

RESOLUTION NO. 2017-05

A RESOLUTION DIRECTING THE CALL FOR REDEMPTION OF CERTAIN OUTSTANDING ELECTRIC UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2011, OF THE CITY OF MCPHERSON, KANSAS, AND PROVIDING FOR NOTICE OF SAID REDEMPTION.

WHEREAS, the City of McPherson, Kansas (the "City") is a city of the second class, duly created, organized and existing under the Constitution and laws of the State of Kansas (the "State") that owns its Electric Utility System (the "System"); and

WHEREAS, by statute and Charter Ordinances of the City, the management of the System has been transferred to the Board of Public Utilities of the City of McPherson, Kansas (the "Board"); and

WHEREAS, pursuant to Ordinance No. 3043 and Resolution No. 11-15 (collectively, the Bond Resolution") the City has heretofore issued and has outstanding its Electric Utility System Refunding Revenue Bonds, Series 2011, dated October 13, 2011 (the "Series 2011 Bonds"), which are payable solely from the net revenues derived from the operation of the System; and

WHEREAS, the Board has requested that the City take action to authorize the redemption on May 1, 2017 (the "Redemption Date") of the Series 2011 Bonds maturing in the years 2017 and thereafter in the aggregate principal amount of \$2,595,000 (the "Called Bonds") prior to their stated maturity; and

WHEREAS, the Board shall provide System funds to pay the costs of the redemption of the Called Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF MCPHERSON, KANSAS:

Section 1. The Called Bonds are hereby called for redemption on the Redemption Date in the manner set forth in and from moneys held in funds and accounts established pursuant to the Bond Resolution. The City, to the extent required by the Bond Resolution, hereby consents to such transfer of funds.

Section 2. The City Clerk is hereby authorized and directed to notify the Paying Agent for the Series 2011 Bonds and the State Treasurer in accordance with K.S.A. 10-129, as amended, of such call for redemption by disseminating the Notice of Call for Redemption substantially in the form attached hereto as *Exhibit A*.

Section 3. The City Clerk is further authorized and directed to cause the Paying Agent to notify the Owners of the Bonds in the manner set forth in the Bond Resolution authorizing the same and to provide for notice to be made in accordance with the provisions of Rule 15c2-12 of the Securities and Exchange Commission substantially in the form attached hereto as *Exhibit B*.

Section 4. All costs associated with the redemption of the Called Bonds shall be paid by the Board.

Section 5. This Resolution shall be in full force and effect from and after its adoption.

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ADOPTED by the governing body on March 13, 2017.

(SEAL)

Mayor

ATTEST:

City Clerk

EXHIBIT A

Treasurer of the State of Kansas
Landon State Office Bldg.
900 Southwest Jackson, Suite 201
Topeka, Kansas 66612-1235

[CERTIFIED MAIL]

Piper Jaffray & Co.
11635 Rosewood Street
Leawood, Kansas 66211

RE:

CALL FOR REDEMPTION

**CITY OF MCPHERSON, KANSAS
ELECTRIC UTILITY SYSTEM REFUNDING REVENUE BONDS
SERIES 2011, DATED OCTOBER 13, 2011**

Notice is hereby given pursuant to K.S.A. 10-129, as amended, and pursuant to the provisions of Article III of Resolution No. 11-15 (the "Bond Resolution") of the City of McPherson, Kansas (the "Issuer"), that the above mentioned bonds described in the attached Notice of Call for Redemption (the "Called Bonds"), have been called for redemption and payment on May 1, 2017.

The Paying Agent is hereby requested to disseminate the attached Notice of Call for Redemption in accordance with K.S.A. 10-129 and the Bond Resolution. After redemption of the Called Bonds the Paying Agent is requested to complete the attached Paying Agent's Certification and forward a copy of same to the undersigned.

CITY OF MCPHERSON, KANSAS

By _____
City Clerk

[The form of this Notice is to be modified or amended to comply with the law and industry standards at the time of its distribution to the Owners of the Series 2011 Bonds.]

NOTICE OF CALL FOR REDEMPTION

**CITY OF MCPHERSON, KANSAS
ELECTRIC UTILITY SYSTEM REFUNDING REVENUE BONDS
SERIES 2011, DATED OCTOBER 13, 2011**

Notice is hereby given to the registered owners of the above-captioned bonds (the “Bonds”) that pursuant to the provisions of Article III of Resolution No. 11-15 (the “Bond Resolution”) of the City of McPherson, Kansas (the “Issuer”), that the Bonds maturing September 1, 2017, and thereafter (the “Called Bonds”), have been called for redemption and payment on May 1, 2017 (the “Redemption Date”), at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar and Paying Agent”).

<u>Stated Maturity September 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>CUSIP No.</u>
2017	\$615,000	3.00%	582665 EZ 4
2018	635,000	3.50%	582665 FA 8
2019	660,000	3.75%	582665 FB 6
2020	685,000	4.00%	582665 FC 4

On the Redemption Date there shall become due and payable, upon the presentation and surrender of each such Called Bond, the redemption price thereof equal to 100% of the principal amount thereof together with interest accrued to the Redemption Date. Interest shall cease to accrue on the Called Bonds so called for redemption from and after the Redemption Date provided such funds for redemption are on deposit with the Paying Agent.

Neither the Issuer nor the Paying Agent shall be responsible for the selection or use of the CUSIP identification numbers shown above or printed on any of the Called Bonds. Said CUSIP identification numbers are included solely for the convenience of the owners of the Bonds.

Under the provisions of Section 3406(a)(1) of the Internal Revenue Code of 1986, as amended, paying agents making payments of principal on municipal securities may be obligated to withhold a 28% tax on the payment of principal to registered owners who have failed to provide the paying agent with a valid taxpayer identification number. Registered Owners of the Bonds who wish to avoid the imposition of the tax should provide a certified taxpayer identification number to the Paying Agent when presenting the Bonds for payment.

CITY OF MCPHERSON, KANSAS

By: _____
Treasurer of the State of Kansas,
Topeka, Kansas, as Paying Agent

This Notice of Redemption shall be mailed by certified mail to the Treasurer of the State of Kansas, Topeka, Kansas, not less than 45 days prior to the Redemption Date, and to Piper Jaffray & Co., the original purchaser of the Called Bonds, not less than 30 days prior to the Redemption Date. Notice shall also be given to certain repositories in order to comply with the provisions of Rule 15c2-12 of the Securities and Exchange Commission. Notice may also be given in accordance with guidelines set forth in Securities and Exchange Commission Release No. 34-23856, but such notice is not required by law. The Paying Agent shall notify the registered owners of the Called Bonds as provided in K.S.A. 10-129 as amended, and the Bond Resolution.

PAYING AGENT'S CERTIFICATION

**CITY OF MCPHERSON, KANSAS
ELECTRIC UTILITY SYSTEM REFUNDING REVENUE BONDS
SERIES 2011, DATED OCTOBER 13, 2011**

The State Treasurer, in its capacity as Paying Agent for the above-captioned Bonds, does hereby certify as follows:

1. Capitalized terms not defined herein, shall have the meanings ascribed thereto in the attached Notice of Call for Redemption or the Bond Resolution defined therein.

2. The Called Bonds have been called for redemption and payment on May 1, 2017 (the "Redemption Date").

3. The full redemption price of the Called Bonds as determined pursuant to the Bond Resolution is calculated as follows:

Principal Amount of Called Bonds	.00595,000\$2,
Accrued Interest to Redemption Date	<u>15,470.84</u>
Total	\$2,610,470.84

4. There was deposited with the Paying Agent the sum set forth above, which has been irrevocably pledged for the payment of the principal of, redemption premium, if any, and interest on the Called Bonds to the Redemption Date. In addition, sufficient funds have been deposited to provide for additional costs associated with such redemption.

5. The Notice of Call for Redemption, a copy of which is attached hereto, was disseminated in accordance with K.S.A. 10-129, as amended, and the Bond Resolution.

DATED as of May 1, 2017.

**TREASURER OF THE STATE OF KANSAS,
TOPEKA, KANSAS**

By _____
Director of Bond Services

EXHIBIT B

EVENT NOTICE PURSUANT TO SEC RULE 15C2-12(B)(5)(C)

TO: The Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system for municipal securities disclosures (www.emma.msrb.org)

Issuer/Obligated Persons: City of McPherson, Kansas
Board of Public Utilities of the City of McPherson, Kansas

Issue(s) to which this Report Relates and CUSIP Base Numbers for said Issues:

Description	Series	Dated Date	Maturities	Base CUSIP No.
Electric Utility System Refunding Revenue Bonds	2011	October 13, 2011	2017 to 2020	582665

Event Reported: Redemption of above-referenced Bonds on May 1, 2017; see attached *Exhibit A*.

The information contained in this Notice has been submitted by the Obligated Persons pursuant to contractual undertakings the Obligated Persons made in accordance with SEC Rule 15c2-12. Nothing contained in the undertaking or this Notice is, or should be construed as, a representation by the Obligated Persons that the information included in this Notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed above, or any other securities of the Obligated Persons.

For additional information, contact:

City of McPherson, Kansas
400 East Kansas Avenue
P.O. Box 1008
McPherson, KS 67460
Attention: City Clerk
Phone No. (316) 245-2535
Fax No. (316) 245-2549

Board of Public Utilities of the City of McPherson, Kansas
401 West Kansas Avenue
P.O. Box 768
McPherson, KS 67460
Attention: Comptroller
Phone No. (316) 245-2515
Fax No. (316) 245-2529

CITY OF MCPHERSON, KANSAS