

## **City of Glendale, Arizona**

### **Continuing Disclosure Procedures for Outstanding Bonds and Other Obligations**

#### **Section 1: Purpose**

Pursuant to SEC Rule 15c2-12 (the "Rule"), the City of Glendale (the "City"), as an issuer of bonds and other obligations, is required under most circumstances to file financial and operating information on an annual basis with the Municipal Securities Rulemaking Board (MSRB) using the Electronic Municipal Market Access system (EMMA). The City has issued or may issue bonds and other obligations which are covered by the Rule (the "Obligations") and must comply with any required filings in a timely manner. These Policies and Procedures are intended to assure, for all Obligations of the City that are subject to the rule, that all filings required under the Rule are made timely and completely and meet all requirements of the Rule. Additionally, the City has covenanted or will covenant to comply with the Rule through the execution and delivery of continuing disclosure agreements or certificates (each, a "Continuing Disclosure Undertaking") applicable to each issue of Bonds and Other Obligations that are subject to the rule.

With respect to the City, the Rule requires that an underwriter, prior to purchasing or selling an issue of obligations in connection with an offering covered by the rule, determine that the City has undertaken in writing, with respect to that issue of Obligations, to provide the following information to the MSRB using EMMA and to the appropriate state information depository ("SID"), if any:

- By the date specified in each Continuing Disclosure Undertaking, annual financial and operating information for the City substantially similar to the financial information and operating data presented in the official statement for such issue as set forth in the respective Continuing Disclosure Undertaking (an "Annual Information Filing");
- By a specified date consistent with Section 4 of this document, if available, audited annual financial statements for the City ("Audited Financial Statements") and, if not available by the date required, unaudited financial statements with Audited Financial Statements within 10 business days of their availability;
- In a timely manner within 10 business days of occurrence, notice of the occurrence of one or more of the listed events described in the Rule (a "Rule 15c2-12 Event Notice"); and
- In a timely manner, notice of a failure by the City to make the required Annual Information Filing and/or file the Audited Financial Statements on or before the date(s) specified in the Continuing Disclosure Undertaking ("Notice of Failure").

#### **Section 2: Responsible Officer**

1. The Budget and Finance Director (the "Responsible Officer") and any alternate or assistant as appointed by the Budget and Finance Director will have overall responsibility for ensuring the City complies with these Procedures. The Responsible Officer shall maintain a current list for each fiscal year identifying each issue of Obligations of the City covered by the rule and outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP numbers for each such issue and the dates by which the Annual Information Filings and the Comprehensive Annual Financial Report (which include the Audited Financial Statements) are required to be submitted to the MSRB using EMMA, such list to be accompanied by copies of the related Continuing Disclosure Undertakings.

2. The Responsible Officer shall identify additional persons who will be responsible for the Procedures (“other responsible persons”), notify them of their responsibilities, and provide them with copies of the Procedures. Upon employee or officer transitions, new personnel should be advised of their responsibilities under the Procedures to ensure they understand the importance of the Procedures.
  - a. Other Responsible persons currently identified include:
    - i. Assistant Finance Officer
    - ii. Controller
    - iii. Accounting Program Manager
    - iv. Senior Accountant – Debt Service
    - v. Senior Accountant – Enterprise Fund Accounting
3. The Responsible Officer and other responsible persons shall receive appropriate training which includes the review of and familiarity with:
  - a. these Procedures,
  - b. applicable Code requirements,
  - c. tax-advantaged bonds that must be monitored,
  - d. facilities (or portions thereof) financed with proceeds of tax-advantaged bonds,
  - e. requirements contained in the Tax Certificate or other operative documents contained in the transcript, and
  - f. procedures required to correct noncompliance with Code requirements in a timely manner.
4. The Responsible Officer and other responsible persons may rely on expert outside third parties (“Third Parties”) who specialize in legal and compliance issues associated with the Rule to assist with compliance issues. Third parties may include the City’s independent Bond Counsel and Financial Advisors. Other examples of Third Parties may include the City Attorney, City staff, and Arbitrage Compliance Consultants. The Responsible Officer may engage these and other outside Third Party experts on as needed basis.

**Section 3: Annual Information Filing Requirements**

The Responsible Officer and other responsible persons shall be knowledgeable and familiar with the provisions of each Continuing Disclosure Undertaking as to the type, format and content of the financial and operating information to be included in each Annual Information Filing.

**Section 4: Annual Submission of CAFR**

Audited Financial Statements of the City are also required to be filed no later than the submission dates established under each Continuing Disclosure Undertaking. The Responsible Officer and other responsible persons shall be knowledgeable and familiar with the specific timing requirements for the filing of the City’s Comprehensive Annual Financial Report (CAFR), which include the Audited Financial Statements.

1. Not later than 210 days after the end of each fiscal year, while any bonds and related obligations covered by the rule remain outstanding, the Responsible Party shall ensure the CAFR has been submitted to the MSRB using EMMA.

2. Not less than 10 days prior to the above deadline for submission of the CAFR to the MSRB using EMMA, the Responsible Officer shall ensure the CAFR has been provided to the Mayor, City Council, and City Manager.
3. Not more than 10 days after the submission of the CAFR to the MSRB using EMMA, the Responsible Officer shall provide written confirmation that the CAFR has been properly filed.
4. In the event that the CAFR is not completed in time to submit to the MSRB using EMMA within 210 days after the end of each fiscal year, the Responsible Officer or other responsible persons will file a notice of occurrence of the Event in accordance with the policy and procedures set forth below under "Reporting of Events."

#### **Section 5: Reporting of Events**

The Rule also requires filing of a Rule 15c2-12 Event Notice upon the occurrence of certain listed events described in the Continuing Disclosure Undertakings. The Responsible Officer and other responsible persons shall review the EMMA website periodically to determine whether there have been any changes to the listed events for which a Rule 15c2-12 Event Notice is required. The Responsible Officer or other responsible persons shall provide a Rule 15c2-12 Event Notice to the MSRB using EMMA within 10 business days of occurrence of any such listed event as summarized below.

- Principal and interest payment delinquencies
- Non-payment related defaults
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions or events affecting the tax-exempt status of the security
- Modifications to rights of security holders
- Bond calls and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities
- Rating changes
- Bankruptcy, insolvency or receivership
- Merger, acquisition or sale of all issuer assets
- Appointment of successor trustee

#### **Section 6: Familiarity with the Submission Process**

The Responsible Officer or other responsible persons shall register with EMMA and review the on-line process of filing with EMMA in order to submit the required information. If the City engages the services of a dissemination agent to make required filings on behalf of the City, the Responsible Officer shall not be required to register with EMMA.

#### **Section 7: Disclosure Training for City Employees**

1. To ensure compliance with the Rule, the Responsible Officer shall develop a training process aimed at providing additional assistance in preparing required information. The training process shall be conducted at least annually in conjunction with the annual external audit processes and shall encompass a review of the City's filing requirements under its existing Continuing Disclosure Undertakings, the EMMA submission process, and an understanding of the timing

requirements necessary for full compliance. Such training may also occur in conjunction with the issuance of bonds or other obligations. Such training shall include the following:

- a. A review of these Disclosure Procedures
  - b. A review of Rule 15c2-12 Event Notice
  - c. An overview of the City's bonds and obligations
2. Upon completion of the annual training for City employees, the Responsible Officer shall complete and retain written certification that the annual disclosure training has been completed.

**Section 8: Public Statements Regarding Financial Information**

The Responsible Officer shall ensure that all statements or information relating to the City's finances and operations that is released to the public and that is reasonably expected to reach investors and the trading markets (including, without limitation, Event notices, the annual CAFR, Supplemental Financial Information, and other reports and statements of the Issuer), are complete, true, and accurate in all material aspects. The Responsible Officer and other responsible persons shall work together to ensure that all public statements and information released by the Issuer are accurate and not misleading in all material aspects and that the City complies with the applicable requirements of the Rule regarding continuing disclosure.

**Section 12: Record Retention**

The Responsible Officer, or the dissemination agent at the direction of the Responsible Officer, shall maintain records with respect to the filings with the MSRB using EMMA, including, but not limited to, EMMA posting receipts showing the dates and nature or contents or filings for each bond or obligation covered by the rule and outstanding during each fiscal year.