

FINANCIAL POLICIES

Annual Audit Policy

The purpose of this policy is to provide for a comprehensive annual financial report (CAFR) and an annual audit of financial reports contained in the CAFR. Therefore, it shall be the policy of the City of Indianola that:

1. The City Council shall solicit proposals from qualified firms at least every 3 years to provide auditing services. The city council shall procure a firm to perform an annual audit of financial reports contained in the CAFR. Qualified firms are an independent firm of licensed certified public accountants or the Auditor's Office for the State of Iowa.
2. Audits shall be performed in accordance with generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in standards issued by the Comptroller General of the United States. The council shall annually review and approve the report of the independent auditor at a meeting open to the public.
3. Audits shall be performed in accordance with OMB Circular A-133, also known as a single audit, if expenditures under Federal awards exceed \$500,000 for the fiscal year. Single audit reports shall be submitted to the Federal Audit Clearinghouse within the earlier of 30 days after receipt or nine months after the end of the fiscal year.
4. The Director of Finance, as the designated Chief Accounting Officer, shall publish within nine months of the close of each fiscal year a complete set of audited financial statements. The comprehensive annual financial report, and reports for all component units, shall be submitted to the Auditor's Office for the State of Iowa by March 31 of each year (as per Iowa Code).

Adopted by City Council on April 18, 2005.

Accounting System Policy

The purpose of the accounting system policy is to enable the preparation of financial statements presented in conformity with applicable laws, rules, and regulations. The accounting system shall be structured in the following manner:

1. The Director of Finance, as the designated as the Chief Accounting Officer, shall implement procedures to implement this policy.
2. A fund accounting system that differentiates between the General Fund and other funds required to be separately accounted for by law, rule, or regulation.
3. Accounting codes that differentiate between assets, liabilities, receipts or revenues, and disbursements or expenditures for each fund.
4. Accounting codes that differentiate between revenue and expenditures by Federal or state grant programs as well as other programs and activities.
5. Utility billing system providing for customer billing of utility consumption and other appropriate fees and voluntary contributions.
6. Payroll database system for compensation of employees as provided in the Salary Resolution or as otherwise approved by the City Council.
7. Provide for a report to be reconciled with those of the City Treasurer as described in the Cash Management Policy.

Procedures

The following procedures have been approved by the governing body to implement the Accounting System Policy. As part of these procedures, the Director of Finance may segregate duties between or delegate responsibilities to the City Clerk, Payroll/Utility Billing Clerk, Accounts Payable Clerk, Cashier, and other part-time employees.

General Ledger:

1. The Director of Finance or designee shall maintain a Chart of Accounts of all account codes.
2. The Accounts Payable Clerk or designee shall prepare and enter all general ledger entries.
3. The Director of Finance or designee shall review and approve all general ledger entries on a monthly basis.

Utility Billing:

1. The Utility Billing/Payroll Clerk or designee shall prepare and enter all utility billing information including account set up, consumption readings, adjustments, and account terminations.
2. No adjustments may be made to any Clerk's Office employee's personal utility account without the prior approval of the City Clerk or City Manager, if to the City Clerk's account.
3. All billing and collection procedures shall be in compliance with applicable rules and regulations promulgated by the Iowa Utilities Board and the municipal utility board.

Payroll:

1. Salaries and wages shall be supported by timesheets that separately report time worked on different projects and leave time.
2. Timesheets shall be attested to as accurate by both the employee and a supervisor familiar with the employee's activities.
3. Payroll disbursements are subject to the policies and procedures detailed in the Cash Management Policy.
4. No adjustments may be made to any Clerk's Office personnel account without the prior approval of the City Council, City Clerk or City Manager, if to the City Clerk's account.

Adopted by City Council on April 18, 2005.

Capitalization Thresholds for Financial Reporting

Pursuant to requirements to report fixed assets on financial statements, the threshold for reporting additions to fixed assets shall be established as follows:

1. All non-infrastructure capital items with a useful life less than five years from the date of acquisition or an individual item cost of less than \$5,000 shall be expensed.
2. All non-infrastructure capital items or projects with a useful life of at least five years from the date of acquisition and an individual cost of at least \$5,000 shall be added to applicable fixed asset schedules.
3. All costs for infrastructure assets shall be added to applicable fixed asset schedules.

Nothing in this policy shall be construed to limit the inclusion of expensed capital items in inventory management systems.

Adopted by City Council on November 17, 2003.

Cash Management Policy

The purpose of the cash management policy is to provide an efficient, cost-effective method of processing cash transactions. Therefore, it shall be the policy of the City of Indianola to:

1. Annually adopt a resolution naming depository for all institutions that can be utilized for deposit accounts.
2. Annually adopt an investment policy for delegating the responsibility of investing cash balances to the appropriate parties and providing guidelines for the investment of funds.
3. Designate the City Treasurer as responsible for the safe custody of all city funds (as per Chapter 19 of the Code of Ordinances).
4. Designate the City Manager as responsible for supervising and directing the official conduct of all officers of the city under the management and control of the City Council, including the City Clerk (as per Chapter 21 of the Code of Ordinances). The City Manager shall implement procedures to delegate fiscal responsibilities while maintaining effective internal controls. As such, the Director of Finance is designated as the Chief Accounting Officer and has the authority to implement accounting procedures needed to maintain effective internal controls over city funds.
5. Approve all expenditures at meetings open to the public and provide for the publication of the expenditure report (as per Iowa Code). Annually, the City Clerk shall provide for the publication of all actual salaries and wages for all personnel under the management and control of the City Council.
6. Approve a summary report of all receipts by fund at meetings open to the public and provide for the publication of the said report (as per Iowa Code).
7. Annually adopt a Salary Resolution setting compensation rates and benefits for all employees under the management and control of the City Council at the beginning of each fiscal year. Increases in compensation throughout the year shall be approved by roll call of the City Council.
8. Reconcile the Director of Finance accounting of deposits, withdrawals, and fund balances as described in the Accounting System Policy to the account balances attested to by the City Treasurer. The City Council shall review and approve the reconciliation report on a monthly basis.

Procedures

The following procedures have been approved by the governing body to implement the Cash Management Policy. As part of these procedures, the City Clerk may segregate duties between or delegate responsibilities to the Payroll/Utility Billing Clerk, Accounts Payable Clerk, Cashier, and other part-time employees.

Account Maintenance:

1. The Director of Finance is the designated official authorized to sign checks.
2. Bank statements are to be reconciled on a monthly basis by the Accounts Payable Clerk with oversight by the Director of Finance.
3. Blank checks shall be safeguarded and stored in a vault or other non-public areas not accessible by non-administrative personnel.
4. No checks are to be issued without prior approval by the City Council.

Deposits:

1. The Cashier or designee shall be provided information pertaining to all amounts owed to the City of Indianola.
2. All checks or cash to be deposited shall be delivered to the Cashier or designee as soon as practical from the time collected by any city employee or official. Each department that receives checks or cash shall deliver to the Cashier or designee information showing that amounts actually received balance, within reasonable variance, what was delivered to the Cashier or designee.
3. The Cashier or designee shall provide, and retain a copy of, receipts for all amounts collected.
4. The Cashier or designee shall prepare a daily receipt report totaling all deposits into city accounts. The report shall balance, within reasonable variance, the actual amount deposited for the period covering that report.
5. The Director of Finance, or designee, shall request funds for projects funded by federal or state awards in accordance with the appropriate rules and regulations. All requests shall be provided to the Cashier for receipt purposes as soon as practical from the time requested. All requests for funds shall be timed in accordance with the actual immediate cash requirement of carrying out the approved project. Requests are not to be made to cover future expenditures, unless explicitly allowed by the appropriate funding authority for that specific project.

Purchasing:

All expenditures by any board, commission, or employee shall be reasonable in nature and necessary to attain the public purposes set forth in the annual budget as adopted by the City Council. In all purchasing decisions, the goal is to use the lowest responsive/responsible supplier using cost and any other factors deemed prudent by the board, commission, or employee. These procedures may be waived during bona-fide emergencies. The following procedures shall apply:

1. Where authority is granted in the Code of Ordinances, boards and commissions are authorized to approve the purchase of budgeted items by a majority or quorum vote. Documentation of this shall consist of a listing of claims accompanied by the minutes.
2. The City Manager is authorized to purchase budgeted items, non-budgeted items up to \$25,000, and other items as authorized by the City Council and to delegate purchasing authorities as appropriate. As such, each Department Head is authorized to purchase budgeted items, or as otherwise authorized by the City Manager, for the individual fund for which they have supervisory authority. Department Heads are authorized to reasonably substitute individual items from those budgeted but must obtain approval from the City Manager before exceeding total budgeted expenditures for the funds for which they have supervisory authority.
3. Each Department Head or the Director of Finance shall attest to the authorization to disburse funds to pay for their department's approved purchases (henceforth called a claim). This authorization may be delegated at the discretion of the Department Head. The Director of Finance shall attest to the claims directly approved by the City Council, any official board or commission action in the absence of any other employee authorized by the official board or commission, and to reimburse the City Manager or any other employee of the city. The City Manager shall attest to the claims to pay for reimbursements to the Director of Finance.
4. Purchasing of items for projects funded by federal or state grant awards shall be limited to the minimum amounts needed to cover allowable project costs.

Disbursements:

1. All approved claims shall be submitted to the Accounts Payable Clerk or designee as soon as practical from the time received by any city employee or official.
2. The Accounts Payable Clerk or designee shall review all claims for appropriate approval and consistency with policies and procedures prior to processing disbursements.
3. The Accounts Payable Clerk shall provide a report of all non-payroll associated claims to the Director of Finance, who shall in turn submit it to the City Council for approval.
4. The Payroll/Utility Billing Clerk shall maintain the payroll system in accordance to the Salary Resolution and other policies adopted by the City Council.
5. The Payroll/Utility Billing Clerk shall prepare a bi-weekly payroll and any associated claims for deductions, taxes, or other benefits.
6. The Payroll/Utility Billing Clerk shall provide a report of all payroll-associated claims to the Director of Finance, who shall in turn submit it to the City Council for approval.
7. Checks shall be approved and signed by the Director of Finance, or as otherwise authorized by the City Council.
8. The Director of Finance is expressly authorized to make disbursements using electronic means for the following items:
 - Payment of debt, or interest on debt, previously approved by resolution of the City Council or any authorized board or commission.
 - Payment of payroll-associated claims including voluntary deductions, remittance of taxes, or other benefits as described in resolutions and policies adopted by the City Council.
 - Payment of credit card and bank account fees under agreements previously approved by the City Council.
 - Remittance of sales and use taxes to the State of Iowa.
 - Payment of self-funded health insurance and flex spending claims as approved by a third-party administrator under contracts approved by the City Council.
 - Payment to settle contracts with specifically identified and scheduled payments previously approved by the City Council.

Adopted by City Council on April 18, 2005; amended August 4, 2008, amended May 21, 2018

Claims

It shall be Council policy that Board claims be approved by a majority or quorum of the Board prior to submission to the Council for payment. Documentation of this shall consist of a listing of claims accompanied by the minutes.

Approved by City Council on December 20, 1976; amended August 4, 2008.

Financial Management Policy

Section 1- General Policy

It is the expectation and the general understanding of the City Council and the citizens of Indianola that the City conducts its financial affairs in a thoughtful and prudent manner. The following policies provide the framework within which the City conducts its financial affairs. The policies are divided into the following categories: Revenue Policies, Reserves and Contingencies, Operating Expenditure Policies, Capital Improvements Planning, Debt Management, Financial Reporting, and Investment Policies. Most of these policies represent long-standing principles, traditions, and practices which have guided the City in the past and have helped maintain financial stability. There may be times in which the City Council deviates from policy based on sound decisions and public interest. These deviations will be noted in the City Council minutes.

Section 2 - Revenue Policies

The City of Indianola revenue policies are intended to provide guidelines for determining the revenues and revenue sources necessary to provide basic municipal services to the community. It is the City's goal to create and maintain a diversified, yet stable, revenue system to protect it from possible short-term fluctuations in any of its various revenue sources. An integral factor in the City's ability to maintain a strong revenue supply is the diversity of its tax base and the health of the area economy. Therefore, the City resolutely encourages economic development through the implementation of financial policies that create a favorable tax climate, while meeting service demands of businesses and residents.

General Revenue Policies

A diversified, yet stable, revenue system will be utilized by the City to protect it from possible short-term fluctuations in any of its revenue sources.

In situations in which the City has determined that a fee may be a more appropriate method of funding a government program or service than property taxes, the City may explore the possibility of using fees instead of property taxes as the appropriate revenue source to fund the program or service. As much as practical, fees should be established at a level that supports the entire cost of providing the program or service.

Through community and economic development, a broader tax base will be pursued to increase tax revenue and help reduce annual fluctuation in the property tax rate.

Revenue projections should be developed on an annual basis. Existing and potential revenue sources should be reviewed annually.

Property Taxes

The City's total property tax levy rate and tax revenues shall be reviewed annually and evaluated, taking into consideration current and forecasted economic conditions, proposed service level changes, State and Federal mandates, changes in the property tax rollback, amendments to the property tax law, and

any other factors that affect the City's ability to provide basic City services or maintain sufficient cash reserves.

Stability and consistency in the property tax levy rate from one year to the next is desired. Adjustments to the levy are appropriate and may be made when tax revenues are projected to fall short. If revenues are expected to exceed the funding for basic services, the city council will review available options, which may include, but are not limited to, infrastructure improvements, equipment or economic development projects.

Urban Renewal - Tax Increment Financing Policy

Purpose

The City creates urban renewal districts to:

Enhance areas in the city for the purpose of stimulating private investment in commercial, industrial, residential development/redevelopment and investment in public facilities through public action and commitments.

Increase commercial, industrial development, residential redevelopment and investment in public facilities in the City which will improve the economic and social environment of the community and sustain a desired balance between the non-residential and residential tax revenues.

Provide adequate public infrastructure of sanitary sewer, storm water management, potable water, streets, and pedestrian walkways to ensure the public health, safety and welfare.

Provide assistance and economic incentives for commercial, industrial development and residential redevelopment which may not otherwise occur without such assistance and incentives.

Guidelines

The City shall adhere to Chapter 403 of the Code of Iowa, in the creation of urban renewal plans and subsequent implementation of those plans. The powers granted in this chapter constitute the performance of essential public purposes for the State of Iowa and the City of Indianola, Iowa. The powers conferred by this chapter are for public uses and purposes for which public money may be expended and for which the power of eminent domain and police power may be exercised; and that the necessity in the public interest for these provisions is declared as a matter of legislative determination.

The assessed value of property within each urban renewal district, which is subject to a division of revenue from taxation - tax increment financing (TIF), is determined by the Warren County Assessor each year.

The City uses TIF to leverage economic activity, offset taxpayer burden, build public improvements and finance public investment in infrastructure deemed necessary for community growth.

Process

The amount of value reservation required for the next fiscal year is due annually by December 1st. And, upon written request from a taxing jurisdiction, meet and confer with that jurisdiction on the intended reservation.

Taxable valuation reservation will be based upon the debt and contractual obligations certified with the Warren County Auditor.

Prepare and distribute exhibits, including formulas and calculations of TIF dollars.

Restrictions

Distribution of Incremental Property Taxes The City of Indianola attempts to release to all taxing jurisdictions any additional valuation in the TIF districts when the funds generated by the valuation exceed the amount needed to retire the annual TIF debt in that district or anticipated for future debt.

Sunsets The City establishes sunset dates for all TIF districts as provided in Chapter 403.17(10), Code of Iowa, as follows: in an urban renewal area designated an economic development area in which no part contains slum or blighted conditions, the plan shall be limited to twenty years from the calendar year following the calendar year in which the city first certifies to the county auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the division of revenue provided in the Code of Iowa, Chapter 403.19.

Powers of Municipality The City shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of Chapter 403.6 and the additional powers granted in Chapter 403.12 of the Code of Iowa.

Fluctuation/Reserves Tax increment reserves will be established to help offset major fluctuations in debt reservation requirements. Funds held in reserves will be specifically identified and held for a future debt or contractual obligation.

Municipal Enterprises

User charges and fees should be set at a level related to the cost of providing services. Determination of such costs should include the costs of providing the actual service as well as all other related expenses, such as maintenance and replacement of equipment, personnel costs, and all other operating and administrative costs.

User fees and charges should be reviewed annually. When necessary, user fees and charges should be re-calculated and revised to reflect the actual cost of activities.

Section 3 - Reserves and Contingencies

The maintenance of adequate cash reserves provides the City with flexibility and security and is an important factor considered by rating agencies and the underwriting community when reviewing City debt issuance. Along with maintaining the City's credit worthiness, such cash reserves provide the means to handle economic uncertainties, local disasters and other unanticipated financial hardships, as well as, meeting debt cash flow requirements. In addition to the designations noted below, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years that are carried forward into the new year, debt service reserve requirements, reserves for encumbrances and other reserves or designations required by contractual obligations or generally accepted accounting principles. Deviation from the following general policies by Council may occur based on sound decisions and public interest. When such deviations are made, it shall be specifically noted and included within Council minutes.

Fund Balance Policies

- General Fund cash reserves (fund balance) should be maintained at a level sufficient to provide funding for general governmental operations. It is the City's goal to have an unrestricted minimum balance at fiscal year-end of not less than 25 percent of general fund expenditures. However, the balances may be higher, if deemed prudent, due to the uncertainty of future revenues or anticipated expenditures.
- Sanitary Sewer O&M Fund unrestricted cash reserves (fund balances) should be maintained at a level sufficient to provide funding to meet 100 percent of the fiscal year expenditures.
- Recycling Enterprise Fund unrestricted cash reserves (fund balances) should be maintained at a level sufficient to provide funding to meet 25 percent of the fiscal year expenditures.
- Road Use Tax- It is the City's goal to have an unrestricted minimum balance at fiscal year-end of not less than 25 percent of Road Use Tax fund operating expenditures. The balance may be higher, if deemed prudent, due to the anticipated capital expenditures. (March 23, 2021; Council changed ending fund balance from 50 percent to 25 percent.)
- Storm sewer Utility- It is the City's goal to have an unrestricted minimum balance at fiscal year-end of not less than 25 percent of Storm Sewer Utility fund expenditures, or \$100,000 whichever is greater. The balance may be higher, if deemed prudent, due to the anticipated capital expenditures.
- Health Insurance Fund -It is the City's goal to ensure the upcoming Fiscal Year health insurance fund balance is equal to the preceding two fiscal years' claims average prorated to 6 months. The funds in the Health Insurance Fund (currently Fund 820) will only be spent on health insurance premiums and fees.
- Cash reserves should not be used to finance routine operating expenses, which exceed budget levels. Routine operating expenses shall be defined as reasonably anticipated reoccurring annual expenditures.

Cash reserves may be used to finance capital improvement projects only when cash reserves have been specifically identified in the budget to finance such project, and do not bring the fund balance below the required level.

Excess cash reserves may be used to balance revenues and expenditures as long as the minimum cash reserve requirements of this policy are met, provided that said cash reserves may only be used to offset non-reoccurring expenditures.

Revenues will equal or exceed expenditures for each budget year unless there are funds available in excess of the cash reserves requirements of this policy.

The City's annual budget is considered balanced if the cash reserve requirements, the working capital requirements and the revenue and expenditure requirements of this policy have been met.

Working Capital

The City will maintain sufficient cash reserves in operating funds for working capital so that short term cash flow financing is not required. The cash reserve will be no less than 25% of the next year's operating budgeted expenditures, the same level as required for the general fund. Operating funds are defined as the general, road use tax, employee benefits and enterprise funds. The cash reserve may be higher than 25% if deemed prudent due to the uncertainty of future revenues or anticipated expenditures.

The use of short-term borrowing, such as with tax anticipation notes, in order to meet the preceding working capital requirements should be avoided.

Equipment Replacement Reserve Fund

The City may establish and maintain an equipment replacement reserve fund to provide for the scheduled purchase of vehicles and equipment, and will consider annually appropriating funds to it to

provide for the timely upgrading and replacement of vehicles and equipment. The amount added to this fund by annual appropriation should be the amount required to maintain the fund at the approved level after credit for the sale of surplus equipment and interest earned by the fund. It is the City's intent that the reserve fund replaces the City's need to borrow funds for vehicle and equipment acquisitions. A minimum fund balance of 5% of the current year expenditures will be maintained to ensure proper funding, and to accommodate price volatility.

Capital Project Funds

The Council may designate specific fund balance levels for future development of capital projects that individually do not exceed \$500,000 in total project costs and that do not require bond financing. In order to help maintain the fund at approved levels, the Council may annually transfer to the fund any balance from operating funds in excess of the cash reserve requirements within this policy.

GASB 54

GASB 54 establishes the following five fund balance classifications: Non-spendable, Restricted, Committed, Assigned, and Unassigned. Fund Balance classifications assigned, unassigned, and committed are considered "unrestricted" fund balances. The order of spending will be as follows: restricted, committed, assigned and unassigned. Restricted funds shall be spent according to the purpose for which they were received. Unassigned funds shall always be spent after Committed and Assigned funds have been exhausted. The City Manager and/or the Finance Director are authorized to assign fund balances according to specific factors involved. The City Council will have authority to commit fund balance.

Section 4 – Operating Expenditure Policies

Operating expenditures must meet the City's requirements to provide services within the framework of available revenues. Fiscal control and long range financial planning is necessary to guarantee that the City's current and future finances will remain sound. The following operating expenditure policies guide the evaluation and control of the City's appropriations and expenditures.

General Policies

Expenditure projections will be developed on an annual basis, and will be reviewed quarterly. Projections should include estimates of anticipated operating costs for programmed capital improvement projects, and for equipment and capital facilities replacement and maintenance schedules.

Current expenditures should be paid, in accordance of Council directives, with current revenues or excess cash reserves.

Current expenditures should not be balanced by postponing needed expenditures, accruing future revenues, issuing short term debt, or paying for routine operating costs out of minimum cash reserves.

The operating budget should provide for adequate maintenance of fixed assets and equipment and provide for their orderly replacement.

The City will encourage the provision of services through the private sector and other public agencies whenever and wherever greater efficiency and effectiveness can be achieved.

The City shall consider annually funding request from local service organizations. These funding requests are due, in writing, annually to the council, by December 1, for consideration in upcoming

budget. Requests should include amounts requested, as well as planned usage of the funds. These community betterment funds shall only be made with operating funds in excess of cash reserve targets.

The City will maintain risk management and safety programs to reduce costs and minimize losses.

The City will budget health insurance for those employees who waive insurance and planned new employees at the family health insurance premium. Employees will contribute to a percentage of the health insurance premium, currently at 12 percent.

Section 5 – Capital Improvements Planning

Policies for the capital improvements program are intended to encourage planning for future growth and infrastructure repair within the framework of the City’s financial policies.

General Policies

The City should develop and annually update a five-year capital improvement program (CIP). This program should identify future capital project expenditures made necessary by anticipated changes in population, infrastructure replacement and extension, economic base and/or land use.

The operating and maintenance cost of a proposed capital improvement shall be calculated to determine a “true cost” of each improvement and assist in programming of future overall revenue requirements of the City.

The capital improvements plan will include the costs, timing and sources of funding and the estimated impact of future revenue requirements for each project. These calculations shall reflect adjustments for inflation.

The capital improvements plan should maintain the City’s assets at a level adequate to protect the City’s capital investments, minimize future maintenance and replacement costs, and provide for an adequate level of service.

The City’s annual capital improvements budget should be based on the five-year CIP. The budget will include final calculations of revenue sources and related impacts on future availability of revenue for additional projects.

The annual expenditures identified in the CIP should be fully funded from financial resources that are anticipated to be current and available.

Grants and similar forms of intergovernmental assistance should be used to finance only those projects identified in the CIP or other planning documents as the community needs.

A fiscal impact analysis should be performed on all projects for which the City’s financial participation is requested by the private sector. This analysis should identify anticipated direct and indirect public costs and revenues associated with the proposed project.

Section 6 - Debt Management Policies

The issuance of debt is a necessity for the financing of many major capital improvements. Determining the method and timing for financing is subject to numerous considerations. The City’s debt policies are intended to encourage conservative debt management while maintaining the flexibility to use the various financing mechanisms that are available to the City.

The City's overall tax levy must be reflective of the impact of debt issuance. Alternative revenue sources will be used when practicable to maintain an overall tax rate consistent with the general philosophy of municipal service determined by the City Council.

The cost of financing through the issuance of debt is also affected by the strength of the City's financial position. Bond ratings and investor's interest are influenced by the City's debt management policies, as well as, by the overall financial policies of the City. It is the City's goal to maintain debt management policies that keep outstanding debt within manageable levels and which maintains the City's flexibility to issue debt in the case of unusual circumstances of those beyond the City's control.

General Policies

Long-term borrowing shall be limited to capital improvements projects that cannot be financed from current revenues, have estimated life span of greater than the term of borrowing and generally to capital projects with an aggregate project cost of \$250,000 or greater. Principal and interest will be scheduled to be within the revenues available for debt service. Long-term debt shall not be used for current operations.

Any capital improvement projects or capital equipment financed through bonds should be financed for a period not to exceed the expected useful life of the asset being financed.

Total outstanding debt, including overlapping debt, will be considered when planning additional debt issuance.

Consideration should be made for the City's share of utility projects, including the cost of over-sizing of water, sewer and storm water mains, being financed with current utility funds and other revenues when funds are appropriate and available.

The use of general obligation bonds for projects does not dismiss the potential of pro rata payment for debt service by specifically benefited funds such as water, sewer, storm water, or road use tax.

The City will consider refunding outstanding debt in order to achieve interest cost savings, restructure principal and/or eliminate burdensome covenants with bondholders. Refunding's undertaken to achieve interest cost savings in advance of their call date should strive to achieve a new present value savings benefit equal to a minimum of 3% of the present value of the refunded par amount.

Financing requirements will be reviewed annually. The timing for financing will be based upon the City's need for funds, market conditions and debt management policies.

The City will follow a policy of full disclosure on every financial report and bond prospectus with bond rating agencies about its financial condition.

The City will follow applicable laws, regulations and bond covenants relative to arbitrage and rebate compliance requirements.

Debt Limitations

The average maturity of general obligation debt should not exceed the useful life of the asset being financed and/or state law limitations.

Bond issues should be structured so that the debt service schedule is within the revenues available for debt service.

Total general obligation indebtedness should not exceed 80% of the City's statutory debt limit. Self-imposed debt limitations may not take into account debt issued as a consequence of voter approved bond referendums.

Section 7 - Financial Reporting and Accounting

General Policies

The City will maintain a high standard of accounting practices. To that end, the City will continue to use the latest edition of Governmental Accounting, Auditing, and Financial Reporting (GAAFR) as its source of generally accepted accounting principles (GAAP).

The City's relationship with its independent public accounting firm will be reviewed at a minimum every five year.

The City will maintain its budget and accounting system on a cash basis which will be the basis for all interim, internal, and state reporting.

The City will adhere to a policy of full and open public disclosure of all financial activity and information.

Reports

The City will maintain a budgetary control system and will produce interim financial reports that measure actual revenues and expenditures compared to budgeted revenues and expenditures.

Monthly and annual reports should present a summary of financial information by major fund and activity type.

Monthly reports should be provided presenting actual cash position and investment performance.

Each year, the City shall retain either an independent public accounting firm or the State Auditor to perform the annual audit and will make the audit available to all interested parties.

The City will comply with all federal and state audit and review regulations, including OMB A-133 single audit and Single Point of Contact (SPOC) review requirements.

Section 8 – Investment Policies

Scope of Investment Policy

The Investment Policy of the City of Indianola shall be governed by Iowa Code Chapters 12B and 12C and shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the City of Indianola.

The investment of bond funds or sinking funds shall also comply with the provisions of any bond resolutions.

This written investment policy, required by Iowa Code Section 12B.10B, shall be delivered to all the following:

- The governing body or officer of the public entity to which this policy applies.
- All depository institutions or fiduciaries for public funds of the public entity.
- The auditor of the public entity.
- Every fiduciary or third party assisting with or facilitating investments for the public entity.

Delegation of Authority

In accordance with Section 12B.10, the responsibility for conducting investment transactions resides with the Treasurer of the City of Indianola. For purposes of this Investment Policy the Finance Director is designated the Treasurer. Only the Treasurer and those authorized by resolution may invest public funds. A copy of any empowering resolution shall be attached to this Investment Policy.

All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit or investment of public funds or acting in a fiduciary capacity for the City of Indianola shall require the outside person to notify in writing the Treasurer of the City of Indianola within thirty days of receipt of all communication from the Auditor of the outside person or any regulatory authority of the existence of a material weakness in the internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to the City of Indianola by the outside person.

The records of investment transactions made by or on behalf of the City of Indianola are public records and are the property of the City of Indianola whether in the custody of the City of Indianola or in the custody of a fiduciary or other third party.

The Treasurer shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent the loss of public funds, to document those officers and employees of the City of Indianola responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statement and related report on internal control structure of all outside persons performing any of the following for this public body.

- Investment of public funds.
- Advising on the investment of public funds.
- Directing the deposit or investment of public funds.
- Acting in a fiduciary capacity for this public body.

The Treasurer of the City of Indianola shall be bonded in the amount of \$300,000. The amount of this bond shall be reviewed annually to determine its appropriateness and will be amended by the City Council if deemed necessary.

Objectives of Investment Policy

The primary objectives, in order of priority, of all investment activities involving the financial assets of the City of Indianola shall be the following:

- Safety: Safety and preservation of principal in the overall portfolio.
- Liquidity: Maintaining the necessary liquidity to match expected liabilities.
- Return: Obtaining a reasonable return in compliance with Iowa Code Section 12C.6.

Prudence

The Treasurer of the City of Indianola, when investing or depositing public funds, shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the Section 8 investment objectives. This standard requires that when making investment decisions, the Treasurer shall consider the role that the investment or deposit plays within the portfolio of the assets of the City of Indianola and the investment objectives stated in Section 8.

When investing assets of the City of Indianola for a period longer than six months or in an amount greater than \$300,000 per investment, the Treasurer shall request competitive investment proposals for comparable credit and terms investment from a minimum of three investment providers.

Instruments Eligible for Investment

Assets of the City of Indianola shall be invested in financial institutions properly declared by Resolution of the City Council of the City of Indianola. Deposits in any financial institution shall not exceed the amount stated in the Resolution. Assets of the City of Indianola may be invested in the following:

Demand Deposit Accounts (DDA)
Negotiable Orders of Withdrawal (NOW) Accounts
Certificates of Deposit.
Obligations of the United States Government, its agencies and instrumentalities.

Prohibited Investments and Investment Practices

Assets of the City of Indianola shall not be invested in the following:

Reverse repurchase agreements.
Futures and options contracts.

Assets of the City of Indianola shall not be invested pursuant to the following investment practices:

Trading of securities for speculation or the realization of short-term trading gains.
Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
If a fiduciary or other third party with custody of public investment transaction records of the City of Indianola fails to produce requested records when requested by this public body within a reasonable time, the City of Indianola shall make no new investment with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.

Investment Limitations

Operating Funds: Operating funds means those funds which are reasonably expected to be expended during a current budget year or within fifteen months of receipt. Operating funds must be identified and distinguished from all other funds available for investment. Operating funds may only be invested in investments which mature within three hundred ninety-seven (397) days or less.

Other than Operating Funds: The Treasurer may invest funds of the City of Indianola that are not identified as Operating Funds in investments with a maturity longer than three hundred ninety-seven (397) days. However, all investments of Project Funds and other non-operating funds shall have a

maturity that is consistent with the needs and use as specified for these funds, and no maturity shall be longer than three (3) years for any funds unless specifically authorized by the City Council.

Safekeeping and Custody

All invested assets of the City of Indianola involving the use of a public funds custodial agreement, as defined in Iowa Code Section 12B.10C, shall comply with all rules adopted and in accordance with the laws of the State of Iowa.

Ethics and Conflict of Interest

The Treasurer and all officers, employees and committees of the City of Indianola involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.

Reporting

The Treasurer shall submit monthly with the Bank Reconciliation a list of investments making up the current investment portfolio.

Adopted by City Council on July 5, 2016, amended by City Council on September 18, 2017, amended by City Council on August 20, 2018, amended by City Council on October 7, 2019

Local Purchase Policy

Pursuant to Iowa Code Section 23A.3 the Indianola City Council adopts the following policy:

Whenever any department of the City of Indianola purchases good or services from private enterprise, consideration shall be given to purchasing these goods or services from a locally owned business located within the City of Indianola which offers these goods or services if the cost and other considerations are relatively equal.

Adopted by City Council on September 19, 1988.

Purchasing Policy

Part I: General Policy

- The City’s purchasing system is decentralized with certain exceptions at the discretion of the City Manager.
- No purchase made by an employee shall bind the City to receive and/or pay for the goods or services procured unless authorized by the methods described herein.
- Purchases made without following the City’s policies and procedures may result in the return of documents, nonpayment of vendor invoices, cancellation of purchase orders or purchasing privileges, or other sanctions as determined necessary after consultation with the department head or City Manager.
- Transactions should not be split into smaller parts to circumvent the dollar limitations and requirements of this policy.
- As required under Code of Iowa Section 573.2 a performance bond shall be required on any public improvement equal to or greater than \$25,000, unless waived under provisions of Code of Iowa Section 12.44

Part II: Purchasing Limitations; Bidding¹

- **Informal Quotations**
 - The purchaser may seek up to three quotations, but is not required, of any goods (materials, merchandise, supplies, etc.) or services (activities provided by other people) with a total value between \$1,000 and \$4,999. If quotations are received, they do not need to be in writing but should be documented for reference.
 - The purchase of any goods or services with a total value between \$5,000 and \$39,999 shall require written quotations from at least three suppliers.
Purchases for public improvements (infrastructure projects, construction of street, sidewalk, curb, traffic control, sewer projects, etc.) qualifying under Iowa Code Chapter 26 that are less than \$48,000 for highway, bridge, or culvert work, less than \$57,000 for buildings, utilities, sidewalks, trails, etc., or that have been declared “emergency repair work” qualify for informal quotations under this subsection. The contractor must provide a performance and payment bond for a public improvement project of more than \$25,000 in accordance with Iowa Code Chapter 573
- **Semi-formal Competitive Quotations**
 - The purchase of any goods (materials, merchandise, supplies, etc.) or services (activities provided by other people) with an estimated value of \$40,000 or more shall require competitive quotes based on written specifications with the cooperation of the Finance Director.
 - Council approval is required for all semi-formal bids, contracts, and purchases.
 - State law requires that purchases for public improvements qualifying under Chapter 26 of the Iowa Code that are between \$57,000 and \$139,000 for vertical infrastructure and are not within one of the specified exceptions provided in Iowa Code section 26.1 qualify for semi-formal competitive quotations. The contractor must provide a performance and payment bond.

¹ See Appendix A for a reference matrix of Bidding Requirements

- **Formal Competitive Bidding**

- Purchases for public improvements qualifying under Iowa Code Chapter 26.3 in excess of \$139,000 for vertical infrastructure or \$50,000 for horizontal infrastructure must use formal bidding as defined by Iowa Code Chapter 26 unless the improvements are “emergency repair work.”
- Formal bids are taken in the following manner:
 - Detailed written plans and specifications along with a detailed cost estimate are prepared for the project and placed on file with the City Clerk
 - Notice to Bidders shall be posted in three separate places (as detailed below) no less than 13 and no more than 45 days before the bid filing deadline. The notice must be posted in the following places:
 - A relevant contractor plan room service with statewide circulation
 - A relevant construction lead generating service with statewide circulation
 - An Internet site sponsored by either a governmental entity or a statewide association that represents the governmental entity
 - Notice to bidders shall include:
 - Time and place for filing sealed proposals
 - Time and place sealed proposals will be opened and considered on behalf of the governing body
 - The general nature of the public improvements on which bids are being requested
 - In general terms, when the work must be commenced and when it must be completed
 - Bid security and bid bond requirements
 - Notice of public hearing on plans, specifications, form of contract, and cost estimate must be published by the City Clerk not less than four days and not more than twenty days before the public hearing.
 - A formal opening and announcement of sealed bids on published date by City Clerk; review, consideration, and recommendation of bid award by staff for Council review
 - A public hearing on plans, specifications, form of contract and cost estimate before Council on the published date
 - Council passes or rejects resolutions to adopt plans, specifications, form of contract, and estimate of cost, to award construction contract, and to approve construction contract and bond with the lowest responsive, responsible bidder who has met all bid security and bid bond requirements following the public hearing
- **Exceptions to Competitive Bidding**
 - Professional services: Contracting for professional services or ongoing technical services may be done on a negotiated basis. Architectural, landscape architectural, or engineering design services procured for a public improvement are also excluded.

- **Other governmental agency bidding:** Bids solicited by the United States of America or any agency thereof, the State of Iowa, Warren County, or another governmental unit may be used as a replacement to the bidding requirements unless bidding is required by the Code of Iowa, City Council, or City Manager. The availability of a bid from another government agency does not preclude the City from seeking and obtaining bides in a manner provided through this policy.
 - **Grants:** All purchases funded through a State or Federal grant must follow all additional procedures required by the grantor. Contractor bids must be evaluated on the ability to meet the State or Federal requirements.
 - **Conflicts of interest:** Purchase transactions for goods and services with a City employee, employee’s spouse, or employee’s business are limited to \$1,500 per fiscal year per employee in total, per state law. Any transactions with an employee that will exceed this limit are required to go through formal bidding procedures. Any project that is formally bid is also an exception to a conflict of interest with that employee or officer of the City.
 - **“Emergency Repair Work”:** is declared by resolution of the City Council and a certificate from an external, registered, professional engineer verifying that the emergency repairs are necessary.
 - Urban renewal demolition or low-rent housing projects
 - Repair or maintenance work performed by city employees
 - Annual contracts with multiple contractors for structure demolition projects for projects each having an estimated cost of \$100,000 or less
 - **Sole Source Vendor:** When one vendor is shown as a sole supplier of the good or service. Departments wishing to use a sole source vendor for certain equipment or projects must gain approval from the City Manager or Director of Finance.
 - **Joint Cooperative Groups:** Bids from Joint cooperative bidding groups will be considered the same as the exception for Other Governmental Agency Bidding, if a majority of the group members are local government agencies
- **Contract Administration**
 - **Oversight of bidding:** The City Clerk or her designee will advertise, bid, and oversee the receipt, opening and announcing of all formal bids.
 - **Execution of Contracts:** Formal bid contracts shall be executed by the Mayor and attested to by the City Clerk. All other contracts may be executed by the City Manager as permitted by state law.
 - **Change Orders:** The City Manager will administer all contracts on the authority of the City Council and will approve all change orders for contracts. Change orders on contracts that were bid using formal bidding procedures must have Council Approval.
 - **Contract Payments:** Contractual payments on formally bid contracts must be approved, individually, by City Council action. Other contractual payments must be approved by the City Manager and listed on the formal claims list presented to Council.
 - **Retainage:** Retainage shall be withheld on contracts for public improvements as provided for by State law or on other contracts as deemed appropriate or necessary.

Retainage on a contract may not exceed 5% of the cost of the public improvement. An application by a contractor for early release of a retainage requires City Council consideration and approval.

- **Completion of Contract:** The following items need to have Council approval: (1) final acceptance of project; (2) final contractor payment; and (3) release of retainage authorization (unless application was previously made for early release of retainage).

Part III: Purchasing Methods

1. **Petty Cash:** petty cash may be used to make purchases under \$100. A receipt is required for all petty cash purchases.

2. **Exceptions:** exceptions to the above purchasing method policies, including the necessity for a purchase order for all purchases over \$500, are as follows:
 - a. Annual dues renewals
 - b. Subscription renewals
 - c. Recording fees
 - d. Budgeted rents and leases
 - e. Maintenance agreement and service contract renewals
 - f. Travel and training
 - g. Contracts and purchases approved by the City Council

APPENDIX A
BIDDING REQUIREMENTS
(under \$1,000—no quote or bid)

	Supplies/Equipment	Services*	
\$1,000 - \$4,999	Up to Three quotations are preferred but is not required	Three quotations are preferred but is not necessary	Informal Quotation
\$5,000 - \$39,999	Three quotations (written)	Three quotations (written)	
Greater than \$40,000	Competitive Quotation Council Approval Required	Competitive Quotation Council Approval Required	Semi-formal Quotation

Public Improvements/Construction** Horizontal Infrastructure (highways, bridges, culverts)	
Less than \$50,000	Three written quotations
Greater than \$50,000	Competitive Bidding

Public Improvements/Construction** Vertical Infrastructure (buildings, utilities, sidewalks, trails, etc.)	
Less than \$57,000	Informal Quotation Three written quotations
Between \$57,000 and \$139,000	Competitive Quotation Semi-Formal (Council Consent)
Greater than \$139,000	Competitive Bidding

* Contracts for professional or technical services may be done on a negotiated basis rather than on a competitive basis

** Public Improvements greater than \$25,000 require City Council consent and performance bonds

Adopted: December 14, 2015; Amended May 21, 2018

Adopted: December 14, 2015; Amended May 21, 2018, Amended October 7, 2019

Mileage Rate Reimbursement

Under current law, the City of Indianola may reimburse city officials and employees using their own vehicles up to the amount allowable under Internal Revenue Services (IRS) rules. Effective January 1, 2002, the City of Indianola shall match the IRS allowable mileage rate.

Adopted by City Council on December 17, 2001.

Payment of Services by Credit Card Policy

The City of Indianola recognizes that accepting credit card payments for citizen services can enhance customer service. The addition of credit card payment as an option allows the City to receive payments on-line, thereby providing citizens with the ability to pay for services at hours most convenient to them. The City also recognizes that the aggregate credit card fees for providing this service can be a substantial amount.

To maximum the customer service objective while maintaining affordable fees, the Council hereby establishes a policy whereas the City of Indianola shall accept credit card payments for residential utility services and programs/services offered by the Parks and Recreation Department. Nothing in this policy shall limit credit card payment of non-utility services by commercial or industrial customers when use of this payment option becomes available.

Adopted by City Council on October 7, 2002.

Amended by City Council on June 20, 2016- to add programs/services offered by the Parks and Recreation Department.

Refunds of Payments Made by A Credit Card

In certain situation, it may be more efficient and in order to offer a higher level of customer service to refunds certain fees that were paid by credit card back to the customers' credit card account. Deposits held for building reservations or activities as well as fees for programs or reservations that are cancelled due to situations such as low attendance, weather cancellations or schedule conflicts can be refunded back to an individual customer's credit card account without City Council approval. The amounts that can be refunded without City Council's approval shall not be more than the original fees or deposits paid for the services. Any refunds over \$200 will need Department Head approval and the maximum amount that can be refunded without City Council approval is \$600.

Adopted by City Council on June 20, 2016

Procurement Card Policy

Wells Fargo Purchase Card Procedures

It is the intent of the procurement card program to provide employees with an effective and efficient method of purchasing and paying for specific services and/or purchases. The use of procurement cards shall be in compliance with other city policies and procedures. It is the responsibility of each cardholder to comply with these policies.

Cardholder responsibilities shall include:

1. Knowing and complying with the procurement card policies and procedures, and ensuring purchases are made in accordance with the City's purchasing policy, including bidding requirements.
2. Ensuring that funds have been properly budgeted and are available to pay for the items and/or services being purchased.
3. Notifying the vendor, when applicable, that the purchase is tax exempt and ensuring that such taxes are not added to the prices of items and/or services purchased.
4. Upload receipts onto Wells Fargo system (see below).
5. Maintain security of procurement cards.
 - a. Procurement cards are the property of the City of Indianola.
 - b. It is the responsibility of the cardholder to keep the card in a safe location.
 - c. Lost or stolen cards shall be immediately reported to the Program Administrator.
 - d. Cardholders shall return cards to the Program Administrator when employment with the City of Indianola is terminated.

You may use the card for purchases when invoicing or other charge accounts are not available. In the event that a company will charge you an additional fee to use the credit card, continue with the normal invoicing process with that business, if possible.

Excluded Items – the procurement cards shall not be used for the following types of transactions:

1. Cash advance.
2. Purchase of alcoholic beverages.
3. Travel-related expenses related to spouses or other non-covered employees.
4. Items for personal use that would not be reimbursable by the City.
5. Video rental, "On Your Honor" bar purchases provided in hotel rooms.

The City purchasing card also shall not be used for personal identification or as a personal credit reference.

Program Violations are listed below:

1. Unallowable purchases: The cardholder will provide a written statement of explanation if an unallowable purchase appears on his or her statement or transaction log.
2. Unacceptable Documentation: The cardholder will provide required documentation upon notification to do so by the Program Administrator. Hardcopy receipts will be retained for seven (7) years.

3. Late Submission of Procurement Card Reconciliation Documents and/or Failure to Resolve Disputes: Late submission and/or failure to resolve disputes may result in de-activation of the card.
4. Standards of Conduct Violations: Conduct not complying with City standards will be reported to the Program Administrator. In addition to card revocation, violations may result in disciplinary action up to, and including, termination.

Repeated program violations will be reported to the Program Administrator. In addition to temporary de-activation of the card, consequences of violations may include card revocation, payroll deduction for unallowable purchases and expenses that were not reconciled, and/or disciplinary action up to, and including termination.

You may view the full Procurement Card Policy at the City Clerk's Office

Quick References Regarding Purchases and Reconciliation of Procurement Cards

- Only use the card if there is not an extra charge. If there is an extra charge and no other method of payment is allowed, you may use the card for the purchase if the extra charge does not exceed \$5.00. Alert the program administrator in these cases.
- If the purpose of the purchase is not completely evident, write a short note on the receipt. For example, if the fire department purchases food for training, the individual making the purchase would write on the receipt "For training session on" with the date of the training.
- Upload your receipt as soon as possible after purchase by uploading an image of the receipt to the Wells Fargo system either by taking a picture of the receipt with your phone and using the mobile app or scanning and uploading through a computer. Scanning the receipt is the preferred method of uploading the receipt. Make sure all pertinent information is legible. If you need additional assistance on how to complete this step, please see the program administrator.
- Once you have uploaded your receipt, submit it to whomever is storing the printed receipts. Make sure they know the receipt is for a Wells Fargo purchase.
- If using the mobile app to upload receipts, pay close attention to the "statement date". You will want to use "Open Statements" when uploading receipts for the previous month. You will want to use "Cycle to Date" when uploading receipts for the current month.
- You may reconcile your statement as purchases become available online or you may wait until the first business day of the next month. Cardholders have from the 1st of the month through the 6th of the month to reconcile their statements.

Adopted by City Council November 16, 2015, Amended October 7, 2019

Procurement Card Policy

1. Purpose

- A. It is the intent of the procurement card program to provide employees with an effective and efficient method of purchasing, reserving, guaranteeing and paying for specific services and/or purchases.
- B. The program is intended to provide documentation of purchases at the department level.
- C. The use of procurement cards shall be in compliance with other city policies and procedures. It is the responsibility of each cardholder to comply with these policies.

2. Roles and Responsibilities

- A. The conduct of all City employees shall meet the highest ethical standards, and that standard is a part of the City's procurement card program. All participants in the program are responsible for conducting themselves in such a way as to exemplify the public trust that they hold.
- B. Program Administrator: The Director of Finance will act as the Program Administrator. Responsibilities shall include:
 - 1. Handling issues with the card provider and cardholders regarding compliance with program policies.
 - 2. Providing policy and procedure revisions to each Department Head.
 - 3. Recommending appropriate action in the event of unauthorized use of a card.
- C. Payment Administrator: The Director of Finance will act as the Payment Administrator. Responsibilities shall include:
 - 1. Coordinating the card application process and keeping a record of all cardholders.
 - 2. Coordinating training sessions and keeping a record of those who have completed training.
 - 3. Handling issues with the card provider and cardholders regarding changes in cardholder status.
 - 4. Handling questions concerning payment procedures and transaction reports.
- D. Accounts Payable Clerk: Responsibilities shall include:
 - 1. Processing payments in accordance with the program policies and the contract between the City and the card provider.
 - 2. Reporting all variances from policies and procedures to the Program Administrator.
- E. Department Head/Supervisor Approval: Responsibilities include

1. Reviewing and Approving monthly credit cards statements for department employees and department card purchase within established deadlines.
2. Knowing and complying with the procurement card policies and procedures, and ensuring purchases are made in accordance with the City's purchasing policy, including bidding requirements.
3. Ensuring that funds have been properly budgeted and are available to pay for the items and/or services being purchased.
4. Keeping informed about policy and procedure revision information.
5. Reporting any variances from program policies to the Program Administrator.
6. Ensuring that printed copies for the department are retained for seven (7) years. Assistance from the Finance Department is available to assist.

F. Cardholder: Responsibilities shall include:

1. Reviewing and approving monthly credit cards statements for purchase made within established deadlines.
2. Uploading receipts into the Wells Fargo system and providing a printed copy to the person maintaining them.
3. Knowing and complying with the procurement card policies and procedures, and ensuring purchases are made in accordance with the City's purchasing policy, including bidding requirements.
4. Ensuring that funds have been properly budgeted and are available to pay for the items and/or services being purchased.
5. Keeping informed about policy and procedure revision information.
6. Verifying that the quantity and quality of the items and/or services purchased are in compliance with the agreement, whether verbal or written, with the vendor.
7. Notifying the vendor, when applicable, that the purchase is tax exempt and ensuring that such taxes are not added to the prices of items and/or services purchased.
8. Reporting any variances from program policies to the Program Administrator.

3. Security

- A. Procurement cards are the property of the City of Indianola.
- B. It is the responsibility of the cardholder to keep the card in a safe location.
- C. Carrying cards permanently with personal cards is discouraged because of the possibility of its use in place of a personal credit card.
- D. Lost or stolen cards shall be immediately reported to the Payment Administrator.
- E. Cardholders shall return cards to the Payment Administrator when employment with the City is terminated.

4. Included Items

- A. The procurement card shall only be used for the following types of transactions:
 - 1. To secure and/or guarantee reservations, registrations, attendance, food, etc. to an approved educational or operational out-of-town event.
 - 2. To purchase or provide payment for goods or services necessary for operations and only for those goods and services that cannot be acquired through the traditional charge/billing/invoice process.

5. Excluded Items

- A. The procurement card shall not be used for the following types of transactions:
 - 1. Cash advance.
 - 2. Purchase of alcoholic beverages.
 - 3. Travel-related expenses related to spouses or other non-covered persons.
 - 4. Items for personal use that would not be reimbursable by the City.
 - 5. Video rental, "On Your Honor" bar purchases provided in hotel rooms.
- B. The City procurement card shall not be used for personal identification or as a personal credit reference.

6. Dollar Limits

- A. Monthly dollar limits will be established at \$3,500 per individual cardholder, except that department head limits will be \$5,000. Department cards will be set at a monthly limit of \$5,000.
- B. If the need arises, limits can be raised temporarily. The request will be approved by the Director of Finance after a written request, which can be made by email, by the individual or their direct supervisor. After the temporary need has expired, the limit will be reset according to 6.A.

7. Use of Card and Transaction Records

- A. Receipts and Invoices: An original receipt or invoice from the vendor, or other verifying document must support each purchase transaction. Receipts must be detailed, including meal receipts, listing items purchased. Cardholders shall upload receipt to the Wells Fargo system with one week following purchase and maintain a printed receipt for seven years. Extended storage of printed copies for departments can be maintained by department heads with assistance from the Finance Department.
- B. Internet Transactions: Cardholders shall confirm the security of proposed Internet order sites prior to placement of orders.

- C. Conference, Training, and Travel Transactions: Cardholders shall confirm budget approval prior to using cards for conference, training, or travel purposes. Expenditure limits will be in accordance with employee handbook policy for travel reimbursement.
- D. Telephone Orders: Cardholders shall confirm the security of proposed telephone orders prior to placement of orders.
- E. Pickup/In-Person Orders: Cardholders may use cards in accordance with the policies at places of business accepting the cards.
- F. Cardholder Verification: Each cardholder shall be responsible to verify documentation of each transaction during each billing period.

8. Payment

- A. The Accounts Payable Clerk will process payments in accordance with the program policies and procedures, and the contract between the City and the card provider.

9. Disputed Charges

- A. It is the responsibility of each cardholder to resolve any discrepancies between the transaction report for his or her card and the transaction receipts.
- B. All Department Heads shall have the authority to resolve disputes. This is intended to ensure timely resolution of disputes.

10. Program Violations

A. Program Violations:

- 1. Unallowable purchases: The cardholder will provide a written statement of explanation if an unallowable purchase appears on his or her statement or transaction log.
- 2. Unacceptable Documentation: The cardholder will provide required documentation upon notification to do so by the Payment Administrator.
- 2. Late Submission of Procurement Card Reconciliation Documents and/or Failure to Resolve Disputes: Late submissions and/or failure to resolve disputes may result in deactivation of the card.
- 3. Standards of Conduct Violations: Conduct not complying with City standards will be reported to the Program Administrator. In addition to card revocation, violations may result in disciplinary action up to, and including, termination.
- 4. Violations will be reported to the Program Administrator. In addition to temporary deactivation of the card, consequences of violations may include card revocation, payroll deduction for unallowable purchases and expenses that were not reconciled, and/or disciplinary action up to, and including termination.

Adopted by City Council November 16, 2015, Amended October 7, 2019

Returned Checks

A service charge in the amount of \$30.00 shall be assessed to any customer whose check is returned unpaid by the bank on which it was drawn. If two (2) or more checks are dishonored within a six (6) month period, the City shall require future payments to be by cash, cashiers check, or postal money order.

Adopted by City Council on August 4, 2008.

Continuing Disclosure Policy

AND GUIDELINES FOR OPERATING UNDER CONTINUING DISCLOSURE OBLIGATIONS SECTION OF POST-ISSUANCE TAX COMPLIANCE AND RECORD RETENTION POLICY

Article I General Overview

Section 1.01 Purpose. This Continuing Disclosure Policy (“Policy”) of the City of Indianola, Iowa, (“Issuer”) is intended to ensure that the Issuer efficiently carries out its continuing disclosure obligations with respect to securities it issues or guarantees pursuant to Rule 15c2-12, as amended (the “Rule”), promulgated under the Securities Exchange Act of 1934, as amended.

Section 1.02. Background. The Rule prohibits underwriters from offering bonds to the public unless the issuer provides an official statement and contractually promises to provide specified disclosures as required in the Rule. To facilitate compliance with the Rule, each issuer must enter into a continuing disclosure agreement with the purchaser or underwriter in connection with each new issuance of obligations which fall within the Rule, thereby creating a contractual promise on behalf of the issuer to provide the market with these disclosures. The Issuer is responsible for ensuring that all disclosure documents contain accurate information. The SEC has asserted that, under Rule 10b-5, “disclosure documents used by municipal issuers, such as official statements, are subject to the prohibition against false or misleading statements of material facts, including the omission of material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.”

Section 1.03. Obligations Subject to the Rule. Various offerings are fully or partially exempt from the continuing disclosure provisions under the Rule. Offerings with an aggregate original principal amount of less than \$1 million (“Small Offerings”), offerings sold prior to July 3, 1995 (“Old Offerings”) and offerings sold by an issuer directly to investors without using a broker, dealer, or municipal securities dealer as an underwriter or placement agent (“Direct Offerings”) are fully exempt from all continuing disclosure provisions under the Rule, unless the Issuer voluntarily agrees to provide continuing disclosures for an otherwise exempt Obligation. Such exempt offerings may constitute a reportable "Financial Obligation" under a continuing disclosure agreement entered into after February 27, 2019.

Section 1.04 Definitions. In addition to the terms defined above, the following capitalized terms shall have the following meanings:

- (A) "CAFR" means the Comprehensive Annual Financial Report of the Issuer.
- (B) “Disclosure Counsel” means legal counsel (which may be bond counsel under separate engagement for a series of Obligations) engaged for the purpose of assisting the Issuer in meeting its primary and secondary market disclosure obligations.
- (C) “EMMA” means the Electronic Municipal Market Access system of the

MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org/>.

- (D) "Employee" means any person who, as part of his or her employment with the Issuer, has regular responsibility for the administration of matters related to Obligations.
- (E) "Financial Advisor" means a municipal advisor engaged for the purpose of assisting with the Issuer's structuring and sale of Obligations.
- (F) "Financial Obligation" means a (i) debt obligation²; (ii) derivative instrument entered in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii).

By way of further explanation of the definition:

- The term Financial Obligation is intended to distinguish debt, debt-like, and debt-related obligations (which could impact the City's liquidity, overall creditworthiness, or an existing Securities-holder's rights) from ordinary financial and operating obligations incurred in the normal course of City operations.
- The term Financial Obligation shall not include Securities as to which an official statement has been provided to the MSRB consistent with the Rule.
- The term Financial Obligation includes lease arrangements entered into by the City that operate as vehicles to borrow money, e.g. create an obligation to repay borrowed money over time under the terms of a lease equivalent to a similar obligation incurred under the terms of an indenture, loan agreement or similar contract, but does not include lease arrangements that are not vehicles to borrow money (e.g. operating leases) which do not represent competing debt of the City.
- A "derivative instrument" includes a swap, security-based swap, futures contract, forward contract, option, any combination of the foregoing, or any similar instrument to which the City is a counterparty, designed to hedge against the risks of a related debt obligation, as opposed to such vehicles designed to mitigate investment risk.

(G) The City should analyze each "Financial Obligation" upon the facts and circumstances in accordance with the Rule, and any subsequent guidance thereunder by the SEC. "Fiscal Year" means the fiscal year of the Issuer, beginning on July 1 of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the Governing Body or by law as the official accounting period of the Issuer.

(H) "Governing Body" means the City Council (the "Council") of the Issuer.

(I) "Issuer" means the City of Indianola, Iowa.

² SEC guidance as of the date of the policy indicates the term "debt obligation" includes, but is not limited to: (1) any short-term or long-term debt obligation of the Issuer under the terms of an indenture, loan agreement or similar contract; (2) a direct purchase of municipal securities of the Issuer by an investor; (3) a direct loan to the Issuer by a bank; and (4) generally, lease arrangements entered into by the Issuer that operate as a vehicle to borrow money.

- (J) "Listed Event" means any of the events listed in Exhibit A of this Policy.
- (K) "MSRB" means the Municipal Securities Rulemaking Council or any other Council or entity which succeeds to the functions currently delegated to the Municipal Securities Rulemaking Council by the Rule.
- (L) "Obligations" means any securities issued by, or whose payment is guaranteed by the Issuer.
- (M) "SEC" means the United States Securities and Exchange Commission.

Article II Key Participants and Responsibilities

Section 2.01. Disclosure Coordinator. By adoption of this Policy, the Finance Director is hereby appointed to act as the disclosure coordinator ("Disclosure Coordinator") of the Issuer.

Section 2.02 Responsibilities. The Disclosure Coordinator is responsible for the following tasks:

- (A) reviewing and approving all preliminary and final official statements relating to the Issuer's securities, together with any supplements, for which a continuing disclosure undertaking is required (each, an "**Official Statement**"), before such documents are released, in accordance with Article III below;
- (B) moderating City Council (or departmental, if delegated) approval of all Financial Obligations triggering a Listed Event Notice under any new continuing disclosure agreement entered into after February 27, 2019;
- (C) reviewing annually the Issuer's status and compliance with its continuing disclosure undertakings, including filings of disclosure documents and compliance with this Policy, in accordance with Articles IV (Annual Report Filings) and V (Listed Event Filings) below;
- (D) serving as a "point person" for personnel to communicate issues or information that should be or may need to be included in any disclosure document;
- (E) recommending changes to this Policy to the Governing Body as necessary or appropriate;
- (F) communicating with third parties, including coordination with outside consultants assisting the Issuer, in the preparation and dissemination of disclosure documents to make sure that assigned tasks have been completed on a timely basis and making sure that the filings are made on a timely basis and are accurate;
- (G) in anticipation of preparing disclosure documents, soliciting "material" information (as defined for purposes of federal securities law) from identified Employees;
- (H) maintaining records documenting the Issuer's compliance with this Policy; and

- (I) ensuring compliance with training procedures as described below.

The responsibilities of the Disclosure Coordinator to make certain filings with the MSRB under Articles IV (Annual Report Filings) and V (Listed Event Filings) may be delegated by contract to a dissemination agent, under terms approved by the Governing Body.

The Disclosure Coordinator shall instruct Employees of the obligation to communicate with the Disclosure Coordinator on any information relating to Financial Obligations or amendments to existing Financial Obligations promptly following occurrence.

Article III *Official Statements*

3.01. Review and Approval of Official Statements. Whenever the Issuer Issues Obligations, a preliminary official statement and a final official statement may be prepared (“Official Statements”). Each of these Official Statements contains financial and other information relating to the Issuer. The Disclosure Coordinator, with assistance from any retained Disclosure Counsel and/or Financial Advisor, shall have primary responsibility for ensuring that all such information is accurate and not misleading in any material aspect. The Official Statement shall also include a certification that the information contained in the Official Statement regarding the Issuer, as of the date of each official statement, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the information contained in the Official Statement, in light of the circumstances under which it was provided, not misleading. When undertaking review of a final or preliminary Official Statement, the Disclosure Coordinator shall:

- (A) review the Official Statement and confirm that there are no misstatements or omissions of material information in any sections and that the Official Statement accurately states all material information relating to the Issuer and that all information relating to the Issuer has been critically reviewed by the appropriate person(s) for a given department responsible for the information referenced therein;
- (B) draft, or cause to be drafted, for the Official Statement descriptions of (i) any material current, pending or threatened litigation, (ii) any material settlements or court orders and (iii) any other legal issues that are material information for purposes of the Official Statement; and
- (C) report any significant disclosure issues and concerns to Disclosure Counsel and/or Financial Advisor.

Section 3.02. Submission of Official Statements to the Governing Body for Approval. The Disclosure Coordinator shall submit all Official Statements to the Governing Body for review and approval. The approval of an Official Statement by the Governing Body shall be docketed as a new business matter and shall not be approved as a consent item. The Governing Body shall undertake such review as deemed necessary by the Governing Body, following consultation with the Disclosure Coordinator, to fulfill the Issuer’s responsibilities under applicable federal and state securities laws.

Article IV
Annual Report Filings

Section 4.01. Overview. Under the continuing disclosure undertakings, the Issuer has entered into in connection with its debt offerings, the Issuer is required each year to file annual reports with the MSRB's EMMA system in accordance with such undertakings. Such annual reports are generally required to include: (1) certain updated financial and operating information, and (2) the Issuer's audited financial statements. The documents, reports and notices required to be submitted to the MSRB pursuant to this Policy shall be submitted through EMMA in an electronic format, and shall be accompanied by identifying information, in the manner prescribed by the MSRB, or in such other manner as is consistent with the Rule. A description of the format and information presently prescribed to be filed with EMMA is included in Exhibits A - C. To facilitate the Issuer's continuing disclosure undertakings the Disclosure Coordinator shall:

- (A) maintain a record of all continuing disclosure obligations of the Issuer using a chart substantially in the form attached as Exhibit C, which shall identify and docket all continuing disclosure deadlines;
- (B) schedule email reminders on the EMMA website for each Obligation to help ensure timely filing of financial disclosures;
- (C) ensure that preparation of the Issuer's annual reports commence as required under each specific continuing disclosure undertaking;
- (D) comply with the Issuer's obligation to file annual reports by submitting or causing the required (i) annual financial information and operating data and (ii) audited financial statements (all of which may be included in the Issuer's CAFR) to be submitted to the MSRB through EMMA. If within a continuing disclosure agreement, the Issuer has agreed to furnish information that is outside the scope of the CAFR, the Issuer shall file a supplement to the CAFR when filing with the MSRB through EMMA;
 - a. If the event the Issuer does not have audited financial statements available by the filing deadline imposed by the continuing disclosure agreement, the Disclosure Coordinator shall instead submit the Issuer's unaudited financial statements and follow the requirements of the continuing disclosure agreement with respect thereto. Audited financial statements shall be filed as soon as available.
 - b. All documents submitted to the MSRB through EMMA that are identified by specific reference to documents already available to the public on the MSRB's Internet website or filed with the SEC shall be clearly identified by cross reference;
 - c. Not more than five (5) days after the submission deadline, the Disclosure Coordinator shall confirm and document in accordance with Section 6.01 hereof that Annual Reports have been submitted and filed properly with the MSRB through EMMA; and

File a “failure to file notice” as needed in accordance with the Rule. The failure to file notice shall include information describing the nature and/or cause of the failure to meet the contractual deadline and, if available, an approximate timeframe for when the complete information is expected to be submitted.

Article V *Listed Event Filings*

Section 5.01. Disclosure of Listed Events. Pursuant to Rule 15c2-12(b)(5)(i)(C), the Issuer is obligated to disclose to the MSRB notice of certain specified events with respect to the Issuer’s Obligations (a “Listed Event”). All Employees shall be instructed to notify the Disclosure Coordinator if he or she becomes aware of any of the Listed Events listed in the Issuer’s continuing disclosure undertakings. The Disclosure Coordinator may consult with Disclosure Counsel, or the Financial Advisor, to discuss the event and to determine whether a filing is required or is otherwise desirable. If such a filing is deemed necessary, the Disclosure Coordinator shall cause a notice of the Listed Event (a “**Listed Event Notice**”) that complies with Rule 15c2-12 to be prepared, and the Disclosure Coordinator shall file, or cause to be filed, the Listed Event Notice as required by Rule 15c2-12 as follows:

- (A) Prior to issuance of new Securities after February 27, 2019, a complete list of current Financial Obligations shall be compiled in accordance with Exhibit D hereof and submitted to the Disclosure Coordinator for continuous monitoring with regard to compliance with all Disclosure Agreements entered into on or after February 27, 2019.
- (B) The Disclosure Coordinator shall monitor and periodically review the Listed Events identified on Exhibit A, in connection with the Obligations identified on the Chart in Exhibit C to determine whether any event has occurred that may require a filing with EMMA.
- (C) The Disclosure Coordinator shall file, in a timely manner, a notice of the occurrence of any Listed Event or Events with the MSRB via EMMA with respect to any Obligations to which the Listed Event or Events are applicable, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event.
- (D) The Disclosure Coordinator shall subscribe to any available ratings agency alert service regarding the ratings of any Obligations.

Article VI Miscellaneous

Section 6.01. Documents to be Retained. The Disclosure Coordinator shall be responsible for retaining records demonstrating compliance with this Policy. The Disclosure Coordinator shall retain an electronic or paper file (“Transcript”) for each continuing disclosure Annual Report Filing that the Issuer completes, and for each Listed Event Filing that the Issuer completes. Each Transcript shall include final versions of documents submitted to the MSRB through EMMA. The Transcript shall be maintained for a period of eleven (11) years from the final retirement of the Obligations.

Section 6.02. Education and Training. The Issuer shall conduct periodic training to assist the Disclosure Coordinator, all Employees and the Governing Body in understanding and

performing their responsibilities under this Policy. Such training sessions shall include a review of this Policy, the Issuer's disclosure obligations under applicable federal and state securities laws, including the Listed Events in Exhibit A, and the disclosure responsibilities and potential liabilities of members of Issuer staff and members of the Governing Body. Such training sessions may include meetings with Disclosure Counsel, teleconferences, attendance at seminars or conferences where disclosure responsibilities are discussed, and/or recorded presentations. Disclosure Coordinator shall maintain a record of training activities in furtherance of this Policy.

Section 6.03. Public Statements Regarding Financial Information. Whenever the Issuer makes statements or releases information relating to its finances to the public that is reasonably expected to reach investors and the trading markets (including, without limitation, all Listed Event notices, statements in the CAFR, and other financial reports and statements of the Issuer), the Issuer is obligated to ensure that such statements and information are complete, true, and accurate in all material aspects. The Disclosure Coordinator shall assist the Governing Body in ensuring that such statements and information are accurate and not misleading in any material aspect. Investment information published on the Issuer's website may include a cautionary statement referring investors to EMMA as the official repository for the Issuer's Securities-related data.

EXHIBIT A LISTED EVENTS

The Disclosure Coordinator should periodically review this list to determine whether any event has occurred that may require a filing with EMMA.

The following events automatically trigger a requirement to file on EMMA within ten (10) business days of their occurrence (listed events are subject to change by the SEC):

- (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 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 status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, *if material*;
- (8) Bond calls, *if material*, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, *if material*;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person³;

Note to paragraph (12):

The event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

³ The term "obligated person" for purposes of the Rule shall mean the party, if other than the Issuer, responsible for the obligations subject to the Rule, e.g. in a conduit issue sold through the Issuer, the conduit party would be the "obligated person" under the continuing disclosure agreement.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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*;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

The following events trigger a requirement to file notice of their occurrence on EMMA within ten (10) business days after their occurrence, and apply to continuing disclosure agreements entered into by the Issuer on or after February 27, 2019:

(15) Incurrence of a Financial Obligation of the obligated person, *if material*⁴, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, *if material**; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

⁴ Materiality is determined upon the incurrence of each distinct Financial Obligation, taking into account all relevant facts and circumstances. A Financial Obligation is considered to be incurred when it is enforceable against the City. Listed Event Notices for Financial Obligations (e.g. under 15 and 16 above) should generally include a description of the material terms of the Financial Obligation, including: (i) date of the incurrence, (ii) principal amount, (iii) maturity and amortization; (iv) interest rate(s), if fixed, or method of computation, if variable, (v) other appropriate terms, based on the circumstances. In addition to a summary of material terms, the City may alternatively, or in addition, submit related materials, such as transaction documents (which may require some redaction), terms sheets prepared in connection with the Financial Obligation, or continuing covenant agreements or financial covenant reports.

EXHIBIT B

Suggested Practices in Submitting Annual Financial Information to EMMA*

Annual Financial Information is to be submitted to EMMA as follows:

- through the EMMA Dataport;
- in one or more electronic word-searchable portable document format files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means (“properly formatted pdf file”); and
- indexed by the submitter as “Annual Financial Information and Operating Data” – this EMMA indexing category should be used for all submissions consisting of one or both parts of an annual financial information submission. A submission should be indexed in EMMA by the submitter as “Annual Financial Information and Operating Data” if it consists of complete annual financial information (including audited financial statements and/or the CAFR).

If the audited financial statements have not been prepared in time to meet the deadline:

file unaudited financial statements with a notice to the effect that the unaudited financial statements are being provided pending completion of audited financial statements and that the audited financial statements will be submitted to EMMA when they have been prepared.

If annual financial information is provided by reference to other submitted documents file:

a notice that includes specific reference to a document available on the EMMA website or the SEC (such as, but not limited to, an official statement), to the extent that such document in fact includes the information required to be included in the annual financial information; and

the submitter should confirm that such document in fact is available from the EMMA website or the SEC and should include in such notice (A) a textual description of the document that includes the required information, with sufficient detail for a reasonable person to determine the precise document being referenced, and (B) an active hyperlink to the pdf file of such document as then posted on the EMMA website or to the SEC’s EDGAR system; further, if such document includes audited financial statements, the submitter should also index such submission as “Audited Financial Statements or CAFR” in addition to (but not instead of) “Annual Financial Information and Operating Data” unless the submitter submits such audited financial statements separately to EMMA.

Failure to file notices are to be submitted to EMMA as follows:

through the EMMA Dataport;

- as an electronic word-searchable and properly formatted pdf file; and
- indexed by the submitter as “Failure to Provide Annual Financial Information.”
* *Procedures subject to change.*

EXHIBIT C

DEBT INVENTORY & CONTINUING DISCLOSURE SUMMARY

Update and complete with each new issue of Obligations, and upon any disclosure filing

NAME OF ISSUE/PRINCIPAL AMOUNT	DATE OF ISSUE	FINAL MATURITY DATE	CUSIP FOR FINAL MATURITY	DATE BY WHICH ANNUAL REPORTS MUST BE FILED (OR "EXEMPTION" UNDER THE RULE)	ANNUAL REPORTS INFORMATION TO BE FILED	SOURCE OF INFORMATION	DATE INFORMATION WAS FILED

EXHIBIT D
FINANCIAL OBLIGATION INVENTORY
 Update Upon Incurrence

DESCRIPTION OF SECURITY AND ORIGINAL PAR AMOUNT	DATE INCURRED	FINAL PAYMENT DATE	MATERIAL TERMS (RATES/PAYMENT/DEFAULT/REMEDIES)	PLEGGED SECURITY	SOURCE OF INFORMATION	DATE INFORMATION WAS FILED ON EMMA

Indianola, Iowa Post-Issuance Tax Compliance and Record Retention Policy

Definitions

“Advisors” means the Issuer’s Bond Counsel, Financial Advisor, paying agent, and Rebate Analyst.

“Bonds” mean bonds, notes or other obligations subject to the Code, Rules and applicable securities regulations.

“Code” means the Internal Revenue Code of 1986, as amended.

“Governing Body” means the City Council of the Issuer.

“Issuer” means the City of Indianola, in the County of Warren, State of Iowa.

“Rules” means Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder.

Purpose

Issuers of tax-exempt governmental Bonds must comply with federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records.

As an issuer of such Bonds, the Governing Body, is required by Rules to take certain actions subsequent to the issuance of the Bonds to ensure the continuing tax-exempt status of such Bonds. Further, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations impose record retention requirements on the Issuer with respect to its tax-exempt governmental Bonds. This policy is designed to ensure that the Issuer complies with its tax compliance obligations under applicable provisions of the Rules.

Effective Date and Term

The effective date of this policy shall be the date of approval by the Governing Body, and shall remain in effect until superseded or terminated by action of the Governing Body. The Issuer shall comply with this policy upon issuance of Bonds and as long as the Bonds remain outstanding. This policy may be revised to comply with amendments to the Rules during the period the Bonds are outstanding.

Responsible Parties

The Finance Director shall be the party primarily responsible for ensuring that the Issuer successfully carries out its tax compliance requirements under applicable provisions of the Rules with regard to all obligations of the Issuer. The Finance Director is referred to as the “Compliance Officer” for purposes of this policy. The Compliance Officer shall be assisted by other staff and officials when appropriate and at the Compliance Officer’s discretion. The Compliance Officer shall also be authorized to retain and consult with the Advisors during the time the Bonds are outstanding for assistance in carrying out post-issuance tax compliance requirements.

The Compliance Officer shall be responsible for assigning post-issuance tax compliance responsibilities to other staff. The Compliance Officer shall consult Advisors or such other professional service organizations as are necessary to ensure compliance with the post-issuance tax compliance requirements of the Issuer. The Compliance Officer shall provide training and educational resources to staff responsible for ensuring compliance with any portion of the tax compliance requirements of this policy.

Expenditure of Bond Proceeds -- Review Process:

The Compliance Officer shall review the resolution authorizing issuance for each tax-exempt obligation, and shall:

- a) obtain a computation of the yield on such issue from the Issuer's financial advisor;
- b) create a separate Project Fund (with as many sub-funds as shall be necessary to allocate proceeds among the projects being funded by the issue) into which the proceeds of issue shall be deposited;
- c) review all requisitions, draw schedules, draw requests, invoices and bills requesting payment from the Project Fund;
- d) determine whether payment from the Project Fund is appropriate, and if so, make payment from the Project Fund (and appropriate sub-fund if applicable);
- e) maintain records of the payment requests and corresponding cancelled checks showing payment;
- f) consult with the Advisors to ensure that such expenditures are within the sixty (60) day period prior to the date in which the Issuer made a "declaration of intent" to reimburse such costs or are preliminary expenditures under the Code, in the event the Issuer seeks to utilize bond proceeds for costs that were incurred prior to the issuance of the bonds. If proceeds are used for such reimbursement, a copy of the declaration of intent shall be obtained and included in the records for the Bonds if not already part of the transcript.;
- g) maintain records showing the earnings on, and investment of, the Project Fund;
- h) ensure that investments acquired with proceeds are purchased at fair market value;
- i) identify bond proceeds or applicable debt service allocations that must be invested with a yield-restriction and monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted; and
- j) If not otherwise provided for in the Tax Exemption Certificate executed by the officers of the Issuer at closing, the Compliance Officer shall prepare an "allocation memorandum" for each issue of Bonds that accounts for the allocation of the proceeds of the Bonds to expenditures not later than the earlier of:
 - Eighteen (18) months after the later of (i) the date the expenditure is paid, or (ii) the date the project that is financed by the Bonds is placed in service; or
 - Sixty (60) days after the earlier of (i) the fifth (5th) anniversary of the issue date of the Bonds, or (ii) the date sixty (60) days after the retirement of the Bonds.

Rate of Expenditure:

The Compliance Officer shall ensure that the expenditure of bond proceeds will be monitored against the expenditure expectations represented in the Tax Exemption Certificate for such bond issue to ensure that:

- Five percent (5%) of the net sale proceeds were spent or committed within six (6) months of the issue date;
- Eighty-five percent (85%) of the net sale proceeds were spent within three (3) years of the issue date; and
- the Issuer proceeded with due diligence to complete the project and fully spend the net sale proceeds; or
- One hundred percent (100%) of proceeds used for current refunding within ninety (90) days of issuance.

Failure to meet the expected expenditure expectations represented in the Tax Exemption Certificate for such bond issue shall be documented and retained by the Compliance Officer in the records for the bond issue.

Arbitrage Rules and Rebate Requirements

The Compliance Officer shall review the Tax-Exemption Certificate for each tax-exempt obligation, and the expenditure records, and shall:

- a) monitor and ensure that proceeds of each such issue are spent within the temporary period set forth in such certificate;
- b) if the “small issuer” exception does not apply (not more than \$5 million issued in a calendar year), monitor and ensure that the proceeds are spent in accordance with one or more of the applicable exceptions to rebate as set forth in such certificate (e.g. six month exception, eighteen month exception, two year “construction issue” exception);
- c) not less than sixty (60) days prior to a required expenditure date within applicable rebate exception(s), confer with bond counsel if it appears expenditures will fail to meet the applicable temporary period or rebate exception expenditure requirements of the Tax-Exemption Certificate;
- d) in the event of failure to meet a temporary period or rebate exception:
 - i. procure a timely computation of any rebate liability and, if rebate is due, file a Form 8038-T and arrange for payment of such rebate liability;
 - ii. arrange for timely computation and payment of “yield reduction payments” (as such term is defined in the Code and Treasury Regulations), if applicable;
- e) ensure that the investment of bond proceeds is made only in permitted investments of the Issuer as outlined in Iowa Code chapters 12B and 12C, and any official policy;
- f) consult with the Advisors to ensure that the investment of bond proceeds is performed in compliance with the arbitrage rules and rebate requirements;

- g) consult with the Advisors to identify bond proceeds that must be yield-restricted and shall monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted;
- h) contact the Rebate Analyst (and, if appropriate, bond counsel) prior to the fifth anniversary of the date of issuance of each issue of bonds of the Issuer and each fifth anniversary thereafter to arrange for calculations and reports of the rebate requirements with respect to such bonds;
- i) if a rebate payment is required to be paid by the Issuer, the Compliance Officer shall prepare or cause to be prepared the appropriate form to be filed with the IRS (Form 8038-T);
- j) The Compliance Officer shall ensure that guaranteed investment contracts (GIC) will be purchased only using the three-bid “safe harbor” of applicable Treasury regulations, in compliance with fee limitations on GIC brokers in the regulations. The Compliance Officer shall ensure that all other investments will be purchased only in market transactions.

Filings with Internal Revenue Service

The Compliance Officer, with assistance from Bond Counsel, shall ensure that each issuance of Bonds is properly reported with the Internal Revenue Service (IRS) as required by Section 149(e) of the Code. On the issue date of each series of Bonds, the Compliance Officer shall consult with the Advisors to identify the deadline to file the requisite IRS form for such issue.

If a bond issue consists of tax-exempt Bonds, the Issuer must report the tax-exempt portion on Form 8038-G or 8038-GC.

Reporting the Issuance of Tax-Exempt Bonds

The original issuance of a tax-exempt bond issue with an issue price of one-hundred thousand dollars (\$100,000) or greater shall be reported on Form 8038-G. The original issuance of a tax-exempt bond issue with an issue price less than one-hundred thousand dollars (\$100,000) shall be reported on Form 8038-GC.

- Forms 8038-G and 8038-GC shall be filed by the Compliance Officer or Bond Counsel no later than the 15th day of the 2nd calendar month following the quarter in which the Bonds were issued.
- The Compliance Officer shall consult with the Advisors to ensure the Form 8038-G is accurately filled out.

Rebate Reporting Requirements

The Compliance Officer shall contact the rebate analyst prior to the 5th anniversary of the issue date on each series of Bonds and each 5th anniversary thereafter to arrange for calculations of the rebate requirements with respect to such Bonds. If a rebate payment is required to be paid, the Compliance Officer shall prepare or cause to be prepared a Form 8038-T, and submit such Form 8038-T to the IRS with the required rebate payment.

If the Issuer is authorized to recover a rebate payment previously paid, the Compliance Officer shall prepare or cause to be prepared a Form 8038-R, with respect to such rebate recovery, and submit such Form 8038-R to the IRS.

Use of Bond-Financed Property

The Compliance Officer shall monitor the use of all bond-financed facilities in order to determine whether private business uses of bond-financed facilities have exceeded the de minimis limits set forth in Section 141(b) of the Code (generally 10% of bond proceeds) as a result of leases and subleases, licenses, management contracts, research contracts, naming rights agreements or other arrangements that provide special legal entitlements to nongovernmental persons. Prior to entering into such leases or other contracts, the Compliance Officer shall consult with Bond Counsel to ensure appropriate action is taken with respect to the bond-financed facilities.

To this end, the Compliance Officer shall:

- a) maintain appropriate records and a list of all bond financed assets. Such records shall include the actual amount of proceeds (including investment earnings) spent on each of the bond financed assets;
- b) with respect to each bond financed asset, the Compliance Officer will monitor and confer with bond counsel with respect to all proposed:
 - i. management contracts,
 - ii. service agreements,
 - iii. research contracts,
 - iv. naming rights contracts,
 - v. leases or sub-leases,
 - vi. joint venture, limited liability or partnership arrangements,
 - vii. sale of property;
 - viii. any other change in use of such asset; or
 - ix. output contracts (including retail and wholesale requirements contracts);
- c) maintain a copy of the proposed agreement, contract, lease or arrangement, together with the response by bond counsel with respect to the proposal for at least three (3) years after retirement of all tax-exempt obligations issued to fund all or any portion of bond financed assets, or obligations issued to refund those obligations;
- d) provide training and educational resources to any staff member that has the primary responsibility for the operation, maintenance, or inspection of bond-financed facilities with regard to the limitations on the private business use and on the private security or payments with respect to bond-financed facilities;
- e) ensure that no item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a “remedial action” under the applicable Treasury Regulations and the Compliance Officer shall consult with bond counsel prior to the sale or transfer of any bond-financed property; and

- f) In the event of an action with respect to a bond financed asset, which may cause the private business tests or private loan financing test to be met, the Compliance Officer shall contact bond counsel for advice and ensure timely remedial action under IRS Regulation Sections 1.141-12.

Advance Refundings

The Compliance Officer shall be responsible for the following current, post issuance and record retention procedures with respect to advance refunding bonds:

- a) Identify and select bonds to be advance refunded with advice from internal financial personnel, and/or the Issuer's Financial Advisor;
- b) Identify, with advice from Advisors, any possible federal tax compliance issues prior to structuring any advance refunding;
- c) Review the structure with the input of the Advisors, of advance refunding issues prior to the issuance to ensure (i) that the proposed refunding is permitted pursuant to applicable federal tax requirements if there has been a prior refunding of the original bond issue; (ii) that the proposed issuance complies with federal income tax requirements which might impose restrictions on the redemption date of the refunded bonds; (iii) that the proposed issuance complies with federal income tax requirements which allow for the proceeds and replacement proceeds of an issue to be invested temporarily in higher yielding investments without causing the advance refunding bonds to become "arbitrage bonds"; and (iv) that the proposed issuance will not result in the Issuer's exploitation of the difference between tax exempt and taxable interest rates to obtain a financial advantage nor overburden the tax exempt market in a way that might be considered an abusive transaction for federal tax purposes.
- d) Collect and review data related to arbitrage yield restriction and rebate requirements for advance refunding bonds. To ensure such compliance, the Compliance Officer shall engage a rebate consultant to prepare a verification report in connection with the advance refunding issuance. Said report shall ensure said requirements are satisfied.
- e) Ensure, whenever possible, the purchase of demand deposit Treasury securities from the State and Local Governmental Series ("SLGS") to size each advance refunding escrow. The Financial Advisor shall be included in the process of subscribing SLGS. To the extent SLGS are not available for purchase, the Compliance Officer shall, in consultation with Bond Counsel and the Financial Advisor, comply with IRS regulations.
- f) To the extent as Issuer elects to the purchase a guaranteed investment contract, the Compliance Officer shall ensure, after input from Bond Counsel, compliance with any bidding requirements set forth by the IRS regulations.
- g) In determining the issue price for any advance refunding issuance, the Compliance Officer shall obtain and retain issue price certification by the purchasing underwriter at closing.
- h) After the issuance of an advance refunding issue, the Compliance Officer shall ensure timely identification of violations of any federal tax requirements and engage Bond Counsel in attempt to remediate same in accordance with IRS regulations.

Record Retention

Management and retention of records related to the Issuer's bond issues shall be supervised by the Compliance Officer. Records and documents pertaining to cancellation, transfer, redemption or replacement of Issuer bonds shall be preserved by the Issuer or its agent for a period of not less than 11 years, as set forth in Iowa Code Section 76.10. Other records shall be retained during the period in which the bonds remain outstanding (plus any refunding bonds) plus three (3) years. Records may be in the form of documents and electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

The Compliance Officer shall collect and retain the following records with respect to each issue of Bonds of the Issuer and with respect to the facilities financed with the proceeds of such Bonds:

- audited financial statements of the Issuer;
- appraisals, demand surveys, or feasibility studies, if any, with respect to the facilities to be financed with the proceeds of such Bonds;
- publications, brochures, and newspaper articles, if any, related to the bond financing;
- trustee or paying agent statements;
- records of all investments and the gains (or losses) from such investments;
- paying agent or trustee statements regarding investments and investment earnings;
- reimbursement resolutions, if any, and expenditures reimbursed with the proceeds of such Bonds;
- allocations of proceeds to expenditures (including costs of issuance) and the dates and amounts of such expenditures (including any requisitions, expenditure/draw schedules, expenditure/draw requests, invoices, bills, and cancelled checks with respect to such expenditures);
- contracts entered into for the construction, renovation, or purchase of bond-financed facilities;
- an asset list or schedule of all bond financed depreciable property and any depreciation schedules with respect to such assets or property;
- records of the purchases and sales of bond-financed assets;
- private business uses of bond-financed facilities that arise subsequent to the date of issue through leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments; arbitrage rebate reports and records of rebate and yield reduction payments, if any; resolutions or other actions, if any, taken by the Board of Education subsequent to the date of issue with respect to such Bonds;
- formal elections authorized by the Code or Treasury Regulations that are taken with respect to such bonds;
- relevant correspondence relating to such Bonds;
- documents related to guaranteed investment contracts or certificates of deposit, credit enhancement transactions, and financial derivatives entered into subsequent to the date of issue;
- copies of any and all forms filed with the IRS for each series of Bonds including, as applicable, Form 8038-G, Form 8038-GC, Form 8038-T and Form 8038-R; and
- the official transcript prepared by Bond Counsel with respect to each series of Bonds of the Issuer.

Identification of Violations and Corrections

If, during the period the Bonds remain outstanding, it is determined that a violation of federal tax requirements has occurred, the Compliance Officer shall immediately consult with the Advisors to ensure that corrective or remedial action is taken. In consultation with Bond Counsel, the Compliance Officer shall become acquainted with the remedial actions under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond- financed facilities exceeds the de minimus limits under Section 141(b)(1) of the Code. In consultation with Bond Counsel, the Compliance Officer shall become acquainted with the Tax Exempt Bonds Voluntary Closing Agreement Program, described in Notice 2008-31, 2008-11 I.R.B. 592, to be utilized as a means for an issuer to correct any post-issuance infractions of the Rules with respect to its outstanding Bonds.

Continuing Disclosure Obligations

In addition to its post-issuance compliance requirements under applicable provisions of the Rules, the Issuer has agreed to provide continuing disclosure, such as annual financial information and event notices, pursuant to a continuing disclosure certificate or similar document (the “Continuing Disclosure Certificate”) prepared by Bond Counsel and made a part of the transcript with respect to each issue of Bonds of the Issuer that is subject to such continuing disclosure requirements. The Continuing Disclosure Documents shall be executed by the Issuer to assist the underwriters of the Issuer’s Bonds in meeting their obligations under Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12, as in effect and interpreted from time to time (“Rule 15c2-12”). The continuing disclosure obligations of the Issuer shall be governed by the Continuing Disclosure Certificate and by the terms of Rule 15c2-12. The Compliance Officer shall be primarily responsible for undertaking such continuing disclosure obligations and to monitor compliance with such obligations in accordance with the City’s Disclosure Policy.

Other Post-Issuance Actions

If, in consultation with the Advisors, the Compliance Officer determines that any additional action not identified in this policy must be taken by the Compliance Officer to ensure the continuing tax-exempt status or “qualified” status of any issue of the Issuer’s Bonds, the Compliance Officer shall take such action if the Compliance Officer has the authority to do so. If, after consultation with the Advisors, the Compliance Officer determines that this policy shall be amended or supplemented to ensure the continuing tax-exempt status or “qualified” status of any issue of the Issuer’s Bonds, the Compliance Officer shall follow the appropriate Issuer policy that this document be so amended or supplemented.

Taxable Governmental Bonds

Most of the provisions of this policy, other than the provisions Continuing Disclosure Obligations subsection of this policy, are not applicable to governmental Bonds the interest on which is includable in gross income for federal income tax purposes (i.e. “taxable governmental Bonds”). If an issue of taxable governmental Bonds is later refunded with the proceeds of an issue of tax-exempt governmental Bonds, then the uses of the proceeds of the taxable governmental Bonds and the uses of the facilities financed with the proceeds of the taxable governmental Bonds shall be relevant to the tax-exempt status of the refunding Bonds. Therefore, if there is any reasonable possibility that an issue of taxable governmental Bonds may be refunded, in whole or in part, with the proceeds of an issue of tax-exempt governmental Bonds then, for purposes of this policy, the Compliance Officer shall treat the issue of taxable governmental Bonds as if such issue were an issue of tax-exempt governmental Bonds and shall carry out and comply with the requirements of this policy with respect to such taxable governmental Bonds. The

Compliance Officer shall seek the advice of Bond Counsel as to whether there is any reasonable possibility of issuing tax-exempt governmental Bonds to refund an issue of taxable governmental Bonds.

**Adopted by City Council on November 4, 2019*

Public Purpose Policy

1. **PURPOSE:** The purpose of the policy is to establish a public purpose policy for certain expenditures. The City Council of the City of Indianola believes that the expenditures cited below serve a general public purpose in recruitment of key employees and improved employee training and public service.

2. **PUBLIC PURPOSE EXPENDITURES:** The expenditures listed below serve a general public purpose in the recruitment of quality department heads and maintaining the service delivery of employees to the citizens of Indianola: At no time will public funds be spent on alcoholic beverages.
 - a. **Employee Recruitment:** The expenditure of funds for food and drink for the recruitment of department head employees as deemed necessary by the City Manager or Director of Finance.

 - b. **Employee Training:** The expenditure of funds for refreshments for the training of employees.

This expenditure will be approved by the department head of the department holding the training and will be paid by funds of the same department as allocated for training. It will be the determination of the City Manager or Director of Finance if such expenditure is considered excessive and will take such corrective action as deemed necessary.

 - c. **Sustenance Supplies:** The expenditure of funds for sustenance supplies, including, coffee, coffee creamer, coffee filters, sweetener, paper products including plates, cups, and utensils, paper towels or napkins, and any products deemed necessary by the City Manager or Director of Finance falling under the term “sustenance”. The expenditure will be made by the department for which the supplies will be utilized.

 - d. **Promotional Items:** The expenditure of promotional material for city departments and activities, for such items as stress relievers, pencil, pens, and coasters. The annual expenditure on such items for each department shall not be in excess of \$1000.

 - e. **Employee Recognition Events:** The expenditure of funds for employee recognition events authorized by the Indianola City Council either by a one-time approval or through the annual budgeting process (i.e. annual awards banquet).

 - f. **Funeral or Get-Well Flowers/Memorials:** The expenditure of flowers or other items not exceeding the amount of \$100 for employees or family members in the case of death or extended hospitalization as approved by the City Manager.

Adopted by City Council on September 3, 2019

Surplus Property Disposal Policy

I. GENERAL

- a. "Surplus property" is defined as City owned property that no longer is needed or has no practical use to a particular City Department (hereafter "Surplus Property" or "Property").
- b. Items seized, confiscated, or found by the Police Department shall be handled and disposed of in accordance with applicable Federal, State, and local requirements (hereafter "Seized Property" or "Unclaimed Property").
- c. Surplus property shall be disposed of in accordance with this policy. Seized Property and Unclaimed Property may be disposed of in accordance with this policy. All Surplus, Seized and Unclaimed Property is disposed of "as is" and "where is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or use-ability of the property offered.
- d. It is critical to maintain a trail of documentation for audit purposes regarding the disposition of Property of the City of Indianola (hereafter "City").

II. RESPONSIBILITIES

- a. It shall be the responsibility of the head of the department with the Property to notify the City Manager of the surplus property it has in its possession.
- b. The method of disposal shall be determined by the Department Head and the City Manager, or his Designee, in accordance with this Policy. The Department with Property for disposal is responsible to provide information to the Finance Department including brief description and estimated value. Each department will maintain storage of Property until final disposal.
- c. The Finance Department shall be responsible for coordination of the disposal process for all Property except as indicated below:
 - i. Disposition of real estate or any interest in land requires a resolution of the City Council after published notice and public hearing in accordance with the Code of Iowa. All dispositions of real estate or land interest shall be the responsibility of the City Clerk's office, with the assistance/coordination of the City Attorney.
 - ii. Seized and Unclaimed Property within the Police Department shall be handled and disposed of in accordance with applicable Federal, State, and local requirements.
 - iii. Items purchased with grant funds shall be disposed of in accordance with applicable grant requirements.
 - iv. Computers and Electronic Data Storage Equipment are defined as any equipment that contains electronic data or is procured or managed by the outside Information Technology (IT) staff. Such items shall be returned to the IT staff for proper data wiping and disposal. This includes, but is not limited to Computers, Laptops, Tablets, Servers, Backup Tapes and Media Switches, Routers and Hubs, Phones, Printers, Fax Machines, Copiers, Scanners, Monitors, and External Hard Drives.
 1. When deemed appropriate by current IT standards, IT staff will

- wipe any data or configuration on the equipment. For servers, backup media, or any equipment in which data wiping is not feasible, staff will physically remove the data storage components for destruction of the data or configuration by physical or other permanent means.
- 2. When deemed appropriate, some computer and electronic data equipment may be disposed of in accordance with section III of this Policy.
- 3. Any optical media, including writable CD and DVD media, containing City data shall be disposed of by individual departments using the City's shredding procedures.
- v. Any electronic data consisting of records covered by the record retention manual shall be retained until such time as noted in the record retention manual, where under storing the records is no longer required or that the records have no further value.

III. METHODS OF DISPOSAL

Based on review by the City Manager or Designee, with input from department representatives, the following methods will be considered for disposal of surplus property:

- a. Transfer to other departments: Surplus Property may be transferred to another City department. The departments involved in the transfer shall exchange purchase information, service manuals and service records and all other applicable information regarding the Property.
- b. Trade-in of Surplus Property: Surplus Property may be used in trade if determined to provide maximum return for the City.
- c. Sale of Surplus Property:
 - i. The Department representative shall provide an estimated value of the Surplus Property sought for sale to the City Clerk/Finance Director
 - 1. Property with an estimated value in excess of \$5,000 requires City Council approval prior to sale.
 - 2. Property with an estimated value less than \$5,000 and more than \$1,000 requires City Manager approval prior to sale.
 - 3. Property with an estimated value less than \$1,000 requires Department Director approval prior to sale.
 - ii. Surplus Property may be sold by public auction, including public auctions of other government agencies.
 - 1. Surplus Property may be sold at public auction if the quantity and

- types of Property on hand warrant such action.
 - 2. The department that is in possession of the Property shall coordinate auctions with the Finance Department
 - 3. It is the responsibility of the department with possession of the Property to provide administration and logistical support of the auction item/event. Any expense incurred in conducting the auction shall be deducted from the auction receipts.
- iii. Surplus property may be sold using internet auction sites.
- 1. It is the responsibility of the department having possession of the Property to provide administration and logistical support of the auction item. Any expense incurred in conducting the auction shall be deducted from the auction receipts.
 - 2. The selling department shall provide photo, brief description, and estimated value of the Property. All Property not sold during the original auction, will be posted for auction at least two times with each auction lasting a minimum of 10 calendar days. If the Property does not sell after the second auction, the Department Director and the City Manager will then determine the best method of disposal, as provided by this Policy.
- iv. Surplus Property may be sold by soliciting written bids/quotations or other similar means, all as approved by the CFO/City Clerk
- v. Scrap metal may be sold through a reputable metals recycling dealer without competitive bids if the value of the scrap metal is estimated at less than \$1,000.
- d. Cannibalizing: Property may be disassembled and used for parts when this is the most cost- effective method of disposal for the City.
- e. Transfer to Other Public Agency or Charity:
- i. No Property shall be transferred to another public agency or charity before it is first offered to City departments, as outlined in section “A”.
 - ii. When the value of the Property is estimated at \$5,000 or less, the City Manager or Designee, shall approve its sale or transfer to another Iowa public agency or charitable organization exempt under Section 501(c)(3) of the Internal Revenue Code, without competitive bid. Public agency means the State of Iowa or any agency or subdivision thereof, any city, county, special district, or school district.
 - iii. When the value of the Property is estimated to be more than \$5,000, the sale or transfer to another Iowa public agency without competitive bid shall be approved by the City Council.

- iv. The transfer of Property, of any value, to a non-Iowa public agency shall be approved by the City Council.
- v. Publication requirements do not apply when Property is transferred to another governmental agency.
- f. Property Having No Value:
 - i. Property that has no practical salvage or scrap metal value may be disposed of in the proper manner for the item. If Property cannot be recycled or disposed of in the regular solid waste disposal process, departments shall take or make arrangements to take them to the appropriate disposal location.
 - ii. All authorized surplus property determined for disposal, shall be placed in dumpsters or other trash bins which are accessible to the general public.

IV. City Officials and Employees:

- a. Employees shall be defined as any full-time or part-time/seasonal employee of the City of Indianola.
- b. City Officials shall be defined as elected officials, commission members, board members, and committee member (hereafter “City Officials”).
- c. City Officials and Employees are eligible to bid on Property listed for disposal in section III within this Policy.
- d. City Officials and Employees shall not bid on Property while on duty nor while acting in official capacity of the City.

V. Unauthorized Personal Scrapping, Recycling or Disposal of Trash or Junk:

- a. Transferring, selling, donating, scrapping, recycling or disposing of Property by City Officials or Employees for personal gain or to benefit the interest of any person or party other than the City of Indianola, including handling or disposal of trash or junk except as directed by authorized City management, is strictly forbidden.
- b. Disciplinary Action(s):
 - i. Appropriate disciplinary action, up to and including termination, will be taken should an employee be found, through proper investigation, to:
 - 1. have failed to promptly remit to persons officially designated to receive proceeds, including cash or other consideration, from the sale of City Property, as defined herein, including the proceeds from the sale, scrapping or recycling of any such property belonging to City tenants;
 - 2. have failed, in the performance of their duties, to promptly place in appropriate City containers, bins, dumpsters, or other collection facilities, equipment or containers, or have received, taken, given away, collected, stored or retained in other than appropriate City containers, bins, or collection facilities, or dump sites, City scrap, recyclables, trash or any such Surplus Property belonging to City

- tenants;
3. have engaged in selling, scrapping, recycling or handling of City Property in violation of this Policy or the Procedures set forth herein, including having engaged in any such activity for their personal interest or gain, or in aid of others doing the same for their respective interest or gain;
 4. have used City vehicles, facilities or equipment to collect, store, or transport Surplus Property to sites, locations, or facilities, including the facilities of scrap vendors or recycling centers, except as specifically directed by authorized City management, in accordance with this Policy and the Procedures set forth herein.
 5. have failed to notify his/her Department Director in a prompt and timely manner after having observed any individual engaging in any of the above-described act(s) or having learned that such act(s) were being committed by other City employees.

Adopted by Council, 21 January 2020

General/Miscellaneous Policies

City Policy on Lobbying

The “official position” of every city official or employee as well as the “official position” of the City of Indianola, for purposes of encouraging the passage, defeat or modification of any state legislation or any state regulation or influencing the decision of any state officials, or for any other purposes, can only be established by a motion, resolution or ordinance duly adopted by the City Council of the City of Indianola, Iowa. No such “official position” exists in the absence of such motion, resolution, or ordinance establishing such “official position”, and no city official or employee is authorized or empowered to represent or express any such “official position” on behalf of the City of Indianola.

No city official or employee is paid compensation for the purpose of lobbying or is authorized to act as a lobbyist on behalf of the City of Indianola.

In the absence of a motion, resolution or ordinance specifically authorizing and empowering a city official or employee to the contrary, every city official and employee having any contact with any state representative, senator, executive branch employee or officer, or any state agency employee or officer (“state officials”), shall immediately state the disclaimer found below before making any other statement unless (a) the contact is initiated, conducted and concluded by the state official exclusively for the purpose of obtaining purely factual non-confidential objective information or data about the city, or (b) the contact is initiated, conducted and concluded by the city official or employee exclusively for the purpose of obtaining purely factual non-confidential objective information or data about the state, or (c) the contact is limited to

the city official's or employee's formal appearance to give testimony, or (d) the contact involves a lawyer licensed to practice law in the State of Iowa representing the city before any agency or in a contested case.

The disclaimer mentioned above shall consist of the following statement: "The Indianola City Council has not established an 'official position' on this matter either for myself, my officer, or the City. I am not compensated or authorized to lobby on behalf of the City of Indianola on this matter. Accordingly, any views or opinions I may express are my own alone as a private citizen and are not intended to reflect the 'official position' of the City of Indianola or of my office or position with the City of Indianola." Upon the stating of this disclaimer, it shall be conclusively presumed that the city official or employee is exercising his or her own right to free speech and the right to petition his or her government.

Adopted by City Council on January 4, 1993.