



Finance & Admin Committee 3/21/19

Policy Updates to:
Bond Disclosure Policy
Post Issuance Compliance Policy

Rule 15c2-12 Amendment (effective 2/27/2019)

- Seeks to increase the transparency of municipal issuer's financial conditions affecting Bond issues available to investors
- Applicable to Bonds (\$1+M) sold to an underwriter as investment securities (e.g. not a bank loan)
- Adds two new reportable events (to existing 14 events):
 15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material
 16. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties



Cedar Rapids – Bond Disclosure Policy

- New definition of “Financial Obligation” added, with guidance from the SEC’s interpretative Release for the Rule.
See section 1.04(I) (page 2 & 3)
 - Includes: 1) debt obligation, 2) derivative instrument associated with debt obligation, or 3) guarantee of (1) or (2)
- Suggests compiling Financial Obligation Inventory for continuous on-going administration, with documentation of materiality determinations.
See section 5.01 & 5.02 (page 7 & 8)
- Updates Exhibit A (Listed Events) subject to notices on EMMA – consistent with new Continuing Disclosure Certificate for 2019 Bonds adding (15) and (16) per Rule 15c2-12 as amended. (page A-2)



Cedar Rapids – Post Issuance Compliance Policy

- Language has been clarified to reference all continuing disclosure monitoring under Bond Disclosure Policy, as revised
See section Continuing Disclosure (page 13)



Next Steps

Updated Policies will be presented for approval
at the 3/26/19 Council Meeting

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