

New Issue - Bank Qualified

Moody's Rating: A1

*In the opinion of Gilmore & Bell, P.C., Special Tax Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Interest Portion of Basic Rent paid by the City and distributed to the registered owners of the Series 2020 Certificates (including any original issue discount properly allocable to an owner thereof) (1) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Missouri. The Series 2020 Certificates are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" in this Official Statement.*

**\$3,765,000\***

**REFUNDING CERTIFICATES OF PARTICIPATION  
(CITY OF WENTZVILLE, MISSOURI, LESSEE), SERIES 2020  
EVIDENCING A PROPORTIONATE INTEREST IN THE RIGHT TO RECEIVE BASIC RENT TO BE PAID BY  
THE CITY OF WENTZVILLE, MISSOURI  
PURSUANT TO AN ANNUALLY RENEWABLE LEASE AGREEMENT**

**Dated: Date of Original Issuance****Due: As shown on inside cover page**

The Series 2020 Certificates evidence proportionate ownership interests in the right to receive rent payments ("Basic Rent") to be paid by the City of Wentzville, Missouri (the "City") under an annually renewable Lease Purchase Agreement dated as of December 1, 2010, as supplemented and amended (the "Lease") between The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), as trustee and lessor, and the City, as lessee. The Series 2020 Certificates will be executed and delivered pursuant to a Declaration of Trust dated as of December 1, 2010, as supplemented and amended (the "Declaration") made by the Trustee.

The Series 2020 Certificates will be issued as fully registered certificates, as herein described, and, when issued, will be registered in the name of Cede & Co., as Certificate Owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2020 Certificates. Purchases of the Series 2020 Certificates will be made in book-entry only form. The Series 2020 Certificates will be issued in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Certificates purchased. See "APPENDIX C - BOOK-ENTRY ONLY SYSTEM" herein.

The Interest Portion of Basic Rent represented by the Series 2020 Certificates will be payable semiannually on February 1 and August 1, beginning on February 1, 2021. So long as DTC or its nominee, Cede & Co., is the Certificate Owner, the Principal Portion and Interest Portion of Basic Rent represented by the Series 2020 Certificates will be made by the Trustee directly to such Certificate Owner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Series 2015 Certificates (described herein), the Series 2015B Certificates (described herein), the Series 2020 Certificates and any Additional Certificates hereafter issued on a parity with the Series 2020 Certificates (collectively, the "Certificates") are payable solely from the Basic Rent payments under the Lease and certain money held by the Trustee under the Declaration. The City's obligation to pay Basic Rent and Supplemental Rent under the Lease is subject to and dependent upon annual appropriations being made by the City for such purpose. The Certificates shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction, and neither the full faith and credit nor the taxing power of the City, the State of Missouri nor any political subdivision of such state is pledged to the payment of the Series 2020 Certificates, Basic Rent or Supplemental Rent. An investment in the Series 2020 Certificates involves certain risks. Prospective purchasers should evaluate the risks of an investment in the Series 2020 Certificates before considering a purchase of the Series 2020 Certificates. See the captions "SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES" and "RISK FACTORS AND INVESTMENT CONSIDERATIONS."

The Series 2020 Certificates are offered when, as, and if issued and received by the Underwriter, subject to receipt of an approving opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Special Tax Counsel. Certain legal matters will be passed upon for the City by Lashly & Baer, P.C., St. Louis, Missouri. It is expected that the Series 2020 Certificates will be available for delivery at The Depository Trust Company in New York, New York on or about November 5, 2020.

[UNDERWRITER]

**This Official Statement is dated \_\_\_\_\_, 2020.**

\* Subject to Change

This Preliminary Official Statement and the information contained herein is subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**MATURITY SCHEDULE\***

<u>February 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u>
2030	\$ 635,000	%	%
2031	1,550,000		
2032	1,580,000		

\* Subject to Change

## REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman, or other person has been authorized by the City, the Municipal Advisor, or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Municipal Advisor, or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The information set forth herein has been furnished by the City and from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Municipal Advisor or the Underwriter. This Official Statement is not to be construed as a contract or agreement between the City or the Underwriter and the purchasers or owners of any of the Series 2020 Certificates. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that is based on the City's beliefs as well as assumptions made by and information currently available to the City. Forward-looking statements are identified by terminology such as "may," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "potential," "continues," or the negative of these terms or other comparable terminology. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Series 2020 Certificates have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

Certain persons participating in this offering may engage in transactions that maintain or otherwise affect the price of the Series 2020 Certificates. Specifically, the Underwriter may overallocate in connection with the offering, and may bid for, and purchase, the Series 2020 Certificates in the open market. The prices and other terms respecting the offering and sale of the Series 2020 Certificates may be changed from time to time by the Underwriter after the Series 2020 Certificates are released for sale, and the Series 2020 Certificates may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Series 2020 Certificates into investment accounts.

The City has deemed this Preliminary Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of such information as is permitted by Rule 15c2-12(B)(1).

**CITY OF WENTZVILLE**

**MAYOR**

Nick Guccione

**BOARD OF ALDERMEN**

Bryan Harr, *Alderman Ward 1*  
Robert Hussey, *Alderman Ward 1*  
Tricia Byrnes, *Alderman Ward 2*  
Brittany Gillett, *Alderman Ward 2*  
Michael Hays, *Alderman Ward 3*  
Matt Swanson, *Alderman Ward 3*

**CITY ADMINISTRATOR**

Douglas Lee

**DIRECTOR OF FINANCE**

Jeffrey D. Lenk

---

**CITY'S COUNSEL**

Lashly & Baer, P.C.  
St. Louis, Missouri

---

**SPECIAL TAX COUNSEL**

Gilmore & Bell, P.C.  
St. Louis, Missouri

---

**MUNICIPAL ADVISOR**

WM Financial Strategies  
St. Louis, Missouri

---

## TABLE OF CONTENTS

SUMMARY STATEMENT .....	i
INTRODUCTION.....	1
THE SERIES 2020 CERTIFICATES.....	3
SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES .....	5
RISK FACTORS AND INVESTMENT CONSIDERATIONS .....	8
THE CITY.....	13
THE CITY’S FINANCES.....	20
SOURCES OF REVENUE .....	23
DEBT OF THE CITY .....	30
THE REFUNDING .....	34
THE LEASED PROPERTY .....	35
LEGAL MATTERS .....	35
TAX MATTERS.....	35
RATING.....	37
MUNICIPAL ADVISOR.....	37
UNDERWRITING.....	38
LITIGATION.....	38
CONTINUING DISCLOSURE UNDERTAKING .....	38
CERTIFICATION OF OFFICIAL STATEMENT .....	40
MISCELLANEOUS .....	40
APPENDIX A – FINANCIAL STATEMENTS .....	A-1
APPENDIX B – DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL DOCUMENTS.....	B-1
APPENDIX C – BOOK – ENTRY ONLY SYSTEM .....	C-1

## SUMMARY STATEMENT

This Summary Statement is expressly qualified by the entire Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

- Issuer:** City of Wentzville, Missouri.
- Issue:** The Series 2020 Certificates consist of \$3,765,000\* Refunding Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2020.
- Dated Date:** The Series 2020 Certificates will be dated as of the date of delivery thereof.
- Interest Due:** Interest on the Series 2020 Certificates will be payable semiannually on February 1 and August 1, beginning on February 1, 2021.
- Principal Due:** Principal will be due annually on the Series 2020 Certificates on February 1 in the years and in the amounts shown on the inside cover page of the Official Statement.
- Prepayment:** The Series 2020 Certificates maturing on and after August 1, \_\_\_\_\_ are subject to optional prepayment prior to maturity on August 1, \_\_\_\_\_ and thereafter in whole or in part at any time in such order of maturity as designated by the City at a price of 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued thereon to the Prepayment Date.
- The Series 2020 Certificates are subject to extraordinary optional prepayment under certain conditions described under the caption “THE SERIES 2020 CERTIFICATES – Prepayment.” (See “APPENDIX B - DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL DOCUMENTS”).
- Security:** The Series 2020 Certificates represent ownership interests in Basic Rent to be paid by the City under the terms of the Lease. The City’s obligation to pay Basic Rent and other obligations of the City under the Lease are subject to and dependent upon annual appropriations being made by the City for such purpose. The Series 2020 Certificates shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction, and neither the full faith and credit nor the taxing power of the City, the State of Missouri nor any political subdivision of such state is pledged to the payment of the Series 2020 Certificates, Basic Rent or Supplemental Rent.
- Rating:** The Series 2020 Certificates are rated “A1” by Moody’s Investors Service.
- Purpose:** The Series 2020 Certificates are being issued for the purpose of providing funds which, together with other funds of the City, will be used to currently refund \$3,710,000 principal amount of outstanding Taxable Certificates of Participation (Recovery Zone Economic

Development Bonds – Direct Pay) (City of Wentzville, Missouri, Lessee), Series 2010B and to pay the costs of delivering the Series 2020 Certificates. The refunding is described in greater detail herein under the caption “THE REFUNDING.”

- Leased Property:** The Leased Property consists of a ten-acre site owned by the City and the police station located thereon. The Leased Property is described in greater detail herein under the caption “THE LEASED PROPERTY.”
- Parity Certificates:** The City’s outstanding Refunding Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2015, the Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2015B and the Refunding Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2020 and any other Additional Certificates (collectively the “Certificates”) are equally and ratably secured by the Declaration and the Leased Property, provided that the total amount of the Certificates outstanding shall not exceed \$29,000,000.
- Fiscal Year:** The City operates on a fiscal year that corresponds to a calendar year (“Fiscal Year”).
- Trustee/Paying Agent:** The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana.
- Delivery:** The Series 2020 Certificates are expected to be delivered on or about November 5, 2020.
- Book-Entry Form:** The Series 2020 Certificates will be registered in the name of Cede & Co. as nominee for the Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Series 2020 Certificates.

**OFFICIAL STATEMENT**  
**Relating to**  
**\$3,765,000\***  
**REFUNDING CERTIFICATES OF PARTICIPATION**  
**(CITY OF WENTZVILLE, MISSOURI, LESSEE), SERIES 2020**  
**EVIDENCING A PROPORTIONATE INTEREST IN THE RIGHT TO RECEIVE BASIC RENT TO BE**  
**PAID BY**  
**THE CITY OF WENTZVILLE, MISSOURI**  
**PURSUANT TO AN ANNUALLY RENEWABLE LEASE AGREEMENT**

**INTRODUCTION**

This Official Statement, including the cover page and Appendices hereto, is provided by the City of Wentzville, Missouri (the “City”) to furnish information in connection with its offering of \$3,765,000\* principal amount of Refunding Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2020 (the “Series 2020 Certificates”). The Series 2020 Certificates evidence proportionate ownership interests in the right to receive rent payments (the “Basic Rent”) to be made by the City under an annually renewable Lease Purchase Agreement dated as of December 1, 2010, as supplemented and amended (the “Original Lease” and, collectively with all subsequent amendments thereto, the “Lease”) between the Trustee, as lessor, and the City, as lessee.

The Series 2020 Certificates are being issued to currently refund \$3,710,000 principal amount of outstanding Taxable Certificates of Participation (Recovery Zone Economic Development Bonds – Direct Pay) (City of Wentzville, Missouri, Lessee), Series 2010B (the “Series 2010B Certificates”). The use of proceeds from the Series 2020 Certificates is described in greater detail herein under the caption “THE REFUNDING”.

The Series 2020 Certificates will be executed and delivered pursuant to a Declaration of Trust dated as of December 1, 2010 (the “Original Declaration” and, together with all subsequent amendments thereto, the “Declaration”), made by the Trustee, as grantor and trustee. The City has leased to the Trustee, pursuant to a Base Lease dated as of December 1, 2010 (“Base Lease”), a ten-acre site and a police station (the “Leased Property”), and the Trustee has subleased the Leased Property back to the City pursuant to the Lease. See the caption “THE LEASED PROPERTY.” The Series 2015 Certificates (described herein), the Series 2015B Certificates (described herein), the Series 2020 Certificates and any other Additional Certificates (collectively, the “Certificates”) are equally and ratably secured by the Declaration and the Leased Property, provided that the total amount of the Certificates outstanding shall not exceed \$29,000,000. See the caption “SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES – Parity Certificates.”

The Series 2020 Certificates are payable solely from Basic Rent to be paid by the City under the Lease and, to the extent received by the Trustee, net proceeds from certain insurance policies, condemnation awards or proceeds from the liquidation of the Trustee’s leasehold interest in the Leased Property. Basic Rent made by the City under the Lease is payable solely from amounts which may, but are not required to be, appropriated annually by the City and shall not constitute a debt of the City, nor has the City pledged general tax revenues, funds or money of the City to pay such obligation. Although a specific source of revenue has not been pledged to the Series 2020 Certificates, the City intends to annually appropriate and pay for the Basic Rent on the Series 2020 Certificates from the City’s Park Sales Tax and, to the extent required, from the City’s Capital Improvement Sales Tax, general fund revenues or any other funds legally available for such purpose. Neither the Series 2020 Certificates, the Lease, nor any payments required under the Lease will constitute a mandatory payment obligation of the City in any fiscal year beyond the fiscal year during which the City is a lessee under the Lease, or constitute or give rise to a general obligation or other indebtedness of the City.

\* Subject to Change



The Declaration requires the establishment of a reserve fund and accounts (collectively, the “Reserve Fund”) that shall secure each series of the Certificates. A reserve account in the amount of \$1,269,273 was established for the Series 2015 Certificates, a reserve account in the amount of \$463,000 was established for the Series 2015B Certificates and a reserve account in the amount of \$ \_\_\_\_\_ \* (10% of the principal amount of the Series 2020 Certificates) will be established for the Series 2020 Certificates. In addition, a reserve account will be established for any Additional Certificates in an amount equal to the least of (i) 10% of the principal amount of the Additional Certificates, (ii) 125% of the average annual debt service becoming due on the Additional Certificates, (iii) the maximum annual Basic Rent Payment requirements represented by the Additional Certificates (determined as of their date of issuance) or (iv) the maximum amount permitted by the Code to be deposited in a debt service reserve fund without being subject to yield restriction, but in no event shall the reserve account for any series of Additional Certificates, together with the reserve accounts for the Series 2015 Certificates, the Series 2015B Certificates, the Series 2020 Certificates and the Additional Certificates exceed the combined maximum annual debt service for the Certificates. **Money in the reserve account for a series of Certificates secures only that series of Certificates and will not be available for the payment of any other series of Certificates.**

***Series 2010A and 2010B Certificates.*** Pursuant to the Original Declaration, the City and the Trustee caused to be delivered \$5,555,000 Refunding Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2010A (Tax-Exempt) and \$3,710,000 Taxable Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2010B (Recovery Zone Economic Development Bonds – Direct Pay) (collectively, the “Series 2010 Certificates”). Simultaneously with the delivery of the Series 2010 Certificates, the City and the Trustee entered into the Base Lease and the Original Lease, pursuant to which the City agreed to pay rental payments sufficient to pay when due the Basic Rent payments related to the Series 2010 Certificates, subject to annual renewal and appropriation of rental payments by the Board of Aldermen of the City. The Series 2010A Certificates were refunded with the proceeds of the Series 2015B Certificates (described below). The Series 2010B Certificates are currently outstanding in the principal amount of \$3,710,000 and will be refunded with the proceeds of the Series 2020 Certificates.

***Series 2011 Certificates.*** Pursuant to a First Supplemental Declaration of Trust dated as of February 1, 2011, the City and the Trustee caused to be delivered \$18,900,000 Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2011 (the “Series 2011 Certificates”). Simultaneously with the delivery of the Series 2011 Certificates, the City and the Trustee entered into a First Supplemental Lease Purchase Agreement, pursuant to which the City agreed to pay rental payments sufficient to pay when due the Basic Rent payments related to the Series 2011 Certificates, subject to annual renewal and appropriation of rental payments by the Board of Aldermen of the City. The Series 2011 Certificates were refunded with the proceeds of the Series 2015 Certificates (described below).

***Series 2015 Certificates.*** Pursuant to a Second Supplemental Declaration of Trust dated as of July 15, 2015, the City and the Trustee caused to be delivered \$15,675,000 Refunding Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2015 (the “Series 2015 Certificates”). Simultaneously with the delivery of the Series 2015 Certificates, the City and the Trustee entered into a Second Supplemental Lease Purchase Agreement, pursuant to which the City agreed to pay rental payments sufficient to pay when due the Basic Rent payments related to the Series 2015 Certificates, subject to annual renewal and appropriation of rental payments by the Board of Aldermen of the City. The Series 2015 Certificates are currently outstanding in the principal amount of \$11,215,000.

***Series 2015B Certificates.*** Pursuant to a Third Supplemental Declaration of Trust dated as of November 1, 2015, the City and the Trustee caused to be delivered \$4,630,000 Refunding Certificates of Participation (City of Wentzville, Missouri, Lessee), Series 2015B (the “Series 2015B Certificates”). Simultaneously with the delivery of the Series 2015B Certificates, the City and the

Trustee entered into a Third Supplemental Lease Purchase Agreement, pursuant to which the City agreed to pay rental payments sufficient to pay when due the Basic Rent payments related to the Series 2015B Certificates, subject to annual renewal and appropriation of rental payments by the Board of Aldermen of the City. The Series 2015B Certificates are currently outstanding in the principal amount of \$885,000.

**Series 2020 Certificates.** Pursuant to a Fourth Supplemental Declaration of Trust dated as of November 1, 2020 (the “Fourth Supplemental Declaration”), the City and the Trustee will cause to be delivered the Series 2020 Certificates. Simultaneously therewith, the City and the Trustee will enter into a Fourth Supplemental Lease Purchase Agreement (the “Fourth Supplemental Lease”), pursuant to which the City will agree to pay rental payments sufficient to pay when due the Basic Rent payments related to the Series 2020 Certificates, subject to annual renewal and appropriation of rental payments by the Board of Aldermen of the City.

Certain capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings given to such terms in “APPENDIX B – DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL DOCUMENTS.” Brief descriptions of the Series 2015B Certificates, risk factors, the City, the refunding, the Leased Property, the Lease, the Declaration, the Base Lease and the Continuing Disclosure Undertaking are included in this Official Statement and the Appendices hereto. Such descriptions and summaries do not purport to be comprehensive or definitive. References herein to the Base Lease, the Lease, the Declaration, the Continuing Disclosure Undertaking and the Series 2020 Certificates are brief summaries and do not purport to be complete or definitive. Reference is hereby made to such documents in their entirety for the complete provisions thereof. Copies of such documents are available for inspection at the principal corporate trust office of the Trustee.

## **THE SERIES 2020 CERTIFICATES**

### **General Description**

The Series 2020 Certificates are dated as of the date of original issuance. The Series 2020 Certificates will mature on February 1 in each of the years and in the amounts shown on the inside cover page of this Official Statement. The Interest Portion of Basic Rent represented by the Series 2020 Certificates will be payable semiannually on February 1 and August 1, beginning on February 1, 2021.

The Series 2020 Certificates will be issued as fully registered certificates, without coupons, and, when issued, will be registered in the name of Cede & Co., as Certificate Owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Series 2020 Certificates. Purchases of the Series 2020 Certificates will be made in book-entry only form. The Series 2020 Certificates will be issued in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in the Basic Rent represented by the Series 2020 Certificates. See “APPENDIX C - BOOK-ENTRY ONLY SYSTEM” herein.

The Principal Portion of Basic Rent represented by the Series 2020 Certificates shall be payable to the registered owners thereof in lawful money of the United States of America upon presentation and surrender of such Series 2020 Certificates as they respectively become due at the principal payment office of the Trustee or such other office as the Trustee designates. The Interest Portion of Basic Rent represented by the Series 2020 Certificates shall be payable by check or draft mailed by the Trustee to the registered owner at the address appearing on the registration books maintained by the Trustee on the fifteenth day of the calendar month preceding such payment date (the “Record Date”). Upon written request at least 15 days prior to the Record Date, payments of the Interest Portion of the Basic Rent represented by any Series 2020 Certificate shall be made by electronic transfer in accordance with the Registered Owner’s electronic transfer instructions

including the bank, ABA routing number and account name and number and an acknowledgement that a transfer fee may be applicable.

### **Registration, Transfer and Exchange of Certificates Upon Discontinuance of Book-Entry Only System**

The Trustee will keep or cause to be kept at its principal corporate trust office sufficient books for registration and transfer of the Series 2020 Certificates. The person in whose name any Certificate shall be registered on the Record Date shall be deemed the owner thereof for all purposes, and payment of or on account of the Interest Portion and Principal Portion of Basic Rent represented by such Series 2020 Certificate shall be made only to or upon the order in writing of such Registered Owner, which payments shall be valid and effectual to satisfy and discharge the liability under the Lease as represented by such Certificate to the extent of the sum or sums so paid.

Any Series 2020 Certificate may be transferred upon the books required to be kept pursuant to the provisions of the Declaration by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2020 Certificate for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. The Trustee or the Securities Depository shall also require the payment by the Registered Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Series 2020 Certificates may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Series 2020 Certificates of the same maturity, interest rate and tenor. The Trustee shall require the payment by the Registered Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No exchange of any Series 2020 Certificate shall be required of the Trustee after such Series 2020 Certificate has been called for prepayment.

### **Prepayment**

#### *Optional Prepayment*

The Series 2020 Certificates maturing on and after August 1, \_\_\_\_ are subject to prepayment prior to maturity at the option of the City on August 1, \_\_\_\_ and thereafter at any time (1) in whole if the City exercises its option to purchase the Trustee's interests in the Leased Property and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable Payment Date, or (2) in part if the City prepays additional Basic Rent pursuant to the Lease. Any prepayment of the Certificates will be at a price of 100% of the Principal Portion of Basic Rent represented thereby, plus the Interest Portion of Basic Rent accrued thereon to the Prepayment Date.

#### *Extraordinary Optional Prepayment*

The Series 2020 Certificates are subject to optional prepayment prior to maturity, at any time as a whole, but not in part, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued thereon to the Prepayment Date in the event of substantial damage to or destruction or condemnation (other than by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the Constitution of Missouri or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, and the City purchases the Trustee's interest in the Leased Property pursuant to the Lease. If so called for prepayment, the Series 2020 Certificates will be subject to prepayment on the next Payment Date for which timely notice of prepayment is given as provided in the Declaration.

### *Notice of Prepayment*

Notice of prepayment shall be given by the Trustee, not less than 30 nor more than 60 days prior to the Prepayment Date, to the Owner of each Series 2020 Certificate affected at the address shown on the registration books of the Registrar on the date such notice is mailed. Each notice of prepayment will state the Prepayment Date, the place of prepayment, the Prepayment Price and that the proposed prepayment is conditioned upon there being on deposit in the applicable fund or account on the Prepayment Date sufficient money to pay the full Prepayment Price of the Series 2020 Certificates to be prepaid. Such notice will also state that the Interest Portion of Basic Rent represented by the Series 2020 Certificates designated for prepayment will cease to accrue from and after such Prepayment Date and that on that date the Prepayment Price will become due and payable on each of said Certificates. Any notice of optional prepayment may state that it is conditioned upon receipt by the Trustee of sufficient money to prepay the Series 2020 Certificates, and such notice and optional prepayment shall be of no effect if by no later than the scheduled prepayment date, sufficient money to prepay the Series 2020 Certificates is not on deposit with and available to the Trustee. The failure of the Owner of any Series 2020 Certificate to be so prepaid to receive notice of prepayment mailed as provided in the Declaration shall not affect or invalidate the prepayment of said Certificate.

### *Effect of Prepayment*

Series 2020 Certificates shall become due and payable at the Prepayment Price and the Interest Portion of Basic Rent represented by the Series 2020 Certificates so called for prepayment shall cease to accrue, following notice of prepayment as provided in the Declaration and the deposit of funds for payment of the Prepayment Price of such Series 2020 Certificates with the Trustee, on the Prepayment Date designated in such notice. Said Series 2020 Certificates shall cease to be entitled to any benefit or security under the Declaration and the Owners of such Series 2020 Certificates shall have no rights in respect thereof except to receive payment of the Prepayment Price.

## **SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES**

### **Security**

Each Series 2020 Certificate evidences ownership of a proportionate interest in payments to be made under the Lease. The Trustee is acting in a fiduciary capacity under the Declaration. The Trustee agrees to hold Basic Rent and other moneys received under the Lease in trust solely for the benefit of the Certificate Owners.

Basic Rent made by the City under the Lease is payable solely from amounts which may, but are not required to be, appropriated annually by the City and shall not constitute a debt of the City. The City has not and may not pledge general tax revenues, funds or moneys of the City to pay such obligation other than in the Fiscal Year (as defined below) in which funds have been budgeted for such payment. Neither the Series 2020 Certificates, the Lease, nor any payments required under the Lease will constitute a mandatory payment obligation of the City in any Fiscal Year beyond the Fiscal Year during which the City is a lessee under the Lease, or constitute or give rise to a general obligation or other indebtedness of the City. The current term of the Lease commenced on January 1, 2020 and ends on December 31, 2020. Under the Lease, the City has the option of extending the term of the Lease for 11 consecutive one-year terms commencing January 1, 2021, and a final renewal term commencing January 1, 2032 and ending August 2, 2032. **The City is not legally obligated to budget or appropriate money for any Fiscal Year beyond the current Fiscal Year or any subsequent Fiscal Year in which the Lease is in effect, and there can be no assurance that the City will appropriate funds to pay Basic Rent or renew the Lease beyond the expiration of the Initial Term or any Renewal Term. The City may terminate its obligations under the Lease on an annual basis.**

The payments due on the Series 2020 Certificates are to be made by the Trustee from the Basic Rent paid to the Trustee by the City pursuant to the Lease, from certain proceeds of the sale of the Series 2020 Certificates held in the Reserve Fund under the Declaration (including the amount collected as accrued interest), from certain investment proceeds earned from the investment of moneys being held in the various trust funds, as hereafter described and, to the extent received by the Trustee, Net Proceeds of certain insurance policies, condemnation awards or proceeds from the liquidation of the Trustee's interest in the Leased Property.

Subject to the provisions of the Lease, the Board of Alderman shall direct the Director of Finance or any other officer of the City at any time charged with the responsibility of formulating budget during the term of the Lease to include in each annual budget prepared and presented to the Board of Alderman as provided in the Declaration an appropriation of the amount necessary to pay Basic Rent and estimated Supplemental Rent in the next succeeding Fiscal Year.

**In the event the City fails to budget, appropriate or otherwise provide for sufficient funds to pay Basic Rent and other amounts reasonably anticipated to come due under the Lease during the immediately following Fiscal Year, the Lease will terminate at the end of the then current Fiscal Year. Upon termination of the Lease, the Series 2020 Certificates will be payable solely from moneys, if any, held by the Trustee under the Declaration and any amounts resulting from a sale or subleasing of the Trustee's leasehold interest in the Leased Property and any moneys available therefor may be less than the outstanding Principal Portion and Interest Portion of the Basic Rent represented by the Certificates. The obligation of the City to pay Basic Rent and, thus, the Series 2020 Certificates will constitute a current expense of the City and will not be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, and will not constitute a pledge of the general tax revenues, funds, properties or moneys of the City beyond any then current Fiscal Year during which the Lease is in effect. The City has no authority to levy any taxes in order to raise revenues to pay Basic Rent or Supplemental Rent.**

The Trustee does not have any obligations to make, and will not make, any payment on the Series 2020 Certificates from the Trustee's own funds.

**A prospective purchaser of the Series 2020 Certificates should be aware that there are certain risks associated with the Series 2020 Certificates. See the section herein captioned "RISK FACTORS AND INVESTMENT CONSIDERATIONS."**

### **Reserve Account**

The Declaration requires the establishment of a reserve fund and accounts (collectively, the "Reserve Fund") that shall secure each series of the Certificates. A reserve account in the amount of \$1,269,273 was established for the Series 2015 Certificates, a reserve account in the amount of \$463,000 was established for the Series 2015B Certificates and a reserve account in the amount of \$ \_\_\_\_\_\* (10% of the principal amount of the Series 2020 Certificates) will be established for the Series 2020 Certificates. In addition, a reserve account will be established for any Additional Certificates in an amount equal to the least of (i) 10% of the principal amount of the Additional Certificates, (ii) 125% of the average annual debt service becoming due on the Additional Certificates, (iii) the maximum annual Basic Rent Payment requirements represented by the Additional Certificates (determined as of their date of issuance) or (iv) the maximum amount permitted by the Code to be deposited in a debt service reserve fund without being subject to yield restriction, but in no event shall the reserve account for any series of Additional Certificates, together with the reserve accounts for the Series 2015 Certificates, the Series 2015B Certificates, the Series 2020 Certificates and the Additional Certificates exceed the combined maximum annual debt service for the Certificates.

\* Subject to Change

Except as otherwise provided in the Declaration, moneys in the Series 2020 Reserve Fund Account within the Reserve Fund shall be used solely to make up any deficiencies in the Series 2020 Lease Revenue Account of the Lease Revenue Fund. Moneys in the Series 2020 Reserve Fund Account will also be used to pay the last Series 2020 Certificates becoming due, unless such Certificates have been otherwise paid. If the moneys in the Series 2020 Lease Revenue Account of the Lease Revenue Fund are insufficient to pay the Principal Portion and the Interest Portion of Basic Rent for the Series 2020 Certificates as the same become due, the Trustee shall, without further authorization, transfer any funds available for such purpose to make Basic Rent Payments or deposits to the Series 2020 Lease Revenue Account within the Lease Revenue Fund to make such payments. (See “APPENDIX B - DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL DOCUMENTS”).

**Money in the Series 2020 Reserve Fund Account secures only the Series 2020 Certificates and will not be available for the payment of any other series of Certificates. Money in the other accounts of the Reserve Fund secure other series of Certificates and will not be available for the payment of the Series 2020 Certificates.**

### **Base Lease**

The City has, pursuant to the Base Lease, leased the Leased Property to the Trustee, as lessee. See “THE LEASED PROPERTY.” The Base Lease is for a term ending August 1, 2052 (20 years after the final maturity of the Certificates), unless sooner terminated in the event the City makes all payments required by the Lease. If an Event of Default or Event of Nonappropriation occurs under the Declaration or the Lease, the Trustee has the right to possession of the Leased Property for the remainder of the term of the Base Lease, and has the right to sublease its interest in the Base Lease upon such terms as the Trustee deems prudent. The proceeds from such sublease are required to be paid to the Trustee and applied in accordance with the Declaration. **Owners of the Series 2020 Certificates are cautioned, however, that the nature of the Leased Property may impair the Trustee’s ability to sublease the Leased Property upon the occurrence of an Event of Default or Event of Nonappropriation or to obtain an amount therefor that would be sufficient to pay the principal and interest distributable with respect to all Certificates then outstanding. See the caption “RISK FACTORS AND INVESTMENT CONSIDERATIONS – Effects of Termination of the Lease on the Series 2020 Certificates” below.**

### **Sources of Payment**

Although a specific source of revenue has not been pledged to the Series 2020 Certificates, the City intends to annually appropriate and pay for the Basic Rent on the Series 2020 Certificates from the City’s Park Sales Tax and, to the extent required, from the City’s and to the extent required the Capital Improvement Sales Tax, general fund revenues or any other funds legally available for such purpose. The City has represented in the Lease that the City reasonably believes that legally available funds can be obtained in a sufficient amount to make all payments of Basic Rent during the Initial Term and each of the Renewal Terms of the Lease.

### **Additional Parity Obligations**

The Declaration provides for the delivery of Additional Certificates on a parity with the Series 2020 Certificates. Additional information regarding the conditions under which Additional Certificates may be delivered is described in “APPENDIX B – DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL DOCUMENTS.”

## **RISK FACTORS AND INVESTMENT CONSIDERATIONS**

### **General**

The payment of the Series 2020 Certificates is subject to certain investment risks. Certain of the risks associated with purchasing the Series 2020 Certificates are outlined below. *This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive, but should be considered prior to purchasing the Series 2020 Certificates.*

### **Annual Appropriation**

The Series 2020 Certificates are payable from Basic Rent due from the City under the Lease, which payments are subject to annual appropriation. The City is not obligated to pay Basic Rent under the Lease in any Fiscal Year for which the Board of Aldermen has not appropriated such payments. Neither the Basic Rent nor any other payments under the Lease nor any payments on the Certificates constitute a general obligation or other indebtedness of the City or a mandatory payment obligation of the City.

The obligations of the City under the Lease are limited to those funds which have been specifically budgeted and appropriated annually by the Board of Aldermen for such purpose. The Certificates are payable solely from Basic Rent during the term of the Lease (except to the extent payable from the proceeds of the Series 2020 Certificates and income from the investment thereof, the Net Proceeds of certain insurance policies, condemnation awards, or proceeds from the liquidation of the Trustee's leasehold interest in the Leased Property). The City's obligations under the Lease may be terminated on an annual basis by the City without any penalty, and there is no assurance that the City will continue to make payments under the Lease beyond any current Fiscal Year.

Accordingly, the likelihood that there will be sufficient funds during the life of the Series 2020 Certificates to pay the total Principal Portion and Interest Portion of the Basic Rent represented by the Certificates is dependent upon certain factors that are beyond the control of the Certificate Owners, including (1) the continuing need of the City for property such as the Leased Property, (2) the demographic conditions within the City, (3) the economic conditions in the City that could affect sales taxes and other City revenues, (4) the ability of the City to generate sufficient funds to pay other expenses and obligations of the City, (5) e-commerce which could result in a reduction in future sales taxes, and (6) the value of the Trustee's leasehold interest in the Leased Property in a liquidation proceeding or reletting of the Leased Property instituted by the Trustee in the event of a termination of the Lease.

### **Expiration or Termination of the Lease**

If the City does not budget and appropriate, specifically with respect to the Lease, moneys sufficient to pay all Basic Rent and all other amounts due under the Lease coming due each year during the Original Term of the Lease or any Renewal Term thereof (as described under the caption "SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES – Security"), the Lease will be deemed to be terminated. The Lease is also subject to termination by the Trustee if an Event of Default has occurred and is continuing. For a discussion of the results of a termination, see the sections of "APPENDIX B – DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL DOCUMENTS" titled "SUMMARY OF THE LEASE – Nonappropriation," "SUMMARY OF THE LEASE – Remedies on Default," "SUMMARY OF THE DECLARATION OF TRUST – Acceleration" and "SUMMARY OF THE DECLARATION OF TRUST – Other Remedies."

Upon a termination of the Lease by the City or by reason of an Event of Default, the City may be required to surrender possession of the Leased Property after notice from the Trustee. Thereafter, the Trustee may enforce its interest in the Leased Property by either selling or reletting its interest.

### **Effects of Termination of the Lease on the Series 2020 Certificates**

SPECIAL TAX COUNSEL HAS RENDERED NO OPINION AS TO THE TREATMENT FOR FEDERAL AND MISSOURI INCOME TAX PURPOSES OF ANY MONEYS RECEIVED BY AN OWNER OF THE SERIES 2020 CERTIFICATES SUBSEQUENT TO TERMINATION OF THE LEASE BY REASON OF NONAPPROPRIATION OR AN EVENT OF DEFAULT. THERE IS NO ASSURANCE THAT ANY MONEYS RECEIVED BY THE OWNERS OF THE SERIES 2020 CERTIFICATES SUBSEQUENT TO SUCH TERMINATION WILL BE EXCLUDABLE FROM FEDERAL INCOME TAXATION.

Special Tax Counsel has rendered no opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to any Certificate subsequent to termination of the Term of the Lease by reason of an Event of Nonappropriation or an Event of Default. If the Initial Term or any Renewal Term is terminated by reason of such events, there is no assurance that the Series 2020 Certificates may be transferred by an Owner thereof without compliance with the registration provisions of the Securities Act of 1933, as amended or the availability of an exemption therefrom.

### **Reserve Fund**

At the time of delivery of the Series 2020 Certificates, the Series 2020 Reserve Fund Account of the Reserve Fund will be funded in an amount equal to the Reserve Fund Requirement. There can be no assurance that the amounts on deposit in the Series 2020 Reserve Fund Account of the Reserve Fund will be available if needed for payment of the Series 2020 Certificates in the full amount of the Reserve Fund Requirement because (1) of fluctuations in the market value of the securities deposited therein and/or (2) if funds are transferred to the Series 2020 Lease Revenue Account of the Lease Revenue Fund, sufficient revenues may not be available or appropriated to replenish the Series 2020 Reserve Fund Account of the Reserve Fund to the Reserve Fund Requirement. Moneys in the Series 2020 Reserve Fund Account of the Reserve Fund will be used to make all or part of the final Basic Rent Payment for the Series 2020 Certificates. **Money in the Series 2020 Reserve Fund Account secures only the Series 2020 Certificates and will not be available for the payment of any other series of Certificates. Money in the other accounts of the Reserve Fund secure other series of Certificates and will not be available for the payment of the Series 2020 Certificates.** For more information, see “SUMMARY OF THE DECLARATION OF TRUST – Reserve Fund” in APPENDIX B – DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL DOCUMENTS hereto.

### **Amendment of the Declaration, Lease and Base Lease**

Certain amendments to the Declaration, Lease and Base Lease may be made with consent of the owners of not less than a majority in principal amount of the Certificates (including any Additional Certificates which may be hereafter issued) then outstanding affected by such supplemental Declarations or supplemental leases. Such amendments may adversely affect the security of the owners of the Series 2020 Certificates.

### **Title Policy**

In 2010, in connection with the execution and delivery of the Series 2010A and the Series 2010B Certificates, the Trustee obtained a title insurance policy (the “Title Policy”) insuring the Trustee’s leasehold interest in the Leased Property. The Title Policy did not contain any liens or encumbrances that, in the opinion of the City, materially impacted the Trustee’s leasehold interest in



the Leased Property. Prior to or simultaneously with the delivery of the Series 2020 Certificates, the City will obtain an informational title commitment or ownership and encumbrance report of a title insurance company (the "Title Report"), updating the Title Policy, showing no liens or encumbrances that would, in the opinion of the City, adversely affect the marketability of the Trustee's leasehold interest in the Leased Property. Owners of the Series 2020 Certificates should be aware, however, that neither the City nor the Trustee will obtain a new title insurance policy with respect to the Leased Property in connection with the execution and delivery of the Series 2020 Certificates and there could be liens or encumbrances not shown on the Title Report that adversely affect the marketability of the Trustee's leasehold interest in the Leased Property for which a title insurance company has no liability.

### **Natural and Manmade Disasters**

Natural disasters such as a fire, flood, earthquake or tornado could damage or destroy revenue generating businesses in the City which could substantially reduce the revenues of the City and impair the City's ability to generate sufficient revenues with which to annually appropriate funds for payment of the Series 2020 Certificates.

In addition to natural disasters, terrorist activity or civil disobedience could interrupt or reduce commerce in the City thereby reducing the revenues of the City and its ability to generate sufficient revenues with which to annually appropriate funds for payment of the Series 2020 Certificates.

### **Potential Risks Relating to COVID-19**

In December 2019, a novel strain of coronavirus (which leads to the disease known as "COVID-19"), was discovered in Wuhan, China. Since that date, the virus has spread throughout the world and has been characterized by the World Health Organization as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies. In response to such expectations, President Trump on March 13, 2020, declared a "national emergency," which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. Missouri's Governor and the St. Charles County Executive may impose stay at home orders and other orders the limit business operations and public gatherings in order to limit the spread of COVID-19. Executive orders as well as policies and procedures implemented by schools and businesses could impact the employment and finances of businesses within the City. The impact that the persistence or the proliferation of COVID-19 will have on the City's finances is unknown at this time.

### **Taxability**

In the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the Interest Portion of the Basic Rent paid or to be paid on the Series 2020 Certificates is or was includible in the gross income of a Certificate Owner for federal income tax purposes, the Series 2020 Certificates are not subject to prepayment nor is the interest rate on the Series 2020 Certificates subject to adjustment. Under such circumstances, Series 2020 Certificate Owners would continue to hold their Certificates, receiving the Principal Portion and Interest Portion of Basic Rent as and when due, but would be required to include the Interest Portion of the Basic Rent in gross income for federal and Missouri income tax purposes.

## **Risk of Audit**

The Internal Revenue Service has established an ongoing program to audit tax-exempt obligations. No assurance can be given that the Internal Revenue Service will not commence an audit of the Series 2020 Certificates. Owners of the Series 2020 Certificates are advised that, if an audit of the Series 2020 Certificates were commenced, in accordance with current published procedures, the Internal Revenue Service is likely to treat the City as the taxpayer, and the Owners of the Series 2020 Certificates may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2020 Certificates during the pendency of the audit, regardless of the ultimate outcome of the audit.

## **Secondary Markets and Prices**

The Series 2020 Certificates may not be readily liquid, and no person should invest in the Series 2020 Certificates with funds such person may need to convert readily into cash. Owners of the Series 2020 Certificates should be prepared to hold their Certificates to the stated maturity date. The Underwriter will not be obligated to repurchase any of the Series 2020 Certificates, and no representation is made concerning the existence of any secondary market for the Series 2020 Certificates. No assurance can be given that any secondary market will develop following the completion of the offering of the Series 2020 Certificates and no assurance can be given that the initial offering price for the Series 2020 Certificates will continue for any period of time.

## **Investment Ratings**

The lowering or withdrawal of the investment rating initially assigned to the Series 2020 Certificates could adversely affect the market price for and the marketability of the Series 2020 Certificates.

## **Cybersecurity**

The City relies on its information systems to provide security for processing, transmission and storage of confidential personal, credit and other information. It is possible that the City's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the City and the services it provides, or the unauthorized disclosure of confidential personal, credit and other information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the City may incur significant costs to remediate possible injury to the affected persons, and the City may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the City's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

## **No Mortgage of the Leased Property**

Payment of the Principal Portion and Interest Portion of the Basic Rent represented by the Series 2020 Certificates is not secured by any deed of trust or mortgage on the Leased Property or any portion thereof, nor by any pledge of the revenues to be derived from the operation of the Leased Property. The Series 2020 Certificates are secured, however, by a pledge and assignment under the Declaration of all right, title and interest of the City in and to a leasehold estate in the Leased Property under the Base Lease for twenty years beyond the final scheduled Payment Date of the Certificates. See "APPENDIX B – DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF PRINCIPAL DOCUMENTS" herein.

## **Special Use Facility; Limited Term and Value**

Although the Trustee has the right under the Declaration and the Lease to take possession and relet the Leased Property for the remaining term of the Base Lease upon the occurrence of an Event of Lease Default, no assurance can be made that the Leased Property could generate sufficient revenues to pay the Principal Portion and Interest Portion of the Basic Rent represented by the Series 2020 Certificates upon the exercise of such remedy by the Trustee. The Base Lease extends only to August 1, 2052 and the value of the Leased Property is, as of the date of delivery of the Series 2020 Certificates, less than the principal amount of the Certificates. There can be no assurance, upon the occurrence of an Event of Default, that the then remaining term of the Base Lease would permit the Trustee to relet the Leased Property for sufficient revenues to pay the Principal Portion and Interest Portion of the Basic Rent represented by the Certificates upon the exercise of such remedy by the Trustee.

## **Enforceability**

The remedies available upon an Event of Default under the Declaration will, in many respects, be dependent upon judicial decisions which are subject to discretion and delay. Upon the occurrence of bankruptcy, under existing constitutional and statutory law and judicial decisions, including specifically, Title 11 of the United States Code, the remedies specified by the federal bankruptcy code or in the Declaration may not be readily available or may be limited. The various legal opinions to be delivered with the Series 2020 Certificates will be qualified as to the enforceability of the various legal instruments by reference to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Further, no assurance can be given that (1) a court, in the exercise of judicial discretion, would enforce these remedies in a timely manner, or (2) any money realized by the Trustee upon an exercise of any remedies would be sufficient to pay in full the principal and interest Portions of Basic Rent with respect to the Series 2020 Certificates. If such money is insufficient to pay all outstanding Series 2020 Certificates in full, the Series 2020 Certificates would be paid in part on a *pro rata* basis. Any delays in the ability of the Trustee to obtain possession of the Leased Property will, of necessity, result in delays in any payment of principal and interest Portions of Basic Rent with respect to the Series 2020 Certificates.

## **Condemnation of the Leased Property**

Under applicable Missouri law, the City has the power to condemn property for any purpose for which the City is authorized to acquire property. There is no assurance that if the City were to condemn the Trustee's interest under the Base Lease that the condemnation award would be sufficient to pay the outstanding principal of the Certificates and interest thereon. The City has agreed in the Base Lease that, in the event that the whole or any part of the Leased Property is taken by eminent domain proceedings, the interest of the Trustee shall be recognized. Under the Base Lease, the City and the Trustee have reached an agreement on the terms of the acquisition of the Leased Property at the City's option, and to the use of the Leased Property. The City has agreed that any acquisition of the Leased Property or rights to use by the City whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Basic Rent and the applicable Purchase Price (as defined and set forth in the Lease). If the City allows the Lease to expire without exercising the City's option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise the City's option to purchase at the conclusion of the maximum Term of the Lease or failure to cure an Event of Default as those terms are defined in the Lease), that action shall constitute an irrevocable determination by the City that the Leased Property is not required by the City for any public purpose for the term of the Base Lease. The enforceability of the foregoing agreements of the City has not been the subject of judicial interpretation.

## THE CITY

### General

The City is a fourth-class city and political subdivision of the State of Missouri. The City is located in St. Charles County, Missouri (the “County”), approximately 35 miles west of St. Louis, Missouri. The City encompasses 20.62 square miles. According to the U.S. Census Bureau, the City’s 2016 population was approximately 41,784. The City is within the St. Louis Metropolitan Statistical Area (the “St. Louis MSA”).

Incorporated in 1872, the City’s principal industry was historically agriculture. For several decades, the City sustained slow but steady growth, primarily in the small service, professional and retail sectors. In the early 1980s, General Motors opened a \$600 million auto assembly plant in the City. As a result, combined with overall growth in the County and the City’s convenient location at the intersection of two interstate highways, a number of other manufacturing, retail and service businesses began operations in the City. Today, the City’s economy continues to grow and diversify, with almost 600 brick-and-mortar businesses, including approximately 60 industrial and manufacturing facilities, and 250 home-based businesses.

Since 1960, the City has experienced sustained population growth. According to the U.S. Census Bureau, the City’s 2019 population was 41,784 compared to 6,896 in 2000 and 29,070 in 2010.

The City operates under a fiscal year that corresponds to the calendar year.

### Government

The legislative body of the City is the Board of Aldermen, which is comprised of six aldermen and a mayor. Two aldermen are elected from each of the City’s three wards to serve two-year terms, one-half of which expire annually.

The Mayor, elected at large to serve a four-year term, is the presiding officer of the Board of Aldermen. The Mayor may vote in the event of a tie vote by the Board of Aldermen. Additionally, the Mayor has veto power.

The City Administrator is appointed by the Mayor with the advice and consent of the Board of Aldermen. The City Administrator is the chief administrative assistant to the Mayor and is responsible for the day-to-day management of the City’s government business and staff. The City Administrator is also responsible for the hiring of non-elected City officials under policies established by the Board of Aldermen.

City functions are divided the following departments: general government, public safety, public works, community development, economic development, finance and parks and recreation. Within the general government department are the following divisions: administration, human resources, information technology and procurement. Within the public works department are the following divisions: stormwater, engineering, streets and signals, fleet, facility operations, water and wastewater. Within the community development department are the following divisions: building inspection and planning and zoning.

The City has various advisory boards and committees composed of citizens appointed by the Board of Aldermen. The advisory boards are the Planning and Zoning Commission, the Stormwater Committee, the Board of Adjustment, the Board of Appeals, the Downtown Committee, the Economic Development Council, and the Parks and Recreation Board.

## **Employees**

The City has approximately 250 full-time, 85 part-time and 203 seasonal employees. City employees are not presently represented by any collective bargaining unit.

## **Pension Plan**

The City participates in Missouri Local Government Employees' Retirement System ("LAGERS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS was created and is governed by state statute, and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the Governor of the State of Missouri.

LAGERS issues a publicly-available financial report that includes financial statements and required supplementary information. The LAGERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019 (the "2019 LAGERS CAFR") is available at <https://www.molagers.org/financial-reports>. The link to the 2019 LAGERS CAFR is provided for general background information only, and the information in the 2018 LAGERS CAFR is not incorporated by reference into this Official Statement. The 2019 LAGERS CAFR provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

For information specific to the City's participation in LAGERS, including the City's past contributions, net pension liability and related sensitivities and pension expense, see Note 10 in APPENDIX A. For additional information regarding LAGERS, see the 2019 LAGERS CAFR.

For information regarding the City's post-retirement health care benefits, see Note 11 in APPENDIX A.

## **Community Services**

### *Utilities*

Natural gas service is provided by Ameren Missouri (formerly Ameren UE) and Laclede Gas Company. Electric service is provided by Ameren Missouri and Cuivre River Cooperative. The City owns and operates a waterworks system and a sewerage system.

### *Communications and Media*

Telecommunication services are provided primarily by CenturyLink (formerly GTE Telephone Company). Residents of the City receive all St. Louis area radio stations and television channels. There are multiple newspapers circulated in the City. Cable television is provided by Charter Communications.

The St. Charles City-County Library District, a special service district governed by a separate Board of Trustees and funded with a dedicated tax levy, has library facilities located throughout the County, including two branches in the City. The library offers traditional library materials for check-out such as books, music, magazines, movies, audiobooks and video games, along with unusual items such as cake pans, fitness kits, kitchen equipment, talking books for children, book discussion kits, and telescopes. The library also offers electronic books, magazines, music,

audiobooks and a wide variety of research resources that can be downloaded or streamed from an internet-connected device in a customer's home.

### *Solid Waste Collection*

The State of Missouri Solid Waste Management Law requires cities with a population over 500 to develop, adopt and implement a solid waste management plan to ensure that all solid wastes in a community are stored, collected, transported and disposed of properly. The City contracts with a private hauler to provide solid waste collection.

### *Fire Protection*

Fire protection is provided by the Wentzville Fire Protection District. The Wentzville Fire Protection District is independent of the City, having its own officials, budgets, and powers of taxation. The Wentzville Fire Protection District operates four fire stations year round and operates 1 fire station seasonally.

### *Police Protection*

The City's Police Department provides police protection throughout the corporate limits of the City. Services are provided by approximately 75 full-time commissioned officers and 21 civilian personnel. The Police Department sponsors community service programs including the D.A.R.E. drug program, Neighborhood Watch, and other programs designed to reduce crime.

### *Recreation and Cultural Activities*

Residents of the City enjoy the best of two worlds: life in a pleasant rural community, with an excellent parks system and recreational facilities and close access to urban centers in the St. Louis Metropolitan Area. Attractions in the region include the St. Louis Zoological Park, the Missouri Botanical Garden, Six Flags St. Louis, the St. Louis Symphony and professional sports teams. Near the City's boundaries is the August A. Busch Memorial Conservation Area, which is a 16,918-acre area that includes the Weldon Spring, Howell Island and Busch Wildlife Areas that has facilities for fishing, hunting, hiking and picnicking. Approximately 20 miles from the City, located in the City of St. Charles, is the Ameristar Casino development.

The City operates 14 parks encompassing approximately 330 acres and owns approximately 87 acres of additional undeveloped land for future parks. The following is a description of the facilities located in some of the City's major parks:

- Fireman's Park offers a lighted baseball/softball field, 3-season restrooms and a pavilion.
- Memorial Park has two non-lighted basketball courts, a non-lighted baseball/softball field, a non-lighted multipurpose grass field as well as a playground with swings and a pavilion.
- Progress Park has both indoor and outdoor facilities. The outdoor facilities feature an outdoor Olympic-sized swimming pool, a lighted baseball/softball field, a non-lighted multipurpose grass field, a pavilion, playground, batting cage, picnic areas, 4-season outdoor restrooms and a non-lighted half-court basketball court. The Progress Park Recreation Center houses the indoor facilities including an indoor walking track, two fitness weight areas, a full multi-use court and a conference room. Progress Park Center is a stand-alone reception hall capable of seating 225 people.
- Rotary Park is the site of the annual County Fair and the St. Louis Renaissance Festival. This approximately 71-acre park includes over three miles of walking trails, a 5-acre lake with a fishing dock, a playground with swings and lighted sand volleyball courts. In

addition, it includes fairground facilities, two pavilions, an exhibit hall with indoor restroom facilities and an amphitheater for outdoor concerts.

- Bi-Centennial Park and Green Lantern Park are neighborhood parks. Green Lantern Park offers a full playground and a senior citizens center.
- Splash Station Aquatic Center, which opened in May 2014, features a 400-foot lazy river, a 24-foot-tall water flume, a zero-depth entry pool, a three-meter diving platform, a children's splash playground, a water bench and water basketball. The Aquatic Center also has concessions, outdoor lockers, restrooms with showers, a party pavilion, offices, storage and pump rooms.
- Heartland Park has two lighted multi-purpose synthetic turf fields as well as two non-lighted natural turf fields. It also has 4-season restrooms, a walking trail, wetlands, pavilions and a 7-acre regional detention lake. In 2018, the Jake's Field of Dreams, an all-inclusive playground, was installed.
- Peruque Valley Park features a pavilion and the "Dockler Four-Plex", a baseball/softball complex with four lighted and irrigated ball fields to accommodate youth and adult baseball and softball. This park also has four batting cages, a walking trail, 4-season restrooms, a concession building with covered outdoor dining, a 2.4-acre bio-detention lake and environmental meadows.

Currently under development is a multigenerational recreation facility (the "Recreation Facility"). The facility is expected to include an approximately 80,000 square foot building with a leisure pool, competitive pool, multiple gymnasium spaces, fitness, indoor walking/jogging track, indoor play structure, birthday party rooms and dedicated senior spaces.

The City expects the Recreation Facility to be managed by the City's Parks and Recreation Department, as described below, and to employ approximately 25 full-time-equivalent employees. Revenues will be derived from membership dues, user fees and charges, and short-term rental revenues. Although actual figures will vary depending on the final design of the Recreation Facility, competition, market demand, fees, charges and other factors, a feasibility study estimated that, initially, revenues would equal approximately \$1,535,385 and that expenses would equal approximately \$1,744,408. The City will be responsible for payment of operating expenses from operations of the facility and from other legally available funds. As described under the caption "SOURCES OF REVENUE – Other Sales Taxes – CID Sales Tax" pursuant to a development agreement a portion of the operating cost will be derived from a community improvement district sales tax and the balance will be paid by the City in an amount currently estimated at \$400,000 annually.

The City's Park and Recreation Board (the "Park Board") and the City's Parks and Recreation Department (the "Park Department") manage the City's recreation facilities. The Park Board is comprised of nine members who serve three-year staggered terms. Park Board members are selected by the Mayor with the approval of the Board of Aldermen. The Director of the Park Department, who is appointed by the Board of Aldermen, is responsible for the day-to-day management of the Park Department. The City expects the Park Department to manage the Recreation Facility.

## *Medical*

The greater St. Louis metropolitan area offers a wide range of health services and medical research facilities. Hospital and emergency services within the County are primarily provided by the Barnes-Jewish Hospital in St. Peters and the SSM St. Joseph Health Centers in St. Charles, Lake Saint Louis and Wentzville. In addition to the extensive medical services available within the region, City residents have access to the following local facilities:

*SSM Health St. Joseph Hospital – Wentzville.* This facility, originally known as the Wentzville Community Hospital, was constructed in 1986 to provide high-quality healthcare to residents in western St. Charles, Warren, Lincoln, and Montgomery counties. This facility, now known as SSM Health St. Joseph Hospital - Wentzville, specializes in behavioral health services with 77 inpatient beds. Patients with other needs have access to a 24-hour emergency department and ambulatory services, as well as convenient access to outpatient programs, including diagnostic services such as radiology, cardiology, pulmonary and rehab services. An array of smaller medical offices, specialty services, outpatient clinics, and pharmacies are located near the hospital campus along Wentzville Parkway and West Meyer Road.

*Mercy Health System.* Mercy Health Systems maintain several clinics and facilities in the City and the nearby area. In addition to these existing facilities, Mercy also owns additional undeveloped property within the City for potential future facilities and service expansions.

*Crider Health Center.* In 2008, the Four County Mental Health facility was expanded into the Crider Health Center. This health center, originally focused upon mental health needs, now provides a full continuum of health care services to Franklin, Lincoln, Warren, and St. Charles Counties. This location currently provides primary health, dental, behavioral health, crisis, and pharmacy services.

*Urgent Care Centers.* Urgent care centers are designed to provide immediate outpatient care for the treatment of acute and chronic illness and injury. While some urgent care centers may be affiliated with larger regional care systems, many are independent providers that offer a range of services. The City is home to several urgent care centers that offer a convenient option for those not wishing to schedule and wait for an available appointment at their primary care provider.

## *Education*

Public elementary and secondary education is provided by the Wentzville R-IV School District (the “School District”) which is accredited by the Missouri Department of Elementary and Secondary Education (“DESE”). “Accredited” is the highest accreditation status given by DESE. Programs offered by the School District are comprehensive with an academic curriculum encompassing several foreign languages, math, science, literature, composition and social studies. The School District offers numerous special programs such as gifted, adult education, early childhood, parents as first teachers, individualized learning center, therapeutic learning center and a comprehensive special education program. The School District operates an early childhood center, twelve elementary schools, three middle schools, three senior high schools and one alternative school. There are also several private and parochial schools within the City.

Midwest University, a private Evangelical Christian university, and a satellite campus of Lindenwood University, a private liberal arts university based in the City of St. Charles (approximately 20 miles east of the City), are located in the City. Higher education is also provided by St. Charles Community College (approximately 15 miles east of the City), by the main campus of Lindenwood University, and by the numerous institutions of higher education located in the St. Louis metropolitan area, including St. Louis University, Washington University, Webster University and the University of Missouri-St. Louis.



## Economic and Demographic Data

### *Transportation*

The City is traversed by two major highways: Interstate 70 and Interstate 64. Both interstates provide direct access to the City of St. Louis. The City is approximately 28 miles from St. Louis Lambert International Airport. In addition, the City of Chesterfield, approximately 16 miles southeast of the City, is home to the Spirit of St. Louis Airport, the Business Aviation Center of the Midwest and a port of entry for U.S. Customs. As the second busiest airport in the four-state central region encompassing Missouri, Kansas, Nebraska and Iowa, the Spirit of St. Louis Airport offers one 7,485-foot runway, one 5,000-foot runway, corporate hangers, business charter flights, five full-service Phillips Aviation Performance Centers and over 150 businesses located on-site.

### Population

The following table sets forth population statistics for the City:

<u>Year</u>	<u>Population</u>
1980	3,193
1990	5,088
2000	6,896
2010	29,070
2019	41,784

*Source: Official estimates of the United States Department of Commerce, Bureau of Census except for 2019 which is an unofficial July estimate.*

### *Economy*

The City has a diverse economic base represented by a mixture of industrial enterprises, commercial enterprises, support services and medical facilities. Fortune 500 companies with facilities located in the City include General Motors, Lear Corporation, Walmart, CVS Health and CenturyLink. There are retail areas located throughout the City including big-box retailers, strip shopping centers and numerous shops in the City's quaint central business district.

The following table sets forth information regarding the largest employers located within the City:

<u>Name</u>	<u>Product of Service</u>	<u>Number of Employees</u>
General Motors Corp.	Auto Manufacturer	4,148
Wentzville R-IV School District	Education	1,724
TVS Supply	Warehouse	550
Etrailer Corp./Bropfs Trailer Crop	Modular and Trailer Home Sales	326
City of Wentzville	Government	336
Compass Health Network	Medical Care	281
Rapid Response	Truck Shipment	265
RK Stratman Company Inc.	Silk Screening	196
SSM St. Joseph Health Center – Wentzville	Health Care	195
Lear Corporation	Automotive Seating	194

*Source: City's 2019 Comprehensive Annual Financial Statement.*

As noted in the table above, the largest private employer in the City is General Motors Corporation (“GM”). In the early 1980s, GM constructed a \$600 million assembly plant in the City. The Wentzville assembly plant is the global production site for GM’s full-size van and currently produces the Chevrolet Colorado and GMC Canyon mid-size trucks and Chevy Express and GMC Savana full-size vans.

The plant has periodically had strikes and layoffs due to the many factors that can affect spending patterns, unions and employment. It cannot be predicted whether there will be future GM strike or how the workforce at GM’s Wentzville facility will be impacted by future events.

Further information regarding recent earnings announcements and SEC filings are available at the General Motors website at <https://investor.gm.com/investor-relations>.

This year, GM commenced an approximately \$560 million expansion and renovation of the plant. The improvements include an approximately 148,000 square foot expansion and improvements to the existing plant at an estimated cost of \$48 million. In addition, the company plans to spend approximately \$512 million on new machinery, equipment, special tools and other personal property. The project is expected to be completed by December 31, 2023. GM will receive tax incentives from both the City and the State of Missouri as a result of the project.

*Employment*

According to the United States Bureau of Census, 2014-2018 American Community Survey 5-Year Estimates, the total civilian labor force of the City was 19,411 and 658 people were unemployed. This represented a 3.4% unemployment rate.

*Building and Construction Data*

The following table sets forth the number of units and value of building permits issued by the City for the past five Fiscal Years:

Fiscal Year	Residential		Commercial		Total Value
	Number of Units	Value	Number of Units	Value	
2015	676	\$149,410,908	15	\$ 42,435,480	\$191,846,388
2016	779	188,880,012	16	160,881,477	349,761,489
2017	687	177,691,152	9	48,830,875	226,522,027
2018	418	124,188,582	9	23,812,320	148,000,902
2019	558	140,692,284	10	105,560,381	246,252,665

*Source: Community Development Department.*

## Housing

The following table sets forth statistics relating to housing for the City and, for comparative purposes, St. Charles County, St. Louis MSA, and the State of Missouri:

	<u>Median Value of Owner Occupied Housing</u>	<u>% Built in 2000 or Later</u>	<u>Units Built Before 1940</u>
The City	\$220,400	79.0%	1.9%
Other Entities:			
St. Charles County	208,900	31.8	2.6
St. Louis MSA	167,700	14.9	16.7
State of Missouri	151,600	17.2	14.0

Source: U.S. Bureau of Census, 2014-2018 American Community Survey, 5 year estimates.

## Income

The following table sets forth certain income statistics for the City and, for comparative purposes, St. Charles County, St. Louis MSA, and the State of Missouri:

	<u>Per Capita Income</u>	<u>Median Family Income</u>	<u>% People Below Poverty Level</u>
The City	\$31,872	\$95,550	5.9%
Other Entities:			
St. Charles County	37,229	96,349	5.6
St. Louis MSA	34,166	79,007	11.9
State of Missouri	29,537	67,612	14.2

Source: U.S. Bureau of Census, 2014-2018 American Community Survey, 5 year estimates.

## Accounting and Reporting Practices

The accounts of the City are organized on the basis of funds and account groups, in conformance with generally accepted accounting principles applicable to governments.

The City's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Board of Aldermen annually engages an independent certified public accountant for the purpose of performing an audit of the books of account, financial records, and transactions of the City.

## **Investments**

The City's investments are in certificates of deposit, obligations of the United States Treasury and government agency securities. Most City investments are in instruments that have a maturity of less than one year to insure that surplus funds are available in the event the Board of Aldermen elects to appropriate such monies. All City deposits and investments are either insured by federal depository insurance or collateralized. Pursuant to the Missouri Revised Statutes, acceptable collateral includes obligations of the United States Treasury, United States Government agencies, State of Missouri, and local governments in Missouri with populations greater than 400,000.

## **Budget**

The City Administrator prepares an annual budget for the ensuing fiscal year. The budget is based upon information provided by the various City departments and employees. After a proposed budget is prepared, it is submitted to the Board of Aldermen for review. The Board of Aldermen may revise, alter, increase or decrease the items contained in the proposed budget, provided that total authorized expenditures from any fund do not exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. The budget is legally enacted by ordinance following public hearings on the proposed budget.

Pursuant to the Missouri Revised Statutes, the annual budget must present a complete financial plan for the ensuing fiscal year, and must include at least the following information:

- (1) A budget message describing the important features of the budget and major changes from the preceding year;
- (2) Estimated revenues to be received from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, and source;
- (3) Proposed expenditures for each department, office, commission, and other classifications for the budget year, together with a comparative statement of actual or estimated expenditures for the two years next preceding, itemized by year, fund, activity and object;
- (4) The amount required for the payment of interest, amortization, and redemption charges on debt; and
- (5) A general budget summary.

A motion from the Board of Aldermen is required to transfer budgeted amounts between funds, or to transfer substantial budgeted amounts between departments within any fund or for any revisions that would alter the total expenditures of any fund.

## The General Fund

In accordance with established accounting procedures for governmental units, the City records its financial transactions under various funds. The General Fund is the City's primary operating fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited.

The following table sets forth information extracted from the City's audited financial statements for the years 2016 through 2019:

### SUMMARY OF OPERATIONS GENERAL FUND

	Fiscal Year Ended December 31			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>REVENUES</b>				
General property and sales taxes	\$16,112,736	\$17,554,635	\$18,706,533	\$19,025,997
Licenses and permits	1,822,683	1,326,188	1,007,595	1,603,173
Intergovernmental <sup>(1)</sup>	457,882	541,491	98,293	91,232
Fines and forfeitures	674,720	680,732	781,155	693,050
Interest/Investment Income	88,618	48,786	118,178	244,782
Charges for Services	242,270	360,298	394,949	440,834
Miscellaneous	138,029	46,736	91,731	178,951
Total Revenues	<u>19,536,938</u>	<u>20,558,866</u>	<u>21,198,434</u>	<u>22,278,019</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,623,119	3,917,114	4,130,443	4,185,206
Police department	7,550,644	8,037,108	8,726,700	9,466,848
Community development	5,145,493	5,628,266	6,173,226	7,021,243
Capital outlay	263,085	24,455	—	—
Total Expenditures	<u>16,582,341</u>	<u>17,606,943</u>	<u>19,030,369</u>	<u>20,673,297</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	2,954,597	2,951,923	2,168,065	1,604,722
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	28,112	31,634	37,821	20,728
Net Operating transfers in (out) <sup>(2)</sup>	<u>(3,683,143)</u>	<u>(904,616)</u>	<u>134,286</u>	<u>(777,241)</u>
Total Other Financing Sources (Uses)	<u>(3,655,031)</u>	<u>(872,982)</u>	<u>172,107</u>	<u>(756,513)</u>
<b>Change in Fund Balance</b>	(700,434)	2,078,941	2,340,172	848,209
<b>Fund Balance – Beginning of Year</b>	<u>13,301,960</u>	<u>12,601,526</u>	<u>14,680,467</u>	<u>17,020,639</u>
<b>Fund Balance - End of Year</b>	<u>\$12,601,526</u>	<u>\$14,680,467</u>	<u>\$17,020,639</u>	<u>\$17,868,848</u>

Footnotes to Prior Page

- (1) The reduction in intergovernmental revenue beginning in 2018 is due to a change in accounting. Prior to the 2018 Fiscal Year intergovernmental revenue included the use tax which is now included with “General property and sales taxes.”
- (2) The City contributes surplus revenues from the General Fund to the Capital Project Fund to pay a portion of major capital improvements in the City. The City also finances a portion of the expenditures for the Park Fund with General Fund revenues. The large transfer out in 2016 was attributable to construction of a new City Hall.

Source: Derived from the annual financial statements of the City.

**2020 Projected General Fund Results**

The City’s Fiscal Year ends on December 31, 2020. Based on the City’s budget for the 2020 Fiscal Year and year-to-date financial results, the General Fund unassigned fund balance is projected to be approximately \$15,500,000. This includes a transfer of \$600,000 to the Park Fund. The City is carefully reviewing revenues and any need to reduce expenditures due to Covid-19; however, the impact of Covid-19 is not known at this time.

**SOURCES OF REVENUE**

**General Revenue**

The City derives its revenues from a variety of sources. The following list sets forth the primary sources of City revenues for the General Fund for the fiscal year ended December 31, 2019:

<u>Revenue Source</u>	<u>Revenues</u>	<u>Percentage of Total Revenues</u>
TAXES:		
Property Taxes	\$ 6,359,854	28.55%
Gross Receipts	3,657,470	16.42
Sales	8,968,508	40.25
Other, Penalties and Interest	40,165	0.18
[total needs to equal total taxes shown in audit]	<u>19,025,997</u>	<u>85.40</u>
LICENSES AND PERMITS	1,603,173	7.20
INTERGOVERNMENTAL	91,232	0.41
FINES AND FORFEITURES	693,050	3.11
INTEREST	244,782	1.10
CHARGES FOR SERVICE	440,834	1.98
MISCELLANEOUS	178,951	0.80
	<u>\$22,278,019</u>	<u>100.00%</u>

Source: Office of the Finance Director and audited financial statements.

The following is a summary of some of the more significant revenue sources of the City:

**Property Taxes**

The second largest source of City General Fund revenues is property taxes. Property taxes are levied against the following classifications of property: real property, personal property, railroads and utilities. During the 2019 Fiscal Year property taxes represented approximately 28.55% of total General Fund receipts.

Tax Procedures. Assessment of real property pursuant to the Constitution of Missouri requires such property to be classified in subclasses consisting of agricultural, residential or commercial, permits different assessment ratios for each subclass and requires uniformity in taxation of real

property within each subclass. Pursuant to the Constitution, agricultural property is assessed at 12% of its productivity value, residential property is assessed at 19% of true value, and commercial property is assessed at 32% of true value.

Personal property is generally assessed at 33-1/3% of book value; however, subclasses of tangible personal property are assessed at different percentages. These percentages are as follows: ½% for grain and other agricultural crops in an unmanufactured condition, 12% for livestock, farm machinery and poultry, and 5% for historic motor vehicles. With respect to personal property of the type maintained at the GM Wentzville Assembly Plant, in order to arrive at book value, the St. Charles County Assessor depreciates the property at 20% per year over 4 years and then maintains the value at 40%.

The State Tax Commission is responsible for the assessment of the distributable property of railroads, railroad cars, rolling stock, street railroads, bridges, telephone, electric power and light companies, electric transmission lines, pipeline companies, express companies and other similar public utility corporations, companies and firms, and of the aircraft of airline companies. All other real property within the City is assessed by the St. Charles County Assessor. The St. Charles County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

By statute, on January 1 in every odd-numbered year, each county assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The following table indicates the assessed valuation for the City for the past five tax years:

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
2015	\$570,131,818	\$121,979,772	\$ 692,111,590
2016	602,169,077	146,812,756	748,981,833
2017	692,019,712	176,284,875	868,304,587
2018	718,888,361	195,266,372	914,154,733
2019	812,264,059	191,767,978	1,004,032,037

*Source: Office of the County Registrar.*

The following table sets forth the estimated market value of taxable property for 2019 based on the 2019 assessed valuation and the assessment ratios described hereinbefore:

<u>Subclass</u>	<u>Assessed Valuation</u>	<u>Assessment Ratio</u>	<u>Estimated Market Value</u>
Residential Property	\$ 627,822,441	19.0%	\$3,304,328,637
Commercial Property	184,064,730	32.0	575,202,281
Agricultural Property	376,888	12.0	3,140,733
Personal Property	191,767,978	33.3	575,303,934
Total	<u>\$1,004,032,037</u>		<u>\$4,457,975,585</u>

*Source: Office of the County Registrar.*

**Tax Levies and Collection.** Not later than September 30 of each year, the Board of Aldermen sets the rate of tax for the City and files the tax rate with the St. Charles County Registrar by October 1. The Missouri State Auditor is responsible for reviewing the rate of tax to insure that it does not exceed constitutional rate limits.

Taxes are levied on all taxable real and personal property owned as of January 1 in each year. Certain properties, such as those used for charitable, education, and religious purposes, are excluded from ad valorem taxes for both real and personal property.

Payment of tax on real and personal property is due by December 31, after which date they become delinquent and accrue a penalty of one percent per month. The St. Charles County Collector deducts a commission equal to 1.5% of the taxes collected for his services. After such collections and deductions of commission, taxes are distributed to the City.

Tax Rates. The following table sets forth the City's tax rates per \$100 of equalized assessed valuation for the tax years ended December 31, 2015 through 2019:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	\$ .6873	\$ .6848	\$ .6463	\$ .6463	\$ .6123
Park	.0672	.0670	.0632	.0632	.0599
Total	<u>\$ .7545</u>	<u>\$ .7518</u>	<u>\$ .7095</u>	<u>\$ .7095</u>	<u>\$ .6722</u>

Source: Missouri State Auditor's Office annual reports on tax levies.

Collections. The following table sets forth information regarding the City's property tax collections for the past five Fiscal Years.

<u>Fiscal Year</u>	<u>Total Taxes Levied</u>	<u>Amount Collected in Year of Levy</u>	<u>Percentage Collected in Year of Levy</u>	<u>Current and Back Taxes Collected</u>	<u>Total Percentage Collected</u>
2015	\$4,964,821	\$4,680,685	94.6%	\$4,959,962	99.9%
2016	5,373,894	5,143,777	95.7	5,367,374	99.9
2017	5,877,526	5,561,812	94.6	5,869,120	99.9
2018	6,235,868	5,838,941	93.6	6,196,869	99.4
2019	6,518,807	6,101,356	93.6	6,101,356	93.6

Source: City's Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2019.

Major Taxpayers. The following table sets forth information regarding the largest taxpayers in the City based on 2019 real and personal property tax assessment:

<u>Taxpayer</u>	<u>Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
General Motors Corp <sup>(1)</sup>	Auto Assembly	\$ 71,757,235	7.15%
Union Electric	Electric Utility	6,235,215	0.62
Dierbergs of Wentzville LLC	Grocery & Retail	5,374,097	0.54
THF Wentzville Two and Three	Retail	5,292,923	0.53
THF Wentzville Dev LLC	Walmart	4,608,104	0.46
Sparrowhawk Stl. Industrial LLC	Warehouse	4,376,064	0.44
Parr Four LLC (RK Stratman)	Harley Davison Apparel	3,990,635	0.40
Etrailer Corp	Warehouse	3,812,496	0.38
Tilde Fundamental Peine Lakes			
Apartment LLC	Apartments	2,748,090	0.27
THF Two Development, Bear Creek	Retail	2,444,905	0.24
		<u>\$110,639,764</u>	<u>11.03%</u>

(1) Includes \$55,925,328 of personal property. Because personal property depreciates rapidly, this amount could be significantly lower in future years unless GM purchases additional personal property.

Source: Office of the St. Charles County Assessor.



## Gross Receipts Tax

The third largest source of General Fund revenues is the gross receipts tax which accounted for approximately 16.42% of total General Fund revenues for the 2019 Fiscal Year. The utility license tax is a 5% tax applied to the sales of commercial and domestic electricity, natural gas and telephone service.

## Sales Tax

### *General Description.*

The City's largest source of revenues is from sales taxes. Sales taxes are collected on all retail sales made in the City that are subject to taxation pursuant to the provisions of Sections 144.010 to 144.525 of the Revised Statutes of Missouri. The City levies a one percent (1.0%) sales tax for general purposes, a one-half of one percent (0.50%) sales tax for capital improvement purposes, a one-half of one percent (0.50%) sales tax for transportation purposes and a one-half of one percent (0.50%) sales tax for parks purposes. Only the City's one percent (1.0%) general sales tax is accounted for in the General Fund. The total sales tax rate imposed by the City and by overlapping taxing District is 8.450% within the City (excluding sales taxes imposed by various transportation development districts and community improvement districts in the City), which is comprised of the following:

<u>Taxing Entity</u>	<u>Tax Rate</u>
State of Missouri:	
General	3.000%
Education	1.000
Conservation	0.125
Parks/Soil	0.100
St. Charles County <sup>(1)</sup>	1.725
City of Wentzville	<u>2.500</u>
Total	<u>8.450%</u>

(1) Includes a 0.725% General sales tax, a 0.500% Transportation sales tax, a 0.250% Capital Improvement sales tax, a 0.100% Regional Parks sales tax and a 0.125% Community Services for Children sales tax.

Source: *Missouri Department of Revenue.*

### *General Sales Taxes.*

A 1% City sales tax for general revenue was authorized by the State Legislature and was imposed following a favorable vote at an election held in August of 1972. The following table sets forth the total sales tax receipts from the 1% general sales tax of the City for the years 2010 through 2014:

<u>Year</u>	<u>General Sales Tax Receipts<sup>(1)</sup></u>
2015	\$6,745,436
2016	7,223,028
2017	7,658,865
2018	7,929,095
2019	8,405,056

(1) Excludes the City's use tax.

Source: *Office of the Director of Finance.*

*Other Sales Taxes*

The following are other major sources of revenue of the City that are not accounted for as part of the General Fund:

1/2¢ Capital Improvement Sales Taxes. On November 8, 1994 voters in the City authorized a 1/2¢ sales tax for capital improvements. The City began receiving this tax in April 1995. The following table sets forth the capital improvement sales tax received by the City for the past five Fiscal Years:

<u>Year</u>	<u>Capital Improvement Sales Tax Receipts</u>
2015	\$3,372,715
2016	3,611,513
2017	3,829,432
2018	3,964,549
2019	4,202,528

*Source: Office of the Director of Finance.*

A portion of this tax is, subject to annual appropriation, used to pay the Certificates of Participation, Series 2015B.

Transportation Sales Tax. On August 3, 1999 voters authorized a 1/2¢ sales tax for transportation purposes for a period of 15 years (the “Transportation Sales Tax”). The tax was extended by voters on August 7, 2012 for 20 additional years following the original expiration date. This tax may be used exclusively for funding transportation improvements such as resurfacing of roadways, upgrading roads and construction of new roadways. The following table sets forth the transportation sales tax received by the City for the past five Fiscal Years:

<u>Year</u>	<u>Transportation Sales Tax</u>
2015	\$3,229,514
2016	3,468,410
2017	3,696,834
2018	3,780,385
2019	4,042,552

*Source: Office of the Director of Finance.*

Park Sales Tax. A 1/2¢ park sales tax was approved at an election held on August 3, 2010 which became effective on January 1, 2011. The tax may be used exclusively for funding park improvements and park operations including payment of debt service on obligations that funded (or refinanced obligations that funded) park improvements. The City intends to use a portion of the revenues from the tax to pay the debt service on the Certificates of Participation, Series 2020 and the Certificates of Participation Series 2015. The balance of the funds are expected to be spent for park operations and maintenance.

The following table sets forth the park sales tax received by the City for the past five Fiscal Years:

<u>Year</u>	<u>Park Sales Tax</u>
2015	\$3,229,372
2016	3,468,366
2017	3,696,747
2018	3,779,803
2019	4,042,551

*Source: Office of the Director of Finance.*

CID Sales Tax. In May 2019, a Community Improvement District known as the Wentzville Parkway Regional Community Improvement District (the “District”) was established encompassing approximately 311 acres along the central retail corridor in the City. It includes more than 100 businesses within the City’s largest shopping centers along with various stand-alone businesses. It is a political subdivision of the State of Missouri, formed pursuant to Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri.

The District was formed to provide a source of revenue for the acquisition, construction, maintenance and operation the new Recreation Facility and for certain improvements in connection with a new retail, commercial and entertainment area to be known as “Wentzville Bend” immediately west of the Recreation Facility. On September 10, 2019, the qualified voters within the District approved the imposition of the CID Sales Tax at a rate of one percent (1%) on all retail sales made in the District that are subject to taxation under Missouri law. The CID Sales Tax is authorized to be imposed through June 12, 2074, which is 55 years from the date of establishment of the District. The retail establishments located in the District that are subject to the tax will collect and forward the CID Sales Tax to the Missouri Department of Revenue as collection agent.

To finance the Recreation Facility, the City issued Certificates of Participation, Series 2019 (the “Series 2019 Certificates”).

Under a development agreement, the District agreed, subject to annual appropriation by its Board of Directors, to transfer to the trustee for the Series 2019 Certificates on the first day of each month 60% of the Net District Revenues, defined below, generated and received from the imposition of the CID Sales Tax within the District’s boundaries to be applied to the City’s.

In addition, the District agreed to transfer to the City 3/32 of the CID Sales Tax revenues that are intended to be used for operation and maintenance of the City Recreation Facility (currently estimated at \$400,000 annually).

“Net District Revenues” means the revenues generated and received by the District from the imposition of the CID Sales Tax *less* (a) 3/32 of the CID Sales Tax revenues that are intended to be used for operation and maintenance of the City Recreation Facility, (b) the Annual CID Administrative Deposit (i.e., an amount equal to \$20,000 for the calendar year 2020, increased by 3% in each subsequent calendar year), (c) the portion of the District’s CID Sales Tax generated and received from taxable retail sales made within the boundary of the Bend CID area, (d) any costs of collecting the CID Sales Tax retained by the Missouri Department of Revenue, (e) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (f) any sum received by the District that is the subject of a suit or other claim communicated to the District that challenges the collection of such sum until such suit or claim is resolved in favor of the District and (g) any amount set aside in escrow pursuant to Missouri law that the District reasonably believes were collected and/or paid erroneously.

Receipt of the CID Sales Tax began in March 2020. Based on monthly receipts, the City has estimated that the CID Sales Tax it receives will equal approximately \$2,500,000 for the 2020 Fiscal Year.

### **Proprietary Fund Revenues**

The City maintains several proprietary funds, including the Water Fund and Wastewater Fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Revenues for the Water Fund and for the Wastewater Fund are derived principally from fees charged to customers obtaining services from the City's Waterworks System (the "Waterworks System") and the Sewerage System (the "Sewerage System"). Revenues from the Water Fund and Wastewater Fund are used to pay operating expenses of the Waterworks System and Sewerage System and debt service on certain lease obligations of the City. Revenues from the Wastewater Fund are also used to pay debt service on revenue bonds that have a lien on the Sewerage System revenue.

### **The Hancock Amendment**

An amendment to the Missouri Constitution limiting taxation and government spending was approved by Missouri voters on November 4, 1980. This amendment limits the ability of the City to impose new or increased taxes to provide funding for the payment of governmental purposes of the City without voter approval. The amendment (popularly known as the "Hancock Amendment") limits the rate of increase and the total amount of taxes which may be imposed in any Fiscal Year, and the limit may not be exceeded without voter approval. Provisions are included in the amendment for rolling back property tax rates to produce an amount of revenue equal to that of the previous year if the definition of tax base is changed or if property is reassessed. The tax levy on the assessed valuation of new construction is exempt from this limitation. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State of Missouri to obtain voter approval in order to increase any "*tax, license or fee.*" The precise meaning and application of the phrase "*tax, license or fee*" is unclear, but decisions of the Missouri Supreme Court have indicated that it does not apply to traditionally set user fees. The limitations imposed by the Hancock Amendment restrict the City's ability to increase many but not all taxes, licenses and certain fees without obtaining voter approval.

In 2008, through the enactment of Senate Bill 711 ("SB 711"), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a political subdivision such as the City. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of the City's property tax levy if its current tax levy was less than its current tax levy ceiling, due to the City's voluntary rollback from the maximum authorized tax levy. The property tax levy is the levy actually imposed by a political subdivision while the tax rate ceiling is the maximum levy the political subdivision may impose under the provisions of the Hancock Amendment. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a political subdivision's actual property tax levy, regardless of whether that levy is at the political subdivision's tax levy ceiling. This further reduction is sometimes referred to as an "SB 711 rollback." In non-reassessment years (even-numbered years), the property tax levy may be increased to the political subdivision's tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

## DEBT OF THE CITY

### General

On August 2, 1988, an amendment to the Missouri Constitution was approved which decreased the vote required to pass a proposition to issue general obligation bonds payable from unlimited ad valorem taxes from two-thirds (2/3) to four-sevenths (4/7) of the qualified voters voting thereon for elections held at the general municipal election day, primary or general elections. A vote of two-thirds (2/3) of the qualified voters voting on the specific general obligation bond proposition is required at all other elections.

The Missouri Constitution provides that the amount of bonds payable out of tax receipts shall not exceed 10% of the total assessed valuation of the taxable property of the City. The Missouri Constitution permits the City to become indebted for an additional 10% of the value of taxable, tangible property for the purpose of acquiring rights-of-way, constructing, extending, and improving streets and avenues; and constructing, extending and improving a sanitary or storm sewer system. Lease revenue bonds payable from annual appropriations do not require voter approval and do not count against the constitutional debt limitation.

### Legal Debt Limit and Debt Margin

The following table sets forth the City's legal debt limit and debt margin:

	<u>City Purposes Basic Limit</u>	<u>Street and Sewer Additional Limit</u>
2019 Assessed Value	<u>\$1,004,032,037</u>	<u>\$1,004,032,037</u>
Debt Limit - 10% of Assessed Value	\$100,403,204	\$100,403,204
Less: General Obligation Bonds	<u>-0-</u>	<u>-0-</u>
Legal Debt Margin	<u>\$100,403,204</u>	<u>\$100,403,204</u>

### Direct and Overlapping Debt

The following table sets forth information relating to the direct and overlapping general obligation debt of the City as of August 1, 2020:

	<u>Outstanding Bonds<sup>(1)</sup></u>	<u>Percent Applicable to the City<sup>(2)</sup></u>	<u>City's Direct and Overlapping Debt</u>
City of Wentzville	\$ -0-	100.00%	\$ -0-
St. Charles County Ambulance District	47,060,000	10.52	4,950,712
St. Charles Community College	15,840,000	10.58	1,675,872
Wentzville R-IV School District	345,879,885	45.16	156,199,356
Wentzville Fire Protection District	23,800,000	50.19	<u>11,945,220</u>
Total Overlapping Debt			<u>\$174,771,160</u>

(1) This table excludes Fort Zumwalt School District, which has approximately 1% of its assessed valuation in the City.

(2) This table excludes (a) leases and other annual appropriation obligations and (b) neighborhood improvement district bonds, which are a general obligation of the issuer but are expected to be paid from special assessments and for which the issuer may not levy a general property tax without additional voter approval.

Source: Municipal Securities Rulemaking Board (EMMA) with respect to outstanding bonds and St. Charles County reports relating to assessed valuation.

## Lease and Other Obligations

### *General*

Obligations secured by annually appropriated funds do not constitute an indebtedness for purposes of any Missouri statutory or constitutional debt limit. Such obligations are payable solely from available funds of a governmental body and neither taxes nor a specific source of revenues may be pledged to make payments on such obligations. Any increase in taxes required to generate additional funds with which to make payments on such obligations would be subject to voter approval.

### *Outstanding Lease Obligations\**

The following table sets forth the City's outstanding lease obligations as of the date of delivery of the Series 2015B Certificates:

<u>Issue</u>	<u>Principal Outstanding</u>
Leasehold Revenue Refunding Bonds, Series 2008	\$ 1,410,000
Refunding Certificates of Participation, Series 2015	11,215,000
Refunding Certificates of Participation, Series 2015B	885,000
Refunding Certificates of Participation, Series 2016	1,790,000
Certificates of Participation, Series 2020	36,925,000
Refunding Certificates of Participation, Series 2020	<u>3,765,000</u>
	<u>\$55,990,000</u>

Obligations secured by annually appropriated funds do not constitute an indebtedness for purposes of any Missouri statutory or constitutional debt limit. Such obligations are payable solely from annually appropriated funds of a governmental body and neither taxes nor a specific source of revenues may be pledged to make payments on such obligations.

Payments on lease obligations may be made from any funds of the City legally available for such purpose. Subject to annual appropriation, the City intends to make lease payments on the Leasehold Revenue Refunding Bonds, Series 2011 from revenues from the Waterworks System. The City presently makes lease payments on the Series 2008 Bonds from revenues from the Capital Improvement Sales Tax; however, the City has previously made payments from the Sewerage System and may do so in the future. The City intends to make lease payments on the Series 2015B Certificates from the City's Capital Improvement Sales Tax and, to the extent required, from the City's general fund or any other funds legally available for such purpose. The City intends to annually appropriate and pay for the Series 2015 Certificates and the Series 2020 Certificates from the City's Park Sales Tax and, to the extent required, from the City's Capital Improvement Sales Tax, general fund revenues or any other funds legally available for such purpose. The City intends to make lease payments on its Series 2019 Certificates from Net District Revenues received by the City from the District pursuant to the Development Agreement and, to the extent required, from revenues generated from the City's capital improvement sales tax, general sales tax and other legally available revenue of the City.

\* Subject to Change

The City is not obligated to pay lease payments on any lease obligations in any Fiscal Year for which the City has not appropriated such payments and none of the lease constitute a general obligation or other indebtedness of the City or a mandatory payment obligation of the City.

*Debt Service \**

The following table sets forth the debt service on the City's lease obligations:

Fiscal Year	Outstanding Certificates		The 2020 Certificates *		Total Debt Service
	Principal	Interest	Principal	Interest	
2021	\$ 3,355,000	\$ 1,962,603	—	\$ 55,638	\$ 5,373,241
2022	3,135,000	1,853,609	—	75,300	5,063,909
2023	2,225,000	1,727,600	—	75,300	4,027,900
2024	2,315,000	1,636,150	—	75,300	4,026,450
2025	1,935,000	1,545,500	—	75,300	3,555,800
2026	2,015,000	1,460,350	—	75,300	3,550,650
2027	2,110,000	1,371,600	—	75,300	3,556,900
2028	2,185,000	1,289,631	—	75,300	3,549,931
2029	2,275,000	1,202,956	—	75,300	3,553,256
2030	1,760,000	1,112,569	\$ 635,000	75,300	3,582,869
2031	1,040,000	1,037,081	1,550,000	62,600	3,689,681
2032	1,090,000	985,081	1,580,000	31,600	3,686,681
2033	1,145,000	930,581	—	—	2,075,581
2034	1,200,000	873,331	—	—	2,073,331
2035	1,260,000	813,331	—	—	2,073,331
2036	1,310,000	762,931	—	—	2,072,931
2037	1,365,000	710,531	—	—	2,075,531
2038	1,420,000	655,931	—	—	2,075,931
2039	1,475,000	599,131	—	—	2,074,131
2040	1,535,000	540,131	—	—	2,075,131
2041	1,580,000	494,081	—	—	2,074,081
2042	1,630,000	446,681	—	—	2,076,681
2043	1,675,000	397,781	—	—	2,072,781
2044	1,725,000	347,531	—	—	2,072,531
2045	1,780,000	295,781	—	—	2,075,781
2046	1,835,000	240,156	—	—	2,075,156
2047	1,890,000	182,813	—	—	2,072,813
2048	1,950,000	123,750	—	—	2,073,750
2049	2,010,000	62,813	—	—	2,072,813
Total	<u>\$52,225,000</u>	<u>\$25,662,015</u>	<u>\$3,765,000</u>	<u>\$827,538</u>	<u>\$82,479,553</u>

\* Subject to Change

Although a specific source of revenue cannot be pledged to make payments on lease obligations, the following table sets forth the particular fund or revenue source from which the principal and interest payments on the City's outstanding lease obligations (including the Series 2020 Certificates) are presently expected to be paid:

<u>Fiscal Year</u>	<u>CID Sales Tax</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Capital Improvement Fund</u>	<u>Park Fund*</u>	<u>Total*</u>
2021	\$ 2,072,581	\$ 479,050	\$ 375,202	\$ 987,651	\$ 1,458,757	\$5,373,241.00
2022	2,075,831	476,150	826,487	206,622	1,478,819	5,063,909
2023	2,072,331	477,950	—	—	1,477,619	4,027,900
2024	2,072,331	474,300	—	—	1,479,819	4,026,450
2025	2,075,581	—	—	—	1,480,219	3,555,800
2026	2,076,831	—	—	—	1,473,819	3,550,650
2027	2,076,081	—	—	—	1,480,819	3,556,900
2028	2,073,331	—	—	—	1,476,600	3,549,931
2029	2,073,581	—	—	—	1,479,675	3,553,256
2030	2,076,581	—	—	—	1,506,288	3,582,869
2031	2,077,081	—	—	—	1,612,600	3,689,681
2032	2,075,081	—	—	—	1,611,600	3,686,681
2033	2,075,581	—	—	—	—	2,075,581
2034	2,073,331	—	—	—	—	2,073,331
2035	2,073,331	—	—	—	—	2,073,331
2036	2,072,931	—	—	—	—	2,072,931
2037	2,075,531	—	—	—	—	2,075,531
2038	2,075,931	—	—	—	—	2,075,931
2039	2,074,131	—	—	—	—	2,074,131
2040	2,075,131	—	—	—	—	2,075,131
2041	2,074,081	—	—	—	—	2,074,081
2042	2,076,681	—	—	—	—	2,076,681
2043	2,072,781	—	—	—	—	2,072,781
2044	2,072,531	—	—	—	—	2,072,531
2045	2,075,781	—	—	—	—	2,075,781
2046	2,075,156	—	—	—	—	2,075,156
2047	2,072,813	—	—	—	—	2,072,813
2048	2,073,750	—	—	—	—	2,073,750
2049	2,072,813	—	—	—	—	2,072,813
<b>Total</b>	<u>\$60,159,507</u>	<u>\$1,907,450</u>	<u>\$1,201,689</u>	<u>\$1,194,273</u>	<u>\$18,016,634</u>	<u>\$82,479,553</u>

\* Subject to Change



## **Other Obligations of the City**

In February 2018, the City entered into a loan with the Missouri Transportation Finance Corporation in the aggregate principal amount of \$5,000,000 for the purpose of constructing a new Interstate 70 interchange west of the existing Wentzville Parkway. The loan is at the rate of 1% and annual payments equal \$1,027,690. The final payment is due on January 1, 2025. Payments on the loan are made from the City's Transportation Sales Tax.

In addition, the City has from time to time issued notes for various purposes that are described in Note 4. to the City's financial statements included as APPENDIX A to this Official Statement.

## **Tax Abatement**

Cities, counties, towns and villages in Missouri are authorized under the Missouri Constitution and Chapter 100 of the Revised Statutes of Missouri ("Chapter 100") to issue revenue bonds to finance projects for private corporations, partnerships and individuals. When such bonds are issued, ad valorem taxes on bond-financed property may be abated so long as the bonds are outstanding. Tax abatement is also available under Missouri law for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes 10-year tax abatement pursuant to Sections 99.700 to 99.715 of the Revised Statutes of Missouri. In lieu of 10-year tax abatement, a redeveloper which is an urban redevelopment corporation formed pursuant to Chapter 353 of the Revised Statutes of Missouri may seek real property tax abatement for a total period of 25 years ("Chapter 353").

A description of the City's use of Chapter 100 and Chapter 353 tax abatement is included in Note 12 City's financial statements included as APPENDIX A to this Official Statement.

## **Future Debt**

In the future, as part of its normal capital budgeting process, the City may finance certain capital needs. Within the next four years, the City may lease finance a new Public Works Building.

## **THE REFUNDING**

### **Description**

The Series 2020 Certificates are being issued for the purpose of providing funds which, together with other funds of the City, will be used to refund \$3,710,000 principal amount of outstanding Series 2010B Certificates and to pay the costs of delivering the Series 2020 Certificates. Following the delivery of and payment for the Series 2020 Certificates, the proceeds shall be deposited with The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri and will be used to provide for the payment of the principal of and interest on the Series 2010B Certificates on February 1, 2021, the date of redemption.

## Estimated Sources and Uses of Funds\*

The estimated sources and uses of funds for the Series 2020 Certificates are set forth below:

<u>Sources of Funds</u>	
Proceeds from Series 2020 Certificates <sup>(1)</sup>	\$
Cash Contribution <sup>(2)</sup>	<u>371,000</u>
Total	<u>\$</u>
<u>Uses of Funds</u>	
For Retirement of the Series 2010B Certificates	\$
Reserve Fund <sup>(3)</sup>	376,500
Costs of Issuance	<u>          </u>
Total	<u>\$</u>

- (1) Includes the estimated Original Issue Premium and excludes the estimated Underwriter's Discount.  
(2) Represents the reserve fund established for the Series 2010B Certificates.  
(3) Will equal 10% of the principal amount.

### THE LEASED PROPERTY

The Leased Property consists of a ten-acre site owned by the City and the City's police station located thereon. The police station has a value of \$9,265,000 based on the present insured value. The building occupies approximately 21,000 square feet and was constructed in 2004.

### LEGAL MATTERS

Legal matters incident to the authorization, sale and delivery of the Series 2020 Certificates are subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Special Tax Counsel to the City. Special Tax Counsel. Special Tax Counsel has participated only in the preparation of portions of this Official Statement captioned "THE SERIES 2015B CERTIFICATES," "LEGAL MATTERS," "TAX MATTERS," "CONTINUING DISCLOSURE UNDERTAKING – Description of Undertaking" and "APPENDIX B." Special Tax Counsel accordingly expresses no opinion as to the accuracy or sufficiency of other portions of this Official Statement or as to the financial statements contained herein. Certain legal matters will be passed upon for the City by its counsel, Lashly & Baer, P.C., St. Louis, Missouri. Certain legal matters will be passed upon for the City by its counsel, Lashly & Baer, P.C., St. Louis, Missouri,

### TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2020 Certificates. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2020 Certificates as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2020 Certificates in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2020 Certificates.

## Tax Status of the Series 2020 Certificates

In the opinion of Gilmore & Bell, P.C., Special Tax Counsel to the City, under the law existing as of the issue date of the Series 2020 Certificates:

***Federal and Missouri Tax Exemption.*** The Interest Portion of Basic Rent paid by the City and distributed to the Owners of the Series 2020 Certificates (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

***Alternative Minimum Tax.*** The Interest Portion of Basic Rent is not an item of tax preference for purposes of computing the federal alternative minimum tax.

***Bank Qualification.*** The Series 2020 Certificates are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Special Tax Counsel’s opinions are provided as of the date of the original delivery of the Series 2020 Certificates, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the delivery of the Series 2020 Certificates in order that the Interest Portion of Basic Rent be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of the Interest Portion of Basic Rent in gross income for federal and Missouri income tax purposes retroactive to the date of delivery of the Series 2020 Certificates. Special Tax Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2020 Certificates but has reviewed the discussion under the heading “TAX MATTERS.”

## Other Tax Consequences

***Original Issue Discount.*** For federal income tax purposes, original issue discount (“OID”) is the excess of the stated prepayment price at maturity of a Series 2020 Certificate over its issue price. The issue price of a Series 2020 Certificate is the first price at which a substantial amount of the Series 2020 Certificates of that maturity have been sold to the public. Under Section 1288 of the Code, OID on tax-exempt obligations accrues on a compound basis. The amount of OID that accrues to an owner of a Series 2020 Certificate during any accrual period generally equals (1) the issue price of that Certificate, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any Interest Portion of Basic Rent payable on that Certificate during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Certificate. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

***Original Issue Premium.*** For federal income tax purposes, premium is the excess of the issue price of a Series 2020 Certificate over its stated redemption price at maturity. The issue price of a Series 2020 Certificate is generally the first price at which a substantial amount of the Series 2020 Certificates of that maturity have been sold to the public. Under Section 171 of the Code, the purchaser of that Certificate must amortize the premium over the term of the Series 2020 Certificates using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2020 Certificate and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2020 Certificate prior to its maturity. Even though the owner’s

basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of certificate premium.

***Sale, Exchange or Retirement of Series 2020 Certificates.*** Upon the sale, exchange or retirement (including redemption) of a Series 2020 Certificate, an owner of the Series 2020 Certificate generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2020 Certificate (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2020 Certificate. To the extent a Series 2020 Certificate is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2020 Certificate has been held for more than 12 months at the time of sale, exchange or retirement.

***Reporting Requirements.*** In general, information reporting requirements will apply to certain payments of the Principal Portion of Basic Rent, the Interest Portion of Basic Rent and premium distributed to the owners of the Series 2020 Certificates, and to the proceeds paid on the sale of the Series 2020 Certificates, other than certain exempt recipients (such as corporations and foreign entities).

A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

***Collateral Federal Income Tax Consequences.*** Prospective purchasers of the Series 2020 Certificates should be aware that ownership of the Series 2020 Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2020 Certificates. Special Tax Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2020 Certificates should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2020 Certificates, including the possible application of state, local, foreign and other tax laws.

## **RATING**

Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich, New York, New York 10007 has assigned a rating of "A1" to the Series 2020 Certificates. Such rating reflects only the view of the rating agency and any desired explanation of the significance of the rating should be obtained from the rating agency. Generally, a rating agency bases its rating on the information and material furnished to it and on investigations, studies and assumptions of its own. There is no assurance that a rating will continue for any given period of time or that such rating may not be lowered or withdrawn entirely by the rating agency. Such lowering or withdrawal may have an adverse effect on the market price of the Series 2020 Certificates.

## **MUNICIPAL ADVISOR**

WM Financial Strategies, St. Louis, Missouri, (the "Municipal Advisor") is a registered Municipal Advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor is employed by the City to render certain professional services, including advising the City on a plan of financing and assisting in preparing the Official Statement for the sale of the Series 2020 Certificates. The Municipal Advisor does not guaranty,

warrant or represent the accuracy or completeness of the information contained in this Official Statement.

## **UNDERWRITING**

\_\_\_\_\_ (the “Underwriter”) (the “Underwriter”), has agreed to purchase the Series 2020 Certificates from the City at a price equal to \$\_\_\_\_\_ (representing \$\_\_\_\_\_ original principal amount of the Series 2020 Certificates, plus a net original issue premium of \$\_\_\_\_\_, and less an underwriting discount of \$\_\_\_\_\_). The Series 2020 Certificates may be offered and sold to certain dealers and others at prices lower than the initial public offering price and such initial offering price may be changed from time to time.

## **LITIGATION**

There is not now pending or, to the City’s knowledge, threatened, any litigation seeking to restrain or enjoin or in any way limit the approval or the issuance and delivery of this Official Statement or the Series 2020 Certificates or the proceedings or authority under which they are to be issued. In addition, there is no litigation pending or, to the City’s knowledge, threatened which in any manner challenges or threatens the City’s powers to enter into or carry out the transactions contemplated by the Declaration of Trust, the Lease, the Base Lease and this Official Statement (including the ability of the City to make the Rent Payments required by the Lease).

## **CONTINUING DISCLOSURE UNDERTAKING**

### **Description of Undertaking**

In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, the City has agreed to provide the following to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”):

- (i) The City’s audited financial statements prepared in conformance with generally accepted accounting principles, as determined by the Governmental Accounting Standards Board, shall be made available on or prior to 180 days after the end of each Fiscal Year commencing with the Fiscal Year ended December 31, 2020. If audited financial statements are not available by such time, the City may submit unaudited financial statements in a format similar to the financial statements contained in this Official Statement prior to 180 days after the end of the Fiscal Year, and file the audited financial statements promptly after they become available.
- (ii) Financial and operating data generally consistent with the tables contained in this Official Statement under the captions “THE CITY’S FINANCES,” “SOURCES OF REVENUES,” and “DEBT OF THE CITY.” Such information shall be made available on or prior to 180 days after the end of each Fiscal Year commencing with the Fiscal Year ended December 31, 2020.
- (iii) Notice of the occurrence of any of the following events with respect to the Series 2020 Certificates, within 10 business days after the occurrence:
  - (1) principal and interest payment delinquencies;
  - (2) non-payment related defaults, if material;
  - (3) modifications to rights of holders of the Series 2020 Certificates, if material;
  - (4) Series 2020 Certificate calls, if material, and tender offers;

- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Forms 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020 Certificates, or other material events affecting the tax-exempt status of the Series 2020 Certificates;
- (8) unscheduled draws on debt service reserves reflecting financial difficulties;
- (9) unscheduled draws on credit enhancements reflecting financial difficulties;
- (10) substitution of credit or liquidity providers, or their failure to perform;
- (11) release, substitution or sale of property securing repayment of the Series 2020 Certificates, if material;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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 the trustee, if material;
- (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the City, 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 City, any of which reflect financial difficulties.

For purposes of (15) and (16) above, “financial obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c-12.

- (iv) Notice of a failure (of which the City has knowledge) to provide the required annual financial information on or before the date specified in its written continuing disclosure undertaking.

Notwithstanding any other provision of the Continuing Disclosure Undertaking, the City may amend the Continuing Disclosure Undertaking and any provision of the Continuing Disclosure Undertaking may be waived, provided that Special Tax Counsel or other counsel experienced in federal securities law matters provides the City with its written opinion that the undertaking of the City contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Undertaking.

The City may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the City, such other event is material with respect to the Series 2020 Certificates, but the City does not undertake to commit to provide any such notice of the occurrence of any material event except those indicated herein.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that, the City agrees that any such modification will be done in a manner consistent with the Rule as the same may be amended from time to time. The City reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above, if and when the City no longer remains an "Obligated Person" with respect to the Series 2020 Certificates within the meaning of the Rule. The City acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Series 2020 Certificates and shall be enforceable by the holders of the Series 2020 Certificates provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Series 2020 Certificates.

**Prior Compliance**

The City previously has covenanted in continuing disclosure undertakings to make available certain financial information on an ongoing basis and provide notice of certain events. Within the past five years, the City inadvertently failed to file in the proper format information relating to neighborhood improvement district special assessments collection data for the City's Fiscal Year ended December 31, 2014; however, the City's audited financial statements for that Fiscal Year were filed timely and contained substantially all of the required data. The City currently engages an independent third party to assist the City in complying with its continuing disclosure undertakings.

**CERTIFICATION OF OFFICIAL STATEMENT**

Simultaneously with the delivery of the Series 2020 Certificates, the City will furnish to the Underwriter a certificate which will state, among other things, that to the best of the City's knowledge and belief, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Series 2020 Certificates does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

**MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement between the City and the Underwriter of any of the Series 2020 Certificates. Any statement made in this Official Statement involving matters of opinion is intended merely as an opinion and not as a representation of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

CITY OF WENTZVILLE, MISSOURI

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

**APPENDIX A**

**CITY OF WENTZVILLE, MISSOURI  
FINANCIAL STATEMENTS**

**December 31, 2019**

The financial statements presented within this APPENDIX A have been extracted from the City’s comprehensive annual financial report for the year ended December 31, 2019. The report includes supplemental information and the auditor’s report which are not included herein. The financial statements of the City are prepared in conformance with generally accepted accounting principles. Copies of the comprehensive annual financial report, in its entirety, are available from the City’s at [https://www.wentzvillemo.org/departments/finance/financial\\_statements.php#](https://www.wentzvillemo.org/departments/finance/financial_statements.php#). Additionally, financial statements for prior years and the City’s budget may be obtained [https://www.wentzvillemo.org/departments/finance/financial\\_statements.php#](https://www.wentzvillemo.org/departments/finance/financial_statements.php#).

**INDEX**

Management’s Discussion and Analysis ..... A-3

Statement of Net Position ..... A-16

Statement of Activities ..... A-17

Balance Sheet - Governmental Funds..... A-18

Reconciliation of the Statement of Net Position to  
the Balance Sheet of Governmental Funds..... A-19

Statement of Revenues, Expenditures and Changes  
in Fund Balances – Governmental Funds ..... A-20

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of Governmental Funds to  
the Statement of Activities..... A-21

Statement of Net Position – Proprietary Funds ..... A-22

Statement of Revenues, Expenses and Changes in Net Position –  
Proprietary Fund ..... A-23

Statement of Cash Flows – Proprietary Fund ..... A-24

Reconciliation of Operating Income to  
Net Cash Provided by Operating Activities..... A-25

Notes to Financial Statements..... A-26

Budget and Actual – General Fund ..... A-61

Budget and Actual – Park Fund..... A-62

Budget and Actual – Transportation Fund..... A-63



Notes to Budgetary Comparison Schedules .....	A-64
Schedule of Changes in Net Other Post-Employment Benefit Liability and Related Ratios .....	A-65
Schedule of Changes in Net Pension Liability and Related Ratios - LAGERS.....	A-66
Schedule of Employer Contributions – LAGERS.....	A-67
Non Major Governmental Funds.....	A-68
Combining Balance Sheet – Nonmajor Funds .....	A-69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds.....	A-70
Budgetary Comparison Schedule – WEDC Fund .....	A-71
Budgetary Comparison Schedule – General Debt Service Fund.....	A-72
Budgetary Comparison Schedule – Park Debt Fund.....	A-73
Budgetary Comparison Schedule – Capital Improvement Fund .....	A-74

**APPENDIX B**

**[TO BE PROVIDED BY SPECIAL TAX COUNSEL]**

## APPENDIX C

### BOOK-ENTRY ONLY SYSTEM

*General.* The Series 2020 Certificates are available in book-entry only form. Purchasers of the Series 2020 Certificates will not receive Series 2020 Certificates representing their interests in the Series 2020 Certificates. Ownership interests in the Series 2020 Certificates will be available to purchasers only through a book-entry system (the “Book-Entry System”) maintained by DTC.

*The following information concerning DTC and DTC’s book-entry system has been obtained from DTC. The City (referred to in this section as the “Issuer”) takes no responsibility for the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.*

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2020 Certificates. The Series 2020 Certificates will be delivered as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be delivered for each maturity of the Series 2020 Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Series 2020 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Series 2020 Certificates representing their ownership interests in Series 2020 Certificates, except in the event that use of the book-entry system for the Series 2020 Certificates is discontinued.

4. To facilitate subsequent transfers, all Series 2020 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2020 Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2020 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2020 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2020 Certificates at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

10. The Participants holding a majority position in the Bonds may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.