

Gilmore & Bell, P.C.
07/23/2020

ORDINANCE NO. 3339

OF

THE CITY OF MCPHERSON, KANSAS

PASSED

JULY 27, 2020

**GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 141 OF 2020**

ORDINANCE NO. 3339

**AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS,
SERIES 141 OF 2020, OF THE CITY OF MCPHERSON, KANSAS; PROVIDING
FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE
OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY
BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND
ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN
COVENANTS WITH RESPECT THERETO.**

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; and

WHEREAS, the City has previously authorized certain public improvements described as follows (collectively the “Improvements”):

<u>Project Description</u>	<u>Res. No.</u>	<u>Authority (K.S.A.)</u>	<u>Amount</u>
Eagle’s Wings Estates Unit Two Phase I – Street Improvements	18-20	12-6a01 <i>et seq.</i>	\$300,609.83
Eagle’s Wings Estates Unit Two Phase I – Sanitary Sewer Improvements (SSD#166B)	18-21	12-6a01 <i>et seq.</i>	92,982.38
Eagle’s Wings Estates Unit Two Phase II – Street Improvements	19-05	12-6a01 <i>et seq.</i>	685,019.79
Eagle’s Wings Estates Unit Two Phase II – Sanitary Sewer Improvements (SSD#166C)	19-06	12-6a01 <i>et seq.</i>	61,911.23
Wastewater Treatment Plant improvements	20-05	14-570 <i>et seq.</i> / Charter 46	<u>5,766,022.11</u>
<i>Total:</i>			<u>\$6,906,545.34</u>

WHEREAS, the Issuer desires to issue its general obligation bonds in order to permanently finance the costs of such 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 (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, 2020	01/30/2020	11/01/2020	\$695,000	\$695,000	\$695,000	08/20/2020

WHEREAS, the Issuer desires to issue its general obligation bonds in order to permanently finance the costs of such Improvements, associated financing costs, and to retire the following loan agreement of the Issuer, which was entered into in order to temporarily finance a portion of the costs of the Improvements (the “Loan”):

<u>Loan Description</u>	<u>Loan Number</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Final Loan Amount</u>	<u>Outstanding Amount</u>	<u>Prepayment Amount</u>
KDHE – KWPCRF	C20 1474 01	10/06/07	03/01/29	\$11,346,393	\$5,776,022	\$5,776,022

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. Bonds	135 of 2012	08/01/2012	2032	\$ 225,000
G.O. Refunding and Improvement Bonds	136 of 2013	08/15/2013	2021 – 2033	3,295,000

WHEREAS, none of such general obligation bonds heretofore authorized have been issued and the City proposes to issue \$8,925,000 of its general obligation bonds, together with bid premium thereon, to pay a portion of the costs of the Improvements, retire the Refunded Notes, prepay the Loan, and refund the Refunded Bonds; and

WHEREAS, the Governing Body has advertised the sale of the Bonds in accordance with the law and at a meeting held in the City on this date awarded the sale of such Bonds to the best bidder.

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

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms in this Ordinance shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“**Act**” means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-427 *et seq.*, K.S.A. 10-620 *et seq.*, K.S.A. 12-6a01 *et seq.*, and K.S.A. 14-570 *et seq.*, as amended by Charter Ordinance No. 46, all as amended and supplemented from time to time.

“**Bond and Interest Fund**” means the Bond and Interest Fund of the City for its general obligation bonds.

“**Bond Resolution**” means the resolution to be adopted by the Governing Body prescribing the terms and details of the Bonds and making covenants with respect thereto.

“**Bonds**” means the City's General Obligation Refunding and Improvement Bonds, Series 141 of 2020, dated August 19, 2020, authorized by this Ordinance.

“**City**” means the City of McPherson, Kansas.

“**Clerk**” means the duly appointed and acting Clerk of the City or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk.

“**Finance Director**” means the duly appointed and acting Finance Director of the City or, in the Finance Director's absence, the duly appointed Deputy, Assistant or Acting Finance Director of the City.

“**Governing Body**” means the City Commission of the City.

“**KDHE**” means the Kansas Department of Health and Environment.

“Loan” means the KDHE Loan for KWPCRF Project No. C20 1474 01 between the Issuer and KDHE, dated October 6, 2007, maturing March 1, 2029, in the aggregate outstanding principal amount of \$5,776,022.

“Mayor” means the duly elected and acting Mayor of the City or, in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the City.

“Ordinance” means this Ordinance authorizing the issuance of the Bonds.

“Refunded Bonds” means collectively: (a) the Series 135 of 2012 Bonds maturing in the year 2032 in the aggregate principal amount of \$225,000; and (b) the Series 136 of 2013 Bonds maturing in the years 2021 to 2033, inclusive, in the aggregate principal amount of \$3,295,000.

“Refunded Loan” means the outstanding principal amount of the Loan.

“Refunded Notes” means the Series A, 2020 Notes in the aggregate principal amount of \$695,000.

“Series 135 of 2012 Bonds” means the City's General Obligation Bonds, Series 135 of 2012, dated August 1, 2012.

“Series 136 of 2013 Bonds” means the City's General Obligation Refunding and Improvement Bonds, Series 136 of 2013, dated August 15, 2013.

“Series A, 2020 Notes” means the City's General Obligation Temporary Notes, Series A, 2020, dated January 30, 2020.

“State” means the State of Kansas.

“Substitute Improvements” means the substitute or additional improvements of the City authorized in the manner set forth in the Bond Resolution.

Section 2. Authorization of the Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Refunding and Improvement Bonds, Series 141 of 2020, of the City in the principal amount of \$8,925,000, for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; (b) retire the Refunded Notes; (c) refund the Refunded Bonds; (d) prepay the Refunded Loan; and (e) pay costs of issuance of the Bonds.

Section 3. Security for the Bonds. The Bonds shall be general obligations of the City payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of the Improvements and, if not so paid, 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 City. The balance of the principal and interest on the Bonds is payable 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 City. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 4. Terms, Details and Conditions of the Bonds. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued and delivered in the manner prescribed and

subject to the provisions, covenants and agreements set forth in the Bond Resolution hereafter adopted by the Governing Body.

Section 5. Levy and Collection of Annual Tax. The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the City in the manner provided by law.

The taxes and/or assessments above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the general ad valorem taxes of the City are levied and collected, shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the paying agent for the Bonds. The proceeds derived from said taxes and/or assessments shall be deposited in the Bond and Interest Fund.

If at any time said taxes and/or assessments are not collected in time to pay the principal of or interest on the Bonds when due, the City Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the City and to reimburse said general funds for money so expended when said taxes and/or assessments are collected.

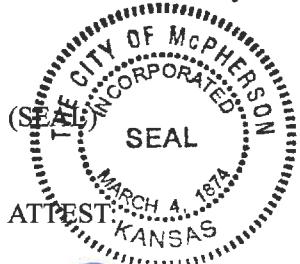
Section 6. Further Authority. The Mayor, Finance Director, City Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 7. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Governing Body and publication of the Ordinance or a summary thereof in the official City newspaper.

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PASSED by the City Commission on July 27, 2020 and SIGNED by the Mayor.



Thomas A. Brown

Mayor

Jamra K. Seely
City Clerk

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