

**RESOLUTION NO. 17- 08**

**A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 138 OF 2017, OF THE CITY OF MCPHERSON, KANSAS.**

**WHEREAS**, the City of McPherson, Kansas (the “Issuer”), has previously authorized certain internal improvements described as follows (collectively the “Improvements”):

<u>Project Description</u>	<u>Res. No.</u>	<u>Authority (K.S.A.)</u>	<u>Amount</u>
Sanitary Sewer Improvements-Grimes and Loomis	15-08/17-06	12-6a01 <i>et seq.</i>	\$ 42,457.88
Street Improvements-Calvary Street	15-19	12-6a01 <i>et seq.</i>	215,608.30
Street Improvements-Centennial Drive	15-20/17-03	12-6a01 <i>et seq.</i>	388,753.60
Sanitary Sewer Improvements-Fisher and Elizabeth	16-07	12-6a01 <i>et seq.</i>	<u>63,306.19</u>
<b>Total:</b>			<b><u>\$710,125.97</u></b>

**WHEREAS**, the Issuer desires to issue its general obligation bonds in order to permanently finance a portion of the costs of the Improvements and to retire the following temporary notes of the Issuer, which were issued to temporarily finance a portion of the costs of the Improvements (collectively the “Refunded Notes”):

<u>Series</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Amount</u>	<u>Redemption Date</u>
A, 2015	12/15/15	12/15/17	\$360,000	\$360,000	\$360,000	08/01/17
A, 2016	09/15/16	12/15/17	54,000	54,000	54,000	08/01/17

**WHEREAS**, the Issuer proposes to issue its general obligation bonds to pay a portion of the costs of the Improvements and to retire the Refunded Notes; and

**WHEREAS**, the Issuer has previously issued and has outstanding general obligation bonds; and

**WHEREAS**, due to the current interest rate environment, the Issuer has the opportunity to issue its general obligation refunding bonds in order to achieve an interest cost savings on all or a portion of the debt represented by such general obligation bonds described as follows (collectively the “Refunded Bonds”):

<u>Description</u>	<u>Series</u>	<u>Dated Date</u>	<u>Years</u>	<u>Amount</u>
G.O. Refunding & Improvement Bonds	131 of 2006	07/15/06	2018 to 2026	\$535,000
G.O. Bonds	132 of 2007	08/01/07	2020 to 2027	450,000
G.O. Bonds	133 of 2009	07/30/09	2021 to 2029	660,000
G.O. Refunding and Improvement Bonds	134 of 2011	06/15/11	2018 to 2023	715,000

**WHEREAS**, the City Commission of the Issuer (the “Governing Body”) hereby selects the firm of Stifel, Nicolaus and Company, Incorporated, Wichita, Kansas (the “Purchaser”), as underwriter for one or more series of general obligation bonds of the Issuer in order to provide funds to permanently finance the Improvements, retire the Refunded Notes and refund the Refunded Bonds; and

**WHEREAS**, the Issuer has selected the firm of George K. Baum & Company, Kansas City, Missouri (the “Financial Advisor”), as financial advisor for one or more series of general obligation bonds of the Issuer to be issued in order to provide funds to permanently finance the Improvements, to retire the Refunded Notes and to refund the Refunded Bonds; and

**WHEREAS**, the Issuer desires to authorize the Purchaser to proceed with the offering for sale of said general obligation bonds and related activities; and

**WHEREAS**, one of the duties and responsibilities of the Issuer is to prepare and distribute a preliminary official statement relating to said general obligation bonds; and

**WHEREAS**, the Issuer desires to authorize the Financial Advisor, in conjunction with the Finance Director and Gilmore & Bell, P.C., Wichita, Kansas, the Issuer’s bond counsel (“Bond Counsel”), to proceed with the preparation and distribution of a preliminary official statement and all other preliminary action necessary to sell said general obligation bonds; and

**WHEREAS**, due to the volatile nature of the municipal bond market and the desire of the Issuer to achieve maximum benefit of timing of the sale of said general obligation bonds, the Governing Body desires to authorize the Mayor to confirm the sale of such general obligation bonds, if necessary, prior to the next meeting of the Governing Body to adopt the necessary ordinance and resolution providing for the issuance thereof.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MCPHERSON, KANSAS, AS FOLLOWS:**

**Section 1.** The Purchaser is hereby authorized to proceed with the offering for sale of the Issuer’s General Obligation Refunding and Improvement Bonds, Series 138 of 2017 (the “Bonds”) in accordance with the presentation made this date. The offering for sale of the Bonds shall be accomplished in consultation with the City Administrator, Finance Director and the Financial Advisor.

The confirmation of the sale of the Bonds shall be subject to the execution of a bond purchase agreement between the Purchaser and the Issuer (the “Bond Purchase Agreement”) in a form approved by Bond Counsel and the City Attorney, the passage of an ordinance and adoption of a resolution by the Governing Body authorizing the issuance of the Bonds and the execution of various documents necessary to deliver the Bonds. The Mayor is hereby authorized to execute the Bond Purchase Agreement subject to the following parameters: (a) the principal amount of the Bonds shall not exceed \$2,710,000; (b) the true interest cost of the Bonds shall not exceed 2.40%; and (c) the present value savings associated with refunding the Refunded Bonds shall be not less than 3.00% of the outstanding principal of the Refunded Bonds.

**Section 2.** The Preliminary Official Statement, dated June 12, 2017 (the “Preliminary Official Statement”) is hereby approved in substantially the form presented to the Governing Body this date, with such changes or additions as the Mayor and Finance Director shall deem necessary and appropriate. The Issuer hereby consents to the use and public distribution by the Purchaser of the Preliminary Official Statement in connection with the offering for sale of the Bonds.

**Section 3.** For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the Mayor and Finance Director or other appropriate officers of the Issuer are hereby authorized: (a) to approve the form of the Preliminary Official Statement, and to execute the “Certificate Deeming Preliminary Official Statement Final” in substantially the form attached hereto as *Exhibit A* as approval of the Preliminary Official

Statement, such official's signature thereon being conclusive evidence of such official's and the Issuer's approval thereof; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to certain national repositories and the Municipal Securities Rulemaking Board, as applicable; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the Rule.

**Section 4.** The Issuer agrees to provide to the Purchaser within seven business days of the date of the Bond Purchase Agreement or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

**Section 5.** The Mayor, City Administrator, Finance Director, Clerk, City Attorney and the other officers and representatives of the Issuer, the Financial Advisor, the Purchaser and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to: (a) carry out the sale of the Bonds; and (b) make provision for payment and/or redemption of the Refunded Notes and the Refunded Bonds from proceeds of the Bonds and other available funds.

**Section 6.** This Resolution shall be in full force and effect from and after its adoption.

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**ADOPTED** by the City Commission on June 12, 2017.

(SEAL)

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Mayor

ATTEST:

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Clerk

**EXHIBIT A**

**CERTIFICATE DEEMING  
PRELIMINARY OFFICIAL STATEMENT FINAL**

June 12, 2017

To: Stifel, Nicolaus and Company, Incorporated  
Wichita, Kansas

Re: City of McPherson, Kansas, General Obligation Refunding and Improvement Bonds,  
Series 138 of 2017

The undersigned are the duly acting Mayor and Finance Director of the City of McPherson, Kansas (the "Issuer"), and are authorized to deliver this Certificate to the addressee (the "Purchaser") on behalf of the Issuer. The Issuer has previously caused to be delivered to the Purchaser copies of the Preliminary Official Statement (the "Preliminary Official Statement") relating to the above-referenced bonds (the "Bonds").

For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), the Issuer hereby deems the information regarding the Issuer contained in the Preliminary Official Statement to be final as of its date, except for the omission of such information as is permitted by the Rule, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters.

**CITY OF MCPHERSON, KANSAS**

By: \_\_\_\_\_  
Title: Mayor

By: \_\_\_\_\_  
Title: Finance Director