



REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
August 8, 2019

Department Finance

Director Approval Lacey Lies

AGENDA ITEM Consider approving a resolution authorizing the offering for sale of General Obligation Refunding Bonds, Series 2019, of the City of Independence, Kansas.

SUMMARY RECOMMENDATION City Staff recommends approving a resolution authorizing the offering for sale of General Obligation Refunding Bonds, Series 2019, of the City of Independence, Kansas.

BACKGROUND Due to the current interest rate environment, the City 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 below (collectively referred to as the “Refunded Bonds”):

| <u>Description</u> | <u>Series</u> | <u>Dated Date</u> | <u>Years</u> | <u>Amount</u> |
|--|---------------|-------------------|---------------|---------------|
| General Obligation Bonds | 2007-A | January 1, 2007 | 2022 and 2027 | \$ 140,000 |
| General Obligation Refunding and Improvement Bonds | 2012-A | February 1, 2012 | 2022 to 2026 | \$1,345,000 |

The City would like to authorize the Purchaser, in conjunction with the Clerk, Director of Finance, 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 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 (or member of the Governing Body authorized to exercise the power and duties of the Mayor in the Mayor’s absence) (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.

BUDGET IMPACT A potential savings, after refinancing fees, of \$38,205.89. The average interest rate on the Refunded Bonds is 4.00% and the estimated new interest rate on Series 2019 Refunded Bonds would be 1.89%.

SUGGESTED MOTION I move to approve a resolution authorizing the offering for sale of General Obligation Refunding Bonds, Series 2019, of the City of Independence, Kansas.

SUPPORTING DOCUMENTS

1. Resolution No. 2019-020
2. Preliminary Analysis

**EXCERPT OF MINUTES OF A MEETING
OF THE CITY COMMISSION OF
THE CITY OF INDEPENDENCE, KANSAS
HELD ON AUGUST 8, 2019**

The City Commission (the "Governing Body") met in regular session at the usual meeting place in the City, at 5:30 P.M., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

The matter of providing for the offering for sale of General Obligation Refunding Bonds, Series 2019, came on for consideration and was discussed.

Commissioner _____ presented and moved the adoption of a Resolution entitled:

**A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2019, OF THE CITY OF
INDEPENDENCE, KANSAS.**

Commissioner _____ seconded the motion to adopt the Resolution. Thereupon, the Resolution was read and considered, and, the question being put to a roll call vote, the vote thereon was as follows:

Aye: _____.

Nay: _____.

The Mayor declared the Resolution duly adopted by the Governing Body and the Clerk designated the same Resolution No. 2019-__.

* * * * *

(Other Proceedings)

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Governing Body of the City of Independence, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk

RESOLUTION NO. 2019-__

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019, OF THE CITY OF INDEPENDENCE, KANSAS.

WHEREAS, the City of Independence, Kansas (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> |
|--|---------------|-------------------|---------------|---------------|
| General Obligation Bonds | 2007-A | January 1, 2007 | 2022 and 2027 | \$ 140,000 |
| General Obligation Refunding and Improvement Bonds | 2012-A | February 1, 2012 | 2022 to 2026 | 1,345,000 |

WHEREAS, the City Commission of the Issuer (the “Governing Body”) hereby selects the firm of Raymond James & Associates, Inc., Kansas City, Missouri (the “Purchaser”), as underwriter for one or more series of general obligation bonds of the Issuer in order to provide funds 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 Purchaser, in conjunction with the Clerk, Director of Finance, 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 (or member of the Governing Body authorized to exercise the power and duties of the Mayor in the Mayor’s absence) (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 INDEPENDENCE, KANSAS, AS FOLLOWS:

Section 1. The Purchaser is hereby authorized to proceed with the offering for sale of the Issuer’s General Obligation Refunding Bonds, Series 2019 (the “Bonds”) in accordance with the

presentation made by the Purchaser this date. The offering for sale of the Bonds shall be accomplished in consultation with the Clerk, Director of Finance and Bond Counsel. 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 Issuer's legal counsel, 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 \$2,050,000; (b) the true interest cost of the Bonds shall not exceed 2.50%; and (c) the present value savings associated with refunding the Refunded Bonds shall be not less than 2.00% of the outstanding principal of the Refunded Bonds.

Section 2. The Purchaser, in conjunction with the Clerk, Director of Finance and Bond Counsel, is hereby authorized to cause to be prepared a Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"). 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 Clerk and Director of Finance 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 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, Clerk and Director of Finance, and the other officers and representatives of the Issuer, 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) provide for notice of redemption of the Refunded Bonds.

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 August 8, 2019.

(SEAL)

Mayor

ATTEST:

Clerk

EXHIBIT A

**CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL**

_____, 2019

To: Raymond James & Associates, Inc.
Kansas City, Missouri

Re: \$1,370,000* City of Independence, Kansas, General Obligation Refunding Bonds, Series
2019

The undersigned are the duly acting Mayor and Director of Finance of the City of Independence, 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 and other terms of the Bonds depending on such matters.

CITY OF INDEPENDENCE, KANSAS

By: _____
Title: Mayor

By: _____
Title: Director of Finance

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 Person: City of Independence, Kansas (the “Obligated Person”)

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

| Description | Series | Dated Date | Maturities | Base CUSIP No. |
|--|---------------|-------------------|-------------------|-----------------------|
| General Obligation Bonds | 2007-A | January 1, 2007 | 2022 to 2027 | 453488 |
| General Obligation Refunding and Improvement Bonds | 2012-A | February 1, 2012 | 2022 to 2026 | 453488 |

Event Reported: Redemption of above-referenced Bonds on October 16, 2019; see attached *Exhibits A-1* and *A-2*.

The information contained in this Notice has been submitted by the Obligated Person pursuant to contractual undertakings the Obligated Person 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 Person 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 Person.

For additional information, contact:

CITY OF INDEPENDENCE, KANSAS

City of Independence, Kansas
City Hall
120 North 6th Street
Independence, Kansas 67301
Attention: Clerk
Phone No. (620) 332-2505; Fax No. (620) 332-2511

By: David Schwenker, Clerk

EXHIBIT A-1

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

CERTIFIED MAIL

Country Club Bank, n.a.
9400 Mission Road
Prairie Village, Kansas 66206

RE:

CALL FOR REDEMPTION

**CITY OF INDEPENDENCE, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2007-A, DATED JANUARY 1, 2007**

Notice is hereby given pursuant to K.S.A. 10-129, as amended, and pursuant to the provisions of Article III of Resolution No. 2007-01 (the "Bond Resolution") of the City of Independence, 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 October 16, 2019, subject to the availability of funds therefor from the proceeds of refunding bonds to be issued by the Issuer.

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 INDEPENDENCE, KANSAS

By: _____
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 2007-A Bonds.]

NOTICE OF CALL FOR REDEMPTION

**CITY OF INDEPENDENCE, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2007-A, DATED JANUARY 1, 2007**

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. 2007-01 (the “Bond Resolution”) of the City of Independence, Kansas (the “Issuer”), that the above mentioned bonds described below (the “Called Bonds”), have been called for redemption and payment on October 16, 2019 (the “Redemption Date”), at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar and Paying Agent”).

TERM BONDS

| <u>Maturity Date</u> <u>(October 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>CUSIP No.</u> <u>(Base: 453488)</u> |
|--|---|--|---|
| 2022 | \$90,000 | 4.200% | PX 0 |
| 2027 | 50,000 | 4.375% | QD 3 |

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, subject to the availability of funds therefor from the proceeds of refunding bonds to be issued by the Issuer.

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 INDEPENDENCE, 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 Country Club Bank, n.a., the original purchaser of the Called Bonds, not less than 30 days prior to the Redemption Date. 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 INDEPENDENCE, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2007-A, DATED JANUARY 1, 2007

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 October 16, 2019 (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 | \$140,000 |
| Accrued Interest to Redemption Date on Called Bonds | |
| Total | \$ |

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 October 16, 2019.

TREASURER OF THE STATE OF KANSAS,
TOPEKA, KANSAS

By: _____
Director of Bond Services

EXHIBIT A-2

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

[CERTIFIED MAIL]

Stifel, Nicolaus & Company, Incorporated
301 N. Main, Suite 800
Wichita, Kansas 67202

RE:

CALL FOR REDEMPTION

**CITY OF INDEPENDENCE, KANSAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2012-A, DATED FEBRUARY 1, 2012**

Notice is hereby given pursuant to K.S.A. 10-129, as amended, and pursuant to the provisions of Article III of Resolution No. 2012-02 (the "Bond Resolution") of the City of Independence, 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 October 16, 2019, subject to the availability of funds therefor from the proceeds of refunding bonds to be issued by the Issuer.

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 INDEPENDENCE, KANSAS

By: _____
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 2012-A Bonds.]

NOTICE OF CALL FOR REDEMPTION

**CITY OF INDEPENDENCE, KANSAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2012-A, DATED FEBRUARY 1, 2012**

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. 2012-02 (the “Bond Resolution”) of the City of Independence, Kansas (the “Issuer”) that the above mentioned bonds described below (the “Called Bonds”), have been called for redemption and payment on October 16, 2019 (the “Redemption Date”), at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar and Paying Agent”).

| <u>Maturity Date</u> <u>(October 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>CUSIP No.</u> <u>(Base: 453488)</u> |
|--|---|--|---|
| 2022 | \$255,000 | 2.250% | ST 6 |
| 2023 | 260,000 | 2.375% | SU 3 |
| 2024 | 270,000 | 2.500% | SV 1 |
| 2025 | 275,000 | 2.625% | SW 9 |
| 2026 | 285,000 | 2.750% | SX 7 |

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, subject to the availability of funds therefor from the proceeds of refunding bonds to be issued by the Issuer.

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 INDEPENDENCE, 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 Stifel, Nicolaus & Company, Incorporated, 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 INDEPENDENCE, KANSAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2012-A, DATED FEBRUARY 1, 2012

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 October 16, 2019 (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 | \$1,345,000 |
| Accrued Interest to Redemption Date on Called Bonds | |
| Total | \$ |

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 October 16, 2019.

TREASURER OF THE STATE OF KANSAS,
TOPEKA, KANSAS

By: _____
Director of Bond Services

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SOURCES AND USES OF FUNDS

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

Dated Date 10/16/2019
Delivery Date 10/16/2019

Sources:

Bond Proceeds:

| | |
|------------|--------------|
| Par Amount | 1,370,000.00 |
| Premium | 148,750.90 |
| | <hr/> |
| | 1,518,750.90 |

Uses:

Refunding Escrow Deposits:

| | |
|----------------|--------------|
| Cash Deposit | 0.77 |
| SLGS Purchases | 1,487,241.00 |
| | <hr/> |
| | 1,487,241.77 |

Delivery Date Expenses:

| | |
|------------------------|-----------|
| Cost of Issuance | 13,700.00 |
| Underwriter's Discount | 13,700.00 |
| | <hr/> |
| | 27,400.00 |

Other Uses of Funds:

| | |
|---------------------|--------------|
| Additional Proceeds | 4,109.13 |
| | <hr/> |
| | 1,518,750.90 |

SUMMARY OF REFUNDING RESULTS

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

| | |
|---|--------------|
| Dated Date | 10/16/2019 |
| Delivery Date | 10/16/2019 |
| Arbitrage yield | 1.695936% |
| Escrow yield | 2.187472% |
| Value of Negative Arbitrage | (583.34) |
| Bond Par Amount | 1,370,000.00 |
| True Interest Cost | 1.896101% |
| Net Interest Cost | 2.008955% |
| All-In TIC | 2.098562% |
| Average Coupon | 4.000000% |
| Average Life | 4.951 |
| Weighted Average Maturity | 4.985 |
| Par amount of refunded bonds | 1,485,000.00 |
| Average coupon of refunded bonds | 2.672008% |
| Average life of refunded bonds | 4.861 |
| Remaining weighted average maturity of refunded bonds | 4.861 |
| PV of prior debt to 10/16/2019 @ 1.695936% | 1,553,632.61 |
| Net PV Savings | 38,990.84 |
| Percentage savings of refunded bonds | 2.625646% |
| Percentage savings of refunding bonds | 2.846047% |

SUMMARY OF BONDS REFUNDED

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

| Bond | Maturity Date | Interest Rate | Par Amount | Call Date | Call Price |
|--|---------------|---------------|--------------|------------|------------|
| Series 2007A General Obligation Bonds: | | | | | |
| 2022 Term | 10/01/2020 | 4.200% | 30,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2021 | 4.200% | 30,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2022 | 4.200% | 30,000.00 | 11/15/2019 | 100.000 |
| 2027 Term | 10/01/2023 | 4.375% | 10,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2024 | 4.375% | 10,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2025 | 4.375% | 10,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2026 | 4.375% | 10,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2027 | 4.375% | 10,000.00 | 11/15/2019 | 100.000 |
| | | | 140,000.00 | | |
| Series 2012A General Obligation Refunding and Improvement Bonds: | | | | | |
| 2026 Serials | 10/01/2022 | 2.250% | 255,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2023 | 2.375% | 260,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2024 | 2.500% | 270,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2025 | 2.625% | 275,000.00 | 11/15/2019 | 100.000 |
| | 10/01/2026 | 2.750% | 285,000.00 | 11/15/2019 | 100.000 |
| | | | 1,345,000.00 | | |
| | | | 1,485,000.00 | | |

SAVINGS

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

| Date | Prior Debt Service | Refunding Debt Service | Savings | Present Value to 10/16/2019 @ 1.6959360% |
|------------|-----------------------|---------------------------|-----------|--|
| 12/31/2020 | 69,686.26 | 67,516.67 | 2,169.59 | 2,090.76 |
| 12/31/2021 | 68,426.26 | 64,200.00 | 4,226.26 | 4,024.07 |
| 12/31/2022 | 322,166.26 | 318,800.00 | 3,366.26 | 3,135.13 |
| 12/31/2023 | 300,168.76 | 293,200.00 | 6,968.76 | 6,466.47 |
| 12/31/2024 | 303,556.26 | 298,200.00 | 5,356.26 | 4,888.41 |
| 12/31/2025 | 301,368.76 | 297,600.00 | 3,768.76 | 3,384.10 |
| 12/31/2026 | 303,712.50 | 296,600.00 | 7,112.50 | 6,313.05 |
| 12/31/2027 | 10,437.50 | 5,200.00 | 5,237.50 | 4,579.72 |
| | 1,679,522.56 | 1,641,316.67 | 38,205.89 | 34,881.71 |

Savings Summary

| | |
|-------------------------------|------------------|
| Dated Date | 10/16/2019 |
| Delivery Date | 10/16/2019 |
| PV of savings from cash flow | 34,881.71 |
| Plus: Refunding funds on hand | 4,109.13 |
| Net PV Savings | <u>38,990.84</u> |

SAVINGS BY MATURITY

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

| Bond | Maturity Date | Interest Rate | Par Amount | Adjusted Savings | Adjusted Savings Percent |
|---|---------------|---------------|--------------|------------------|--------------------------|
| Series 2007A General Obligation Bonds, 2007A: | | | | | |
| TERM22 | 10/01/2020 | 4.200% | 30,000.00 | 162.95 | 0.543% |
| | 10/01/2021 | 4.200% | 30,000.00 | 956.25 | 3.187% |
| | 10/01/2022 | 4.200% | 30,000.00 | 1,704.46 | 5.682% |
| TERM27 | 10/01/2023 | 4.375% | 10,000.00 | 866.56 | 8.666% |
| | 10/01/2024 | 4.375% | 10,000.00 | 1,094.69 | 10.947% |
| | 10/01/2025 | 4.375% | 10,000.00 | 1,261.95 | 12.619% |
| | 10/01/2026 | 4.375% | 10,000.00 | 1,411.33 | 14.113% |
| | 10/01/2027 | 4.375% | 10,000.00 | 1,533.15 | 15.331% |
| | | | 140,000.00 | 8,991.33 | |
| Series 2012A General Obligation Refunding and Improvement Bonds, 2012A: | | | | | |
| SERIAL26 | 10/01/2022 | 2.250% | 255,000.00 | 735.25 | 0.288% |
| | 10/01/2023 | 2.375% | 260,000.00 | 3,328.87 | 1.280% |
| | 10/01/2024 | 2.500% | 270,000.00 | 6,300.02 | 2.333% |
| | 10/01/2025 | 2.625% | 275,000.00 | 8,509.13 | 3.094% |
| | 10/01/2026 | 2.750% | 285,000.00 | 11,126.24 | 3.904% |
| | | | 1,345,000.00 | 29,999.51 | |
| | | | 1,485,000.00 | 38,990.84 | |

Note: Calculated Using Individual Maturities

BOND DEBT SERVICE

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

Dated Date 10/16/2019
Delivery Date 10/16/2019

| Period Ending | Principal | Coupon | Interest | Debt Service |
|------------------|-----------|--------|------------|--------------|
| 12/31/2019 | | | | |
| 12/31/2020 | 15,000 | 4.000% | 52,516.67 | 67,516.67 |
| 12/31/2021 | 10,000 | 4.000% | 54,200.00 | 64,200.00 |
| 12/31/2022 | 265,000 | 4.000% | 53,800.00 | 318,800.00 |
| 12/31/2023 | 250,000 | 4.000% | 43,200.00 | 293,200.00 |
| 12/31/2024 | 265,000 | 4.000% | 33,200.00 | 298,200.00 |
| 12/31/2025 | 275,000 | 4.000% | 22,600.00 | 297,600.00 |
| 12/31/2026 | 285,000 | 4.000% | 11,600.00 | 296,600.00 |
| 12/31/2027 | 5,000 | 4.000% | 200.00 | 5,200.00 |
| | 1,370,000 | | 271,316.67 | 1,641,316.67 |

BOND DEBT SERVICE

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

Dated Date 10/16/2019
Delivery Date 10/16/2019

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|-----------|--------|------------|--------------|---------------------|
| 10/16/2019 | | | | | |
| 04/01/2020 | | | 25,116.67 | 25,116.67 | |
| 10/01/2020 | 15,000 | 4.000% | 27,400.00 | 42,400.00 | |
| 12/31/2020 | | | | | 67,516.67 |
| 04/01/2021 | | | 27,100.00 | 27,100.00 | |
| 10/01/2021 | 10,000 | 4.000% | 27,100.00 | 37,100.00 | |
| 12/31/2021 | | | | | 64,200.00 |
| 04/01/2022 | | | 26,900.00 | 26,900.00 | |
| 10/01/2022 | 265,000 | 4.000% | 26,900.00 | 291,900.00 | |
| 12/31/2022 | | | | | 318,800.00 |
| 04/01/2023 | | | 21,600.00 | 21,600.00 | |
| 10/01/2023 | 250,000 | 4.000% | 21,600.00 | 271,600.00 | |
| 12/31/2023 | | | | | 293,200.00 |
| 04/01/2024 | | | 16,600.00 | 16,600.00 | |
| 10/01/2024 | 265,000 | 4.000% | 16,600.00 | 281,600.00 | |
| 12/31/2024 | | | | | 298,200.00 |
| 04/01/2025 | | | 11,300.00 | 11,300.00 | |
| 10/01/2025 | 275,000 | 4.000% | 11,300.00 | 286,300.00 | |
| 12/31/2025 | | | | | 297,600.00 |
| 04/01/2026 | | | 5,800.00 | 5,800.00 | |
| 10/01/2026 | 285,000 | 4.000% | 5,800.00 | 290,800.00 | |
| 12/31/2026 | | | | | 296,600.00 |
| 04/01/2027 | | | 100.00 | 100.00 | |
| 10/01/2027 | 5,000 | 4.000% | 100.00 | 5,100.00 | |
| 12/31/2027 | | | | | 5,200.00 |
| | 1,370,000 | | 271,316.67 | 1,641,316.67 | 1,641,316.67 |

BOND SUMMARY STATISTICS

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

| | |
|-----------------------------------|--------------|
| Dated Date | 10/16/2019 |
| Delivery Date | 10/16/2019 |
| First Coupon | 04/01/2020 |
| Last Maturity | 10/01/2027 |
| Arbitrage Yield | 1.695936% |
| True Interest Cost (TIC) | 1.896101% |
| Net Interest Cost (NIC) | 2.008955% |
| All-In TIC | 2.098562% |
| Average Coupon | 4.000000% |
| Average Life (years) | 4.951 |
| Weighted Average Maturity (years) | 4.985 |
| Duration of Issue (years) | 4.565 |
| Par Amount | 1,370,000.00 |
| Bond Proceeds | 1,518,750.90 |
| Total Interest | 271,316.67 |
| Net Interest | 136,265.77 |
| Total Debt Service | 1,641,316.67 |
| Maximum Annual Debt Service | 318,800.00 |
| Average Annual Debt Service | 206,238.74 |
| Underwriter's Fees (per \$1000) | |
| Average Takedown | |
| Other Fee | 10.000000 |
| Total Underwriter's Discount | 10.000000 |
| Bid Price | 109.857730 |

| Bond Component | Par Value | Price | Average Coupon | Average Life | Average Maturity Date | Duration | PV of 1 bp change |
|----------------|--------------|---------|----------------|--------------|-----------------------|----------|-------------------|
| 2027 Serials | 1,370,000.00 | 110.858 | 4.000% | 4.951 | 09/27/2024 | 4.571 | 686.50 |
| | 1,370,000.00 | | | 4.951 | | | 686.50 |

| | TIC | All-In TIC | Arbitrage Yield |
|----------------------------|--------------|--------------|-----------------|
| Par Value | 1,370,000.00 | 1,370,000.00 | 1,370,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | 148,750.90 | 148,750.90 | 148,750.90 |
| - Underwriter's Discount | (13,700.00) | (13,700.00) | |
| - Cost of Issuance Expense | | (13,700.00) | |
| - Other Amounts | | | |
| Target Value | 1,505,050.90 | 1,491,350.90 | 1,518,750.90 |
| Target Date | 10/16/2019 | 10/16/2019 | 10/16/2019 |
| Yield | 1.896101% | 2.098562% | 1.695936% |

BOND PRICING

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | Premium (-Discount) |
|----------------|---------------|-----------|--------|--------|---------|---------------------|
| 2027 Serials: | | | | | | |
| | 10/01/2020 | 15,000 | 4.000% | 1.350% | 102.514 | 377.10 |
| | 10/01/2021 | 10,000 | 4.000% | 1.420% | 104.964 | 496.40 |
| | 10/01/2022 | 265,000 | 4.000% | 1.480% | 107.267 | 19,257.55 |
| | 10/01/2023 | 250,000 | 4.000% | 1.540% | 109.410 | 23,525.00 |
| | 10/01/2024 | 265,000 | 4.000% | 1.610% | 111.345 | 30,064.25 |
| | 10/01/2025 | 275,000 | 4.000% | 1.750% | 112.677 | 34,861.75 |
| | 10/01/2026 | 285,000 | 4.000% | 1.870% | 113.836 | 39,432.60 |
| | 10/01/2027 | 5,000 | 4.000% | 1.990% | 114.725 | 736.25 |
| | | 1,370,000 | | | | 148,750.90 |

| | | |
|------------------------|--------------|-------------|
| Dated Date | 10/16/2019 | |
| Delivery Date | 10/16/2019 | |
| First Coupon | 04/01/2020 | |
| Par Amount | 1,370,000.00 | |
| Premium | 148,750.90 | |
| Production | 1,518,750.90 | 110.857730% |
| Underwriter's Discount | (13,700.00) | (1.000000%) |
| Purchase Price | 1,505,050.90 | 109.857730% |
| Accrued Interest | | |
| Net Proceeds | 1,505,050.90 | |

ESCROW CASH FLOW

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

| Date | Principal | Interest | Net Escrow Receipts | PV Factor | Present Value to 10/16/2019 @ 2.1874724% |
|------------|--------------|----------|---------------------|-------------|--|
| 11/15/2019 | 1,487,241.00 | 2,608.77 | 1,489,849.77 | 0.998248971 | 1,487,241.00 |
| | 1,487,241.00 | 2,608.77 | 1,489,849.77 | | 1,487,241.00 |

Escrow Cost Summary

| | |
|------------------------------|--------------|
| Purchase date | 10/16/2019 |
| Purchase cost of securities | 1,487,241.00 |
| Target for yield calculation | 1,487,241.00 |

ESCROW COST

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

| Type of Security | Maturity Date | Par Amount | Rate | Total Cost |
|------------------|---------------|------------|--------|--------------|
| SLGS | 11/15/2019 | 1,487,241 | 2.140% | 1,487,241.00 |
| | | 1,487,241 | | 1,487,241.00 |

| Purchase Date | Cost of Securities | Cash Deposit | Total Escrow Cost | Yield |
|---------------|--------------------|--------------|-------------------|-----------|
| 10/16/2019 | 1,487,241 | 0.77 | 1,487,241.77 | 2.187472% |
| | 1,487,241 | 0.77 | 1,487,241.77 | |

ESCROW DESCRIPTIONS

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

| Type of Security | Type of SLGS | Maturity Date | First Int Pmt Date | Par Amount | Rate | Max Rate |
|------------------|--------------|---------------|-----------------------|---------------|--------|-------------|
| Oct 16, 2019: | | | | | | |
| SLGS | Certificate | 11/15/2019 | 11/15/2019 | 1,487,241 | 2.140% | 2.140% |
| | | | | 1,487,241 | | |

SLGS Summary

| | |
|------------------------------------|--------------|
| SLGS Rates File | 17JUL19 |
| Total Certificates of Indebtedness | 1,487,241.00 |

ESCROW REQUIREMENTS

General Obligation Bonds
Proposed Series 2019 Refunding Bonds
Current Refunding of Series 2007-A and 2012-A Bonds
Rates as of July 17, 2019
Preliminary and Subject to Change

Dated Date 10/16/2019
Delivery Date 10/16/2019

| Period Ending | Interest | Principal Redeemed | Total |
|------------------|----------|-----------------------|--------------|
| 11/15/2019 | 4,850.54 | 1,485,000.00 | 1,489,850.54 |
| | 4,850.54 | 1,485,000.00 | 1,489,850.54 |

CALCAGENT SUMMARY

Sensitivity Analysis

| Coupon Offset | Escrow Offset | Par | Bond Yield | Escrow Yield | Net Present Value Savings | Refunded PV Savings Pct |
|------------------|------------------|--------------|---------------|-----------------|------------------------------|----------------------------|
| (0.250%) | (0.250%) | 1,370,000.00 | 1.446% | 1.931% | 56,470.60 | 3.803% |
| 0.000% | 0.000% | 1,370,000.00 | 1.696% | 2.187% | 38,990.84 | 2.626% |
| 0.250% | 0.250% | 1,370,000.00 | 1.949% | 2.444% | 21,531.95 | 1.450% |

Assumptions:

Component refund:GO-190717_2
Delivery Date 10/16/2019