

**RESOLUTION NO. 18-11**

**A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION BONDS, SERIES 139 OF 2018, 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”):

<b><u>Project Description</u></b>	<b><u>Ord./Res. No.</u></b>	<b><u>Authority (K.S.A.)</u></b>	<b><u>Amount</u></b>
Stormwater Improvements – Hulse Area Drainage Project	Ord. 3276	12-631r <i>et seq.</i>	\$4,724,890.57
Main Trafficway Improvements – Grimes Street, Anna Street, Hartup Street and Elizabeth Street	Ord. 3277/ Res. 18-06	12-685 <i>et seq.</i>	<u>8,358,241.67</u>
<b>Total:</b>			<b>\$13,083,132.24</b>

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

**WHEREAS**, the City Commission of the Issuer (the “Governing Body”) 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; and

**WHEREAS**, the Issuer desires to authorize the Financial Advisor 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 and Gilmore & Bell, P.C., Wichita, Kansas, the Issuer’s bond counsel (“Bond Counsel”), in conjunction with the Finance Director, to proceed with the preparation and distribution of a preliminary official statement and notice of bond sale and to authorize the distribution thereof 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 award 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.

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

**Section 1.** There is hereby authorized to be offered for sale the Issuer’s General Obligation Bonds, Series 139 of 2018 (the “Bonds”) described in the Notice of Bond Sale, which is hereby approved

in substantially the form presented to the Governing Body this date (the “Notice of Bond Sale”). All proposals for the purchase of the Bonds shall be submitted upon the terms and conditions set forth in the Notice of Bond Sale, and shall be reviewed by the Mayor, Finance Director, the Financial Advisor and Bond Counsel as soon after the submittal hour as possible. The Mayor is hereby authorized to award the sale of the Bonds to the submitter of the best proposal as determined pursuant to the provisions of the Notice of Bond Sale or to reject all proposals; provided, however, that the principal amount of the Bonds shall not exceed \$9,950,000 and the true interest cost of the Bonds shall not exceed 3.75%. All proposals for the purchase of the Bonds shall be delivered to the Governing Body at its meeting to be held on the date referenced in the Notice of Bond Sale, at which meeting the Governing Body shall review such proposals and ratify the award of the sale of the Bonds or the rejection of all proposals.

**Section 2.** The Preliminary Official Statement, dated September 4, 2018 (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, and such officials and other representatives of the Issuer are hereby authorized to use such document in connection with the sale of the Bonds.

**Section 3.** The Finance Director, in conjunction with the Financial Advisor and Bond Counsel, is hereby authorized and directed to give notice of said bond sale by publishing a summary of the Notice of Bond Sale not less than 6 days before the date of the bond sale in a newspaper of general circulation in McPherson County, Kansas, and the *Kansas Register* and by distributing copies of the Notice of Bond Sale and Preliminary Official Statement to prospective purchasers of the Bonds. Proposals for the purchase of the Bonds shall be submitted upon the terms and conditions set forth in the Notice of Bond Sale, and awarded or rejected in the manner set forth in the Notice of Bond Sale.

**Section 4.** For the purpose of enabling the purchaser of the Bonds (the “Purchaser”) to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the Mayor and Finance Director 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 the Municipal Securities Rulemaking Board; 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 5.** The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds 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 6.** The Mayor, Finance Director, Clerk, and the other officers and representatives of the Issuer, the Financial Advisor and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Bonds.

**Section 7.** The Mayor and Finance Director are hereby authorized and directed to execute the engagement letter related to services to be provided by the Financial Advisor, in substantially the form attached hereto as *Exhibit B*.

**Section 8.** This Resolution shall be in full force and effect from and after its adoption by the Governing Body.

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**ADOPTED** by the City Commission on September 4, 2018.

(SEAL)

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Mayor

ATTEST:

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Clerk

**EXHIBIT A**

**CERTIFICATE DEEMING  
PRELIMINARY OFFICIAL STATEMENT FINAL**

September 4, 2018

Re: City of McPherson, Kansas, General Obligation Bonds, Series 139 of 2018

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 purchaser (the "Purchaser") of the above-referenced bonds (the "Bonds") 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 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, identity of the underwriters and other terms of the Bonds depending on such matters.

**CITY OF MCPHERSON, KANSAS**

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

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

***EXHIBIT B***

**FORM OF FINANCIAL ADVISOR ENGAGEMENT LETTER**

**NOTICE OF BOND SALE**  
**\$9,950,000\***  
**CITY OF MCPHERSON, KANSAS**  
**GENERAL OBLIGATION BONDS**  
**SERIES 139 OF 2018**

(GENERAL OBLIGATION BONDS PAYABLE FROM UNLIMITED AD VALOREM TAXES)

**Bids.** Facsimile, written, and electronic (as explained below) bids for the purchase of the above-referenced bonds (the “Bonds”) of the City of McPherson, Kansas (the “Issuer”) herein described will be received on behalf of the undersigned Finance Director of the Issuer at the address hereinafter set forth in the case of written and facsimile bids, and via PARITY® in the case of electronic bids, until 11:00 a.m. applicable Central Time (the “Submittal Hour”), on

**OCTOBER 11, 2018**

(the “Sale Date”). All bids will be publicly evaluated at said time and place and the award of the Bonds to the successful bidder (the “Successful Bidder”) will be acted upon immediately thereafter by the Issuer’s Mayor, and ratified by the City Commission of the Issuer (the “Governing Body”) at its meeting to be held at 8:30 a.m. on October 15, 2018. No oral or auction bids will be considered. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Bonds.

**Terms of the Bonds.** The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Bonds will be dated November 1, 2018 (the “Dated Date”), and will become due in principal installments on August 1 in the years as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2019	\$565,000	2025	\$845,000
2020	735,000	2026	875,000
2021	755,000	2027	905,000
2022	775,000	2028	930,000
2023	800,000	2029	955,000
2024	825,000	2030	985,000

The Bonds will bear interest from the Dated Date at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on February 1 and August 1 in each year, beginning on August 1, 2019 (the “Interest Payment Dates”).

**\*Adjustment of Issue Size.** The Issuer reserves the right to increase or decrease the total principal amount of the Bonds or the schedule of principal payments described above, depending on the purchase price and interest rates bid and the offering prices specified by the Successful Bidder, but in no event will the total principal amount of the Bonds exceed \$9,950,000. The Successful Bidder may not

withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Bonds or the schedule of principal payments as described herein. If there is an increase or decrease in the final aggregate principal amount of the Bonds or the schedule of principal payments as described above, the Issuer will notify the Successful Bidder by means of telephone or facsimile transmission, subsequently confirmed in writing, no later than 2:00 p.m. applicable Central Time, on the Sale Date. The actual purchase price for the Bonds shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of the Bonds, as adjusted, plus accrued interest from the Dated Date to the Closing Date (as hereinafter defined).

**Place of Payment.** The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"). The principal of each Bond will be payable at maturity or earlier redemption to the owner thereof whose name is on the registration books (the "Bond Register") of the Bond Registrar (the "Registered Owner") upon presentation and surrender at the principal office of the Paying Agent. Interest on each Bond will be payable to the Registered Owner of such Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the "Record Date") (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

**Bond Registration.** The Bonds will be registered pursuant to a plan of registration approved by the Issuer and the Attorney General of the State of Kansas (the "State"). The Issuer will pay for the fees of the Bond Registrar for registration and transfer of the Bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Owners.

**Book-Entry-Only System.** The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will initially be issued exclusively in "book entry" form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Bonds. During the term of the Bonds, so long as the book-entry-only system is continued, the Issuer will make payments of principal of, premium, if any, and interest on the Bonds to DTC or its nominee as the Registered Owner of the Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Bonds in accordance with agreements between such participants and the beneficial owners. The Issuer will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Issuer determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry-only form of registration with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause to be authenticated and delivered to the beneficial owners replacement Bonds in the form of fully registered certificates. Reference is made to the Official Statement for further information regarding the book-entry-only system of registration of the Bonds and DTC.



## **Redemption of Bonds Prior to Maturity.**

**General.** Whenever the Issuer is to select Bonds for the purpose of redemption, it will, in the case of Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Bond as though it were a separate Bond in the minimum Authorized Denomination.

**Optional Redemption.** At the option of the Issuer, Bonds maturing on August 1 in the years 2027, and thereafter, will be subject to redemption and payment prior to maturity on August 1, 2026, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

**Mandatory Redemption.** A bidder may elect to have all or a portion of the Bonds scheduled to mature in consecutive years issued as term bonds (the "Term Bonds") scheduled to mature in the latest of said consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY® .

**Notice and Effect of Call for Redemption.** Unless waived by any owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar, any provider of municipal bond insurance and the Successful Bidder. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the Redemption Date. All notices of redemption shall state the Redemption Date, the redemption price, the Bonds to be redeemed, the place of surrender of Bonds so called for redemption and a statement of the effect of the redemption. The Issuer shall also give such additional notice as may be required by State law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Bond be called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the Redemption Date, provided funds are available for its payment at the price hereinbefore specified.

**Authority, Purpose and Security.** The Bonds are being issued pursuant to K.S.A. 12-631r *et seq.* and K.S.A. 12-685 *et seq.*, as amended, and an ordinance and a resolution adopted by the Governing Body (collectively the "Bond Resolution") for the purpose of paying a portion of the cost of certain street and storm sewer improvements (the "Improvements"). The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due.

**Submission of Bids.** Facsimile and written bids must be made on forms which may be procured from the Financial Advisor and shall be addressed to the undersigned, and marked "Proposal for General Obligation Bonds, Series 139 of 2018." Written bids must be submitted in writing in sealed envelopes, by mail or hand delivered. Facsimile bids should not be preceded by a cover sheet and should be sent only once to (816) 283-5326. Confirmation of receipt of facsimile bids may be made by contacting the

Financial Advisor at the number listed below. Electronic bids via PARITY® must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. **Any bid submitted shall include the initial offering prices to the public for each maturity of the Bonds.** If provisions of this Notice of Bond Sale conflict with those of PARITY®, this Notice of Bond Sale shall control. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which may be submitted separately. The Issuer and Financial Advisor shall not be responsible for failure of transmission of facsimile or delivery by mail or in person of any bid.

**PARITY®.** Information about the electronic bidding services of PARITY® may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

**Conditions of Bids.** Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Bonds of the same maturity year; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by **THE BOND BUYER**, in New York, New York, on the Monday next preceding the day on which the Bonds are sold, plus 3%; (c) no supplemental interest payments will be considered; and (d) each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%. The difference between the highest rate specified and the lowest rate specified cannot exceed 5.00%. No bid for less than **100%** of the principal amount of the Bonds and accrued interest thereon to the date of delivery will be considered. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Bonds on the basis of such bid, the premium, if any, offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid, and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the Issuer the correctness of the information contained on the Official Bid Form; the Issuer will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the Bonds, it will provide the certification described under the caption “Establishment of Issue Price” in this Notice.

**Good Faith Deposit.** A good faith deposit (the “Deposit”) in the amount of \$199,000 payable to the order of the Issuer is required in order to secure the Issuer from any loss resulting from the failure of the bidder to comply with the terms of its bid.

The Deposit may be submitted at the address hereinafter set forth in either of the following forms:

(a) *Certified or Cashier’s Check.* Certified or cashier’s check drawn on a bank located in the United States of America received by the Issuer **prior to the Submittal Hour**; or

(b) *Wire Transfer.* Wire transfer submitted by the Successful Bidder in Federal Reserve funds, immediately available for use by the Issuer **not later than 2:00 p.m. applicable Central Time on the Sale Date** (wire transfer information may be obtained from the Financial Advisor at the addresses set forth below).

Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to the Financial Advisor at the email address set forth below, including the following information: (a) notification that a wire transfer has been made; (b) the amount of the wire transfer; and (c) return wire transfer instructions in the event such bid is unsuccessful. Checks submitted for Deposits by unsuccessful bidders will be returned; wire transfer Deposits submitted by unsuccessful bidders will not be accepted or shall be returned in the same manner received on the Sale Date. The Issuer reserves the right to withhold reasonable charges for any fees or expenses incurred in returning a wire transfer Deposit. No interest on the Deposit will be paid by the Issuer. If a bid is accepted, the Deposit, or the proceeds thereof, will be held by the Issuer until the Successful Bidder has complied with all of the terms and conditions of this

Notice at which time the amount of said Deposit shall be returned to the Successful Bidder or deducted from the purchase price at the option of the Issuer. If a bid is accepted but the Issuer fails to deliver the Bonds to the Successful Bidder in accordance with the terms and conditions of this Notice, said Deposit, or the proceeds thereof, will be returned to the Successful Bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the Issuer as and for liquidated damages.

**Basis of Award.** Subject to the timely receipt of the Deposit set forth above, the award of the Bonds will be made on the basis of the lowest true interest cost (“TIC”), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Bonds on the Official Bid Form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the Issuer or the bidder. The Issuer or its Financial Advisor will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC are received, the Governing Body will determine which bid, if any, will be accepted, and its determination is final.

The Issuer reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will be returned to the bidder. Any disputes arising hereunder shall be governed by the laws of the State, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within the State with regard to such dispute.

The Issuer’s acceptance, including electronic acceptance through PARITY®, of the Successful Bidder’s proposal for the purchase of the Bonds in accordance with this Notice of Bond Sale shall constitute a bond purchase agreement between the Issuer and the Successful Bidder for purposes of the laws of the State and a contract between the Issuer and the Successful Bidder for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) and Rule G-32 of the Municipal Securities Rulemaking Board (“Rule G-32”). The method of acceptance shall be determined solely by the Governing Body.

**Bond Ratings.** The Issuer has applied to S&P Global Ratings, a division of S&P Global Inc. for a rating on the Bonds herein offered for sale.

**Optional Bond Insurance.** The Issuer has **not** applied for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance, and any bidder desires to purchase such policy, such indication and the name of the desired insurer must be set forth on the bidder’s Official Bid Form. The Issuer specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the Issuer.

If the Successful Bidder elects to purchase the Bonds with municipal bond insurance, certain rating agencies will assign their ratings to the Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of the principal of and interest on the Bonds will be issued by such bond insurer. All costs associated with the purchase and issuance of such municipal bond insurance policy and associated ratings and expenses (other than any independent rating requested by the Issuer) shall be paid by the Successful Bidder. Failure of the municipal bond insurer to issue the policy

after the award of the Bonds shall not constitute cause for failure or refusal by the Successful Bidder to accept delivery of the Bonds.

**CUSIP Numbers.** CUSIP identification numbers will be assigned and printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Notice. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the Issuer.

**Delivery and Payment.** The Issuer will pay for preparation of the Bonds and will deliver the Bonds properly prepared, executed and registered without cost on or about **NOVEMBER 1, 2018** (the “Closing Date”), to DTC for the account of the Successful Bidder. The Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the Issuer. The Issuer will deliver one Bond of each maturity registered in the nominee name of DTC.

#### **Establishment of Issue Price.**

(a) In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the “Code”), the Successful Bidder will be required to assist the Issuer in establishing the “issue price” of the Bonds and complete, execute and deliver to the Issuer prior to the Closing Date, a written certification in a form acceptable to the Successful Bidder, the Issuer and Bond Counsel (the “Issue Price Certificate”) containing the following for each maturity of the Bonds: (1) the interest rate; (2) the reasonably expected initial offering price to the “public” (as said term is used in Treasury Regulation Section 1.148-1(f) (the “Regulation”)) or the sale price; and (3) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public. Any action to be taken or documentation to be received by the Issuer pursuant hereto may be taken or received by the Financial Advisor or Bond Counsel on behalf of the Issuer.

(b) The Issuer intends that the sale of the Bonds pursuant to this Notice shall constitute a “competitive sale” as defined in the Regulation. In support thereof: (1) the Issuer shall cause this Notice to be disseminated to potential bidders in a manner reasonably designed to reach potential bidders; (2) all bidders shall have an equal opportunity to submit a bid; (3) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and (4) the Issuer anticipates awarding the sale of the Bonds to the bidder that provides a bid with the lowest TIC in accordance with the section hereof entitled “Basis of Award.”

(c) Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds as specified therein. The Successful Bidder shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its bid, the Successful Bidder confirms that it shall require any agreement among underwriters, a selling group agreement or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with provisions of the Code and the Regulation regarding the initial sale of the Bonds.

(d) If all of the requirements of a “competitive sale” are not satisfied, the Issuer shall advise the Successful Bidder of such fact at the time of award of the sale of the Bonds to the Successful Bidder and the following provisions shall apply to the Bonds. ***In such event, any bid submitted will not be subject to cancellation or withdrawal.*** Within 20 minutes of a request by the Issuer, the Successful Bidder shall advise the Issuer if a “substantial amount” (as defined in the Regulation (10%)) of any maturity of the Bonds has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The remaining maturities shall be subject to that portion of the Regulation commonly described as the “hold-the-offering-price” requirement. Accordingly, the Issuer will apply the initial offering price to the public provided in the bid as the Issue Price for such maturities. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to this “hold-the-offering-price” requirement in order to establish the issue price as of the Sale Date. Any change in the issue price of any of the Bonds after the Submittal Hour will not affect the purchase price for the Bonds submitted in the bid of the Successful Bidder.***

(e) This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the Issuer requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) or (b) the information is required to be retained by the Issuer pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

**Preliminary Official Statement and Official Statement.** The Issuer has prepared a Preliminary Official Statement dated September 4, 2018, “deemed final” by the Issuer except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Finance Director or from the Financial Advisor. Upon the sale of the Bonds, the Issuer will adopt the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder’s proposal, with a sufficient number of copies thereof, which may be in electronic format, in order for the Successful Bidder to comply with the requirements of the Rule and Rule G-32. Additional copies may be ordered by the Successful Bidder at its expense.

**Continuing Disclosure.** In the Bond Resolution, the Issuer has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. This covenant is for the benefit of and is enforceable by any Registered Owner of the Bonds. For further information, reference is made to the caption “CONTINUING DISCLOSURE” in the Preliminary Official Statement.

**Assessed Valuation and Indebtedness.** The total assessed valuation of the taxable tangible property within the Issuer for the year 2018 is as follows:

Equalized Assessed Valuation of	
Taxable Tangible Property .....	4,696,729
Tangible Valuation of Motor Vehicles (2017).....	15,591,152
Equalized Assessed Tangible Valuation	
for Computation of Bonded Debt Limitations.....	\$14 0,287,881

The total general obligation indebtedness of the Issuer as of the Dated Date, including the Bonds being sold, is \$21,270,000.

**Legal Opinion.** The Bonds will be sold subject to the approving legal opinion of GILMORE & BELL, P.C., WICHITA, KANSAS, Bond Counsel to the Issuer, which opinion will be furnished and paid for by the Issuer, will be printed on the Bonds, if the Bonds are printed, and will be delivered to the Successful Bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Bonds being excludable from gross income for federal income tax purposes and exempt from income taxation by the State. Reference is made to the Preliminary Official Statement for further discussion of federal and State income tax matters relating to the interest on the Bonds.

**Additional Information.** Additional information regarding the Bonds may be obtained from the undersigned or from the Financial Advisor at the addresses set forth below:

**DATED: September 4, 2018.**

**CITY OF MCPHERSON, KANSAS**

By: Mark R. Moffitt, Finance Director

***Issuer – Written Bid and Good Faith Deposit Delivery Address:***

400 E. Kansas Avenue  
P.O. Box 1008  
McPherson, Kansas 67460  
Attn: Mark R. Moffitt, Finance Director  
Phone No.: (620) 245-2535  
Fax No.: (620) 245-2549  
Email: markm@mcpcity.com

***Financial Advisor – Facsimile Bid Delivery Address:***

George K. Baum & Company  
Plaza Colonnade  
4801 Main Street, Suite 500  
Kansas City, Missouri 64112  
Attn: Mr. Roger Edgar  
Phone No.: (800) 821-7195  
Fax No.: (816) 283-5326  
Email: edgar@gkbaum.com

**SUMMARY NOTICE OF BOND SALE**

**\$9,950,000\***

**CITY OF MCPHERSON, KANSAS  
GENERAL OBLIGATION BONDS, SERIES 139 OF 2018**

(GENERAL OBLIGATION BONDS PAYABLE FROM UNLIMITED AD VALOREM TAXES)

**Bids.** SUBJECT to the Notice of Bond Sale dated September 4, 2018 (the “Notice”), facsimile, written and electronic bids will be received on behalf of the Finance Director of the City of McPherson, Kansas (the “Issuer”) in the case of written or facsimile bids, at the address set forth below, and in the case of electronic bids, through **PARITY®** until 11:00 a.m. applicable Central Time, on **OCTOBER 11, 2018** for the purchase of the above-referenced bonds (the “Bonds”). No bid of less than **100%** of the principal amount of the Bonds and accrued interest thereon to the date of delivery will be considered.

**Bond Details.** The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated November 1, 2018, and will become due on August 1 in the years as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2019	\$565,000	2025	\$845,000
2020	735,000	2026	875,000
2021	755,000	2027	905,000
2022	775,000	2028	930,000
2023	800,000	2029	955,000
2024	825,000	2030	985,000

\* Subject to change, see the Notice

The Bonds will bear interest from the date thereof at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on February 1 and August 1 in each year, beginning on August 1, 2019.

**Book-Entry-Only System.** The Bonds shall be registered under a book-entry-only system administered through DTC.

**Paying Agent and Bond Registrar.** Treasurer of the State of Kansas, Topeka, Kansas.

**Good Faith Deposit.** Each bid shall be accompanied (in the manner set forth in the Notice) by a good faith deposit in the form of a cashier’s or certified check drawn on a bank located in the United States of America or a wire transfer in Federal Reserve funds immediately available for use by the Issuer in the amount of \$199,000.

**Delivery.** The Issuer will pay for preparation of the Bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or about **November 1, 2018**, to DTC for the account of the successful bidder.

**Assessed Valuation and Indebtedness.** The Equalized Assessed Tangible Valuation for Computation of Bonded Debt Limitations for the year 2018 is \$140,287,881. The total general obligation indebtedness of the Issuer as of the Dated Date, including the Bonds being sold, is \$21,270,000.

**Approval of Bonds.** The Bonds will be sold subject to the legal opinion of GILMORE & BELL, P.C., WICHITA, KANSAS, Bond Counsel to the Issuer, whose approving legal opinion as to the validity of the Bonds will be furnished and paid for by the Issuer, printed on the Bonds and delivered to the successful bidder as and when the Bonds are delivered.

**Additional Information.** Additional information regarding the Bonds may be obtained from the undersigned, or from the Financial Advisor at the addresses set forth below:

**DATED: September 4, 2018.**

***Issuer – Written Bid and Good Faith Deposit Delivery Address:***

400 E. Kansas Avenue  
P.O. Box 1008  
McPherson, Kansas 67460  
Attn: Mark R. Moffitt, Finance Director  
Phone No.: (620) 245-2535  
Fax No.: (620) 245-2549  
Email: markm@mcpcity.com

***Financial Advisor – Facsimile Bid Delivery Address:***

George K. Baum & Company  
Plaza Colonnade  
4801 Main Street, Suite 500  
Kansas City, Missouri 64112  
Attn: Mr. Roger Edgar  
Phone No.: (800) 821-7195  
Fax No.: (816) 283-5326  
Email: edgar@gkbaum.com



**SUPPLEMENT TO NOTICE OF BOND SALE**

**\$9,950,000\***

**CITY OF MCPHERSON, KANSAS  
GENERAL OBLIGATION BONDS, SERIES 139 OF 2018**

*Good Faith Deposit – Wire Transfer Instructions.* Any bidder may provide a Good Faith Deposit in the form of a wire transfer in Federal Reserve funds, immediately available for use by the Issuer to the following financial institution for benefit of the Issuer:

[INSERT WIRE TRANSFER INFORMATION]

Each bidder shall notify the Financial Advisor at [edgar@gkbaum.com](mailto:edgar@gkbaum.com) of the submission of the wire transfer and provide return wire transfer instructions in the event such bid is unsuccessful.

**CITY OF MCPHERSON, KANSAS**

By: Mark R. Moffitt, Finance Director

**KANSAS REGISTER**

DOCUMENT NO. \_\_\_\_\_

(Above space for Register Office Use)

Submission Form  
Municipal Bond Sale Notice  
(K.S.A. 10-106 as amended)

TITLE OF DOCUMENT                      SUMMARY NOTICE OF BOND SALE  
Re:    City of McPherson, Kansas, General Obligation Bonds, Series 139 of 2018,  
       Dated November 1, 2018.

NUMBER OF PAGES: 2                      DESIRED PUBLICATION DATE: SEPTEMBER 20, 2018

BILL TO:                                      Mark R. Moffitt, Finance Director  
    400 E. Kansas Avenue, P.O. Box 1008, McPherson, Kansas 67460

Please forward 3 Affidavits of Publication of same to Ms. Robyn R. Dunlap,  
Gilmore & Bell, P.C., 100 North Main, Suite 800, Wichita, KS 67202 at your  
earliest opportunity.

Any questions regarding this document should be directed to:

NAME Robyn R. Dunlap                      PHONE (316) 267-2091

Certification

I hereby certify that I have reviewed the attached and herein described document, and that it conforms to all applicable **Kansas Register** publication guidelines. I further certify that submission of this item for publication in the **Kansas Register** is authorized by the municipality which has issued the notice.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signer

\_\_\_\_\_  
Position

TRANSMIT TO:                      Kansas Register; Secretary of State; State Capitol, Topeka, KS 66612  
PHONE: (785) 296-3489; FAX: (785) 291-3051; EMAIL: [kansasregister@sos.ks.gov](mailto:kansasregister@sos.ks.gov)

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THIS SPACE FOR REGISTER OFFICE USE ONLY

**OFFICIAL BID FORM**  
**PROPOSAL FOR THE PURCHASE OF CITY OF MCPHERSON, KANSAS**  
**GENERAL OBLIGATION BONDS, SERIES 139 of 2018**

TO: Mark R. Moffitt, Finance Director  
 City of McPherson, Kansas

October 11, 2018

For \$9,950,000\* principal amount of General Obligation Bonds, Series 139 of 2018, of the City of McPherson, Kansas, to be dated November 1, 2018, as described in the Notice of Bond Sale dated September 4, 2018 (the "Notice"), said Bonds to bear interest as follows:

<u>Stated Maturity</u> <u>August 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>	<u>Stated Maturity</u> <u>August 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>
2019	\$565,000	_____ %	_____ %	2025	\$845,000	_____ %	_____ %
2020	735,000	_____ %	_____ %	2026	875,000	_____ %	_____ %
2021	755,000	_____ %	_____ %	2027	905,000	_____ %	_____ %
2022	775,000	_____ %	_____ %	2028	930,000	_____ %	_____ %
2023	800,000	_____ %	_____ %	2029	955,000	_____ %	_____ %
2024	825,000	_____ %	_____ %	2030	985,000	_____ %	_____ %

\* Subject to change, see the Notice

the undersigned will pay the purchase price for the Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount ..... \$9,950,000\*.00  
 Plus Premium (if any) .....  
 Total Purchase Price ..... \$  
  
 Total interest cost to maturity at the rates specified ..... \$  
 Net interest cost (adjusted for Discount and/or Premium)..... \$  
 True Interest Cost ..... %

The Bidder elects to have the following Term Bonds:

<u>Maturity Date</u>	<u>Years</u>	<u>Amount*</u>
August 1, _____	_____ to _____	\$ _____
August 1, _____	_____ to _____	\$ _____

\*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in the Notice, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in the Notice. A cashier's or certified check or a wire transfer in the amount of \$199,000 payable to the order of the Issuer, submitted in the manner set forth in the Notice accompanies this proposal as an evidence of good faith. The acceptance of this proposal by the Issuer by execution below shall constitute a contract between the Issuer and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: \_\_\_\_\_

(LIST ACCOUNT MEMBERS ON REVERSE)

By: \_\_\_\_\_  
 Telephone No. (\_\_\_\_) \_\_\_\_\_

**ACCEPTANCE**

The above proposal is hereby accepted on behalf of the City of McPherson, Kansas, on October 11, 2018.

Attest:

\_\_\_\_\_  
 Clerk

\_\_\_\_\_  
 Mayor

**NOTE:** No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Sealed bids may be filed with the Finance Director, 400 E. Kansas Avenue, P.O. Box 1008, McPherson, Kansas 67460, facsimile bids may be filed with George K. Baum & Company, Fax No. (816) 283-5326, or electronic bids may be submitted via **PARITY**<sup>®</sup>, at or prior to 11:00 a.m. applicable Central Time, on October 11, 2018. Any bid received after such time will not be accepted or shall be returned to the bidder.