PRELIMINARY OFFICIAL STATEMENT DATED JULY 18, 2012

New Issues | **Ratings: Standard & Poor's Application Made**
Moody's Investors Service Application Made

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (i) interest on the Series 2012D and 2012E Bonds is excludable from gross income of the owners thereof for federal income tax purposes and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax imposed on individuals and corporations; however, interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations, as described in the section "Tax Exemption and Related Considerations - Series 2012D and 2012E Bonds" herein. The Series 2012D and 2012E Bonds will NOT be designated as "qualified tax-exempt obligations". Interest on the Series 2012F Bonds is taxable to the holders thereof, as described in the section "Taxability of Interest – Series 2012F Bonds" herein.

CITY OF DES MOINES, IOWA

$13,210,000 General Obligation Sewer Bonds, Series 2012D
$10,825,000 General Obligation Stormwater Bonds, Series 2012E
$13,030,000* General Obligation Parking Bonds, Taxable Series 2012F

BIDS RECEIVED: Wednesday, July 25, 2012, 10:00 o'clock A.M., Central Time
AWARD: Wednesday, July 25, 2012, 4:00 o'clock P.M., Central Time

Dated: September 4, 2012 | **Principal Due:** June 1 as shown inside front cover

The $13,210,000 General Obligation Sewer Bonds, Series 2012D (the "Series 2012D Bonds") and the $10,825,000 General Obligation Stormwater Bonds, Series 2012E (the "Series 2012E Bonds") are being issued pursuant to Division III of Chapter 384 of the Code of Iowa and resolutions to be adopted by the City Council of the City of Des Moines, Iowa (the "City"). The $13,030,000* General Obligation Parking Bonds, Taxable Series 2012F (the "Series 2012F Bonds") (collectively the "Bonds") are being issued pursuant to Division III of Chapter 384 and Section 403.12 of the Code of Iowa and a resolution to be adopted by the City Council of the City. Proceeds of the Series 2012D Bonds will be used to pay costs of construction, reconstruction, repair and improvement of sanitary and storm sewers, including sewer separations, sewer linings and pump station rehabilitation. Proceeds of the Series 2012E Bonds will be used to pay costs of construction, reconstruction, repair and improvement of sanitary works and facilities useful for the collection and disposal of surface waters, and for the protection and reclamation of property from floods or high waters, including Citywide storm water, pump station rehabilitation, and Des Moines River Flood Mitigation improvements. Proceeds of the Series 2012F Bonds will be used to pay costs of aiding in the planning, undertaking and carrying out of urban renewal project activities under the authority of the Restated Urban Renewal Plan for the Metro Center Urban Renewal Project and Chapter 403 of the Code of Iowa, including those costs associated with the repair, reconstruction and improvement of City parking ramps, including but not limited to those ramps located generally at 3rd and Court Avenue and 9th and Locust Street, and the refunding and refinancing of outstanding tax-exempt parking system revenue bonds issued for such purposes to facilitate the use of committed private parking arrangements in connection with future downtown development projects. The Bonds will be general obligations of the City for which the City will pledge its power to levy direct ad valorem taxes to the repayment of the Bonds. It is anticipated that the Series 2012D Bonds, Series 2012E Bonds and the Series 2012F Bonds will be abated with net revenues from the City's Municipal Sewer Fund, Municipal Stormwater Fund and the Municipal Parking Fund, respectively.

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The City, as designated Paying Agent/Registrar (the "Registrar"), will pay principal on the Series 2012D Bonds and the Series 2012E payable annually on each June 1, beginning June 1, 2013 and on the Series 2012F Bonds payable annually on each June 1, beginning June 1, 2014 and interest on the Bonds, payable initially on June 1, 2013, and thereafter on each December 1 and June 1 to DTC which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the registrar as of the 15th day of the month preceding such interest payment date (the "Record Date").

THE BONDS WILL MATURE AS LISTED ON THE INSIDE FRONT COVER

	SERIES 2012D BONDS	SERIES 2012E BONDS	SERIES 2012F BONDS
MINIMUM BID:	$13,051,480	$10,695,100	$12,951,820
GOOD FAITH DEPOSIT:	Required of Purchaser Only.	Required of Purchaser Only.	Required of Purchaser Only.
TAX MATTERS:	See TAX EXEMPTION AND RELATED CONSIDERATIONS - SERIES 2012D AND 2012E BONDS for more details.	See TAX EXEMPTION AND RELATED CONSIDERATIONS - SERIES 2012D AND 2012E BONDS for more details.	See TAXABILITY OF INTEREST - SERIES 2012F BONDS" for more details.

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as, and if issued subject to the legal opinion of Ahlers & Cooney, P.C., Bond Counsel, of Des Moines, Iowa, to be furnished upon delivery of the Bonds. It is expected that the Bonds will be available for delivery on or about September 4, 2012. This Preliminary Official Statement will be further supplemented by offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and underwriter, together with any other information required by law, and shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in Rule 15c2-12.

* Preliminary; subject to change.

CITY OF DES MOINES, IOWA

$13,210,000 General Obligation Sewer Bonds, Series 2012D

MATURITY: June 1 as follows:

Year	Amount	Year	Amount
2013	$640,000	2023	$640,000
2014	555,000	2024	655,000
2015	100,000	2025	675,000
2016	100,000	2026	695,000
2017	100,000	2027	720,000
2018	100,000	2028	740,000
2019	1,505,000	2029	765,000
2020	1,535,000	2030	790,000
2021	605,000	2031	820,000
2022	620,000	2032	850,000

INTEREST: June 1, 2013 and semiannually thereafter.

REDEMPTION: Series 2012D Bonds due after June 1, 2020 will be subject to call on said date or on any date thereafter upon terms of par plus accrued interest to date of call.

$10,825,000 General Obligation Stormwater Bonds, Series 2012E

MATURITY: June 1 as follows:

Year	Amount	Year	Amount
2013	$335,000	2023	$535,000
2014	450,000	2024	550,000
2015	460,000	2025	565,000
2016	465,000	2026	585,000
2017	470,000	2027	600,000
2018	480,000	2028	620,000
2019	485,000	2029	640,000
2020	495,000	2030	665,000
2021	510,000	2031	685,000
2022	520,000	2032	710,000

INTEREST: June 1, 2013 and semiannually thereafter.

REDEMPTION: Series 2012E Bonds due after June 1, 2020 will be subject to call on said date or on any date thereafter upon terms of par plus accrued interest to date of call.

$13,030,000* General Obligation Parking Bonds, Taxable Series 2012F

MATURITY: June 1 as follows:

Year	Amount*	Year	Amount*
2014	$1,780,000	2018	$1,885,000
2015	1,800,000	2019	1,920,000
2016	1,825,000	2020	1,965,000
2017	1,855,000		

***PRINCIPAL ADJUSTMENT:** Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Series 2012F Bonds in such amount as may be necessary to implement the refunding of the Series 2000A Public Parking System Revenue Bonds. However, the maximum par amount will not exceed $13,500,000. Such change will be in increments of $5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

INTEREST: June 1, 2013 and semiannually thereafter.

REDEMPTION: Series 2012F Bonds are not subject to early redemption.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Municipal obligations (issued in an aggregate amount over $1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Bonds to prospective bidders in the interest of receiving competitive bids in accordance with the NOTICE OF BOND SALE and TERMS OF OFFERING contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the "Near Final Official Statement".

Review Period: This Preliminary Official Statement has been distributed to members of the legislative body and other public officials of the City as well as to prospective bidders for an objective review of its disclosure. Comments, omissions or inaccuracies must be submitted to Public Financial Management, Inc. (the "Financial Advisor") at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of the Bonds, the legislative body will authorize the preparation of a Final Official Statement that includes the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the underwriter (the "Syndicate Manager") and syndicate members. Copies of the Final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations, other than those contained in the Preliminary Official Statement. This Preliminary Official Statement does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary 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. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information of the City and other sources, which are believed to be reliable.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of the Financial Advisor payable entirely by the City is contingent upon the sale of the issues.

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City of Des Moines, Iowa

Mayor/City Council

T.M. Franklin Cownie	Mayor
Christopher J. Coleman	Council Member – At Large
Skip Moore	Council Member – At Large
Halley Griess	Council Member – Ward 1
Robert L. Mahaffey	Council Member – Ward 2
Christine Hensley	Council Member – Ward 3
Brian Meyer	Council Member – Ward 4

Administration

Richard A. Clark, City Manager
Allen McKinley, Deputy City Manager
Scott Sanders, Finance Director/Treasurer
Diane Rauh, City Clerk

Corporation Counsel

Jeffrey D. Lester

Bond Counsel

Ahlers & Cooney, P.C.
Des Moines, Iowa

Financial Advisor

Public Financial Management, Inc.
Des Moines, Iowa

NOTICE OF BOND SALE

Time and Place of Sealed Bids: Sealed bids for the sale of Bonds of the City of Des Moines, Iowa, will be received at the office of the Finance Director/Treasurer, City Hall, 400 Robert D. Ray Drive, in the City of Des Moines, Iowa (the "Issuer") before 10:00 o'clock A.M., on the 25th day of July, 2012. The bids will then be publicly opened and referred for action to the meeting of the City Council as stated below.

Manner of Bidding: Open bids will not be received. Bids will be received in any of the following methods:

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Finance Director/Treasurer, City Hall, Des Moines, Iowa

Electronic Internet Bidding: Electronic internet bids will be received at the office of the Finance Director/Treasurer, Des Moines, Iowa. The bids must be submitted through the PARITY® competitive bidding system.

Consideration of Bids: After the time for receipt of bids has passed, the close of sealed bids will be announced. Sealed bids will then be publicly opened and announced. Finally, electronic internet bids will be accessed and announced.

Sale and Award: The sale and award of the Bonds will be held at the Council Chambers, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa, at a meeting of the City Council on the above date at 4:00 o'clock P.M.

The Bonds: The Bonds to be offered are the following:

GENERAL OBLIGATION SEWER BONDS, SERIES 2012D, in the amount of $13,210,000, to be dated September 4, 2012

GENERAL OBLIGATION STORMWATER BONDS, SERIES 2012E, in the amount of $10,825,000, to be dated September 4, 2012

GENERAL OBLIGATION PARKING BONDS, TAXABLE SERIES 2012F, in the amount of $13,030,000*, to be dated September 4, 2012

(each of such series being referred to herein as the "Bonds").

Principal Adjustment*: The City reserves the right to increase or decrease the aggregate principal amount of the Taxable Series 2012F Bonds in such amount to effect the refunding of the City's Series 2000A Parking Revenue Bonds. Total principal amount will not exceed $13,500,000. Such change will be in increments of $5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

Official Statement: The Issuer has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and an Official Bid Form, which is incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the Finance Director/Treasurer, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa 50309 (telephone: 515-283-4523) or the financial consultant to the City, Public Financial Management, Inc., 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309 (telephone: 515-243-2600).

Terms of Offering: All bids shall be in conformity with and the sale shall be in accord with the Terms of Offering as set forth in the Official Statement.

Legal Opinion: Said Bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed Bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the Bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Bonds. The opinion will be printed on the back of the Bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the City Council of the City of Des Moines, Iowa.

____
City Clerk of the City of Des Moines, Iowa

Published in The Des Moines Register on________________________, 2012.

(End of Notice)

TERMS OF OFFERING

CITY OF DES MOINES, IOWA

Bids for the purchase of the General Obligation Sewer Bonds, Series 2012D (the "Series 2012D Bonds"), General Obligation Stormwater Bonds, Series 2012E (the "Series 2012E Bonds") and General Obligation Parking Bonds, Taxable Series 2012F (the "Series 2012F Bonds") (collectively the "Bonds") will be received on Wednesday, July 25, 2012 before 10:00 o'clock A.M. Central Time after which time they will be tabulated. The City Council will consider award of the Bonds at 4:00 o'clock P.M. Central Time, on the same day. Questions regarding the sale of the Bonds should be directed to the City's Financial Advisor at 515-243-2600. In addition to the provisions of the official NOTICE OF BOND SALE, this section sets forth the description of certain of the terms of the Bonds as well as the TERMS OF OFFERING with which all bidders and bid proposals are required to comply, as follows:

DETAILS OF THE SERIES 2012D BONDS

GENERAL OBLIGATION SEWER BONDS, SERIES 2012D (the "Series 2012D Bonds"), in the principal amount of $13,210,000 to be dated the date of delivery (September 4, 2012) in the denomination of $5,000 or multiples thereof, will mature June 1, as follows:

Year	Amount	Year	Amount
2013	$640,000	2023	$640,000
2014	555,000	2024	655,000
2015	100,000	2025	675,000
2016	100,000	2026	695,000
2017	100,000	2027	720,000
2018	100,000	2028	740,000
2019	1,505,000	2029	765,000
2020	1,535,000	2030	790,000
2021	605,000	2031	820,000
2022	620,000	2032	850,000

DETAILS OF THE SERIES 2012E BONDS

GENERAL OBLIGATION STORMWATER BONDS, SERIES 2012E (the "Series 2012E Bonds"), in the principal amount of $10,825,000 to be dated the date of delivery (September 4, 2012) in the denomination of $5,000 or multiples thereof, will mature June 1, as follows:

Year	Amount	Year	Amount
2013	$335,000	2023	$535,000
2014	450,000	2024	550,000
2015	460,000	2025	565,000
2016	465,000	2026	585,000
2017	470,000	2027	600,000
2018	480,000	2028	620,000
2019	485,000	2029	640,000
2020	495,000	2030	665,000
2021	510,000	2031	685,000
2022	520,000	2032	710,000

DETAILS OF THE SERIES 2012F BONDS

GENERAL OBLIGATION PARKING BONDS, TAXABLE SERIES 2012F (the "Series 2012F Bonds"), in the principal amount of $13,030,000* to be dated the date of delivery (September 4, 2012) in the denomination of $5,000 or multiples thereof, will mature June 1, as follows:

Year	Amount*	Year	Amount*
2014	$1,780,000	2018	$1,885,000
2015	1,800,000	2019	1,920,000
2016	1,825,000	2020	1,965,000
2017	1,855,000		

*Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Series 2012F Bonds in such amount as may be necessary to implement the refunding of the Series 2000A Public Parking System Revenue Bonds. However, the maximum par amount will not exceed $13,500,000. Such change will be in increments of $5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

OPTIONAL REDEMPTION OF THE SERIES 2012D AND SERIES 2012E BONDS

The Series 2012D and the Series 2012E Bonds due after June 1, 2020 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Series 2012D and the Series 2012E Bonds to be redeemed at the address shown on the registration books.

OPTIONAL REDEMPTION OF THE SERIES 2012F BONDS

The Series 2012F Bonds are not subject to early redemption.

INTEREST ON THE BONDS

Interest on the Bonds will be payable on June 1, 2013 and semiannually on the 1st day of December and June thereafter. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

GOOD FAITH DEPOSITS

A good faith deposit in the amount of $132,100 for the Series 2012D Bonds (the "Series 2012D Deposit"), $108,250 for the Series 2012E Bonds (the "Series 2012E Deposit") and $130,300 for the Series 2012F Bonds (the "Series 2012F Deposit") is required from the lowest bidder only of each series of the Bonds. The lowest bidder for each series of the Bonds is required to submit such deposit payable to the order of the City in the form of either (i) a cashier's check provided to the City or its Financial Advisor prior to the opening of bids or (ii) a wire transfer as instructed by the City's Financial Advisor not later than 12:00 P.M. Central Time on the day of sale of the Bonds. If not so received, the bid of the lowest bidder may be rejected and the City may direct the second lowest bidder to submit a deposit and thereafter may award the sale of the respective bond issue to the same. No interest on a deposit will accrue to the successful bidder(s) ("Purchaser(s)"). Deposits will be applied to the purchase price of each respective series of Bonds. In the event a Purchaser(s) fails to honor its accepted bid proposal, the respective deposit will be retained by the City.

FORM OF BIDS AND AWARD

All bids shall be unconditional for each series of the Bonds for a price not less than $13,051,480 for the Series 2012D Bonds, $10,695,100 for the Series 2012E Bonds and $12,951,820 for the Series 2012F Bonds, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth under the "RATES OF INTEREST" section below. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORM provided by the City. The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (the "TIC") basis assuming compliance with the "GOOD FAITH DEPOSITS" section. The TIC shall be determined by the present value method, i.e., by ascertaining the semiannual rate, compounded semiannually, necessary to discount to present value as of the dated date of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest, which is twice the semiannual rate so ascertained (also known as the Canadian Method). The TIC shall be as determined by the Financial Advisor based on the TERMS OF OFFERING and all amendments, and on the bids as submitted. The Financial Advisor's computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

RATES OF INTEREST

Considering each series separately, the rates of interest specified in the bidder's proposal must conform to the following limitations:

1. For each respective series, each annual maturity must bear a single rate of interest from the dated date of the Bonds to the date of maturity.

2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.

3. For each respective series, each rate of interest specified for any annual maturity shall not be less than a rate of interest specified for any earlier maturity. Rates must be level or in ascending order.

RECEIPT OF BIDS

<u>Forms of Bids</u>: Bids must be submitted on or in substantial compliance with the NOTICE OF BOND SALE, TERMS OF OFFERING and OFFICIAL BID FORMS provided by the City or through PARITY® competitive bidding system (the "Internet Bid System"). The City shall not be responsible for malfunction or mistake made by any person, or as a result of the use of the electronic bid or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the NOTICE OF BOND SALE. The time as maintained by the Internet Bid System as defined below shall constitute the official time with respect to all bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

<u>Sealed Bidding</u>: Sealed bids may be submitted and will be received at the office of the City Finance Director/Treasurer, City of Des Moines, 400 Robert D. Ray Drive, Des Moines, Iowa 50309.

<u>Electronic Internet Bidding</u>: Electronic internet bids must be submitted through the Internet Bid System. Information about the Internet Bid System may be obtained by calling 212-404-8102.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its Internet bid in a timely manner and in compliance with the requirements of the TERMS OF OFFERING and OFFICIAL BID FORMS. The City is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the Internet bidding and the Internet Bid System is not an agent of the City. Provisions of the TERMS OF OFFERING, NOTICE OF BOND SALE and OFFICIAL BID FORMS shall control in the event of conflict with information provided by the Internet Bid System.

BOOK-ENTRY-ONLY ISSUANCE

The Bonds will be issued by means of a book-entry only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The Purchaser(s), as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC.

MUNICIPAL BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser(s). Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser(s), except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser(s). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser(s) shall not constitute cause for failure or refusal by the Purchaser(s) to accept delivery on the Bonds. The City reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser.

DELIVERY

The Bonds will be delivered to the Purchaser(s) through DTC in New York, New York, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from date of sale for any reason except failure of performance by a Purchaser(s), the Purchaser(s) may withdraw their bid and thereafter their interest in and liability for the Bonds will cease. When the Bonds are ready for delivery, the City may give the Purchaser(s) five working days notice of the delivery date and the City will expect payment in full on that date, otherwise reserving the right of its option to determine that the Purchaser(s) has failed to comply with the offer of purchase.

INFORMATION FROM PURCHASER(S)

The Purchaser(s) will be required to certify to the City immediately after the opening of bids: (i) the initial public offering price of each maturity of the Bonds (not including sales to bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds (not less than 10% of each maturity) were sold to the public; or (ii) if less than 10% of any maturity has been sold, the price for that maturity determined as of the time of the sale based upon the reasonably expected initial offering price to the public; and (iii) that the initial public offering price does not exceed their fair market value of the Bonds on the sale date. The Purchaser(s) will also be required to provide a certificate at closing confirming the information required by this paragraph.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement when further supplemented with maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a Final Official Statement of the City with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Bonds to any underwriter or underwriting syndicate submitting an OFFICIAL BID FORM therefore, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which each series of the Bonds are awarded up to 25 copies for the Series 2012D Bonds, up to 25 copies for the Series 2012E Bonds and up to 25 copies for the Series 2012F Bonds of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to the Participating Underwriter. Any underwriter executing and delivering an OFFICIAL BID FORM with respect to the Bonds agrees thereby that if its bid is accepted by the City, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CONTINUING DISCLOSURE

In order to assist bidders in complying with paragraph (b)(5) of the Rule, the City will undertake, pursuant to the resolutions for the Bonds and the Continuing Disclosure Certificate for the Bonds, to provide certain annual financial information and notices of the occurrence of certain material events. A description of these undertakings is set forth in APPENDIX C of this Preliminary Official Statement. The City will deliver the Continuing Disclosure Certificate at closing, and any failure on the part of the City to deliver the same shall relieve the Purchaser(s) of its obligation to purchase the Bonds. The City has complied in all material respects with its previous undertakings under the Rule.

CUSIP NUMBERS

It is anticipated that the Committee on Uniform Security Identification Procedures ("CUSIP") numbers will be printed on the Bonds and the Purchaser(s) must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Financial Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser(s) to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL
Diane Rauh, City Clerk
City of Des Moines
400 Robert D. Ray Drive
Des Moines, Iowa 50309

SCHEDULE OF BOND YEARS

$13,210,000
CITY OF DES MOINES, IOWA
General Obligation Sewer Bonds, Series 2012D

Bonds Dated: September 4, 2012
Interest Due: June 1, 2013 and each December 1 and June 1 to maturity
Principal Due: June 1, 2013-2032

Year	Principal	Bond Years	Cumulative Bond Years
2013	$640,000	474.67	474.67
2014	555,000	966.63	1,441.29
2015	100,000	274.17	1,715.46
2016	100,000	374.17	2,089.63
2017	100,000	474.17	2,563.79
2018	100,000	574.17	3,137.96
2019	1,505,000	10,146.21	13,284.17
2020	1,535,000	11,883.46	25,167.63
2021	605,000	5,288.71	30,456.33
2022	620,000	6,039.83	36,496.17
2023	640,000	6,874.67	43,370.83
2024	655,000	7,690.79	51,061.63
2025	675,000	8,600.63	59,662.25
2026	695,000	9,550.46	69,212.71
2027	720,000	10,614.00	79,826.71
2028	740,000	11,648.83	91,475.54
2029	765,000	12,807.38	104,282.92
2030	790,000	14,015.92	118,298.83
2031	820,000	15,368.17	133,667.00
2032	850,000	16,780.42	150,447.42

Average Maturity (dated date): 11.389 Years

SCHEDULE OF BOND YEARS

$10,825,000
CITY OF DES MOINES, IOWA
General Obligation Stormwater Bonds, Series 2012E

Bonds Dated: September 4, 2012
Interest Due: June 1, 2013 and each December 1 and June 1 to maturity
Principal Due: June 1, 2013-2032

Year	Principal	Bond Years	Cumulative Bond Years
2013	$335,000	248.46	248.46
2014	450,000	783.75	1,032.21
2015	460,000	1,261.17	2,293.38
2016	465,000	1,739.88	4,033.25
2017	470,000	2,228.58	6,261.83
2018	480,000	2,756.00	9,017.83
2019	485,000	3,269.71	12,287.54
2020	495,000	3,832.13	16,119.67
2021	510,000	4,458.25	20,577.92
2022	520,000	5,065.67	25,643.58
2023	535,000	5,746.79	31,390.38
2024	550,000	6,457.92	37,848.29
2025	565,000	7,199.04	45,047.33
2026	585,000	8,038.88	53,086.21
2027	600,000	8,845.00	61,931.21
2028	620,000	9,759.83	71,691.04
2029	640,000	10,714.67	82,405.71
2030	665,000	11,798.21	94,203.92
2031	685,000	12,838.04	107,041.96
2032	710,000	14,016.58	121,058.54

Average Maturity (dated date): 11.183 Years

SCHEDULE OF BOND YEARS

$13,030,000 *
CITY OF DES MOINES, IOWA
General Obligation Parking Bonds Bonds, Taxable Series 2012F

Bonds Dated: September 4, 2012
Interest Due: June 1, 2013 and each December 1 and June 1
Principal Due: June 1, 2014-2020

Year	Principal *	Bond Years	Cumulative Bond Years
2014	$1,780,000	3,100.17	3,100.17
2015	1,800,000	4,935.00	8,035.17
2016	1,825,000	6,828.54	14,863.71
2017	1,855,000	8,795.79	23,659.50
2018	1,885,000	10,823.04	34,482.54
2019	1,920,000	12,944.00	47,426.54
2020	1,965,000	15,212.38	62,638.92

Average Maturity (dated date): 4.807 Years

* Preliminary; subject to change.

OFFICIAL STATEMENT

CITY OF DES MOINES, IOWA

$13,210,000 General Obligation Sewer Bonds, Series 2012D
$10,825,000 General Obligation Stormwater Bonds, Series 2012E
$13,030,000* General Obligation Parking Bonds, Taxable Series 2012F

INTRODUCTION

This Official Statement contains information relating to the City of Des Moines, Iowa (the "City") and its issuance of $13,210,000 General Obligation Sewer Bonds, Series 2012D (the "Series 2012D Bonds"), $10,825,000 General Obligation Stormwater Bonds, Series 2012E (the "Series 2012E Bonds") and $13,030,000* General Obligation Parking Bonds, Taxable Series 2012F (the "Series 2012F Bonds") (collectively the "Bonds"). This Preliminary Official Statement has been executed on behalf of the City by its Finance Director/Treasurer and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries may be directed to Public Financial Management, Inc., 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309, or by telephoning 515-243-2600. Information can also be obtained from Mr. Scott Sanders, Finance Director/Treasurer, City of Des Moines, 400 Robert D. Ray Drive, Des Moines, Iowa, 50309, or by telephoning 515-283-4523.

AUTHORITY AND PURPOSE

The Series 2012D Bonds are being issued pursuant to Division III of Chapter 384 of the Code of Iowa, and a resolution to be adopted by the City. Proceeds of the Series 2012D Bonds will be used to pay costs of construction, reconstruction, repair and improvement of sanitary and storm sewers, including sewer separations, sewer linings and pump station rehabilitation. The Series 2012E Bonds are being issued pursuant to Division III Chapter 384 of the Code of Iowa, and a resolution to be adopted by the City. Proceeds of the Series 2012E Bonds will be used to pay costs of construction, reconstruction, repair and improvement of sanitary works and facilities useful for the collection and disposal of surface waters, and for the protection and reclamation of property from floods or high waters, including Citywide storm water, pump station rehabilitation, and Des Moines River Flood Mitigation improvements. The Series 2012F Bonds are being issued pursuant to Chapter 384 and Section 403.12 of the Code of Iowa, and a resolution to be adopted by the City. Proceeds of the Series 2012F Bonds will be used to pay costs of aiding in the planning, undertaking and carrying out of urban renewal project activities under the authority of the Restated Urban Renewal Plan for the Metro Center Urban Renewal Project and Chapter 403 of the Code of Iowa, including those costs associated with the repair, reconstruction and improvement of City parking ramps, including but not limited to those ramps located generally at 3rd and Court Avenue and 9th and Locust Street, and the refunding and refinancing of outstanding tax-exempt parking system revenue bonds issued for such purposes to facilitate the use of committed private parking arrangements in connection with future downtown development projects.

The estimated Sources and Uses of the Bonds are as follows:

Sources of Funds	Series 2012D Bonds	Series 2012E Bonds	Series 2012F Bonds
Par Amount of Bonds	$13,210,000.00	$10,825,000.00	$13,030,000.00*
Existing Debt Reserve Fund	0.00	0.00	1,954,500.00
Total Funds	$13,210,000.00	$10,825,000.00	$14,984,500.00*
Uses of Funds			
Deposit to Project Fund	$13,000,000.00	$10,650,000.00	$14,855,000.00
Underwriter's Discount	158,520.00	129,900.00	78,180.00
Cost of Issuance & Contingency	51,480.00	45,100.00	51,320.00
Total Uses	$13,210,000.00	$10,825,000.00	$14,984,500.00*

* Preliminary; subject to change.

OPTIONAL REDEMPTION OF THE SERIES 2012D AND THE SERIES 2012E BONDS

The Series 2012D and the Series 2012E Bonds due after June 1, 2020 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Series 2012D and the Series 2012E Bonds to be redeemed at the address shown on the registration books.

OPTIONAL REDEMPTION OF THE SERIES 2012F BONDS

The Series 2012F Bonds are not subject to early redemption.

INTEREST

Interest on the Bonds will be payable on June 1, 2013 and semiannually on the 1st day of December and June thereafter. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

PAYMENT OF AND SECURITY FOR THE BONDS

The Bonds are general obligations of the City and the unlimited taxing powers of the City are irrevocably pledged for their payment. It is the present intent of the City that, upon issuance of the Bonds and each year thereafter through final maturity, the City will transfer from the net revenues of the Sewer Fund, Stormwater Fund and Parking Fund to the Debt Service Fund amounts sufficient to provide 100% of annual principal and interest due on the respective Bonds. If, however, the amount credited to the debt service fund for payment of the Bonds from said revenue funds is insufficient to pay principal and interest, City will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due on all Bonds. Should the amount credited to the debt service fund be insufficient to pay principal and interest due on the Bonds, whether from transfers or from levies, the City must use funds in its treasury and is required to levy ad valorem taxes upon all taxable property in the City without limit as to rate or amount sufficient to pay the debt service deficiency.

BOOK-ENTRY-ONLY ISSUANCE

The information contained in the following paragraphs of this subsection "Book-Entry-Only Issuance" has been extracted from a schedule prepared by Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING DTC AND BOOK-ENTRY-ONLY ISSUANCE." The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue. 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 (the "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 (the "Indirect Participants"). DTC has Standard & Poor's rating: 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 and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security (the "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 Securities 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 certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

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. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue 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.

Neither DTC nor Cede & Co., nor any other DTC nominee, will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Securities are credited on the record date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities 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 City or Agent, on payable 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, Agent, or the City, 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 City or Agent, 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.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

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

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

FUTURE FINANCING

The City has no additional general obligation borrowing plans within the next 90 days of the date of this Official Statement.

LITIGATION

In a January 5, 2006 decision, the Iowa District Court for Polk County (the "District Court") ruled that gas and electric franchise fees imposed by the City are illegal because they constitute unauthorized taxes. In reaching that decision, the District Court concluded that a franchise fee, when used as a revenue-generating measure, constitutes a tax which has been assessed in violation of Iowa Code Section 364.3(4). The District Court denied the plaintiff's motion to certify the case as a class action, and enjoined the City from collecting the franchise fees from the individual plaintiff while its ruling remains in effect. The City appealed the District Court's rulings to the Iowa Supreme Court and on May 26, 2006, the Iowa Supreme Court reversed the District Court's ruling and remanded the case to determine the class certification question and for a trial on the question of the appropriate amount of the franchise fees to be charged. (Kragnes v. City of Des Moines, 714 N.W.2d 632 (Iowa 2006)). According to the Iowa Supreme Court's decision, any franchise fee charged by a city must be reasonably related to the city's administrative and regulatory expenses incurred in the exercise of its police power. Those expenses may include the reasonable costs of inspecting, licensing, supervising or otherwise regulating the activity the city is franchising and the incidental consequences of the franchised services. The Court agreed that the City's franchise fees may be assessed as a percentage of the gross receipts derived from the utility's sale of its services to the public, so long as the charge is reasonably related to the City's administrative expenses.

The District Court subsequently certified a class for purposes of the litigation, consisting of all customers of the gas and electric utilities within the City that have paid gas or electric franchise fees since July 27, 1999. The case was tried in October and November, 2008. On June 3, 2009, the District Court filed its ruling and determined that the amount of the franchise fees received by the City exceeded the costs allowable under the Kragnes ruling, and ordered a refund in an amount to be determined. City staff estimates that the amount of the refund ordered by the District Court could be as much as $45-50 million. The District Court denied the plaintiff's request for injunctive relief to prevent the City from continuing to collect franchise fees in the amount of 5% of the gross revenue from gas and electric franchises, because of new legislation (described below) enacted by the Iowa General Assembly which permits such fees to be collected. Following post-trial motions, the Iowa Supreme Court granted interlocutory review of the District Court's rulings on November 19, 2009. An appeal was submitted to the Iowa Supreme Court on September 2, 2010, without oral argument.

On April 27, 2009, the Iowa General Assembly adopted Senate file 478 (the “Act”) which became effective upon receiving the Governor’s approval on May 26, 2009. Under the Act, a franchise fee assessed by a city may be based upon a percentage of gross revenues generated from sales of the franchise within the city not to exceed five percent, without regard to the city’s cost of inspecting, supervising, and otherwise regulating the franchise. The Act therefore authorizes the collection and usage of City’s current franchise fees. However, the Act is not retroactive and will not eliminate the refund claims asserted in the pending litigation as previously described.

On March 2, 2012, the Iowa Supreme Court rendered its decision. The Iowa Supreme Court affirmed the District Court’s certification of the class and held that members of the class are entitled to a refund. The question of how to make the refund (which may not necessarily be in the form of cash payments) and attorneys’ fees was returned to the District Court for determination. City staff continues to estimate refund claims in the order of $45-50 million. The Iowa Supreme Court ruling will not allow class members to get out of receiving refunds. The City’s motion for rehearing was denied on April 6, 2012. The case has been returned to District Court for further determination. The City is authorized under Iowa law to certify a special tax levy to pay any final judgments that may be entered, and also may issue general obligation bonds for such purposes following a public hearing on the bond proposal.

The City is not aware of any other threatened or pending litigation affecting the validity of the Bonds, or any other litigation which could have a material adverse affect on the City’s ability to meet its financial obligations.

DEBT PAYMENT HISTORY

The City knows of no instance in which it has defaulted in the payment of principal or interest on its debt.

LEGALITY

The Bonds are subject to approval as to certain matters by Ahlers & Cooney, P.C. of Des Moines, Iowa as Bond Counsel. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Preliminary Official Statement, and will express no opinion with respect thereto. The form of Legal Opinion as set out in APPENDIX A to this Preliminary Official Statement will be delivered at closing.

TAX EXEMPTION AND RELATED CONSIDERATIONS – SERIES 2012D AND SERIES 2012E BONDS

Tax-Exemption: Federal tax law contains a number of requirements and restrictions that apply to the Series 2012D and Series 2012E Bonds. These include investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and facilities financed with bond proceeds, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2012D and Series 2012E Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2012D and Series 2012E Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012D and Series 2012E Bonds.

Subject to the City’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2012D and Series 2012E Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes; and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax imposed on individuals and corporations; however, interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Prospective purchasers of the Series 2012D and Series 2012E Bonds should be aware that ownership of the Series 2012D and Series 2012E Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2012D and Series 2012E Bonds should consult their tax advisors as to collateral federal income tax consequences.

Not Qualified Tax-Exempt Obligations: The City will **NOT** designate the Series 2012D and the Series 2012E Bonds as qualified tax-exempt obligations under Section 265(b)(3) of the Code; therefore the Series 2012D and the Series 2012E Bonds will **NOT** be bank qualified.

Tax Accounting Treatment of Discount and Premium on Certain Series 2012D and Series 2012E Bonds: The initial public offering price of certain Series 2012D and the Series 2012E Bonds (the "Discount Bonds") may be less than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering prices of Discount Bonds (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. A portion of such original issue discount allocable to the holding period of such Discount Bonds by the initial purchaser will, upon the disposition of such Discount Bonds (including by reason of their payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Series 2012D and the Series 2012E Bonds described above under "TAX EXEMPTION AND RELATED CONSIDERATIONS – SERIES 2012D AND SERIES 2012E BONDS" section. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of the Discount Bonds, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bonds and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of the Discount Bonds by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bonds in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bonds was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amounts payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of the Premium Bonds (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes a premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of the Premium Bonds in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of the Premium Bonds. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Information Reporting and Back-up Withholding: In general, information reporting requirements will apply with respect to payments to an owner of principal and interest (and with respect to annual accruals of OID) on the Series 2012D and Series 2012E Bonds, and with respect to payments to an owner of any proceeds from a disposition of the Series 2012D and Series 2012E Bonds. This information reporting obligation, however, does not apply with respect to certain owners including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that an owner subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the Internal Revenue Service (the "Service") that it has failed to properly report payments of interest and dividends, a backup withholding tax (currently at a rate of 28%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the owner on or with respect to the Series 2012D and Series 2012E Bonds.

Any amounts withheld under the backup withholding provisions may be credited against the United States federal income tax liability of the beneficial owner, and may entitle the beneficial owner to a refund, provided that the required information is furnished to the Service.

Disclaimer Regarding Federal Tax Discussion: The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner's particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership, and disposition of the Series 2012D and Series 2012E Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

State Tax Considerations: In addition to the federal and state income tax consequences described above, potential investors should consider the state income tax consequences of the acquisition, ownership, and disposition of the Series 2012D and Series 2012E Bonds. State income tax law may differ substantially from the corresponding federal law, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in the Series 2012D and Series 2012E Bonds.

TAXABILITY OF INTEREST – SERIES 2012F BONDS

In the opinion of Bond Counsel, the interest to be paid on the Series 2012F Bonds is includable in the income of the recipient for purposes of United States and the State of Iowa income taxation and is subject to Iowa corporate franchise and bank excise taxes measured by net income.

RELATED TAX MATTERS

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

There are or may be pending in the Congress of the United States, legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to in this section or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal or state tax legislation.

Opinion: Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2012D and Series 2012E Bonds or otherwise prevent holders of the Series 2012D and Series 2012E Bonds from realizing the full benefit of the tax exemption of interest. Further, such proposals may impact the marketability or market value of the Series 2012D and Series 2012E Bonds simply by being proposed. One such proposal was the American Jobs Act of 2011 (S.1549) (the "Jobs Act") which was introduced in the Senate on September 13, 2011 at the request of President Obama. If enacted in its current form, the Jobs Act could adversely impact the marketability and market value of the Series 2012D and Series 2012E Bonds and prevent certain bondholders (depending on the financial and tax circumstances of the particular bondholder) from realizing the full benefit of the tax exemption of interest on the Series 2012D and Series 2012E Bonds. In addition, on September 29, 2011, President Obama submitted to Congress a legislative proposal entitled the "Debt Reduction Act of 2011" (the "Reduction Act"). If enacted, as proposed, the Reduction Act would require the Office of Management and Budget to establish a steadily declining ratio for debt as a percentage of Gross Domestic Product and would impose a penalty in the event that Congress failed to meet the requirements, including automatic sequestration of spending and the reduction in the value of certain tax incentives, including interest on tax-exempt municipal bonds, potentially (in the extreme) eliminating the exemption from taxation that tax-exempt municipal bonds held at the time of issuance.

It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to Series 2012D and Series 2012E Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2012D and Series 2012E Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2012D and Series 2012E Bonds would be impacted thereby. It is possible that further legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding the Jobs Act and/or the Reduction Act and any other pending or proposed federal income tax legislation. The likelihood of the Jobs Act or the Reduction Act being enacted or whether the currently proposed terms of the Jobs Act and/or the Reduction Act will be altered or removed during the legislative process cannot be reliably predicted.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

RATINGS

The City has requested a rating on the Bonds from Moody's Investors Service ("Moody's") and Standard & Poor's ("S&P"). Currently, Moody's and S&P rate the City's outstanding general obligation long-term debt 'Aa1' and 'AAA' respectively. Such ratings reflect only the view of the rating agencies and any explanation of the significance of such rating may only be obtained from the respective rating agency. There is no assurance that such ratings will continue for any period of time or that they will not be revised or withdrawn. Any revision or withdrawal of the ratings may have an effect on the market price of the Bonds.

FINANCIAL ADVISOR

The City has retained Public Financial Management, Inc., Des Moines, Iowa as financial advisor (the "Financial Advisor") in connection with the preparation of the issuance of the Bonds. In preparing the Preliminary Official Statement, the Financial Advisor has relied on government officials, and other sources to provide accurate information for disclosure purposes. The Financial Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other Participating Underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the resolution authorizing the issuance of the Bonds and the Continuing Disclosure Certificate, to provide annual reports of specified information and notice of the occurrence of certain material events, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the material events as to which notice is to be given and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth as APPENDIX C to this Preliminary Official Statement. The City has complied in all material respects with its previous undertakings under the Rule.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or the resolutions for the Bonds. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

CERTIFICATION

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. I have reviewed the information contained within this Preliminary Official Statement prepared on behalf of the City of Des Moines, Iowa, by Public Financial Management, Inc., Des Moines, Iowa and said Preliminary Official Statement does not contain any material misstatements of fact nor omission of any material fact regarding the issuance of $13,210,000 General Obligation Sewer Bonds, Series 2012D, $10,825,000 General Obligation Stormwater Bonds, Series 2012E and $13,030,000* General Obligation Parking Bonds, Taxable Series 2012F.

CITY OF DES MOINES, IOWA
/s/ Scott Sanders, Finance Director/Treasurer

* Preliminary; subject to change.

CITY PROPERTY VALUES

IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The Polk and Warren County Auditors adjusted the final actual values for 2011. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2011, the Taxable Value rollback rate was 50.7518% of Actual Value for residential property; 57.5411% of Actual Value for agricultural property; and 100% of Actual Value for commercial, industrial, railroad and utility property.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 4% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board.

1/1/2011 VALUATIONS (Taxes payable July 1, 2012 through June 30, 2013)

	100% Actual Value	Taxable Value (With Rollback)
Residential	$7,215,230,230	$3,638,147,279
Commercial	2,366,089,800	2,366,089,800
Industrial	170,333,220	170,333,220
Railroad	15,154,668	15,154,668
Utilities w/o Gas & Electric	37,281,651	37,281,651
Gross valuation	$9,804,089,569	$6,227,006,618
Less military exemption	(15,584,570)	(15,584,570)
Net valuation	$9,788,504,999	$6,211,422,048
TIF Increment (used to compute Debt service levies and Constitutional debt limit)	$700,013,700	$700,007,540
Taxed separately		
Gas & Electric Utilities	$338,306,985	$228,798,631
Ag. Land	$9,398,550	$5,408,069
Ag. Buildings	$659,200	$379,356

2011 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY [1)]

	Taxable Valuation	Percent Total
Residential	$3,638,147,279	56.35%
Commercial	2,366,089,800	36.65%
Industrial, Railroad & Utility	222,769,539	3.45%
Gas & Electric Utilities	228,798,631	3.55%
Total Gross Taxable Valuation	$6,455,805,249	100.00%

[1)] Excludes Taxable TIF Increment, Ag. Land and Ag. Buildings.

TREND OF VALUATIONS

Assessment Year	Payable Fiscal Year	100% Actual Valuation	Taxable Valuation (With Rollback)	Taxable TIF Increment
2007	2008-09	$10,485,684,342	$5,874,658,327	$656,276,490
2008	2009-10	10,708,629,698	6,037,631,219	711,108,790
2009	2010-11	11,051,949,782	6,397,515,722	629,710,790
2010	2011-12	11,163,960,293	6,583,898,786	611,989,020
2011	2012-13	10,836,883,434	6,440,220,679	700,007,540

The 100% Actual Valuations, before rollback and after reduction of military exemption, include Ag. Land, Ag. Buildings, Taxable TIF Increment and Gas & Electric Utilities. The Taxable Valuations, with the rollback and after the reduction of military exemption, include Gas & Electric Utilities and exclude Ag. Land, Ag. Buildings and Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding the Taxable TIF Increment and debt service levies are certified against Taxable Valuations including the Taxable TIF Increment.

LARGER TAXPAYERS [1)]

Taxpayer	Type of Property/Business	1/1/2011 Taxable Valuation
Mid-American Energy	Electric Company	$228,600,632
Principal Mutual Life	Insurance Company	191,650,950
Nationwide Mutual Life	Insurance Company	171,376,280
Wellmark	Insurance Company	132,474,400
Wells Fargo Financial	Banking Services	102,245,180
Employers Mutual Casualty	Insurance Company	49,256,570
Mercy Medical	Hospital	39,083,930
Iowa Methodist Hospital	Hospital	35,735,390
Ruan Center Corp.	Transportation	31,332,250
Meredith Corporation	Publishing	31,077,310

[1)] This list represents larger taxpayers in this jurisdiction, not necessarily the top 10 taxpayers.

LEGISLATION

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation debt: “The governing authority of these political subdivisions before issuing Bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding the applicable period of time specified in section 76.1. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.” Iowa Code section 76.1 provides that the annual levy shall be sufficient to pay the interest and approximately such portion of the principal of the bonds as will retire them in a period not exceeding twenty years from the date of issue, except for certain bonds issued for disaster purposes and bonds issued to refund or refinance bonds issued for such disaster purposes which may mature and be retired in a period not exceeding thirty years from date of issue.

CITY INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2010 actual valuation currently applicable to the fiscal year 2011-12, is as follows:

2011 Actual Valuation of Property	$10,852,468,004
Less: Military Exemption	(15,584,570)
Subtotal	$10,836,883,434
Legal Debt Limit of 5%	0.05
Legal Debt Limit	$541,844,172
Less: General Obligation Debt Subject to Debt Limit	(393,755,000)*
Less: Lease Debt Paid by Taxes	(689,087) [1]
Less: Other Debt Subject to Debt Limit	(1,099,182) [2]
Legal Debt Margin	$146,300,903

1) Amount represents the principal and interest on three lease notes payable from the debt service levy totaling $689,087.

2) As of September 4, 2012, the City has one outstanding Section 108 CDBG Loan with $8,500,000 outstanding, which is subject to annual appropriation and the City's Debt Limit. The amount subject to the Debt Limit for FY 2012-13 was $439,749. In addition, the City has an economic development loan from Polk County with $1,325,000 outstanding payable from the Metro Urban Renewal Area, which is subject to annual appropriation and the City's Debt Limit. The amount subject to the Debt Limit for FY 2012-13 was $187,500. Finally, the City has RISE loan outstanding in the amount of $471,933, which is subject to the Debt Limit for FY 2012-13

DIRECT DEBT

General Obligation Debt Paid by Property Taxes

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 7/25/12
6/05B	$27,775,000	Various Purpose	6/13	$1,275,000 [1]
12/05E	20,825,000	Refunding	6/20	14,320,000
8/06A	20,295,000	Various Purpose	6/26	16,465,000
6/07B	18,255,000	Various Purpose	6/27	15,615,000
6/08D	24,055,000	Various Purpose	6/28	21,500,000
6/09C	16,045,000	Refunding	6/19	9,447,000
6/09E	19,605,000	Various Purpose	6/29	18,290,000
6/09G	3,115,000	Various Purpose	6/19	2,360,000
1/10A	15,320,000	Refunding	6/24	12,365,000
1/10C	18,855,000	Refunding	6/16	10,150,000
6/10D	20,790,000	Various Purpose	6/30	20,025,000
12/10H	52,395,000	Refunding	6/25	51,840,000
6/11A	32,365,000	Various Purpose/Refunding	6/31	30,595,000
6/12A	19,965,000	Various Purpose	6/32	19,965,000
6/12C	2,745,000	Various Purpose	6/17	2,745,000
Subtotal				$246,957,000

1) The proceeds of the Series 2010H Notes will advance refund the 2012 through 2025 maturities on June 1, 2013.

General Obligation Debt Paid by Tax Increment

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 7/25/12
6/04E	4,830,000	Various Purpose	6/13	715,000
6/05C	10,000,000	Various Purpose	6/23	10,000,000
12/05E	7,360,000	Refunding	6/20	5,305,000
8/06B	9,210,000	Various Purpose	6/26	7,950,000
4/07A	4,635,000	Taxable - Refunding	6/19	3,060,000
6/07B	160,000	Various Purpose (TIF Portion)	6/27	140,000
6/07C	15,045,000	Various Purpose	6/22	11,035,000
6/08E	6,325,000	Various Purpose	6/23	4,985,000
6/09A	1,155,000	Refunding	6/14	415,000
6/09B	2,870,000	Refunding	6/21	2,255,000
6/09C	15,210,000	Refunding	6/19	8,088,000
6/09F	3,055,000	Various Purpose	6/17	1,975,000
1/10A	670,000	Refunding	6/14	340,000
1/10B	13,440,000	Refunding	6/24	13,240,000
1/10C	3,775,000	Refunding	6/16	2,110,000
6/10D	4,540,000	Various Purpose	6/19	4,540,000
6/10E	1,520,000	Various Purpose	6/13	270,000
12/10H	12,965,000	Refunding	6/23	12,580,000
6/11A	13,155,000	Various Purpose/Refunding	6/26	12,305,000
6/12B	6,895,000	Various Purpose	6/28	6,895,000
6/12C	1,530,000	Various Purpose	6/22	1,530,000
Subtotal				$109,733,000

General Obligation Debt Paid by Enterprise Funds
(Includes the Series 2012D, Series 2012E, and Series 2012F Bonds)

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 7/25/12
9/12D	13,210,000	Sanitary Sewer Improvements	6/32	13,210,000
9/12E	10,825,000	Stormwater Improvements	6/32	10,825,000
9/12F	13,030,000*	Parking Refunding	6/20	13,030,000*
Subtotal				$37,065,000*

Summary of General Obligation Debt Outstanding

General Obligation Debt Paid by Property Taxes	$246,957,000
General Obligation Debt Paid by Tax Increment	109,733,000
General Obligation Debt Paid by Enterprise Funds	37,065,000*
Total General Obligation Debt Subject to Limit:	**$393,755,000***

*Preliminary; subject to change.

Annual Fiscal Year Debt Service Payments

<u>G.O. Debt Paid by Property Taxes</u>

Current Outstanding
G.O. Debt
<u>Paid by Property Taxes</u>

Fiscal Year	Current Outstanding Principal	Current Outstanding Principal and Interest
2012-13	$19,647,000	$29,934,835
2013-14	18,206,000	27,811,859
2014-15	17,197,000	26,128,739
2015-16	17,071,000	25,350,253
2016-17	16,533,000	24,167,765
2017-18	16,377,000	23,362,851
2018-19	16,016,000	22,329,966
2019-20	15,050,000	20,683,921
2020-21	14,545,000	19,512,334
2021-22	14,215,000	18,529,878
2022-23	13,715,000	17,385,015
2023-24	12,705,000	15,769,578
2024-25	12,130,000	14,635,986
2025-26	10,520,000	12,476,909
2026-27	9,350,000	10,839,946
2027-28	7,795,000	8,869,806
2028-29	6,195,000	6,911,383
2029-30	4,750,000	5,176,238
2030-31	3,350,000	3,573,338
2031-32	1,590,000	1,665,525
Total	$246,957,000	

G.O. Debt Paid by Tax Increment

Current Outstanding
G.O. Debt
Paid by Tax Increment

Fiscal Year	Current Outstanding Principal	Current Outstanding Principal and Interest
2012-13	$11,273,000	$15,405,990
2013-14	11,409,000	15,176,750
2014-15	9,313,000	12,707,805
2015-16	9,364,000	12,421,490
2016-17	9,562,000	12,279,263
2017-18	9,528,000	11,884,253
2018-19	9,639,000	11,627,101
2019-20	7,955,000	9,560,751
2020-21	7,655,000	8,931,439
2021-22	7,655,000	8,613,169
2022-23	5,630,000	6,265,905
2023-24	3,690,000	4,088,188
2024-25	2,430,000	2,683,638
2025-26	2,525,000	2,685,838
2026-27	1,040,000	1,103,375
2027-28	1,065,000	1,096,950
Total	$109,733,000	

G.O. Debt Paid by Enterprise Funds (Includes the Series 2012D Bonds, Series 2012E Bonds, and Series 2012F Bonds)

	Series 2012D Bonds		Series 2012E Bonds		Series 2012F Bonds*		Total Outstanding	
Fiscal Year	Principal	Principal and Interest	Principal	Principal and Interest	Principal*	Principal and Interest	Total Outstanding Principal	Total Outstanding Principal and Interest
2012-13	$640,000	$905,646	$335,000	$548,255		$171,253	$975,000	$1,625,154
2013-14	555,000	906,455	450,000	734,018	$1,780,000	2,010,903	2,785,000	3,651,375
2014-15	100,000	444,906	460,000	738,708	1,800,000	2,010,433	2,360,000	3,194,046
2015-16	100,000	443,596	465,000	737,682	1,825,000	2,012,033	2,390,000	3,193,310
2016-17	100,000	442,186	470,000	736,125	1,855,000	2,014,658	2,425,000	3,192,968
2017-18	100,000	440,576	480,000	738,558	1,885,000	2,013,123	2,465,000	3,192,256
2018-19	1,505,000	1,843,746	485,000	734,774	1,920,000	2,011,365	3,910,000	4,589,885
2019-20	1,535,000	1,843,044	495,000	734,880	1,965,000	2,014,125	3,995,000	4,592,049
2020-21	605,000	877,739	510,000	738,495			1,115,000	1,616,234
2021-22	620,000	877,493	520,000	735,643			1,140,000	1,613,136
2022-23	640,000	880,877	535,000	736,707			1,175,000	1,617,584
2023-24	655,000	877,765	550,000	736,567			1,205,000	1,614,331
2024-25	675,000	878,377	565,000	735,287			1,240,000	1,613,663
2025-26	695,000	877,587	585,000	737,885			1,280,000	1,615,471
2026-27	720,000	880,625	600,000	734,399			1,320,000	1,615,023
2027-28	740,000	877,297	620,000	734,959			1,360,000	1,612,255
2028-29	765,000	877,729	640,000	734,375			1,405,000	1,612,103
2029-30	790,000	876,795	665,000	737,679			1,455,000	1,614,474
2030-31	820,000	879,461	685,000	734,670			1,505,000	1,614,131
2031-32	850,000	880,515	710,000	735,489			1,560,000	1,616,004
Total	$13,210,000		$10,825,000		$13,030,000*		$37,065,000	

OTHER DEBT

Lease Debt Supported by Taxes

The City has lease debt payable from taxes as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 7/25/12
12/09	$589,949	Supplement DLL5 (MLS5)	6/15	$246,375
1/10	254,018	Supplement DLL D-1b	6/15	155,283
2/10	396,718	Supplement DLL D-1a	6/15	242,206
Subtotal				$643,864

Lease Debt Paid by Taxes

Current Outstanding
Lease Debt
Paid by Taxes

Fiscal Year	Current Outstanding Principal	Current Outstanding Principal and Interest
2012-13	$210,917	$233,398
2013-14	214,600	229,717
2014-15	218,347	225,971
Total	$643,864	

Revenue Debt Supported by Sewer Revenues

The City has revenue debt payable from net revenues of the Sewer Enterprise Fund as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 7/25/12
11/04G	$5,160,000	Sewer Improvements	6/19	$3,880,000
11/04H	14,040,000	Sewer Revenue Refunding	6/20	11,750,000
11/04I	5,965,000	Sewer Improvements (SRF)	6/25	4,263,000
Subtotal				$19,893,000

Des Moines Metropolitan Wastewater Reclamation Authority ("WRA")

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 7/25/12
6/95	$809,840	Sewer Revenue (SRF Loan No. 4)	6/15	$129,385 [1)]
6/95	7,985,127	Sewer Revenue (SRF Loan No. 6)	6/16	2,207,745 [2)]
6/96	4,382,792	Sewer Revenue (SRF Loan No. 7)	6/18	1,708,763 [3)]
11/04B	24,191,647	Sewer Improvements	6/34	21,072,657 [4)]
12/06	11,313,574	Sewer Improvements	6/36	11,168,076 [5)]
6/08A	5,732,440	Sewer Improvements	6/39	6,152,902 [6)]
4/10A	3,074,450	Sewer Improvements	6/40	3,243,747 [7)]
6/10C-1	1,121,921	Sewer Improvements	6/32	1,169,902 [8)]
6/10C-2	12,060,645	Sewer Improvements	6/32	12,576,442 [9)]
5/11A	33,657,615	Sewer Improvements	6/42	35,097,048 [10)]
5/11C	3,347,063	Sewer Improvements	6/41	3,743,295 [11)]
12/11D	5,628,301	Sewer Improvements	6/43	5,615,528 [12)]
5/12C	10,529,114	Sewer Improvements	6/43	10,529,114 [13)]
5/12D	4,094,656	Sewer Improvements	6/42	4,094,656 [14)]
Subtotal				$118,509,260

Total Sewer Revenue Debt Outstanding: **$138,402,260**

The amounts below represent the City's share of the debt service payments of the various issues. Other participating communities of the WRA pay the remaining amount. Flow-based allocations are subject to change on an annual basis; as such the amount outstanding may be greater than the amount issued due to fluctuations in flow.

1) The City's share of the WRA's SRF Loan No. 4 outstanding in the amount of $629,000.
2) The City's share of the WRA's SRF Loan No. 6 outstanding in the amount of $3,106,000.
3) The City's share of the WRA's SRF Loan No. 7 outstanding in the amount of $2,404,000.
4) The City's flow-based share of the WRA's Series 2004B outstanding in the amount of $60,205,000.
5) The City's flow-based share of the WRA's Series 2006 outstanding in the amount of $34,985,000.
6) The City's flow-based share of the WRA's Series 2008A SRF loan outstanding in the amount of $15,778,000.
7) The City's flow-based share of the WRA's Series 2010A SRF loan outstanding in the amount of $8,318,000.
8) The City's flow-based share of the WRA's Series 2010C-1 SRF loan outstanding in the amount of $2,000,000.
9) The City's flow-based share of the WRA's Series 2010C-2 SRF loan outstanding in the amount of $21,500,000.
10) The City's flow-based share of the WRA's Series 2011A SRF loan outstanding in the amount of $60,000,000.
11) The City's flow-based share of the WRA's Series 2011C SRF loan outstanding in the amount of $9,599,000.
12) The City's flow-based share of the WRA's Series 2011D SRF loan outstanding in the amount of $14,399,000.
13) The City's flow-based share of the WRA's Series 2012C SRF loan outstanding in the amount of $18,000,000.
14) The City's flow-based share of the WRA's Series 2012D SRF loan outstanding in the amount of $7,000,000.

Revenue Debt Supported by Stormwater Revenues

The City has revenue debt payable from the Stormwater Enterprise Fund as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 7/25/12
12/06D	$16,750,000	Stormwater Improvements	6/23	$12,595,000
1/09	190,292	Stormwater Note C1a	6/15	83,721
10/09	1,116,017	Stormwater Note D2	6/15	574,006
10/10F	19,300,000	Improvements/Refunding	6/30	17,125,000
10/10G	5,100,000	Refunding	6/18	4,430,000
Total				$34,807,727

Revenue Debt Supported by Solid Waste Revenues

The City has revenue debt payable from the Solid Waste Enterprise Fund as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 7/25/12
8/08	72,029	Solid Waste Equipment Note	6/15	$31,690
8/08	1,920,611	Solid Waste Equipment Note	6/15	823,119
9/09	637,569	Solid Waste Equipment Note	6/15	280,750
Total				$1,135,559

Revenue Debt Supported by Parking Revenues

The City has revenue debt payable from the Parking Enterprise Fund as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 7/25/12
6/00A	$19,545,000	Refunding & Improvements	6/12	$0 [1)]
7/04	14,606,558	Lease Purchase Agreement	6/12	0 [2)]
Total				$0

[1)] The proceeds of the Series 2012F Bonds will be used to current refund the 2013-2020 maturities of the Series 2000A Parking Revenue Bonds on September 4, 2012.

[2)] Lease Purchase Agreement. Amount outstanding is subordinate to the Series 2000A Bonds. City redeemed the Lease Purchase Agreement on June 1, 2012.

Notes Payable to the State of Iowa

The City has notes payable to the State of Iowa from Sewer and Stormwater funds as follows:

Date of Issue	Original Amount	Purpose	Final Maturity*	Principal Outstanding As of 7/25/12
8/00	$4,197,408	I-235 Sewer Improvements	9/13	$984,754
8/00	2,660,989	I-235 Stormwater Improvements	9/13	237,408
Total				$1,222,162

* Anticipated maturity date is subject to the final approval of the City.

INDIRECT GENERAL OBLIGATION DEBT

Taxing District	1/1/2011 Taxable Valuation [1]	Percent In City	G.O. Debt Outstanding [2]	City's Proportionate Share
Polk County	$20,250,545,636	35.22%	$267,931,000	$94,365,298
Warren County	1,820,130,314	0.75%	172,949	1,297
Carlisle CSD	277,153,393	19.51%	7,440,000	1,451,544
Des Moines Ind. CSD	7,133,588,833	95.71%	0	0
Indianola CSD	761,242,038	0.05%	27,905,000	13,953
Johnston CSD	1,897,678,183	7.20%	36,360,000	2,617,920
Norwalk CSD	462,328,301	0.69%	18,755,000	129,410
Saydel CSD	625,647,740	3.29%	1,255,000	41,290
Southeast Polk CSD	1,549,294,196	5.91%	50,450,000	2,981,595
West Des Moines CSD	4,294,314,668	0.28%	0	0
Urbandale Sanitary Sewer	2,288,309,032	0.08%	0	0
Urbandale-Windsor Heights Sanitary Sewer	375,558,496	5.01%	0	0
Des Moines Area Comm. College	37,105,777,783	19.26%	74,630,000	14,373,738
City's Share of Total Indirect G.O. Debt				$115,976,045

[1] Includes Ag. Land, Ag. Buildings, all Utilities and Taxable TIF Increment.
[2] Excludes June 1, 2012 principal payments.

DEBT RATIOS

	Debt	Debt/Actual Market Value ($10,836,883,434) [1]	Debt/203,433[2] Population
Total General Obligation Debt	$393,755,000	3.63%	$1,935.55
Less: G.O. Debt Paid From Enterprise Fund	(37,065,000)*	(0.34%)*	(182.20)*
Net G.O. Debt Paid by Taxes and Tax Increment	$356,690,000*	3.29%*	$1,753.35*
City's share of overlapping G.O. debt	$115,976,045	1.07%	$570.09

[1] Based on the City's 2011 Actual Valuation; includes Ag. Land, Ag. Buildings, all Utilities and Taxable TIF Increment.
[2] Based on the City's 2010 U.S. Census.

* Preliminary; subject to change.

LEVIES AND COLLECTIONS

Fiscal Year	Levy	Collected During Collection Year	Percent Collected	Delinquent Tax Collections
2007/08	$120,229,852	$119,892,804	99.72%	$84,877
2008/09	127,284,865	126,781,418	99.60%	89,144
2009/10	132,206,542	131,836,341	99.72%	96,166
2010/11	134,377,724	133,294,886	99.19%	53,329
2011/12	137,113,954	--------------------------In process of collection------------------------		

Collections include delinquent taxes from all prior years. Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property and funds so received are applied to taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale purchaser is entitled to a deed, which in general conveys the title free and clear of all liens except future tax installments.

Source: Polk & Warren County.

CITY TAX RATES

	FY 2007-08 $/$1,000	FY 2008-09 $/$1,000	FY 2009-10 $/$1,000	FY 2010-11 $/$1,000	FY 2011-12 $/$1,000
Polk County [1]	10.16218	10.12532	9.97134	10.05423	10.01509
Warren County [2]	7.23323	6.89026	6.56329	6.36577	6.16492
City of Des Moines	16.59028	16.57606	16.57614	16.57614	16.58000
Des Moines Ind. CSD	17.93709	17.78888	17.64277	17.64347	18.34848
Des Moines Area Comm. College	0.60276	0.56386	0.56778	0.56008	0.59018
Des Moines Regional Transit Authority	0.59997	0.60079	0.46232	0.44430	0.44400
State of Iowa	0.00350	0.00350	0.00300	0.00340	0.00320
Total Tax Rate - Polk County Resident	45.89578	45.65841	45.22335	45.28162	45.98095
Total Tax Rate - Warren County Resident	42.96683	42.42335	41.81530	41.59316	42.13078

[1] Polk County tax rate includes the following tax rates: Polk County-wide, Polk County Assessor, Polk County Ag. Extension and the Broadlawns Medical Center.

[2] Warren County tax rate includes the following tax rates: Warren County-wide, Warren County Assessor and the Warren County Ag. Extension.

LEVY LIMITS

A city's general fund tax levy is limited to $8.10 per $1,000 of taxable value, with provision for an additional $0.27 per $1,000 levy for an emergency fund which can be used for general fund purposes (Code of Iowa, Chapter 384, Division I). Cities may exceed the $8.10 limitation upon authorization by a special levy election. Further, there are limited special purpose levies, which may be certified outside of the above-described levy limits (Code of Iowa, Section 384.12). The amount of the City's general fund levy subject to the $8.10 limitation is $8.10 for Fiscal Year 2011-12. The City does levy costs for tort liability, other insurance expense and employee benefits in addition to the $8.10 general fund limit as authorized by law. Currently, the City does not levy for an emergency fund. Debt service levies are not limited.

THE CITY

CITY GOVERNMENT

The City, incorporated as a town in 1851 and as a city in 1857, is the State of Iowa's capital, Polk County's seat and the most populous city in the State. The City operates under a council-manager-ward form of government. The Mayor and two other Council Members are elected at-large; four Council Members each represent a ward of the City.

Mr. Richard Clark is the City Manager and is responsible for the day-to-day management of the City. Mr. Clark has a Bachelors degree in Business and Economics from Cornell College and a Masters Degree in Community and Regional Planning from Iowa State University. As City Manager, Mr. Clark serves as the Chief Administrative Officer for the City, supervises all City departments and staff, serves as the primary advisor to the City Council, prepares the operating and capital improvements budgets for final approval, works with State and Federal legislative issues, meets with citizens and neighborhood organizations, directs major economic development initiatives, and is the chief negotiator for city government.

Mr. Scott Sanders is the Finance Director/Treasurer and is responsible for the financial affairs of the City. Mr. Sanders was appointed to the position in April 2011. Prior to joining the City, Mr. Sanders was the Finance Director at the cities of West Des Moines, Iowa and Council Bluffs, Iowa. Mr. Sanders holds a Bachelor of Science degree in Computer Science and a Masters degree in Community and Regional Planning from Iowa State University.

CITY BUDGETING PROCESS

The City's budget policy states that the proposed budget will balance ongoing revenues and expenditures without the use of one-time revenues. Goals of the budget policy include development of a general fund balance that equals 10% of the general fund budget and reduced reliance on property tax revenues with development of significant new revenue sources. One-time surplus revenues will have a first priority of supporting capital investment in neighborhood economic development programs and ongoing surplus revenues will have a first priority of increasing the number of police officers for the City. The City approved a two-year budget for FY 2011 and FY 2012 in February of 2010. Resolving budget issues two years at a time allowed the City to take a one year reprieve from potential budget cuts in the second year of the plan. The Mayor, City Council, and City Manager were pleased with the process and outcomes of the two-year budget plan so, in February of 2012 they adopted a new two-year budget plan for FY 2013 and FY 2014 and will likely continue this practice moving forward.

In August of each year, preliminary budget materials are distributed to departments to begin compilation of the revised budget estimates for the current fiscal year and recommended budget estimates for the upcoming fiscal year. Staffing levels, materials and equipment are essential to every City activity. As a result, budget preparation involves reviewing those resources to ensure the quantity of each necessary to maintain the existing level of services. New requests are evaluated to determine what they would accomplish and how necessary the accomplishments are in terms of adequately providing for the well being, safety and development of the community. The request must also include a level of performance and measure that can be used to determine the progress being made towards the service goal. For services funded from the general fund, any new requests must have no negative financial impact. Thus, either a new revenue source must be identified or existing resources reallocated. Departmental requests for capital outlays are submitted to the Research and Budget Office in the Finance Department for review and possible inclusion in the preparation of the budget. Meetings are held between the Research and Budget staff and departments to review budget recommendations and discuss the effectiveness of existing or proposed programs. Particular attention is directed towards proposals to improve productivity and efficiency. From these discussions, the Research and Budget staff may modify their recommended appropriation levels and revenue estimates and staffing levels. Those programs expected to be fully or partially self-supporting are examined to ensure that they, in fact, achieved that status.

Starting in September the City Council holds regularly scheduled budget workshops with the City Manager and departments to review various financial forecasts and strategies and establish priorities for the coming year. These workshops are held until the budget is adopted in late February.

The City Manager, with assistance from the Research and Budget Office, reviews the departments' budget requests and revenue forecasts to ensure that current expenditures do not exceed current revenues. If there are sufficient resources available, the City Manager may include either an increase to an existing service(s) or a new service(s) that addresses the priorities established in the council workshop process. The recommended budget is then presented to the City Council in January. Public hearings precede Council modifications and approval of the budget. Tax levies for the new fiscal year are certified to the State of Iowa by March 15.

GENERAL FUND – AVAILABLE FUND BALANCE

The City Council has established a goal to maintain a General Fund balance equal to approximately 10% of General Fund operating expenditures plus operating transfers out. The table below details the historical General Fund Balance available:

	2007	**2008**	**2009**	**2010**	**2011**
Available General Fund Balance	$11,160,869	$11,148,852	$9,522,706	$9,509,198	$12,482,745 [1)]
General Fund Operating Expenditures	$127,951,732	$132,286,214	$132,788,990	$132,716,966	$133,599,769
Available General Fund Balance as a Percent of General Fund Expenditures	8.72%	8.43%	7.17%	7.08%	9.34%

[1)] Amount based on GASB 54 reflects unassigned equity fund balance.

EMPLOYEES AND PENSIONS

The City currently has 1,622 permanent full-time employees, 62 permanent part-time employees and 147 temporary employees. Of the City's 1,622 permanent full-time employees, 310 are police officers and 277 are full-time fire fighters. The following sections describe eight unions representing 1,456 City employees.

<u>Central Iowa Public Employees Council (CIPEC)</u>: Employees from the Park and Recreation, Public Works, Aviation, and Engineering Departments. These employees' duties are construction, maintenance, and operations. The total number of employees covered by this bargaining unit is 409. The current contract expires June 30, 2015.

<u>American Federation of State, County, and Municipal Employees (AFSCME)</u>: Employees from the Housing Services Department. These employees' duties are administration and maintenance. The total number of employees covered by this bargaining unit is 33. The current contract expires June 30, 2013.

<u>Municipal Employees Association (MEA)</u>: Clerical and support staff throughout the City. The total number of employees covered by this bargaining unit is 356. The current contract expires June 30, 2015.

<u>Des Moines Association of Professional Fire Fighters, Local 4</u>: These employees are from the Fire Department and their responsibilities include fire suppression, emergency, and inspection. The total number of employees covered by this bargaining unit is 267. The current contract expires June 30, 2013.

<u>Des Moines Police Bargaining Unit Association</u>: These employees are from the Police Department and they are police officers and senior police officers. The total number of employees covered by this bargaining unit is 286. The current contract expires June 30, 2015.

<u>Professional Employees Lodge No. 254, Unit 10</u>: These employees are from the Des Moines Public Library and they include building equipment and maintenance workers, clerks, and couriers. The total number of employees covered by this bargaining unit is 34. Their contract expires June 30, 2013.

Professional Employees Lodge No. 254, Unit 11: These employees are from the Des Moines Public Library and they include professional librarians and library assistants. The total number of employees covered by this bargaining unit is 34. Their contract expires June 30, 2013.

Gold Braid Organization: Certain Police Captains, Lieutenants, and Sergeants in the Police Department established a new union. The total number of employees covered is 37. The current contract expires June 30, 2015.

The City contributes to two employee retirement systems, the Iowa Public Employees' Retirement System ("IPERS") and the Municipal Fire and Police Retirement System of Iowa ("MFPRSI"). The State of Iowa administers IPERS and a nine-member board of trustees governs the MFPRSI. Though separate and apart from state government, the board is authorized by state legislature, which also establishes by statute the pension and disability benefits and the system's funding mechanism. All full-time employees must participate in either IPERS or MFPRSI.

Iowa Public Employees' Retirement System (IPERS): The City contributes to IPERS, which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute, to plan members and beneficiaries. IPERS is authorized to adjust the total contribution rate up or down each year, by no more than 1.0 percentage point, based upon the actuarially required contribution rate. Employees will pay 40 percent of the contribution rate and employers will pay 60 percent.

	2009	2010	2011
IPERS City Contribution	$4,433,062	$4,753,464	$4,847,268

Municipal Fire and Police Retirement System of Iowa (MFPRSI): The City contributes to MFPRSI, which is a cost-sharing multiple-employer defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, and vest after four years of credited service.

MFPRSI plan members are required to contribute a percentage of their annual covered salary, and the City is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the City are established, and may be amended by state statute. The City contributed the required amount to MFPRSI for each year as follows:

	2009	2010	2011
MFPRSI City Contribution	$8,082,254	$7,436,202	$8,772,090

Deferred Compensation: The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457, and Section 401(a). The Section 457 plan, available to all City employees, and the Section 401(a) plan available only to the SPM employment group, permits them to defer a portion of their salary until future years. The deferred compensation is available to employees at termination, retirement, death, or unforeseeable emergency, loan or via in – services contributions at age 70 ½.

OTHER POST EMPLOYMENT BENEFITS

Post-Retirement Health and Dental Care Benefits: Post-retirement health and dental benefits are available to all full-time employees of the City who retire at the normal retirement age. The group health insurance plan provided to full time City employees allows retirees to continue medical coverage if such election is made within 30 days subsequent to retirement. Although retirees pay 100% of the "cost of coverage", the pre-age 65 group of retirees is grouped with the active employees when determining the cost of coverage. The computation creates a small implicit rate subsidy that would not exist if the cost of the coverage for this group (pre-age 65 retirees) was computed separately and paid 100% by that group. As of April 9, 2012, 188 retirees were covered under the city's current group health plan.

Beginning with the Fiscal Year that commenced on July 1, 2007, the City is now required by the Government Accounting Standards Boards Statement No. 45 ("GASB 45"), Accounting by Employers for Other Postemployment Benefits ("OPEB"), to report an actuarially determined cost of post-employment benefits, other than pension, such as health and life insurance for current and future retirees. The City contracted for an actuarial determination of the City's implicit liability under GASB 45, which computed the City's Actuarial Accrued Liability ("AAL") at $14.3 million as of June 30, 2009. The City's Annual Required Contribution ("ARC") for FY 2011 was at $1.57 million with an offsetting pay-as-you-go funding of $648,961 and a Net OPEB Obligation ("NOO") of $3.39 million. This liability was allocated across all appropriate funds. The City will update the actuarial determination for June 30, 2012. There has been no substantial change in the health plan design, single digit health premium increases, and reductions in authorized permanent employees. Therefore, the City's AAL for June 30, 2012 should not increase and could possibly decrease.

For further information, please refer to Note 15 of the City's June 30, 2011 Comprehensive Annual Financial Report included as Appendix B to this Official Statement.

RISK MANAGEMENT

The City has a Risk Management Office within the Finance Department. Information is collected on the City's loss experience and efforts are directed at maintaining a comprehensive risk management program. The program identifies exposures, educates employees and management about the risks, and implements risk reduction and control programs. The risk identification and control efforts, as well as the educational process, are ongoing. Property insurance for the City is provided by Travelers Property Casualty Insurance Company in the aggregate amount of $250,000,000 with loss of business income and extra expense coverage of up to $9,000,000. Excess liability coverage is maintained through Star Indemnity & Liability Company in the amount of $10,000,000 per occurrence, with a $2,000,000 self-insured retention. For certain enterprise fund operations (including Storm Water), automobile liability insurance is maintained through St. Paul Travelers Insurance Company with a per occurrence limit of $2,000,000 with a $5,000 deductible. This covers the excess liability self-insured retention. Workers compensation insurance is maintained through Safety National Casualty Corporation at statutory limits with a $750,000 self-insured retention.

Chapter 384 of the Code of Iowa provides that a city may establish a Debt Service Fund, and shall certify taxes to be levied for the Debt Service Fund in the amount necessary to pay judgments against the city, except those authorized by State law to be paid from other funds. As a result, the City self-insures the first $2 million per occurrence of liability on its General Fund operations, and is able to provide this coverage through its taxing process.

The City's tort liability claims and related administration expenses are accounted for in the General Fund Tort Account. Health benefit claims and related administration expenses are accounted for in an internal service fund. The current portion of worker's compensation claims is recorded in the same fund as the recipient's payroll. The City has excess or stop-loss coverage as follow:

	Losses in excess of	
	Per Incident	**Per Year**
Workers' Compensation	$750,000	Up to Statutory Limits
Tort Liability	$2,000,000	Variable

There has been only one instance in which a claim has exceeded the City's self-insured retention. Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors.

GENERAL INFORMATION

LOCATION AND TRANSPORTATION

The City is located near the center of Iowa and serves as the state of Iowa's (the "State") capital. The City also serves as the political, economic, and cultural capital of the State. The City is a center of insurance, printing, retail and wholesale trade as well as industry, providing a diverse economic base. Highways serving the area include Interstates 35, 235 and 80. In addition to rail service and motor carrier transportation, air travel is available through the Des Moines International Airport located just south of downtown Des Moines.

GENERAL SERVICES AND ATTRACTIONS

The City provides its citizens a full range of services including the municipal functions of police and fire protection; sanitation services; park and recreational programs and activities; construction and maintenance of infrastructure, including streets, roads and bridges; enforcement of building code regulations; traffic control and parking; operation and maintenance of an international airport; housing and other community improvements and social services; economic development; and six libraries.

The City currently maintains 70 parks, covering approximately 3,210 acres, 5 cemeteries, and road medians and boulevards. Recreation facilities include playgrounds, tennis courts, softball and soccer complexes, bike trails, swimming pools, community centers and three golf courses. The City is also home to the Principal Park baseball stadium (formerly Sec Taylor Stadium), which serves the Iowa Cubs AAA baseball team.

Municipal water, sanitary sewer and storm sewer services are provided to essentially all developed areas of the City. The Des Moines Water Works is under the direction of a five-member Board of Trustees, which oversees the management and operation of Des Moines Water Works including setting water rates. The Water Works Trustees are appointed by the Mayor, subject to the approval of the City Council, and serve six-year terms. The Des Moines Water Works utilizes water from the Raccoon River and the Des Moines River as its primary sources for water supply. Also, the Water Works owns the 1.5 billion-gallon Maffitt Reservoir and 5 billion gallons of storage capacity in the Saylorville Reservoir, which may be used to release water into the rivers at periods of low-river flow. The Water Works distribution system consists of over 1,000 miles of pipe, with two standpipes, an elevated storage tank and a ground storage tank providing total storage capacity of approximately 15 million gallons.

The City, as Operating Contractor to the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), is responsible for the design, construction, and operation of wastewater reclamation facility, conveyance and flow equalization facilities. The WRA, which includes the City, ten surrounding communities, two counties and three sanitary sewer districts, was formed to implement wastewater conveyance and treatment facilities improvements mandated by federal law. Each WRA participant institutes user charges to cover the cost of operation of WRA facilities as well as debt payments related to the construction of improvements.

To facilitate the implementation of capital improvements to expand the treatment and conveyance capacity of the existing facility, the constituent communities reorganized the WRA to provide for a financing structure that allows all participants to share in debt liability, as well as establish a mechanism for new communities to acquire ownership rights to the facilities.

The new WRA is a separate legal entity created July 1, 2004, governed by an Intergovernmental Agreement under Chapters 28E (Joint Exercise of Governmental Powers) and 28F (Joint Financing of Public Works and Facilities) of the Code of Iowa.

MAJOR EMPLOYERS

A representative list of larger employers in the Des Moines Metropolitan Area is as follows:

Employer	Type of Business	Approximate Number of Employees
Wells Fargo	Financial Services	12,900 [1)]
State of Iowa	State Government	8,800 [2)]
Mercy Hospital Medical Center	Healthcare (Hospitals and Clinics)	6,900
Principal Financial Group	Insurance	6,547
Iowa Health Systems	Healthcare	5,005
Des Moines Public Schools	Education	4,642
Nationwide/Allied Insurance	Insurance	4,396
Pioneer Hi-Bred International Inc.	Seed Manufacturing	3,166
John Deere Companies	Farm Equipment & Consumer Financial Services	3,100 [3)]
Hy-Vee Food Stores	Retail Food Stores	2,200
City of Des Moines	Local Government	1,831
Kum & Go	Convenience Store Chain	1,820
Marsh	Insurance	1,800
City of Des Moines	Government	1,622
United Parcel Service (UPS)	Package Shipping	1,600
Wellmark Inc.	Insurance Provider	1,516
Firestone Agricultural Tire	Tire Manufacturing	1,500
HP Enterprise Services	Global Technology Services	1,500
Aviva USA	Financial Services	1,300
YMCA of Greater Des Moines	Non-profit Youth Development & Fitness Centers	1,300
CenturyLink	Telecommunications	1,166 [4)]
Polk County	County Government	1,120
CDS Global	Magazine & Direct Marketing Services	1,100
EMC Insurance Companies	Insurance	1,100
FBL Financial Services, Inc.	Financial Services	1,057
Casey's General Store, Inc.	Retail General Store	1,050
Meredith Corporation	Publishing	1,000
Prairie Meadows	Entertainment Facility	973
MidAmerican Energy Company	Utility	953
Dahl's Foods	Retail Food Stores	900
Drake University	Higher Education	900

1) Includes both Wells Fargo Banks and Wells Fargo Financial.
2) Total is for the Greater Des Moines metropolitan statistical area which includes Dallas, Guthrie, Madison, Polk and Warren counties.
3) Includes both John Deere Des Moines Works and John Deere Credit Company.
4) Formerly Qwest.

Source: The Greater Des Moines Partnership as of February 22, 2012. The list is updated frequently as changes are identified and is not to be construed as a complete profile.

RETAIL SALES AND BUYING INCOME

The following table lists the City's total effective buying income ("EBI"), median household EBI, total retail sales and per household retail sales for the survey years 2007 through 2011.

Survey Year	Total EBI ($000)	Median Household EBI	Total Retail Sales ($000)	Retail Sales Per Household
2007	$3,548,008	$36,977	$2,199,408	$27,234
2008	3,464,658	35,970	2,161,086	26,816
2009	3,508,283	35,624	2,424,234	27,707
2010	3,582,582	36,476	2,281,796	28,229
2011	3,496,025	34,502	2,527,017	30,887

Note: The Iowa median household EBI for 2011 was $38,156.

	2011 Effective Buying Income Groups		
	Less than $15,000-$34,999	$35,000-$74,999	$75,000 and Over
City	50.9%	38.4%	10.7%
Polk County	39.1%	40.9%	20.0%
Warren County	32.9%	46.5%	20.1%
State of Iowa	45.9%	39.7%	14.4%

Source: Claritas, Inc. for 2011 report.

AVERAGE ANNUAL LABOR FORCE DATA

	Total Civilian Labor Force		Unemployment Rate	
	Des Moines Metro Area	State of Iowa	Des Moines Metro Area	State of Iowa
2008	315,000	1,680,900	4.1%	4.4%
2009	314,900	1,665,900	5.3%	5.6%
2010	316,100	1,669,700	6.2%	6.3%
2011	313,200	1,663,600	5.9%	5.9%
2012 1)	310,800	1,664,100	5.7%	5.3%

1) Includes the averages for January through April 2012.

Source: Iowa Workforce Development

CITY BUILDING PERMITS

City officials report the following construction activity as of May 31, 2012. Permits for the City are reported on a fiscal year basis.

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Single Family Homes:					
No. of new homes:	207	143	120	103	91
Valuation:	$35,082,469	$26,841,561	$23,936,127	$19,419,500	$18,223,604
Multiple Family Dwellings:					
No. of new buildings:	54	2	6	38	42
Valuation:	$31,841,094	$7,028,461	$24,223,931	$39,870,702	$21,949,714
Residential Homes - Additions & Alterations:					
No. of permits issued:	1,680	1,360	1,510	1,335	1,267
Valuation:	$51,438,200	$21,521,694	$48,383,656	$29,955,413	$46,989,632
Commercial/Industrial/Other:					
No. of new buildings/additions:	118	81	77	102	86
Valuation:	$165,446,440	$112,388,931	$84,515,041	$81,287,882	$81,829,798
Commercial/Industrial/Other: Remodels & Alterations:					
No. of permits:	301	275	272	304	322
Valuation:	$54,330,049	$58,393,313	$69,014,813	$114,950,777	$59,471,709
Demolitions:					
No. of permits:	179	219	239	184	210
Valuation:	$0	$0	$0	$0	$0
Total Permits:	2,539	2,080	2,224	2,066	2,018
Total Valuations:	$338,138,252	$226,173,960	$250,073,568	$285,484,274	$228,464,457

U.S. CENSUS DATA

City Population

1970 U.S. Census	201,404
1980 U.S. Census	191,007
1990 U.S. Census	193,189
2000 U.S. Census	198,682
2010 U.S. Census	203,433

Source: U.S. Census Bureau website.

EDUCATION

The Des Moines Independent Community School District provides education in the City. The District has had the following certified enrollment for the last five school years:

School Year	Total Enrollment
2007-08	31,218
2008-09	31,128
2009-10	30,783
2010-11	30,954
2011-12	30,975
2012-13	31,546

A small portion of the Des Moines residents are served by five other community school districts. Those districts are Carlisle, Johnston, Saydel, Southeast Polk and West Des Moines Community School Districts. Higher educational facilities serving the Des Moines area include the four-year private institutions of Drake University, Des Moines University (formerly University of Osteopathic Medicine and Health Services) and Grand View College. Two-year degree programs are offered at Des Moines Area Community College, American Institute of Business (AIB) and Hamilton College.

FINANCIAL SERVICES

Residents of the Des Moines metropolitan area are serviced by numerous regional banking institutions. Collective total deposits for banks located within Polk County as of December 31, 2011 exceeding $7.2 billion. Total deposits as of December 31, 2011 for a sampling of banks headquartered within Des Moines are listed as follows:

Bank	Deposits
Principal Bank	$2,193,300,000
Bankers Trust Company, N.A.	1,857,452,000
Iowa State Bank	262,176,000

Source: Federal Deposit Insurance Corporation (FDIC) web site.

FINANCIAL STATEMENTS

The City's June 30, 2011 Comprehensive Annual Financial Report as prepared by a certified public accountant is reproduced as APPENDIX B. The City's certified public accountant has not consented to distribution of the Comprehensive Annual Financial Report and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City's prior Comprehensive Annual Financial Reports may be obtained from the City's Financial Advisor, Public Financial Management, Inc.

APPENDIX A

FORM OF LEGAL OPINIONS

APPENDIX B

JUNE 30, 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATES

OFFICIAL BID FORM

TO: City Council of
City of Des Moines, Iowa

Date: July 25, 2012
10:00 AM, CT

RE: $13,210,000 General Obligation Sewer Bonds, Series 2012D (the "Series 2012D Bonds")

For all or none of the Series 2012D Bonds, in accordance with the TERMS OF OFFERING, we will pay you not less than $________________________ (minimum of $13,051,480) plus accrued interest to date of delivery for fully registered Series 2012D Bonds bearing interest rates and maturing in the stated years as follows:

Coupon	Maturity	Coupon	Maturity
__________	2013	__________	2023
__________	2014	__________	2024
__________	2015	__________	2025
__________	2016	__________	2026
__________	2017	__________	2027
__________	2018	__________	2028
__________	2019	__________	2029
__________	2020	__________	2030
__________	2021	__________	2031
__________	2022	__________	2032

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated July 18, 2012. In the event of failure to deliver the Series 2012D Bonds in accordance with the TERMS OF OFFERING as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission. Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $___________________________

TRUE INTEREST COST: ___________________________% (Calculated to the dated date of September 4, 2012)

Account Manager: ___________________________________ By: ____

Account Members:

____

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Des Moines, Iowa this 25th day of July 2012.

Attest: _______________________________________ By: ____

Title: ____ Title: ____

OFFICIAL BID FORM

TO: City Council of
City of Des Moines, Iowa

Date: July 25, 2012
10:00 AM, CT

RE: $10,825,000 General Obligation Stormwater Bonds, Series 2012E (the "Series 2012E Bonds")

For all or none of the Series 2012E Bonds, in accordance with the TERMS OF OFFERING, we will pay you not less than $_______________________ (minimum of $10,695,100) plus accrued interest to date of delivery for fully registered Series 2012E Bonds bearing interest rates and maturing in the stated years as follows:

Coupon	Maturity	Coupon	Maturity
__________	2013	__________	2023
__________	2014	__________	2024
__________	2015	__________	2025
__________	2016	__________	2026
__________	2017	__________	2027
__________	2018	__________	2028
__________	2019	__________	2029
__________	2020	__________	2030
__________	2021	__________	2031
__________	2022	__________	2032

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated July 18, 2012. In the event of failure to deliver the Series 2012E Bonds in accordance with the TERMS OF OFFERING as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission. Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $___________________________

TRUE INTEREST COST: ___________________________% (Calculated to the dated date of September 4, 2012)

Account Manager: ___________________________________ By: ____

Account Members:

____

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Des Moines, Iowa this 25th day of July 2012.

Attest: _______________________________________ By: ____

Title: ____ Title: ____

OFFICIAL BID FORM

TO: City Council of
City of Des Moines, Iowa

Date: July 25, 2012
10:00 AM, CT

RE: $13,030,000* General Obligation Parking Bonds, Taxable Series 2012F (the "Series 2012F Bonds")

For all or none of the Series 2012F Bonds, in accordance with the TERMS OF OFFERING, we will pay you not less than $_______________________ (minimum of $12,951,820) plus accrued interest to date of delivery for fully registered Series 2012F Bonds bearing interest rates and maturing in the stated years as follows:

Coupon	Maturity	Coupon	Maturity
__________	2014	__________	2018
__________	2015	__________	2019
__________	2016	__________	2020
__________	2017		

***** Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Series 2012F Bonds in such amount as may be necessary to implement the refunding of the Series 2000A Public Parking System Revenue Bonds. However, the maximum par amount will not exceed $13,500,000. Such change will be in increments of $5,000 and may be made in any of the maturities. The purchase price will be adjusted proportionately to reflect any change in issue size.

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated July 18, 2012. In the event of failure to deliver the Series 2012F Bonds in accordance with the TERMS OF OFFERING as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission. Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $___________________________

TRUE INTEREST COST: ___________________________% (Calculated to the dated date of September 4, 2012)

Account Manager: ___________________________________ By: ____

Account Members:

____

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Des Moines, Iowa this 25th day of July 2012.

Attest: _______________________________________ By: ____

Title: ____ Title: ____