571,354	3,408,624	3,595,147
Ag Buildings:	89,700	116,626	120,299	162,162	175,110	161,640
Commercial:	160,052,928	158,750,169	167,878,082	170,559,175	148,828,460	154,538,120
Industrial:	10,148,909	8,711,627	8,712,864	8,521,898	8,101,600	5,144,600
Multiresidential:	12,404,568					
Personal RE:	0	0	0	0	0	0
Railroads:	1,500,155	0	0	274,592	388,107	333,270
Utilities:	0	1,721,131	1,993,467	2,255,685	2,335,461	2,211,003
Other:	0	0	0	0	0	0
<b>Total Valuation:</b>	<b>552,376,684</b>	<b>487,746,399</b>	<b>459,888,328</b>	<b>436,350,424</b>	<b>401,009,146</b>	<b>383,508,922</b>
Less Military:	635,236	601,900	594,492	581,504	548,088	510,698
<b>Net Valuation:</b>	<b>551,741,448</b>	<b>487,144,499</b>	<b>459,293,836</b>	<b>435,768,920</b>	<b>400,461,058</b>	<b>382,998,224</b>
TIF Valuation:	53,418,971	41,861,611	40,197,255	36,665,411	40,463,000	35,421,000
Utility Replacement:	18,558,027	16,749,897	16,636,157	15,880,702	15,962,180	16,279,288
	Valuation	Actual	% Change in	Taxable	% Change in	
	Year	Valuation	Actual	Valuation	Taxable	
	2015	976,183,181	15.16%	623,718,446	14.29%	
	2014	847,685,643	7.64%	545,756,007	5.74%	
	2013	787,500,028	6.19%	516,127,248	5.70%	
	2012	741,618,449	4.19%	488,315,033	6.88%	
	2011	711,826,180	3.30%	456,886,238	5.10%	
	2010	689,096,782	5.21%	434,698,512	6.30%	

Source: Iowa Department of Management

## Tax Rates

The Issuer levied the following taxes for collection during the fiscal years indicated:

Fiscal Year	General Fund	Outside	Emergency Levy	Debt Service	Employee Benefits	Capital Improve	Total Levy	Total Ag Levy
2016	8.10000	0.00000	0.27000	3.41339	1.13038	0.00000	12.91377	3.00375
2015	8.10000	0.14811	0.27000	2.94203	1.45360	0.00000	12.91374	3.00375
2014	8.10000	0.13395	0.26965	3.16477	1.24465	0.00000	12.91302	3.00375
2013	8.10000	0.09689	0.27000	3.30433	1.13846	0.00000	12.90968	3.00375
2012	8.10000	0.09166	0.26968	3.57261	0.86923	0.00000	12.90318	2.68607
2011	8.10000	0.07231	0.26969	3.84927	0.61877	0.00000	12.91004	2.76296

Source: Iowa Department of Management

## Combined Historic Tax Rates

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy Rate
2016	12.91377	17.95314	0.67574	0.00330	0.27750	0.07661	3.21296	7.30880	0.58200	43.00382
2015	12.91374	17.85093	0.65724	0.00330	0.27750	0.04061	3.11769	7.16880	0.51700	42.54681
2014	12.91302	17.84474	0.69120	0.00330	0.27822	0.03945	2.99567	6.94381	0.45200	42.16141
2013	12.90968	17.50698	0.58466	0.00330	0.24382	0.03866	2.97819	6.80992	0.37200	41.44721
2012	12.90318	17.50189	0.59018	0.00300	0.24628	0.03696	2.92193	6.80992	0.22200	41.23534
2011	12.91004	17.50052	0.56008	0.00300	0.27848	0.03631	2.92111	6.81833	0.20410	41.23197

Source: Iowa Department of Management

## Tax Collection History

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2016	\$6,616,839	In Collection	In Collection
2015	6,231,497	\$6,266,873	100.57%
2014	5,911,204	\$5,941,436	100.51%
2013	5,474,091	\$5,384,023	98.35%
2012	5,240,112	5,433,011	103.68%
2011	4,762,205	4,783,025	100.44%

Source: City of Grimes

**Largest Taxpayers**

Set forth in the following table are the persons or entities which represent the 2015 largest taxpayers within the Issuer, as provided by the Polk County Auditor’s Offices. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. Except as noted, the City’s tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	<u>2015 Taxable Valuation</u>	<u>Percent of Total</u>
Mid American Energy <sup>(1)</sup>	15,802,534	2.53%
Wal-Mart Real Estate Business Trust	11,215,341	1.80%
Gabus Family Trust LC	9,092,979	1.46%
Grimes Industrial Park I LLC	6,922,125	1.11%
Brenton Communities Fund X Grimes IA LLC	6,785,408	1.09%
Linweld Inc	6,438,600	1.03%
Adesa Des Moines Inc	6,075,000	0.97%
CCRC of Grimes LLC	6,007,597	0.96%
Steven A. Cuculich Sr (Trustee)	5,371,650	0.86%
Meadolark Place Apartments LLC	5,117,582	0.82%
Total of Top 10 Taxpayers:		12.64%

Source: Polk County Auditor

<sup>(1)</sup> Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas (“Utilities”) pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and Finance and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the Issuer could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than “taxable property” for purposes of computing the Issuer’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 2.53% of the Issuer’s tax base currently is Utility property.

Notwithstanding the foregoing, Iowa Code 76.2 provides that when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

**Public Funds Investments**

As of February 29, 2016, the City held investments in the following amounts:

	<u>Amount on Deposit</u>
Local Bank Checking	\$15,914,104.85
Local Bank Savings and CD’s	2,811,113.45
Total	\$18,725,218.30

Source: City of Grimes

**Outstanding General Obligation Debt \***

Presented below is the outstanding principal and interest of the Issuer's General Obligation Debt, presented by fiscal year and bond series, including an estimate of the Bonds:

Fiscal Year	1-Aug-07	1-Nov-09	1-Sep-11	1-Dec-12	15-Apr-13	25-Jun-15	2016A	2016B**	Principal Total	Interest Total	P&I Total
							25-May-16	25-May-16			
2016	355,000	655,000	250,000	275,000	215,000	320,000			2,070,000	833,836	2,903,836
2017	370,000	680,000		280,000	215,000	330,000		205,000	2,080,000	868,314	2,948,314
2018		700,000		285,000	220,000	340,000	425,000	205,000	2,175,000	739,296	2,914,296
2019		725,000		290,000		350,000	425,000	210,000	2,000,000	677,089	2,677,089
2020		755,000		300,000		360,000	430,000	210,000	2,055,000	616,609	2,671,609
2021		785,000		305,000		370,000	440,000	215,000	2,115,000	553,114	2,668,114
2022		815,000		310,000		380,000	445,000	220,000	2,170,000	485,676	2,655,676
2023		850,000		315,000		390,000		225,000	1,780,000	415,484	2,195,484
2024		890,000		325,000		400,000		230,000	1,845,000	349,121	2,194,121
2025				330,000		410,000		235,000	975,000	278,386	1,253,386
2026				335,000		420,000		240,000	995,000	254,754	1,249,754
2027				345,000		435,000		245,000	1,025,000	228,915	1,253,915
2028				350,000		450,000		255,000	1,055,000	202,350	1,257,350
2029				355,000		460,000		260,000	1,075,000	174,583	1,249,583
2030				365,000		475,000		270,000	1,110,000	145,439	1,255,439
2031				375,000		490,000		275,000	1,140,000	114,150	1,254,150
2032				385,000		510,000			895,000	81,275	976,275
2033						520,000			520,000	56,350	576,350
2034						535,000			535,000	38,150	573,150
2035						555,000			555,000	19,425	574,425
Totals:	725,000	6,855,000	250,000	5,525,000	650,000	8,500,000	2,165,000	3,500,000	28,170,000	7,132,315	35,302,315

Source: City of Grimes

\* Preliminary, subject to change

\*\* Self supported by Water Revenues of the City

**Outstanding Water Revenue Debt**

The Issuer has previously issued its water revenue securities. Presented below is the principal and interest on the Issuer's outstanding water revenue securities:

Fiscal Year	19-Dec-00				P&I Total
	19-Dec-00	19-Dec-00	19-Dec-00	19-Dec-00	
2016	342,228	39,095	1,007	117	382,446
2017	347,855	40,483	853	100	389,290
2018	353,290	40,835	694	81	394,900
2019	359,533	42,170	530	62	402,294
2020	365,565	42,470	359	42	408,436
2021	371,388	43,753	183	22	415,344
Totals	2,139,857	248,805	3,624	423	2,392,710

Source: City of Grimes

**Outstanding Sewer Revenue Debt**

The Issuer has previously issued its sewer revenue securities. Presented below is the principal and interest on the Issuer's outstanding sewer revenue securities:

Fiscal Year	19-Dec-00
2016	378,210
2017	382,760
2018	386,890
2019	391,600
2020	395,860
2021	400,670
Totals	2,335,990

Source: City of Grimes  
**Debt Limit \***

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The Issuer's debt limit, based upon said valuation, amounts to the following:

1/1/2014 Actual Valuation:	847,685,643
X	0.05
Statutory Debt Limit:	42,384,282
Total General Obligation Debt:	28,170,000
Loan Agreement (Fire Truck):	700,000
Lease Purchase Agreement:	156,622
Total Rebates due in FY2016:	240,524
Annual Appropriation in FY16:	0
Total Urban Renewal Revenue Debt:	0
Total Debt Subject to Limit:	29,267,146
Percentage of Debt Limit Obligated:	69.05%

Source: Iowa Department of Management  
 \* Preliminary, subject to change

**Overlapping & Underlying Debt**

Presented below is a listing of the overlapping and underlying debt for Issuers within the District and the amount applicable to the Issuer:

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2015 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
Dallas Center-Grimes CSD	35,720,450	833,317,108	472,288,185	56.68%	20,244,810
Johnston CSD	64,295,000	2,247,010,252	146,890,775	6.54%	4,203,070
Urbandale CSD	48,350,000	1,237,521,509	774,819	0.06%	30,272
Waukee CSD	99,325,000	3,697,362,634	1,291,137	0.03%	34,685
Dallas County	14,965,000	5,259,759,471	1,236,765	0.02%	3,519
Polk County	312,584,231	22,662,536,006	622,481,681	2.75%	8,585,886
Des Moines Area Community College	89,990,000	42,301,482,075	623,718,446	1.47%	1,326,867
AEA #11 - Heartland	0	42,301,482,075	623,718,446	1.47%	0

Total Overlapping & Underlying Debt: 34,429,109

Source: Iowa Department of Management, Iowa State Treasurer

**Financial Summary \***

Actual Value of Property, 2015:	\$976,183,181
Taxable Value of Property, 2015:	623,718,446
Direct General Obligation Debt:	\$28,170,000
Less Self-Supported General Obligation Debt:	-3,500,000
Net Direct General Obligation Debt:	\$24,670,000
Overlapping Debt:	34,429,109
Net Direct & Overlapping General Obligation Debt:	\$59,099,109
Population, 2010 US Census Bureau:	8,246
Direct Debt per Capita:	\$3,416.20
Total Debt per Capita:	\$7,167.00
Net Direct Debt to Taxable Valuation:	3.96%
Total Debt to Taxable Valuation:	9.48%
Net Direct Debt to Actual Valuation:	2.53%
Total Debt to Actual Valuation:	6.05%
Actual Valuation per Capita:	\$118,383
Taxable Valuation per Capita:	\$75,639

Source: Iowa Department of Management  
\* Preliminary, subject to change

**APPENDIX B – FORM OF LEGAL OPINION**

{Insert to be provided by Bond Counsel}

**APPENDIX C – CONTINUING DISCLOSURE CERTIFICATE**

{Insert to be provided by Bond Counsel}

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2016

NEW ISSUE - DTC BOOK ENTRY ONLY

Moody's Rating Service: " "

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986; provided however such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code." See "Tax Exemption and Related Tax Matters" herein.

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Grimes, Iowa

\$2,165,000\* General Obligation Refunding Bonds, Series 2016A

\$3,500,000\* General Obligation Corporate Purpose Bonds, Series 2016B

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(Insert to be Provided by Bond Counsel)¶

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Dated: Date of Delivery

The General Obligation Refunding Bonds, Series 2016A (the "Series 2016A Bonds") and the General Obligation Corporate Purpose Bonds, Series 2016B (the "Series 2016B Bonds") as described above (collectively the "Bonds") will be issued by the City of Grimes, Iowa (the "Issuer") as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by Bankers Trust Company, Des Moines, Iowa, as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

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Interest on the Bonds is payable on June 1, and December 1 in each year, beginning December 1, 2016 (each an "Interest Payment Date") to the registered owners thereof. Interest shall be payable by check or draft of the Registrar mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Registrar or to such other address as is furnished to the Registrar in writing by a registered owner.

The Series 2016A Bonds are not subject to redemption prior to maturity.

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The Series 2016B Bonds maturing after June 1, 2022, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

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MATURITY SCHEDULE \* - See Next Page

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel. Dorsey & Whitney LLP is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery on or about May 25, 2016\*.

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Deleted: \$ \_\_\_\_\_,000 \* \_\_\_\_\_ % Term Bond due  
\_\_\_\_\_ priced to yield \_\_\_\_\_ % CUSIP Number  
\*\*\*¶

The Date of this Official Statement is \_\_\_\_\_, 2016

\* Preliminary, subject to change

Deleted: \*\* CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.¶

**\$2,165,000\* General Obligation Refunding Bonds, Series 2016A**  
**\$3,500,000\* General Obligation Corporate Purpose Bonds, Series 2016B**

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**SERIES 2016A MATURITY SCHEDULE \***

<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>	<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>
June 1, 2018	\$425,000				June 1, 2021	\$440,000			
June 1, 2019	425,000				June 1, 2022	445,000			
June 1, 2020	430,000								

\$ ,000\* % Term Bond due , priced to yield % CUSIP Number \*\*

**SERIES 2016B MATURITY SCHEDULE \***

<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>	<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>
June 1, 2017	\$205,000				June 1, 2025	\$235,000			
June 1, 2018	205,000				June 1, 2026	240,000			
June 1, 2019	210,000				June 1, 2027	245,000			
June 1, 2020	210,000				June 1, 2028	255,000			
June 1, 2021	215,000				June 1, 2029	260,000			
June 1, 2022	220,000				June 1, 2031	270,000			
June 1, 2023	225,000				June 1, 2032	275,000			
June 1, 2024	230,000								

\$ ,000\* % Term Bond due , priced to yield % CUSIP Number \*\*

\* Preliminary, subject to change

\*\* CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

#### FORWARD-LOOKING STATEMENTS

This Official Statement, including Appendix A, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget" or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

OFFICIAL STATEMENT  
GRIMES, IOWA

\$2,165,000 \*GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A  
\$3,500,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2016B

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INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the City of Grimes, Iowa (the "Issuer" or "City"), in connection with the sale of the Issuer's General Obligation Refunding Bonds, Series 2016A (the "Series 2016A Bonds") and General Obligation Corporate Purpose Bonds, Series 2016B (the "Series 2016B Bonds") (collectively the "Bonds"). The Series 2016A Bonds are being issued to provide funds i) for the advance refunding of the Issuer's outstanding General Obligation Corporate Purpose Bonds, dated August 1, 2007, and ii) to pay the costs associated with the issuance of the Series 2016A Bonds. The Series 2016B Bonds are being issued to provide funds i) constructing improvements to the City's Municipal Waterworks system, and ii) to pay the costs associated with the issuance of the Series 2016B Bonds. See "SOURCES AND USES OF FUNDS" herein.

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This Preliminary Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information which is to be made available through a final Official Statement.

This Introductory Statement is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety.

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against all of the property valuation of the Issuer. See "THE BONDS – Source of Security for the Bonds" herein.

All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

THE BONDS

General

The Bonds are dated as of the Date of Delivery, and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 1, 2016, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of Bankers Trust Company, Des Moines, Iowa as Registrar and Paying Agent (the "Registrar") mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Registrar or to such other address as is furnished to the Registrar in writing by a registered owner.

Authorization for the Issuance

The Bonds are being issued pursuant to the Code of Iowa, 2015, as amended, Section 384.25 and Chapter 76.

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Book Entry Only System

*The following information concerning The Depository Trust Company ("DTC"), New York, New York and DTC's book-entry system has been obtained from sources the Issuer believes to be reliable. However, the Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.*

The Depository Trust Company ("DTC"), New York, NY will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

\* Preliminary, subject to change

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

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest and premium, if any, on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Issuer nor the Registrar will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as a Bondholder.

#### Transfer and Exchange

In the event that the Book Entry System is discontinued, any Bond may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall execute and deliver a new Bond or Bonds of the same maturity, interest rate, and aggregate principal amount.

Bonds may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Bonds which have been selected for prepayment and is not required to transfer or exchange any Bonds during the period beginning 15 days prior to the selection of Bonds for prepayment and ending the date notice of prepayment is mailed. The Registrar may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Bonds surrendered pursuant to the provisions of this and the preceding paragraph shall be canceled by the Registrar and shall not be redelivered.

#### Redemption

Optional Redemption. The Series 2016A Bonds are not subject to optional redemption prior to maturity.

The Series 2016B Bonds maturing after June 1, 2022, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Mandatory Sinking Fund Redemption The Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption (by lot, as selected by the Registrar) on \_\_\_\_\_ 1 and \_\_\_\_\_ in each of the years \_\_\_\_\_ through \_\_\_\_\_ at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

\_\_\_ Term Bond

<u>Mandatory Sinking Fund Date</u>	<u>Principal Amount</u>
------------------------------------	-------------------------

\$

(maturity)

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Selection of Bonds for Redemption. Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Bonds of a single maturity are to be redeemed, the Bonds to be redeemed will be selected by lot or other random method by the Registrar in such a manner as the Registrar may determine.

Notice of Redemption. Prior to the redemption of any Bonds under the provisions of the Bond Resolution, the Registrar shall give notice by certified mail or electronic means not less than thirty (30) days prior to the redemption date to each registered owner thereof.

On the dates so designated for redemption, notice having been given in the manner and under the conditions hereinabove, provided and moneys for payment of the redemption price being held in the Sinking Fund, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date. Interest on the Bonds so called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefit hereunder, and the Bondholders shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Bonds which have been duly called for redemption, with respect to which irrevocable instructions to call for redemption at a stated redemption have been given to the Registrar, and moneys for the payment the face amount thereof, premium, if any, and interest on are held in separate accounts by the Registrar in trust for Bondholders shall not thereafter be deemed to be outstanding under the provisions of the Resolution, other than be entitled to receive payment from such sources.

#### **Source of Security for the Bonds**

The Bonds are general obligations of the Issuer. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to amount.

### **BONDHOLDERS' RISKS**

#### **Tax Levy Procedures**

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad-valorem tax levied against all of the property within the Issuer. Pursuant to Section 76.2 of the Code of Iowa, the Issuer has, in the Bond Resolution, provided for an annual levy upon all the taxable property within its corporate boundaries sufficient to pay the principal of and interest on the Bonds when due. A certified copy of the Bond Resolution will be filed with the County Auditor and such filing creates a duty of the County Auditor to enter annually such levies for collection until funds are realized to pay principal of and interest on the Bonds in full. A failure on the part of the County Auditor to make a timely levy or a levy that is inaccurate or is insufficient to make full payments of the debt service on the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds.

#### **2013 Property Tax Legislation**

During its 2013 session the Iowa Legislature enacted, and the Governor signed legislation that, among other things, reduces the limit on annual assessed value growth with respect to residential and agricultural property from 4% to 3%, reduces as a rollback the taxable value applicable to commercial, industrial and railroad property to 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, and provides a partial exemption on telecommunications property. The legislation also created a new separate classification for multiresidential properties which were previously taxed as commercial properties, and assigns an incremental rollback percentage over several years for multiresidential properties such that the multiresidential rollback determination will match that for residential properties in the 2022 assessment year. As a result of this legislation, local governments expect to experience reductions in property tax revenues over the next several fiscal years. The legislation includes state-funded replacement moneys for a portion of the expected reduction in property tax revenues to the local governments, but such replacement funding is limited in both amount and duration of availability. There can be no assurance the state-funded replacement moneys will be provided by the state, if at all, during the term the Bonds remain outstanding. The Issuer does not expect the state replacement funding to fully address the property tax reductions resulting from the legislation during the term the Bonds remain outstanding. The legislation does not limit the legal obligation of the Issuer to pay debt service on the Bonds or the amount the Issuer is required to levy for payments of debt service on the Bonds, however, there can be no assurances that it will not have a material adverse impact with respect to the Issuer's financial position.

#### **Changes in Property Taxation**

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect the Issuer's financial condition. Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Issuer's financial condition.

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### **Matters Relating to Enforceability of Agreements**

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

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Bond Resolution or the Loan Agreement. The remedies available to the owners of the Bonds upon an event of default under the Bond Resolution or the Loan Agreement, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Loan Agreement or the Bond Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Bond Resolution or the Loan Agreement, including principal of and interest on the Bonds.

### **Pension**

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Comprehensive Annual Financial Report for its fiscal year ended June 30, 2015 (the "IPERS CAFR") indicates that as of June 30, 2015, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 83.7%, and the unfunded actuarial liability was \$5.455 billion. The IPERS CAFR identifies the IPERS Net Pension Liability at June 30, 2015, at approximately \$4.94 billion, while its net pension liability at June 30, 2014 was approximately \$3.97 billion. The IPERS CAFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See "APPENDIX D—AUDITED FINANCIAL STATEMENTS OF THE ISSUER" for additional information on IPERS.

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

In fiscal year 2015, the Issuer's IPERS contribution totaled approximately \$175,467. The Issuer is current in its obligations to IPERS.

Pursuant to Governmental Accounting Standards Board Statement No. 68, IPERS has allocated the net pension liability among its members, with the Issuer's identified portion at June 30, 2015 at approximately \$668,578. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See Appendix D hereto for additional information on pension and liabilities of the Issuer.

### **Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, and secondary marketing practices in connection with a particular Bond or Bonds issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

### **Ratings Loss**

Moody's Rating Service ("Rating Agency") has assigned a rating of "\_\_\_" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Rating

Agency, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

#### **Forward-Looking Statements**

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

#### **Tax Matters, Bank Qualification and Loss of Tax Exemption**

As discussed under the heading "TAX EXEMPTION AND RELATED TAX MATTERS" herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The Issuer will designate the Bonds as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. However, the Issuer's failure to comply with such covenants could cause the Bonds not to be "qualified tax-exempt obligations" and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

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

#### **DTC-Beneficial Owners**

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

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See "THE BONDS— Book-Entry Only System."

#### **Other Factors**

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

#### **Proposed Federal Tax Legislation**

From time to time, Presidential proposals, federal legislative committee proposals or legislative proposals are made that would, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds. It cannot be predicted whether or in what forms any of such proposals that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. See "TAX EXEMPTION AND RELATED TAX MATTERS" herein.

**Summary**

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

**LITIGATION**

The City encounters litigation occasionally, as a course of business, however, no litigation currently exists that is not believed to be covered by current insurance carriers and no litigation has been proposed that questions the validity of these Bonds.

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**ACCOUNTANT**

The cash-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said office, and said office expresses no opinion with respect to the Bonds or the Official Statement.

**UNDERWRITING**

The Bonds are being purchased, subject to certain conditions, by Piper Jaffray & Co., (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Bonds at an aggregate purchase price of \$ \_\_\_\_\_ plus accrued interest to the Closing Date.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

Piper Jaffray & Co., has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

**THE PROJECT**

The Series 2016A Bonds are being issued to provide funds i) for the advance refunding of the Issuer's outstanding General Obligation Corporate Purpose Bonds, dated August 1, 2007, and ii) to pay the costs associated with the issuance of the Series 2016A Bonds. The Series 2016B Bonds are being issued to provide funds i) constructing improvements to the City's Municipal Waterworks system, and ii) to pay the costs associated with the issuance of the Series 2016B Bonds.

Deleted: The Bonds are being issued to provide funds i) for the advance refunding of the Issuer's outstanding General Obligation Corporate Purpose Bonds, dated August 1, 2007, and ii) to pay the costs associated with the issuance of the Bonds.

**SOURCES AND USES OF FUNDS \***

The following are the estimated sources and uses of funds with respect to the bonds.

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<u>Sources of Funds</u>	<u>Series 2016A</u>	<u>Series 2016B</u>
Bond Proceeds	\$2,165,000.00	<u>\$3,500,000</u>
Reoffering Premium		<u>\$70,000</u>
<b>Total Sources of Funds</b>	<b>\$2,165,000.00</b>	<b><u>\$3,570,000</u></b>
<u>Uses of Funds</u>		
Escrow of 8/1/07 GO Bonds	\$2,119,466.70	<u>\$3,500,000</u>
Estimated Costs of Issuance	21,300.00	<u>\$30,000</u>
Underwriter's Discount	TBD	TBD
Contingency	TBD	TBD
<b>Total Uses of Funds</b>	<b>\$2,165,000.00</b>	<b><u>\$3,570,000</u></b>

\* Preliminary, subject to change

## TAX EXEMPTION AND RELATED TAX MATTERS

### Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986 (the "Code"), provided, however that such interest must be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes).

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

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

### Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

### Qualified Tax-Exempt Obligations

In the resolution authorizing the issuance of the Bonds, the Issuer will designate the Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

### Original Issue Premium

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

## LEGAL MATTERS

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

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The legal opinion to be delivered will express the professional judgment of Bond Counsel, and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

#### RATING

The Bonds are rated “ ” by Moody’s. The rating reflects only the views of Rating Agency, and an explanation of the significance of that rating may be obtained only from Rating Agency and its published materials. The rating described above is not a recommendation to buy, sell or hold the Bonds. There can be no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of Rating Agency, circumstances so warrant. Therefore, after the date hereof, investors should not assume that the rating is still in effect. A downward revision or withdrawal of the rating is likely to have an adverse effect on the market price and marketability of the Bonds. The Issuer has not assumed any responsibility either to notify the owners of the Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Certificate, or to contest any revision or withdrawal.

#### CONTINUING DISCLOSURE

The Issuer has covenanted for the benefit of the holders of the Bonds to provide certain financial information and operating data relating to the Issuer, and to provide notices of the occurrence of certain enumerated events, if deemed by the Issuer to be material (the “Undertaking”). The specific nature of the information that the Issuer may provide pursuant to the Undertaking is summarized in “APPENDIX C - Form of Continuing Disclosure Certificate.”

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{Information to be review as part of Due Diligence  
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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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Brief descriptions or summaries of the City, the Bonds, the Bond Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Bond Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the City.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Owners of any of the Bonds. The attached APPENDICES A, B, C and D are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

The City has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the City Council of the City.

GRIMES, IOWA

/s/Kelley Brown  
City Administrator

APPENDIX A - INFORMATION ABOUT THE ISSUER

CITY OF GRIMES, IOWA

CITY OFFICIALS

MAYOR Tom Armstrong

COUNCIL MEMBERS Jeremy Hamp  
Doug Bickford  
Ty Blackford  
Jill Altringer  
Eric Johansen

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Deleted: Tami Evans

Deleted: Craig Patterson

CITY ADMINISTRATOR Kelley Brown

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CITY CLERK Rochelle Williams

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CITY TREASURER Deb Gallagher

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CITY ATTORNEY Thomas Henderson  
Whitfield & Eddy, P.L.P

CONSULTANTS

BOND COUNSEL Dorsey & Whitney LLP  
Des Moines, Iowa

DISCLOSURE COUNSEL Dorsey & Whitney LLP  
Des Moines, Iowa

UNDERWRITER Piper Jaffray & Co.  
Des Moines, Iowa

PAYING AGENT Bankers Trust Company  
Des Moines, Iowa

### General Information

The City of Grimes is located in Polk and Dallas Counties, approximately nine miles northwest of Des Moines, in Jefferson and Webster Townships. The proximity Grimes to the city of Des Moines places it in a position of serving both a suburban residential area and a trading center for the surrounding agricultural area. Many residents living in Grimes work in Des Moines and other nearby communities. Rail transportation is furnished by the Norfolk Southern Railroad. The City is served by Iowa Highways 44 and 141 which interchange with Interstate Highways 35 and 80, adjacent to the City's southern boundary. Grimes is within the Greater Des Moines Metropolitan Area and is easily accessible to the Des Moines International Airport and associated air transportation facilities.

Children in the community attend the fine facilities of the Dallas Center-Grimes Community School District Johnston Community School District and Urbandale Community School District. Continuing education centers within commuting distance include: Iowa State University, Ames; Drake University, Grand View College, the American Institute of Business, Des Moines; Area XI Des Moines Area Community College, Ankeny; and Simpson College, Indianola.

### Government

The City operates under a mayor-council form of government having five Council members elected at large. Grimes has an excellent fire and rescue department with modern fire-fighting equipment, with 8 full-time fire fighters and also share a station with the City of Johnston. Police protection is provided to the community by the Polk County Sheriff's department.

The City owns and operates an excellent library containing several thousand volumes and many periodicals for the use and enjoyment of its citizens.

The City has seven parks containing playground equipment, baseball diamonds, tennis courts, picnic facilities and shelter houses. There are also 2 sports complexes housing baseball, softball, soccer fields, tennis, volleyball and a skate park.

### Utilities

The following utilities operate within the City of Grimes providing the services indicated:

Electric Power:	MidAmerican Energy
Natural Gas:	Black Hills Energy
Telephone:	CenturyLink

Source: City of Grimes

### Population

The following table sets forth population trends for the Issuer:

<u>Year</u>	<u>Population</u>
2015 special	11,243
2010	8,246
2004 special	5,862
2000	5,098
1995 special	4,177
1990	2,653
1980	1,973
1975	1,342
1973 special	1,250
1970	834
1960	697

Source: U.S. Census Bureau

### Pensions

Plan Description. Iowa Public Employees' Retirement System ("IPERS") membership is mandatory for employees of the Issuer. The Issuer's employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The Issuer's employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the Issuer's employee retires before normal retirement age, the employees' monthly retirement benefit will be permanently reduced by an early-

retirement reduction. IPERS provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees' beneficiaries upon the death of the eligible employee. See "APPENDIX D-AUDITED FINANCIAL STATEMENTS OF THE ISSUER-NOTES TO THE FINANCIAL STATEMENTS" for additional information on IPERS. Additionally, copies of IPERS annual financial report may be obtained from www.ipers.org. Moreover, IPERS maintains a website at www.ipers.com. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Contributions. Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2013, the rate allowed by statute was less than the actuarially required rate. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the Issuer and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2014 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the future.

In fiscal year 2015, pursuant to the IPERS' required rate, the Issuer's employees contributed 5.95% of pay and the Issuer contributed 8.93% for a total rate of 14.88 percent. The Issuer's contributions to IPERS for the year ended June 30, 2015 were \$175,467 which amount is not less than its actuarially determined calculated annual actuarial valuation. The Issuer's share of the contribution, payable from the applicable funds of the Issuer, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The Issuer has always made its full required contributions to IPERS.

The following table sets forth the contributions made by the Issuer and its employees to IPERS for the period indicated. The Issuer cannot predict the levels of funding that will be required in the future.

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees' Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2011	\$95,849	6.95%	\$	4.50%
2012	113,548	8.07		5.38
2013	134,221	8.67		5.78
2014	154,433	8.93		5.95
2015	175,467	8.93		5.95
2016 (1)	NA	8.93	NA	5.95

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(1) Budgeted  
SOURCE: The Issuer

The Issuer cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the Issuer. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the Issuer which could affect other budgetary matters.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for the fiscal years ended June 30, 2015 through, and including, 2011 (collectively, the "IPERS CAFRs (2011-2015)"), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the "IPERS Actuarial Reports (2011-2015)"). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

**Table 2 – Funding Status of IPERS**

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [(c-a)/[d]]
2011	22,575,309,199	22,772,000	28,257,080,114	5,681,770,915	79.89	28,234,308,114	.08	6,574,872,719	86.42
2012	23,530,094,461	23,025,000	29,446,197,486	5,916,103,025	79.91	29,423,172,486	.07	6,786,158,720	87.18
2013	24,711,096,187	24,757,000	30,498,342,320	5,787,246,133	81.02	30,473,585,320	.08	6,880,131,134	84.12
2014	26,460,428,085	28,039,000	32,004,456,088	5,544,028,003	82.68	31,976,417,088	.09	7,099,277,280	78.09
2015	27,915,379,103	28,430,000	33,370,318,731	5,454,939,628	83.65	33,341,888,731	.09	7,326,348,141	74.46

Source: IPERS CAFRs (2011-2015) and IPERS Actuarial Reports (2011-2015)

For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year ended June 30, 2015, see IPERS CAFRs (2011-2015)

**Table 3 – Recent returns of IPERS**

According to IPERS, the market value investment return on program assets is as follows:

Fiscal Year Ended June 30	Investment Return %
2011	19.91%
2012	3.73
2013	10.12
2014	15.88
2015	3.96

**Net Pension Liabilities.**

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The Issuer was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2015, the Issuer reported a liability of \$668,578 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7.5%. The Issuer's proportion of the net pension liability was based on the Issuer's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See "APPENDIX D-AUDITED FINANCIAL STATEMENTS OF THE ISSUER-NOTES TO THE FINANCIAL STATEMENTS" for additional information related to the Issuer's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

Bond Counsel, Disclosure Counsel, the Issuer, and the Financial Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the material available from IPERS as discussed above or included on the IPERS website, including, but not limited to, updates of such information on the Auditor of State's website or links to other websites through the IPERS website.

**Other Post Employment Benefits (OPEB)**

**Plan Description** - The City operates a single-employer benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 27 active and 1 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

**Funding Policy** -- The contribution requirements of plan members are established and may be amended by the City. The City currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$300 for single coverage and \$900 for family coverage. For year ended June 30, 2015, the City contributed \$284,711 and \$666 of contributions were made by plan members eligible for benefits.



**Employment Statistics**

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The State of Iowa Department of Job Service reports unemployment unadjusted rates as follows (February 2016):

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<u>Governmental Body</u>	<u>Percentage Unemployed</u>
National Average	4.90%
State of Iowa	3.70
Polk County	4.20

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Source: Iowa Workforce Development

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**Historical Employment Statistics**

Presented below are the historical unemployment rates for the years indicated for Polk County and the State of Iowa.

<u>Calendar Year</u>	<u>Polk County</u>	<u>State Of Iowa</u>
2014	4.30%	4.40%
2013	4.80	4.60
2012	5.40	5.20
2011	6.10	5.90
2010	6.60	6.70

Source: Iowa Workforce Development

**Retail Sales**

Presented below are retail sales statistics for the City of Grimes for the period indicated:

<u>Year Ended</u>	<u>Taxable Retail Sales</u>	<u>Number of Businesses</u>
2015	\$237,212,521	256
2014	221,356,306	244
2013	180,274,128	240
2012	162,298,531	234
2011	145,580,529	230

Source: Iowa Department of Revenue

**Median Family Income**

Polk County had an estimated median family income of \$59,844, compared to \$52,716 for the State of Iowa. The following table represents the distribution of family incomes for the Counties according to the 2009-2014 American Community Survey 5 year estimated table:

<u>Household Income</u>	<u># of Households</u>	<u>% of Households</u>
Under \$10,000	9,984	5.7%
10,000 to 14,999	6,817	3.9%
15,000 to 24,999	15,166	8.7%
25,000 to 34,999	16,792	9.6%
35,000 to 49,999	23,548	13.5%
50,000 to 74,999	34,799	19.9%
75,000 to 99,999	24,699	14.1%
100,000 to 149,999	26,037	14.9%
150,000 to 199,999	9,293	5.3%
200,000 or more	7,624	4.4%

Source: U.S. Census Bureau

**Building Permits**

Presented below are the building permits issued in the City for the calendar year indicated.

Year	Single Family	Commercial	Multi-Family	Value
2016	33	7	8	\$9,517,338
2015	197	55	22	\$72,269,331
2014	214	13	129	121,347,824
2013	145	20	31	36,186,929
2012	123	26	88	38,888,339
2011	111	8	16	43,741,150
2010	128	14	32	42,134,761
2009	137	4	100	41,481,993
2008	115	27	46	29,285,126
2007	137	15	134	32,334,663
2006	120	27	115	50,940,292
2005	131	15	24	33,070,043

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Source: City of Grimes

**Property Tax Legislation**

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4% to 3%, (ii) assigns a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, (iii) creates a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities, land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) ("Multi-residential Property") that begins in the 2015 assessment year, and assigns a declining rollback percentage of 3.75% to such properties for each subsequent year until 2021 assessment year (the rollback percentage for Multi-residential Properties will be equal to the residential rollback percentage in 2022 assessment year and thereafter) and (iv) exempts a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Prior to Fiscal Year 2017-18, the appropriation is a standing unlimited appropriation, but beginning in fiscal year 2017-18 the standing appropriation cannot exceed the actual fiscal year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3% from 4%, the gradual transition for Multi-residential Property from the commercial rollback percentage (100% of Actual Value in Fiscal Year 2013-14) to the residential rollback percentage (currently 54.4002% of Actual Valuation), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State of Iowa's discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal year 2017-18, the impact of the Act on the City's future property tax collections is uncertain and the City is unable to accurately assess the financial impact of the Act's provisions on the City's future operations.

In Moody's Investor Service US Public Finance Weekly Credit Outlook, dated May 30, 2013, Moody's Investor Service ("Moody's") projected that local governments in the State of Iowa are likely to experience modest reductions in property tax revenues starting in fiscal year 2014-15 as a result of the Act, with sizeable reductions possible starting in fiscal year 2017-18. According to Moody's, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of Multi-residential Property (such as college towns), or significant amounts of telecommunications property.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the City.

**Property Tax Valuations**

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In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the county auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages for residential, agricultural and commercial valuations are as follows:

<u>Fiscal Year</u>	<u>Residential Rollback</u>	<u>Ag. Land &amp; Buildings</u>	<u>Commercial</u>
2016-17	55.6259	46.1068	90.0000
2015-16	55.7335	44.7021	90.0000
2014-15	54.4002	43.3997	95.0000
2013-14	52.8166	59.9334	100.0000
2012-13	50.7518	57.5411	100.0000
2011-12	48.5299	69.0152	100.0000

Source: Iowa Department of Revenue

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2014 are used to calculate tax liability for the tax year starting July 1, 2015 through June 30, 2016. Presented below are the historic property valuations of the Issuer by class of property.

**Property Valuations**

Actual Valuation						
Valuation as of January	2015	2014	2013	2012	2011	2010
Fiscal Year	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Residential:	675,481,704	581,071,310	526,780,151	490,111,826	478,933,590	459,886,940
Agricultural Land:	6,978,381	7,238,450	7,348,600	5,958,860	5,923,730	5,209,200
Ag Buildings:	194,550	260,900	277,190	270,570	304,300	234,220
Commercial:	180,786,031	178,806,512	177,805,420	170,559,175	148,828,460	154,538,120
Industrial:	11,360,659	9,744,677	9,205,694	8,521,898	8,101,600	5,144,600
Multiresidential:	14,672,885					
Personal RE:	0	0	0	0	0	0
Railroads:	0	0	0	274,592	388,107	333,270
Utilities:	1,500,155	1,721,131	1,993,467	2,255,685	2,335,461	2,211,003
Other:	0	0	0	0	0	0
<b>Total Valuation:</b>	<b>890,974,365</b>	<b>778,842,980</b>	<b>723,410,522</b>	<b>677,952,606</b>	<b>644,815,248</b>	<b>627,557,353</b>
Less Military:	635,236	601,900	594,492	581,504	548,088	510,698
<b>Net Valuation:</b>	<b>890,339,129</b>	<b>778,241,080</b>	<b>722,816,030</b>	<b>677,371,102</b>	<b>644,267,160</b>	<b>627,046,655</b>
TIF Valuation:	53,418,971	41,861,611	40,197,255	36,665,411	40,463,000	35,421,000
Utility Replacement:	32,425,081	27,582,952	24,486,743	27,581,936	27,096,020	26,629,127
<b>Taxable Valuation</b>						
Valuation as of January	2015	2014	2013	2012	2011	2010
Fiscal Year	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Residential:	364,962,902	315,211,105	277,994,346	251,005,558	237,771,784	217,525,142
Agricultural Land:	3,217,522	3,235,741	3,189,270	3,571,354	3,408,624	3,595,147
Ag Buildings:	89,700	116,626	120,299	162,162	175,110	161,640
Commercial:	160,052,928	158,750,169	167,878,082	170,559,175	148,828,460	154,538,120
Industrial:	10,148,909	8,711,627	8,712,864	8,521,898	8,101,600	5,144,600
Multiresidential:	12,404,568					
Personal RE:	0	0	0	0	0	0
Railroads:	1,500,155	0	0	274,592	388,107	333,270
Utilities:	0	1,721,131	1,993,467	2,255,685	2,335,461	2,211,003
Other:	0	0	0	0	0	0
<b>Total Valuation:</b>	<b>552,376,684</b>	<b>487,746,399</b>	<b>459,888,328</b>	<b>436,350,424</b>	<b>401,009,146</b>	<b>383,508,922</b>
Less Military:	635,236	601,900	594,492	581,504	548,088	510,698
<b>Net Valuation:</b>	<b>551,741,448</b>	<b>487,144,499</b>	<b>459,293,836</b>	<b>435,768,920</b>	<b>400,461,058</b>	<b>382,998,224</b>
TIF Valuation:	53,418,971	41,861,611	40,197,255	36,665,411	40,463,000	35,421,000
Utility Replacement:	18,558,027	16,749,897	16,636,157	15,880,702	15,962,180	16,279,288

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2015	976,183,181	15.16%	623,718,446	14.29%
2014	847,685,643	7.64%	545,756,007	5.74%
2013	787,500,028	6.19%	516,127,248	5.70%
2012	741,618,449	4.19%	488,315,033	6.88%
2011	711,826,180	3.30%	456,886,238	5.10%
2010	689,096,782	5.21%	434,698,512	6.30%

Source: Iowa Department of Management

**Tax Rates**

The Issuer levied the following taxes for collection during the fiscal years indicated:

Fiscal Year	General Fund	Outside	Emergency Levy	Debt Service	Employee Benefits	Capital Improve	Total Levy	Total Ag Levy
2016	8.10000	0.00000	0.27000	3.41339	1.13038	0.00000	12.91377	3.00375
2015	8.10000	0.14811	0.27000	2.94203	1.45360	0.00000	12.91374	3.00375
2014	8.10000	0.13395	0.26965	3.16477	1.24465	0.00000	12.91302	3.00375
2013	8.10000	0.09689	0.27000	3.30433	1.13846	0.00000	12.90968	3.00375
2012	8.10000	0.09166	0.26968	3.57261	0.86923	0.00000	12.90318	2.68607
2011	8.10000	0.07231	0.26969	3.84927	0.61877	0.00000	12.91004	2.76296

Source: Iowa Department of Management

**Combined Historic Tax Rates**

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy Rate
2016	12.91377	17.95314	0.67574	0.00330	0.27750	0.07661	3.21296	7.30880	0.58200	43.00382
2015	12.91374	17.85093	0.65724	0.00330	0.27750	0.04061	3.11769	7.16880	0.51700	42.54681
2014	12.91302	17.84474	0.69120	0.00330	0.27822	0.03945	2.99567	6.94381	0.45200	42.16141
2013	12.90968	17.50698	0.58466	0.00330	0.24382	0.03866	2.97819	6.80992	0.37200	41.44721
2012	12.90318	17.50189	0.59018	0.00300	0.24628	0.03696	2.92193	6.80992	0.22200	41.23534
2011	12.91004	17.50052	0.56008	0.00300	0.27848	0.03631	2.92111	6.81833	0.20410	41.23197

Source: Iowa Department of Management

**Tax Collection History**

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2016	\$6,616,839	In Collection	In Collection
2015	6,231,497	\$6,266,873	100.57%
2014	5,911,204	\$5,941,436	100.51%
2013	5,474,091	\$5,384,023	98.35%
2012	5,240,112	5,433,011	103.68%
2011	4,762,205	4,783,025	100.44%

Source: City of Grimes

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**Largest Taxpayers**

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Set forth in the following table are the persons or entities which represent the 2015 largest taxpayers within the Issuer, as provided by the Polk County Auditor's Offices. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. Except as noted, the City's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	<u>2015 Taxable Valuation</u>	<u>Percent of Total</u>
Mid American Energy <sup>(1)</sup>	15,802,534	2.53%
Wal-Mart Real Estate Business Trust	11,215,341	1.80%
Gabus Family Trust LC	9,092,979	1.46%
Grimes Industrial Park I LLC	6,922,125	1.11%
Brenton Communities Fund X Grimes IA LLC	6,785,408	1.09%
Lanweld Inc	6,438,600	1.03%
Adesa Des Moines Inc	6,075,000	0.97%
CCRC of Grimes LLC	6,007,597	0.96%
Steven A. Cuculich Sr (Trustee)	5,371,650	0.86%
Meadowlark Place Apartments LLC	5,117,582	0.82%
Total of Top 10 Taxpayers:		12.64%

Source: Polk County Auditor  
<sup>(1)</sup> Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas ("Utilities") pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and Finance and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the Issuer could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than "taxable property" for purposes of computing the Issuer's debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 2.53% of the Issuer's tax base currently is Utility property.

Notwithstanding the foregoing, Iowa Code 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

**Public Funds Investments**

As of February 29, 2016, the City held investments in the following amounts:

	<u>Amount on Deposit</u>
Local Bank Checking	\$15,914,104.85
Local Bank Savings and CD's	2,811,113.45
Total	\$18,725,218.30

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Source: City of Grimes

**Outstanding General Obligation Debt \***

Presented below is the outstanding principal and interest of the Issuer's General Obligation Debt, presented by fiscal year and bond series, including an estimate of the Bonds:

Fiscal Year	1-Aug-07	1-Nov-09	1-Sep-11	1-Dec-12	15-Apr-13	25-Jun-15	2016A	2016B**	Principal	Interest	P&I
							25-May-16	25-May-16			
2016	355,000	655,000	250,000	275,000	215,000	320,000			2,070,000	833,836	3,903,836
2017	370,000	680,000		280,000	215,000	330,000		205,000	2,080,000	868,314	2,948,314
2018		700,000		285,000	220,000	340,000	425,000	205,000	2,175,000	739,296	2,914,296
2019		725,000		290,000		350,000	425,000	210,000	2,000,000	677,089	2,677,089
2020		755,000		300,000		360,000		210,000	2,055,000	616,609	2,671,609
2021		785,000		305,000		370,000		215,000	2,115,000	553,114	2,668,114
2022		815,000		310,000		380,000	445,000	220,000	2,170,000	485,676	2,655,676
2023		850,000		315,000		390,000		225,000	1,780,000	415,484	2,195,484
2024		890,000		325,000		400,000		230,000	1,845,000	349,121	2,194,121
2025				330,000		410,000		235,000	975,000	278,386	1,253,386
2026				335,000		420,000		240,000	995,000	254,754	1,249,754
2027				345,000		435,000		245,000	1,025,000	228,915	1,253,915
2028				350,000		450,000		255,000	1,055,000	202,350	1,257,350
2029				355,000		460,000		260,000	1,075,000	174,583	1,249,583
2030				365,000		475,000		270,000	1,110,000	145,439	1,255,439
2031				375,000		490,000		275,000	1,140,000	114,150	1,254,150
2032				385,000		510,000			895,000	81,275	976,275
2033						520,000			520,000	56,350	576,350
2034						535,000			535,000	38,150	573,150
2035						555,000			555,000	19,425	574,425
<b>Totals</b>	<b>725,000</b>	<b>6,855,000</b>	<b>250,000</b>	<b>5,525,000</b>	<b>650,000</b>	<b>8,500,000</b>	<b>2,165,000</b>	<b>3,500,000</b>	<b>28,170,000</b>	<b>7,132,315</b>	<b>35,302,315</b>

Source: City of Grimes

\* Preliminary, subject to change

\*\* Self supported by Water Revenues of the City

**Outstanding Water Revenue Debt**

The Issuer has previously issued its water revenue securities. Presented below is the principal and interest on the Issuer's outstanding water revenue securities:

Fiscal Year	19-Dec-00				P&I Total
	19-Dec-00	19-Dec-00	19-Dec-00	19-Dec-00	
2016	342,228	39,095	1,007	117	382,446
2017	347,855	40,483	853	100	389,290
2018	353,290	40,835	694	81	394,900
2019	359,533	42,170	530	62	402,294
2020	365,565	42,470	359	42	408,436
2021	371,388	43,753	183	22	415,344
<b>Totals</b>	<b>2,139,857</b>	<b>248,805</b>	<b>3,624</b>	<b>423</b>	<b>2,392,710</b>

Source: City of Grimes

**Outstanding Sewer Revenue Debt**

The Issuer has previously issued its sewer revenue securities. Presented below is the principal and interest on the Issuer's outstanding sewer revenue securities:

Fiscal Year	19-Dec-00
2016	378,210
2017	382,760
2018	386,890
2019	391,600
2020	395,860
2021	400,670
<b>Totals</b>	<b>2,335,990</b>

Source: City of Grimes  
**Debt Limit \***

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The Issuer's debt limit, based upon said valuation, amounts to the following:

1/1/2014 Actual Valuation:	847,685,643
X	0.05
Statutory Debt Limit:	42,384,282
<b>Total General Obligation Debt:</b>	<b>28,170,000</b>
Loan Agreement (Fire Truck):	700,000
Lease Purchase Agreement:	156,622
Total Rebates due in FY2016:	240,524
Annual Appropriation in FY16:	0
Total Urban Renewal Revenue Debt:	0
<b>Total Debt Subject to Limit:</b>	<b>29,267,146</b>
Percentage of Debt Limit Obligated:	69.05%

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Source: Iowa Department of Management  
 \* Preliminary, subject to change

**Overlapping & Underlying Debt**

Presented below is a listing of the overlapping and underlying debt for Issuers within the District and the amount applicable to the Issuer:

Taxing Authority	Outstanding Debt	2015 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
Dallas Center-Grimes CSD	35,720,450	833,317,108	472,288,185	56.68%	20,244,810
Johnston CSD	64,295,000	2,247,010,252	146,890,775	6.54%	4,203,070
Urbandale CSD	48,350,000	1,237,521,509	774,819	0.06%	30,272
Waukee CSD	99,325,000	3,697,362,634	1,291,137	0.03%	34,685
Dallas County	14,965,000	5,259,759,471	1,236,765	0.02%	3,519
Polk County	312,584,231	22,662,536,006	622,481,681	2.75%	8,585,886
Des Moines Area Community College	89,990,000	42,301,482,075	623,718,446	1.47%	1,326,867
AEA #11 - Heartland	0	42,301,482,075	623,718,446	1.47%	0

Total Overlapping & Underlying Debt: 34,429,109

Source: Iowa Department of Management, Iowa State Treasurer

Financial Summary \*

Actual Value of Property, 2015:	\$976,183,181
Taxable Value of Property, 2015:	623,718,446
Direct General Obligation Debt:	<u>\$28,170,000</u>
Less Self-Supported General Obligation Debt:	<u>-3,500,000</u>
Net Direct General Obligation Debt:	\$24,670,000
Overlapping Debt:	<u>34,429,109</u>
Net Direct & Overlapping General Obligation Debt:	\$59,099,109
Population, 2010 US Census Bureau:	8,246
Direct Debt per Capita:	<u>\$3,416.20</u>
Total Debt per Capita:	\$7,167.00
Net Direct Debt to Taxable Valuation:	3.96%
Total Debt to Taxable Valuation:	9.48%
Net Direct Debt to Actual Valuation:	2.53%
Total Debt to Actual Valuation:	6.05%
Actual Valuation per Capita:	\$118,383
Taxable Valuation per Capita:	\$75,639

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Source: Iowa Department of Management  
 \* Preliminary, subject to change

APPENDIX B—FORM OF LEGAL OPINION

{insert to be provided by Bond Counsel}

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APPENDIX C – CONTINUING DISCLOSURE CERTIFICATE

{Insert to be provided by Bond Counsel}

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MINUTES FOR HEARINGS AND  
ADDITIONAL ACTION ON ENTERING  
INTO LOAN AGREEMENTS,  
COMBINING LOAN AGREEMENTS  
AND AUTHORIZING PRELIMINARY  
OFFICIAL STATEMENT FOR BONDS

419952-44

Grimes, Iowa

April 12, 2016

The City Council of the City of Grimes, Iowa, met on April 12, 2016, at 5:30 p.m., at the City Hall, in the City. The Mayor presided and the roll was called showing the following members of the City Council present and absent:

Present: \_\_\_\_\_

Absent: \_\_\_\_\_.

This being the time and place specified for taking action on the proposal to enter into a General Obligation Refunding Loan Agreement in a principal amount not to exceed \$2,200,000, the City Clerk announced that no written objections had been placed on file. Whereupon, the Mayor called for any written or oral objections, and there being none, the Mayor closed the public hearing.

This also being the time and place specified for taking action on the proposal to enter into the General Obligation Water Improvement Loan Agreement and to borrow money thereunder in a principal amount not to exceed \$3,500,000, the City Clerk announced that no written objections had been placed on file. Whereupon, the Mayor called for any written or oral objections, and there being none, the Mayor declared the public hearing closed.

After due consideration and discussion, Council Member \_\_\_\_\_ introduced the following resolution and moved its adoption, seconded by Council Member \_\_\_\_\_. The Mayor put the question upon the adoption of said resolution, and the roll being called, the following Council Members voted:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_.

Whereupon, the Mayor declared the resolution duly adopted, as hereinafter set out.

• • • • •

At the conclusion of the meeting, and upon motion and vote, the City Council adjourned.

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Mayor Thomas M. Armstrong

Attest:

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City Clerk Rochelle Williams

RESOLUTION NO. 04-0316

Resolution taking additional action on proposal to enter into Loan Agreements, combining Loan Agreements and authorizing the use of a preliminary official statement for the sale of bonds thereunder

WHEREAS, the City of Grimes (the "City"), in Dallas and Polk Counties, State of Iowa, previously issued its \$5,200,000 General Obligation Corporate Purpose Bonds, Series 2007, dated August 1, 2007 (the "2007 Bonds") a portion of which currently remains outstanding maturing on such dates and in such amounts and bearing interest at such rates as follows as follows:

	Principal	Interest		Principal	Interest
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2016	\$355,000	4.00%	2020	\$420,000	4.10%
2017	\$340,000	4.00%	2021	\$440,000	4.10%
2018	\$385,000	4.05%	2023	\$455,000	4.10%
2019	\$405,000	4.05%			

;and

WHEREAS, pursuant to the resolution (the "2007 Bond Resolution") authorizing the issuance of the 2007 Bonds, the City reserved the right to call the 2007 Bonds maturing in the years 2018 to 2022 (the "Callable 2007 Bonds"), inclusive, for optional early redemption on any date on or after June 1, 2017, subject to the provisions of the 2007 Bond Resolution; and

WHEREAS, the City has heretofore proposed to enter into a General Obligation Refunding Loan Agreement (the "Refunding 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 \$2,200,000 for the purpose of paying the cost, to that extent, of advance refunding the Callable 2007 Bonds, and has published notice of the proposed action and has held a hearing thereon on April 12, 2016; and

WHEREAS, the City has also heretofore proposed to enter into a General Obligation Loan Agreement (the "Water Improvement Loan Agreement") (together, the Refunding Loan Agreement and the Water Improvement Loan Agreement shall hereinafter be referred to as the "Loan Agreements"), 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 \$3,500,000 for the purpose of paying the costs, to that extent, of constructing improvements to the City's Municipal Waterworks System, and has held a hearing thereon on April 12, 2016; and

WHEREAS, pursuant to Section 384.28 of the Code of Iowa, the City Council has the authority to combine the Loan Agreements into a single loan agreement (the "Loan Agreement"); and

WHEREAS, a Preliminary Official Statement (the "P.O.S.") has been prepared to facilitate the sale of \$5,665,000 General Obligation Water Improvement and Refunding Bonds, Series 2016 (the "Bonds") to be issued in evidence of the obligation of the City under the Loan Agreement, and it is now necessary to make provision for the approval of the P.O.S. and to authorize its use by Piper Jaffray & Co. (the "Underwriter");

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

Section 1. The Loan Agreements are hereby combined into the Loan Agreement. The City Council hereby determines to enter into the Loan Agreement in the future and to issue the Bonds at such time, in evidence thereof. The City Council further declares that this resolution constitutes the "additional action" required by Section 384.24A of the Code of Iowa.

Section 2. The City Clerk is hereby authorized to take such action as shall be deemed necessary and appropriate with the assistance of Dorsey & Whitney LLP ("Disclosure Counsel") and the Underwriter to prepare the P.O.S. describing the Bonds and providing for the terms and conditions of their sale, and all action heretofore taken in this regard is hereby ratified and approved.

Section 3. The use by the Underwriter of the P.O.S. relating to the Bonds in substantially the form as has been presented to and considered by the City Council is hereby approved, and the Underwriter, together with Disclosure Counsel, is hereby authorized to prepare and use a final Official Statement for the Bonds substantially in the form of the P.O.S. but with such changes therein as are required to conform the same to the terms of the Bonds and the resolution, when adopted, providing for the sale and issuance of the Bonds, and the City Clerk is hereby authorized and directed to execute a final Official Statement for the Bonds, if requested. The P.O.S. as of its date is deemed final by the City within the meaning of Rule 15(c)(2)-12 of the Securities and Exchange Commission.

Section 4. Further action with respect to the authorization of the Loan Agreement and the issuance of the Bonds is hereby adjourned to the City Council meeting on May 10, 2016.

Section 5. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 6. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved April 12, 2016.

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Mayor Thomas M. Armstrong

Attest:

---

City Clerk Rochelle Williams

**ATTESTATION CERTIFICATE:**

STATE OF IOWA  
COUNTIES OF DALLAS AND POLK      SS:  
CITY OF GRIMES

I, the undersigned, City Clerk of the City of Grimes, do hereby certify that attached hereto is a true and correct copy of the proceedings of the City Council relating to a public hearing and additional action on the proposal to enter into a certain Loan Agreements, to combine Loan Agreements and to issue General Obligation Water Improvement and Refunding Bonds in evidence of the City's obligation under the Loan Agreement and the approval of a preliminary official statement for the issuance of the Bonds, as referred to herein.

WITNESS MY HAND this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
City Clerk Rochelle Williams

April 6, 2016

Ms. Kelley Brown, City Administrator  
City of Grimes  
101 N. Harvey Street  
Grimes, IA 50111

Dear Ms. Brown:

Enclosed please find several pieces of communication that will require your attention, review or signature.

Letters included are:

1. Letter of communication regarding your disclosure obligation with respect to material events and fiscal position.
2. Letter of communication discussing recent official statement events and the need for you to be diligent regarding the content of the bond official statement.
3. Letter of communication regarding bank qualification
4. Letter of communication regarding your plans for issuing additional tax exempt debt this year (ACTION REQUIRED – no council approval)
5. Letter of communication regarding your desire that Piper Jaffray provide continuing disclosure dissemination agent services for the bonds (ACTION REQUIRED – council approval)

If you have questions about any of them, please contact me at your earliest convenience at [travis.r.squires@pj.com](mailto:travis.r.squires@pj.com) or 800 333-6008.

Very truly yours,

*Via email*

Travis R. Squires  
Senior Vice President  
TRS:

DATE: April 6, 2016  
TO: Kelley Brown

FROM: Travis Squires  
RE: Material Event Disclosure obligation

The Official Statement that is being prepared is the Issuer's communication to the market and ultimately, the accuracy of the information contained in the official statement is the Issuer's responsibility. There are a few items that we want to specifically call your attention to with respect to the official statement. These are representations that the Issuer (you) are making to the marketplace and you need to ensure that they are accurate.\

### **MATERIALLY ACCURATE FINANCIAL STATEMENTS**

The official statement will include the audited financial statements for the most recent fiscal years for which audits are available. Quite often, the audited financial statements are somewhat dated at the time of publication of the official statement. For example, for the bonds in question, the most recent audit being included is the audited for the period ending June 30, 2015. As the bonds are being dated May 25, 2016, the audits may not present a clear picture of the Issuer's current financial position or the expected financial position for the period ending June 30, 2016. Under securities laws and prior rulings, you are responsible for the accurate and full disclosure of material changes in financial position since the most recent audit was printed. If you know that the financial position of the Issuer has changed in that time, or is likely to change during the current fiscal year, it is the Issuer's responsibility to disclose this actual or expected change in the official statement.

Please carefully review the most recent audit, and the interim financial statements and budgets since that time to see if you expect material changes to occur in financial statements. If so, please contact us to discuss the modification of the official statement to include disclosure about the potential changes.

### **MATERIAL EVENTS NOTICES**

If you have prior bonds outstanding for which a continuing disclosure obligation exists, you have a responsibility to have disclosed, under the prior continuing disclosure certificate, the following items if they have occurred. Please carefully review the following to see if any of the events have occurred and, if so, check to see if a disclosure was made. If a disclosure was not made, please contact us so that adequate disclosure can be made and noted in the official statement. Please call if you are unclear what these items mean in the context of your debt management practices.

## **LIST OF MATERIAL EVENTS THAT MUST BE DISCLOSED**

1. Principal and interest 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 relating to the Bonds reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Holders of the Bonds, if material;
8. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
9. Defeasances of the Bonds;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes on the Bonds;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

## **BOND INSURANCE RATING DOWNGRADES**

Recently, many of the bond insurers practicing in the municipal bond industry have had their ratings lowered, which is a cause for a material event filing under number 11 above. If you have municipal debt outstanding that was insured by a municipal bond insurance company, it is quite possible that a material event notice is required under item 11 above. If a notice has not been prepared, or you are unaware, please contact us so that we can attempt to ascertain if you are in compliance under the terms of your prior certificate and, if not, we can help to remedy the situation.

DATE: April 6, 2016 FROM: Travis Squires  
TO: Kelley Brown RE: Official Statement for the Bonds

This letter is being sent to make you aware of your duties respecting the review and approval of these documents in the context of federal law and recent events. A recent enforcement action by the Securities Exchange Commission (SEC) against a municipal issuer of bonds reinforced the belief of many market participants that the SEC will take more aggressive actions in the future to hold municipal issuers accountable for the content of their Preliminary and final Official Statements. Current law gives the SEC direct enforcement powers against issuers of securities and issuer officials.<sup>1</sup>

We encourage you to be fully aware of your responsibilities under federal securities laws, to have a clear understanding of who is representing you in these matters, and to consult with legal counsel where appropriate. This letter is for general informational purposes only, does not purport to be complete and does not constitute transactional or legal advice, particularly with respect to any specific matter, and should not be acted upon without first consulting with expert legal counsel.

The antifraud provisions of the federal securities laws apply to statements made by issuers, whether made in a Preliminary Official Statement, a final Official Statement, (collectively, "Offering Documents") on a website or in a rating agency presentation (if reasonably expected to reach investors) or if made by issuers in connection with secondary market information required to be disseminated under relevant contracts. Under Rule 10b-5 (adopted pursuant to Section 10(b) of the Securities Exchange Act of 1934), it is unlawful for any person, in connection with the disclosures made above, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Both the SEC and private parties can bring actions against you as an issuer for material misstatements or omissions in your Offering Documents depending on the circumstances, regardless of whether a professional was engaged in some capacity in assisting you. In some causes of action, the standard for liability may be as low as ordinary negligence.

Please take steps to be confident that at the time of dissemination to the investing public, the disclosures made in the offering documents are accurate, complete and not misleading. These steps could include the adoption of formal written procedures to ensure the appropriate review and sign off of the offering documents by all relevant people at the issuer and appropriate disclosure training for people responsible for preparation and review of documents.

U.S. Securities Exchange Commission Cease and Desist Order Against the State of New Jersey (the "Order")<sup>2</sup>

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<sup>1</sup> The SEC also recently fined several former issuer officials of the City of San Diego from \$5,000 to \$25,000, charging that they were negligent in misleading investors in their disclosure documents. This is the first time issuer officials have had to pay penalties in connection with an SEC action.

<sup>2</sup> For a description of the case by one law firm, go to:  
[http://www.nixonpeabody.com/publications\\_detail3.asp?ID=3463](http://www.nixonpeabody.com/publications_detail3.asp?ID=3463)

In the Order, the SEC asserts that during the period 8/2001 through 4/2007, the State was negligent in the preparation of disclosure documents which resulted in material misrepresentations and omissions regarding the funding and financial condition of its two largest pension plans. The SEC believed the documents contained a number of material misrepresentations and omissions that created the fiscal illusion that the Pension Plans were being adequately funded and masked the fact that the State was unable to make contributions to the Pension Plans without raising taxes or cutting other services, or otherwise impacting the budget. This is the first time that the SEC has ever charged a state with violations of the federal securities laws for disclosure deficiencies, and this case makes it clear that the SEC has the power to and will take actions to enforce federal securities laws in this area.

The SEC also asserted that the State did not have adequate disclosure procedures and training programs in place that may have prevented misrepresentations and omissions in the State's bond offering documents and that while the State had disclosed various developments regarding the Pension Plans, it did not explain the larger impact of those developments on the State's financial and budgetary condition.

## **LESSONS**

The Order offers a number of lessons for state and municipal issuers, such as:

1. It would be prudent for state and municipal issuers to develop written disclosure procedures and to institute training programs for their employees involved in any element of the disclosure process. Your legal professionals can provide you with examples of policies that may both assure complete disclosure and avoid SEC allegations of improper procedures.
2. State and municipal issuers need to consider, when preparing their disclosure regarding pension obligations or any other matters affecting their finances, whether they have adequately explained the significance of the matters discussed to the overall financial condition of the issuer. Much of the SEC's criticism of the State's substantive disclosure relates to inadequacies the SEC thought existed in effectively explaining how the State's funding of the Pension Plans ultimately impacted or was impacted by the State's larger financial condition.
3. State and municipal issuers may also need to evaluate how their governing bodies articulate policy decisions and whether the issuers need to re-articulate those decisions when describing them in bond offering documents to ensure that investors understand their full financial impact—potentially a very difficult task both practically and politically. Much of the SEC's criticism of the State's substantive disclosure relates to the presentation of the State's policy decisions in its bond offering documents. As the State made policy decisions regarding its Pension Plans, the SEC asserted that the State did not clearly explain to investors in its disclosure documents the financial impact of those policy decisions.
4. Recall that the SEC has repeatedly stated that bond offering documents (Preliminary Official Statements and final Official Statements) are documents of the issuer, by the issuer, describing the bonds being sold, and it is the issuer's responsibility to ensure their adequacy, accuracy and completeness.
5. While other parties such as the financial advisor, bond counsel and the underwriter, may in some circumstances have duties to inquire as to the reasonableness of statements made in offering documents, under the federal securities laws and the views of the SEC, issuers have primary liability for the content.

## **ROLES AND RESPONSIBILITIES OF VARIOUS PARTIES TO A TRANSACTION**

The Order provides a good opportunity to reflect on current municipal transactional and disclosure practices and consider whether changes would be prudent.

Traditional participants to a bond underwriting and their roles and responsibilities are as follows:

6. Bond counsel generally issues a legal opinion regarding the validity and tax status of the bonds, prepares necessary resolutions for action by the issuer's board, and performs other tasks as specifically negotiated with the issuer. However, bond counsel typically does not act as counsel to the issuer for disclosure or any matters other than the validity and tax status. Unless an issuer specifically negotiates this service, most bond counsel firms specifically disclaim any responsibility for the content of the official statement and accordingly are not acting on behalf of issuers in advising on federal securities laws disclosure obligations. As a result, issuers frequently are left on their own regarding these obligations.
7. A financial advisor generally provides guidance regarding issue structure, implications on budget and cash flow, timing for project needs, and evaluates the sale of the bonds.
8. An underwriter buys the bonds from the issuer and may also provide information respecting the structure, timing and terms of the issue.

In Iowa, the financial advisor or the underwriter may assist the issuer in drafting the official statement, with guidance, input and final approval of the issuer. Many financial advisors and underwriters practicing in Iowa require indemnity from issuer clients to reinforce the relative duties of each party, i.e., that the content of the official statement, if ever alleged to be inaccurate, incomplete or misleading, is the responsibility of the issuer. As you can see, none of the above three parties are generally acting on behalf of the issuer with respect to the issuer's disclosure responsibilities, barring an explicit agreement to this effect, which could leave the issuer unrepresented and vulnerable to the types of allegations outlined by the SEC in the Order.

### **OUR SUGGESTION**

We believe that the use by issuers of disclosure counsel may be prudent in light of the Order and to ensure that issuers are meeting their disclosure obligations. Disclosure counsel to the issuer could be bond counsel (more than likely, for an additional fee) or a third party counsel. Disclosure counsel will review the documents, undertake a due diligence process with the issuer, guide the issuer regarding the content and appropriateness of statements, and issue a letter to the issuer and the underwriter to the effect that the official statement is not believed to be deficient. In addition, it might make sense for disclosure counsel to play a more global role of counsel to the issuer, reviewing all related contracts, engagement letters and other matters.

I hope you find this information helpful. Please contact me with any questions.

DATE: April 6, 2016 FROM: Travis Squires  
TO: Kelley Brown RE: Bank Qualification

With respect to the upcoming sale of bonds, you need to be aware of an issue surrounding bank qualification.

Bank Qualification describes a special tax exemption granted to certain municipal securities whose issuers generally issue less than \$10,000,000 in qualified tax exempt debt during a calendar year. Banks receive a tax deduction to own such municipal securities. In general, this designation produces lower interest rates for a municipal bond issuer than does a comparable municipal bond that is not bank qualified. As such, bank qualification is an important feature in providing for the lowest cost possible financing for a municipality.

You will designate the proposed bonds as bank qualified. The official statement supporting the bonds will include a statement that the bonds are bank qualified, and the "Tax Matters" section of the official statement will contain a detailed description of the various portions of tax exemption associated with the proposed bonds, including the proposed bonds' bank qualified status. However, certain legal counsel do not, as a rule, give an opinion regarding bank qualification. Rather, in this case, in their opinion, they disclaim any responsibility for determining that the bonds are, in fact, bank qualified. Determining that a bond is bank qualified is not within our scope of service; the determination is one of a legal nature.

As discussed in separate correspondence, you are responsible for the accurate and full disclosure in the official statement. That responsibility covers all statements in the official statement, including the statement that the proposed bonds are bank qualified. If bond counsel is not giving you an opinion as to the bank qualified status of the bonds, and since determining that a particular issue is bank qualified is not within our scope of responsibility, this leaves you, the Issuer, liable for the accuracy of such statement.

We believe that most underwriters and bond purchasers take for granted that a bond counsel has rendered an opinion that bonds designated as bank qualified are, in fact, bank qualified.

In our role as underwriter to the Issuer, we will require an opinion that the bonds are, in fact, bank qualified. We request that you include in your engagement letter with bond counsel written direction that bond counsel must include in their opinion that the bonds are, in fact, bank qualified.

DATE: April 6, 2016                      FROM: Travis Squires  
TO: Kelley Brown                              RE: Tax Exempt Additional Bonds to be issued

As we prepare to work on the proposed issue of bonds, we need to inquire whether you intend to issue additional tax-exempt obligations during the balance of calendar year 2016. An obligation would be a bond, loan, note, lease purchase or energy improvement note or equipment financing obligation, without regard to amount. An obligation that is tax-exempt would generally have an "8038G" filing associated with it, which is an IRS form, and often times would also have a legal opinion saying that the obligation was tax-exempt.

The purpose of this letter is to ensure that we are aware of any obligations that might be issued during calendar year 2016, so that we can provide you with the best guidance possible. To that end, if you would please fill out the attached form and return to our attention at your earliest convenience, that would be most helpful.

**City of Grimes, Iowa  
Expected Tax-exempt Obligations Report**

**ALL OBLIGATIONS PRESENTED HEREIN ARE TAX-EXEMPT WITH 8038G FORMS FILED WITH THE IRS**

Issuer:	Grimes, Iowa
Reporting Period:	Calendar Year 2016
This bond/note issue amount:	2016A: 2,165,000 2016B: 3,500,000
Date of this Report:	
Bonds issued already during this reporting period:	
Additional bonds expected during reporting period:	
Purpose of additional bonds:	
Loan agreements or capital loan notes issued already in this reporting period:	
Additional loan agreements during reporting period:	
Purpose for additional loan agreements:	
Lease purchase agreements issued already in this reporting period:	
Additional lease purchase agreements to be issued during reporting period:	
Purpose of additional lease purchase agreements:	
Other obligations issued already:	
Other obligations expected to be issued during this reporting period:	

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

DATE: April 6, 2016      FROM: Travis Squires  
TO: Kelley Brown      RE: Continuing Disclosure Obligation

The City and Piper Jaffray have a continuing disclosure dissemination agent agreement in place covering our actions providing continuing disclosure dissemination services to the City. The agreement allows for amendment from time to time by incorporation of an addendum. Attached please find an addendum to the agreement that incorporates the proposed bonds for 2016.

**Exhibit B – Form of Letter Amendment Agreement to Serve as Dissemination Agent for Secondary Market Disclosure Agreement to Serve as Dissemination Agent for Secondary Market Disclosure Addendum**

April 6, 2016

Ms. Kelley Brown, City Administrator  
 City of Grimes  
 101 N. Harvey Street  
 Grimes, IA 50111

Re: Agreement to Serve as Dissemination Agent for Secondary Market Disclosure, dated July 12, 2011 (the "Dissemination Agreement") between Piper Jaffray & Co. ("Piper") and City of Grimes, Iowa (the "Issuer")

Pursuant to the Agreement between Piper the Issuer, Piper agreed to provide certain dissemination services to the Issuer respecting its contractual obligation to disseminate certain continuing financial and operating information to the marketplace. The parties to the Dissemination Agreement hereby agree to amend the Dissemination Agreement to add the following subject securities:

Name of Issue	Date of Undertaking
2016A General Obligation Refunding Bonds	05/25/2016
2016B General Obligation Corporate Purpose bonds	05/25/2016

A copy of the Undertaking is in the final transcript with respect to the Bonds.

The parties hereto agree that this letter amendment amends the Dissemination Agreement and is fully incorporated therein in all its terms.

Entered into on behalf of Piper by

\_\_\_\_\_ Date: \_\_\_\_\_  
 Travis R. Squires  
 Senior Vice President

Entered into on behalf of Issuer by

\_\_\_\_\_ Date: \_\_\_\_\_  
 City of Grimes

## **Ordinance No. 654**

**An Ordinance granting Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, a Delaware corporation, its lessees, successors and assigns, a natural gas franchise and the authority to construct, operate, maintain, and extend a natural gas distribution plant and system, and granting the right to use the streets, alleys, and other public places within the present or future corporate limits of the City of Grimes, Iowa**

Be it ordained by the City Council of the City of Grimes, Iowa, as follows:

### **FRANCHISE GRANTED**

The City of Grimes, Iowa (hereinafter referred to as "Grantor"), hereby grants a non-exclusive franchise to Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, a Delaware limited liability corporation (hereinafter called "Grantee"), its lessees, successors and assigns. Grantee is hereby granted the right, privilege, franchise, permission and authority to lay, construct, install, maintain, operate and extend in, along, over, above or across the present and future streets, alleys, avenues, bridges, public rights-of-way and public easements as are now within the present or future limits of said Grantor, a natural gas distribution system and all facilities necessary for the purpose of supplying natural gas or processed gas and other operations connected therewith or incident thereto for all purposes to the inhabitants of said Grantor and consumers in the vicinity thereof, and for the distribution of natural gas from or through said Grantor to points beyond the limits thereof. Such facilities shall include, but not be limited to, all mains, services, pipes, poles, communication devices, conduits and all other apparatus and appliances necessary or convenient for transporting, distributing and supplying natural gas for all purposes for which it may be used, and to do all other things necessary and proper in providing natural gas service to the inhabitants of Grantor and in carrying on such business.

### **TERM**

The rights and privileges granted hereunder shall remain in effect for a period of twenty five (25) years from the effective date of this Ordinance.

### **FRANCHISE FEES OR TAXES**

Grantor may, during the term of this franchise, in its discretion, in compliance with and as authorized by state law, after public hearing and upon a majority vote of a majority of the members of the Grantor's City Council then present, pass an ordinance imposing a franchise fee on Grantee's customers located within Grantor's corporate limits; provided, however, that the franchise fee shall not be effective, and Grantee shall not be obligated to collect and pay same, unless and until: (1) it is satisfactory to Grantee with respect to its compatibility with Grantee's billing system; (2) the form of assessment and collection of the franchise fee is based on either: (a) a percentage of Grantee's gross receipts of regulated sales or transportation revenues collected from Grantee's customers within Grantor's corporate limits; (b) a volumetric fee based upon Grantee's delivery of energy within Grantor's corporate limits; or (c) a flat fee collected on a nondiscriminatory basis from each of Grantee's customers within Grantor's corporate limits;

and (3) Grantor has imposed a franchise fee on all other parties supplying energy within Grantor's corporate limits, calculated in the same manner as the franchise fee imposed on Grantee's customers.

### **GOVERNING RULES AND REGULATIONS**

The franchise granted hereunder is subject to all conditions, limitations and immunities now provided for, or as hereafter amended, and applicable to the operations of a public utility, by state or federal law. The rates to be charged by Grantee for service within the present or future corporate limits of Grantor and the rules and regulations regarding the character, quality and standards of service to be furnished by Grantee, shall be under the jurisdiction and control of such regulatory body or bodies as may, from time to time, be vested by law with authority and jurisdiction over the rates, regulations and quality and standards of service to be supplied by Grantee. Provided however, should any judicial, regulatory or legislative body having proper jurisdiction take any action that precludes Grantee from recovering from its customers any cost associated with services provided hereunder, then Grantee and Grantor shall renegotiate the terms of this Ordinance in accordance with the action taken. In determining the rights and duties of the Grantee, the terms of this Ordinance shall take precedence over any conflicting terms or requirements contained in any other ordinance enacted by the Grantor.

### **PROVISION FOR INADEQUATE ENERGY SUPPLIES**

If an energy supplier is unable to furnish an adequate supply of energy due to an emergency, an order or decision of a public regulatory body, or other acts beyond the control of the Grantee, then the Grantee shall have the right and authority to adopt reasonable rules and regulations limiting, curtailing or allocating extensions of service or supply of energy to any customers or prospective customers, and withholding the supply of energy to new customers, provided that such rules and regulations shall be uniform as applied to each class of customers or prospective customers, and shall be non-discriminatory as between communities receiving service from the Grantee.

### **CONSTRUCTION AND MAINTENANCE OF GRANTEE'S FACILITIES**

Any pavements, sidewalks or curbing taken up and any and all excavations made shall be done in such a manner as to cause only such inconvenience to the inhabitants of Grantor and the general public as is reasonably necessary, and repairs and replacements shall be made promptly by Grantee, leaving such properties in as good as condition as existed immediately prior to excavation.

Grantee agrees that for the term of this franchise, it will use its best efforts to maintain its facilities and equipment in a condition sufficient to meet the current and future energy requirements of Grantor, its inhabitants and industries. While maintaining its facilities and equipment, Grantee shall obtain permits as required by ordinance and will fix its excavations within a commercially reasonable time period, except that in emergency situations Grantee shall take such immediate unilateral actions as it determines are necessary to protect the public health, safety, and welfare; in which case, Grantee shall notify Grantor as soon as reasonably possible. Within a reasonable time thereafter, Grantee shall request and Grantor shall issue any permits or authorizations required by Grantor for the actions conducted by Grantee during the emergency situation.

Grantor will give Grantee reasonable notice of plans for street improvements where paving or resurfacing of a permanent nature is involved that affects Grantee's facilities. The notice shall contain the nature and character of the improvements, the rights-of-way upon which the improvements are to be made, the extent of the improvements, and the time when the Grantor will start the work, and, if more than one right-of-way is involved, the order in which the work is to proceed. The notice shall be given to the Grantee as soon as practical in advance of the actual commencement of the work, considering reasonable working conditions, to permit the Grantee to make any additions, alterations, or repairs to its facilities.

#### **EXTENSION OF GRANTEE'S FACILITIES**

Upon receipt and acceptance of a valid application for service, Grantee shall, subject to its own economic feasibility criteria as approved by the Iowa Utilities Board make reasonable extensions of its distribution facilities to serve customers located within the current or future corporate limits of Grantor.

#### **RELOCATION OF GRANTEE'S FACILITIES**

If Grantor elects to change the grade of or otherwise alter any street, alley, avenue, bridge, public right-of-way or public place for a public purpose, unless otherwise reimbursed by federal, state or local legislative act or governmental agency, Grantee, upon reasonable notice from Grantor, shall remove and relocate its facilities or equipment situated in the public rights-of-way, at the cost and expense of Grantee, if such removal is necessary to prevent interference with Grantor's facilities.

If Grantor orders or requests Grantee to relocate its facilities or equipment for the primary benefit of a commercial or private project, or as a result of the initial request of a commercial or private developer or other non-public entity, and such removal is necessary to prevent interference with such project, then Grantee shall receive payment for the cost of such relocation as a precondition to relocating its facilities or equipment.

Grantor shall consider reasonable alternatives in designing its public works projects and exercising its authority under this section so as not to arbitrarily cause Grantee unreasonable additional expense. If alternative public right-of-way space is available, Grantor shall also provide a reasonable alternative location for Grantee's facilities. Grantor shall give Grantee written notice of an order or request to vacate a public right-of-way; provided, however, that its receipt of such notice shall not deprive Grantee of its right to operate and maintain its existing facilities in such public right-of way until it (a) if applicable, receives the reasonable cost of relocating the same and (b) obtains a reasonable public right-of-way, dedicated utility easement, or private easement alternative location for such facilities.

#### **CONFIDENTIAL INFORMATION**

Grantor acknowledges that certain information it might request from Grantee pursuant to this Ordinance may be of a proprietary and confidential nature, and that such requests may be subject to the Homeland Security Act or other confidentiality protections under state or federal law. If

Grantee requests that any information provided by Grantee to Grantor be kept confidential due to its proprietary or commercial value, Grantor and its employees, agents and representatives shall maintain the confidentiality of such information, to the extent allowed by law. If Grantor is requested or required by legal or administrative process to disclose any such proprietary or confidential information, Grantor shall promptly notify Grantee of such request or requirement so that Grantee may seek an appropriate protective order or other relief.

**FORCE MAJEURE**

It shall not be a breach or default under this Ordinance if either party fails to perform its obligations hereunder due to force majeure. Force majeure shall include, but not be limited to, the following: 1) physical events such as acts of God, landslides, lightning, earthquakes, fires, freezing, storms, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery, equipment or distribution or transmission lines; 2) acts of others such as strikes, work-force stoppages, riots, sabotage, insurrections or wars; 3) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, executive order, or regulation promulgated by a governmental authority having jurisdiction; and (4) any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected party to prevent or overcome. Each party shall make reasonable efforts to avoid force majeure and to resolve such event as promptly as reasonably possible once it occurs in order to resume performance of its obligations hereunder; provided, however, that this provision shall not obligate a party to settle any labor strike.

**HOLD HARMLESS**

Grantee, during the term of this Ordinance, agrees to save harmless Grantor from and against all claims, demands, losses and expenses arising directly out of the negligence of Grantee, its employees or agents, in constructing, operating, and maintaining its distribution and transmission facilities or equipment; provided, however, that Grantee need not save Grantor harmless from claims, demands, losses and expenses arising out of the negligence of Grantor, its employees or agents.

**SUCCESSORS AND ASSIGNS**

All rights, privileges and authority granted to Grantee hereunder shall inure to the benefit of Grantee's lessees, successors and assigns, subject to the terms, provisions and conditions herein contained, and all obligations imposed upon Grantee hereunder shall be binding upon Grantee's lessees, successors and assigns.

**NO THIRD PARTY BENEFICIARIES**

This Ordinance constitutes a franchise agreement between the Grantor and Grantee. No provision of this Ordinance shall inure to the benefit of any third person, including the public at large, so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action for any person not a party hereto.

**SEVERABILITY**

If any clause, sentence or section of this Ordinance is deemed invalid by any judicial, regulatory or legislative body having proper jurisdiction, the remaining provisions shall not be affected.

**NON WAIVER**

Any waiver of any obligation or default under this Ordinance shall not be construed as a waiver of any future defaults, whether of like or different character.

**REPEAL CONFLICTING ORDINANCES**

This Ordinance, when accepted by Grantee as provided below, shall constitute the entire agreement between the Grantor and the Grantee relating to the franchise granted by Grantor hereunder, and the same shall supersede all prior ordinances relating thereto, and any terms and conditions of such prior ordinances or parts of ordinances in conflict herewith are hereby repealed. Ordinance No. \_\_\_\_\_ of the City of Grimes, Iowa, is hereby repealed as of the effective date hereof.

**EFFECT AND INTERPRETATION OF ORDINANCE**

The captions that precede each section of this Ordinance are for convenience and/or reference only and shall not be taken into consideration in the interpretation of any of the provisions of this Ordinance.

**EFFECTIVE DATE AND ACCEPTANCE**

This Ordinance shall become effective and be a binding contract between the Grantor and Grantee upon its final passage and approval by Grantor, in accordance with applicable laws and regulations, and upon Grantee’s acceptance by written instrument, within sixty (60) days of passage by the city council, and filing with the Clerk of the City of Grimes, Iowa. The Clerk of the City of Grimes, Iowa shall sign and affix the community seal to acknowledge receipt of such acceptance, and return one copy to Grantee. If Grantee does not, within sixty (60) days following passage of this Ordinance, either express in writing its objections to any terms or provisions contained therein, or reject this Ordinance in its entirety, Grantee shall be deemed to have accepted this Ordinance and all of its terms and conditions.

Passed and approved by the city council of the City of Grimes, Iowa, this 12th day of April, 2016.

\_\_\_\_\_  
Mayor Thomas M. Armstrong

Attest:

\_\_\_\_\_  
Clerk of City of Grimes, Iowa Rochelle Williams

RESOLUTION NO. 04-0116  
DISPENSING WITH THE SPECIAL ELECTION REQUIREMENT  
ON THE MATTER OF GRANTING A GAS FRANCHISE TO  
BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC, D/B/A BLACK HILLS ENERGY

WHEREAS, The City Council of the City of Grimes, Iowa (hereafter referred to as “City”) on the 12 day of April, 2016 passed Ordinance No. 624, entitled: “An Ordinance granting Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, a Delaware limited liability corporation, its successors and assigns, a natural gas franchise and the authority to construct, operate, maintain, and extend a natural gas distribution plant and system, and granting the right to use the streets, alleys, and other public places within the present or future corporate limits of the City; and

WHEREAS, under the laws of the State of Iowa any gas franchise granted by the City, shall be effective if submitted to the voters of said City in an election, or if the City Council dispenses with such election requirement, if no petition is filed by voters of said City in accordance with section 362.4 of the Iowa Code; and

WHEREAS, the City Council was elected to represent the residents of the City and the City has not received a petition requesting the issue be placed on the ballot; and

WHEREAS, the City has studied the franchise and matters concerning the operations of Black Hills Energy, and finds there are no compelling reasons to submit the franchise renewal to the electorate;

WHEREAS, Black Hills Energy has not at any time sought approval of the franchise ordinance by the way of an election, and instead desires that the Council dispense with any elections related to the passage or approval of its natural gas franchise;

NOW THEREFORE, BE IT RESOLVED, that the City Council hereby dispenses with the franchise renewal election requirement under section 364.2(b) of the Iowa Code;

RESOLVED FURTHER, that the City Council hereby declares that Ordinance No. 624 shall be effective fourteen (14) days after the date this Resolution is Passed and Approved, unless a petition is filed in accordance with section 362.4 of the Iowa Code, and prior to such effective date;

RESOLVED FURTHER, that in connection with the resolutions set forth above, the members of the Council and the City Clerk be, and each of them hereby is, empowered, authorized and directed to execute and deliver any and all documents and instruments and to take such actions as such persons may deem necessary or appropriate in their sole discretion, and all actions taken in furtherance of the foregoing resolutions are hereby ratified, approved, and adopted as the acts and deeds of the Council.

PASSED AND APPROVED, this 12th day of April, 2016.

\_\_\_\_\_  
Mayor Thomas M. Armstrong

ATTEST: \_\_\_\_\_  
City Clerk Rochelle Williams

(CITY SEAL)

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## Plant.Grow.Fly. and Mayor Cownie Encourage Iowa's Mayors to Sign Monarch Pledge

Wildlife, Nongame 3/24/2016 1:50:00 PM Return

**DES MOINES, Iowa (March 23, 2016)** – Des Moines' Mayor, Frank Cownie, became the first mayor in Iowa to take the National Wildlife Federation's Mayors' Monarch Pledge.

"The City of Des Moines is excited to partner with Iowa communities to fight to save the monarch species as their population has declined more than 90 percent in the past twenty years. Monarchs are one of many species in decline and we can work together to prevent this. As Iowa's capital city and first to sign the pledge, we welcome other Iowa mayors to join the fight for our planet. Sign the pledge today!" said Cownie.

With the help of Blank Park Zoo's Plant.Grow.Fly. program, Neal Smith National Wildlife Refuge, Des Moines Parks and Recreation, and many other partners, the City of Des Moines will implement actions over the next year that will support the recovery of the monarch butterfly. Activities will include efforts to encourage citizens and communities to plant milkweed, the host plant of the

RFP & Bid Lettings	monarch butterfly.
Grants & Other Funding	"Plant.Grow.Fly. and our partners are working collaboratively to increase habitat for pollinators, like the iconic monarch butterfly. Saving this important pollinator will take a true community effort and we encourage every mayor in Iowa to sign this pledge and take actions in their own communities to aid in this fight," said Jessie Lowry, conservation manager, Blank Park Zoo.
Employment	Lowry said that she wants people to encourage their mayor to take the Mayor's Monarch Pledge pledge at <a href="http://www.nwf.org/mayorsmonarchpledge">www.nwf.org/mayorsmonarchpledge</a> .
AmeriCorps	Mayors all over the United States are taking the Mayors' Monarch Pledge and Des Moines is the 78 <sup>th</sup> city to sign up. Mayor Cownie, Plant.Grow.Fly. and other partners throughout the Midwest are encouraging mayors to sign the pledge.
Volunteer Opportunities	

#### Bonding

#### The Mayors' Monarch Pledge

The monarch butterfly is an iconic North American species whose multigenerational migration and metamorphosis from caterpillar to butterfly has captured the imagination of millions of Americans. We, the undersigned Mayors and local government chief executives, are deeply concerned about the decline of the monarch butterfly population. Twenty years ago, more than one billion Eastern monarch butterflies migrated to Mexico. In the winter of 2014, only 60 million made the trip. The North American monarch population has declined by more than 90 percent in the past two decades. Monarch scientists attribute the decline to degradation and loss of summer breeding habitat in the U.S., and loss of winter habitat in Mexico. Western populations of monarch butterflies that overwinter in California are also in decline. Cities, towns and counties have a critical role to play to help save the monarch butterfly. Municipalities in particular can provide habitat at public parks, median strips, community gardens and municipal buildings that serve as community hubs such as recreation centers and libraries. Schools, homes and businesses can all provide essential habitat for monarchs too. Simple changes in landscaping ordinances or school policies can make a big difference for the monarch. Educating citizens about how and where to grow milkweed is also a key piece of the puzzle. Creating habitat and educating citizens will benefit other pollinators that need healthy habitat as well. When Mayors speak up and take a stand, citizens notice. Therefore, we hereby commit to help restore habitat for the monarch and encourage our citizens to do the same, so that these magnificent butterflies will once again flourish across the continent.

#### About Plant.Grow.Fly.

Blank Park Zoo's Plant.Grow.Fly. is a collaboration of almost 50 local, regional and national partners committed to save native pollinators, like butterflies and bees. Plant.Grow.Fly. encourages

the planting of butterfly gardens to increase habitat for pollinators. To date, over 500 gardens have been registered with the project.

### About Blank Park Zoo

Blank Park Zoo, Iowa's WILDEST Adventure, is open 10 a.m. – 4 p.m. seven days a week through April. Beginning May 1, Blank Park Zoo's summer hours will be 9 a.m. – 5 p.m. Admission rates are \$13 for an adult, \$8 for a child (3-12 years), and \$11 for a senior. Children two years and under and Blank Park Zoo members are free. The Zoo is located at 7401 SW 9th St., Des Moines, IA 50315. Visit the Zoo online at <http://www.blankparkzoo.com>. The Zoo is an accredited member of the Association of Zoos and Aquariums (AZA) The AZA is America's leading accrediting organization that sets rigorous, professional standards for zoos and aquariums. The AZA is building North America's largest wildlife conservation movement by engaging and inspiring the 143 million annual visitors to its member institutions and their communities to care about and take action to help protect wildlife.

### Tags

[monarch](#), [monarch pledge](#), [Mayor Cownie](#),  
[Plant.Grow.Fly](#), [Blank Park Zoo](#)

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## Mayors' Monarch Pledge

The monarch butterfly is an iconic North American species whose multigenerational migration and metamorphosis from caterpillar to butterfly has captured the imagination of millions of Americans.

We, the undersigned Mayors and local government chief executives, are deeply concerned about the decline of the monarch butterfly population. Twenty years ago, more than one billion Eastern monarch butterflies migrated to Mexico. In the winter of 2014, only 60 million made the trip. The North American monarch population has declined by more than 90 percent in the past two decades. Monarch scientists attribute the decline to degradation and loss of summer breeding habitat in the U.S., and loss of winter habitat in Mexico. Western populations of monarch butterflies that overwinter in California are also in decline.

Cities, towns and counties have a critical role to play to help save the monarch butterfly. Municipalities in particular can provide habitat at public parks, median strips, community gardens and municipal buildings that serve as community hubs such as recreation centers and libraries. Schools, homes and businesses can all provide essential habitat for monarchs too. Simple changes in landscaping ordinances or school policies can make a big difference for the monarch. Educating citizens about how and where to grow milkweed is also a key piece of the puzzle. Creating habitat and educating citizens will benefit other pollinators that need healthy habitat as well.

When Mayors speak up and take a stand, citizens notice. Therefore, we hereby commit to help restore habitat for the monarch and encourage our citizens to do the same, so that these magnificent butterflies will once again flourish across the continent.

Sign the pledge at [www.nwf.org/mayorsmonarchpledge](http://www.nwf.org/mayorsmonarchpledge)

###

## Rochelle Williams

---

**From:** Eric Rehm <eric.rehm5@gmail.com>  
**Sent:** Thursday, April 07, 2016 1:50 PM  
**To:** Rochelle Williams  
**Subject:** BOA question

Rochelle,

I have a question, in the last couple weeks we were notified that our landlord will need to move into our place while their new is being built in Grimes. This seems to be somewhat of a new (updated) plan for them as for us.

With regards to Board of Adjustments, since we are going to move the end of May to a home in Johnston do I need to resign my position on the board? I do not see in the ordinance that residency is required, although it is specifically stated for Planning and Zoning and Council members.

It would be my intention and desire to remain on the board for the city and fulfill my obligation therein if I would allowed to.

Since the wording is not in the ordinance that requires residency could you discuss this with the City Manager and/or Mayor and Council to determine if I should resign my seat on the board the end of May?

If my presents is desired or needed for this discussion, I would be happy to accommodate that request. Please follow up with me.

Thank you.

Eric Rehm (515-664-6240)



**CITY COUNCIL MEETING  
Workshop Immediately Following Council Meeting  
Tuesday April 12, 2016  
Grimes City Hall**

**Following the City Council Meeting  
Mayor Tom Armstrong**

**City Council: Jill Altringer, Ty Blackford, Doug Bickford, Jeremy Hamp, Eric Johansen  
City Administrator Kelley Brown, City Clerk Rochelle Williams,  
City Treasurer Deb Gallagher  
City Attorneys Tom Henderson  
City Engineer John Gade**

**I. GENERAL AGENDA ITEMS**

1. Call to Order
2. Roll Call
3. Approval of the Agenda
4. Rider Corner Presentation – HR Green
5. CIP
6. New Business
  - a. general discussion

**II. ADJOURNMENT.**