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DEBT ISSUANCE PROCESS POLICY

This policy is intended to describe the various processes associated with issuing debt.

Selecting Service Providers - The City may retain an independent financial advisor for advice on debt structuring, the rating review process, marketing debt issuances, sale and post-sale services and to prepare and/or review the official statement. The City may also retain independent bond counsel for legal and procedural advice on all debt issuances. As necessary, the City may also retain other service advisors, such as trustees, underwriters, and pricing advisors. A firm or individual serving as financial advisor may not also serve as underwriter on the same issue.

Any process utilized to select professional service providers in connection with the City's debt program shall be in conformance with City purchasing policies, procedures and requirements. Selection will be done in a manner that is objective, promotes competition, incorporates clear and rational selection criteria, eliminates conflicts of interest, is independent of political influence, is perceived as fair by the respondents, will result in the selection of the most qualified firm and in a cost-effective transaction.

Sale Method - The City will use competitive sale as the preferred means of issuing certificated debt. Negotiated sales may be permitted if there is evidence of volatile market conditions, complex security features or other overriding factors. The use of a negotiated sale will require analysis indicating that a negotiated sale would result in a lower true interest cost (TIC) than would a competitive sale as of that same date and structure, given market conditions at the time of decision-making and the then-expected structure of the issue.

Bond Allocations and Payment of Management Fees in Negotiated Sales - The City will allocate management fees based on designation rules which will reward the accomplishment of sales objectives. Designations will only be paid to those firms that place orders for debt. The specific designation rules will be set separately for each financing. However, the City reserves the right to pay management fees only to the senior manager and co-senior managers in a financing.

Evaluation of Competitive Bids - All bids will be evaluated based upon their true interest cost (TIC).

Good Faith Deposits - In the event that a good faith deposit is required, a surety bond from a third party may be submitted in lieu of the good faith deposit, provided that the surety bond is drawn upon a third party acceptable to the City and that the surety

guarantees the receipt by the City of a good faith deposit from the winning bidder within 48 hours of the time that the bid was opened.

Official Notice of Sale - The Official Notice of Sale shall be designed by the Treasurer or designated agent to maximize the flexibility of the prospective purchasers and may include a permitted discount, term bonds with mandatory sinking fund installments and other features that may enhance the attractiveness of the offering consistent with the receipt of the lowest possible true interest cost.

Rating Agency Applications - The City will seek a credit rating on all new issues which are expected to be sold in the public market. The City will continue to apply for ratings on securities which have been rated by one or more of the rating agencies in the past. The City will, on an ongoing basis, provide the rating agencies with all necessary information relating to outstanding debt issued by the City.

Preparation of Disclosure Documents and Compliance with SEC and MSRB Rules - The City acknowledges the responsibilities of the underwriting community and pledges to make all reasonable efforts to assist underwriters in their efforts to comply with SEC Rule 15c2-12 and MSRB Rule G-36.