



Honorable Jason K. Ward, Mayor
Council Members
Chris Donnelly James Truesdell
Curtis Oroke Andy Gilner Kara Reed

Open Regular Meeting – 7:00 p.m.

I. Pledge of Allegiance

II. Approval of Minutes – Regular Meeting dated September 18, 2017

III. Consent Agenda

- a) Review Bill Payments

IV. Open Agenda

Members of the public are welcome to use this time to comment about any matter relating to City business. The comments that are discussed under Open Agenda may or may not be acted upon by the Council during this meeting. In order to speak during open agenda, you must sign up with your name and address with the city clerk or designee **before the meeting**. Comments will be limited to 3 minutes. Please wait to be recognized by the Mayor and **state your name and address** for the record.

V. Old Business

VI. New Business

- a) Resolution 10-17-01: Expressing opposition to the proposed Tyson poultry complex
- b) Resolution 10-17-02: Authorizing the offering for sale of general obligation bonds, series 2017A, for the purposes of refunding existing debt to capitalize on interest savings
- c) City Manager Agenda
 - 1. Smoke testing of sanitary sewer lines on October 16
- d) City Attorney Agenda
- e) Mayor Agenda
 - 1. Executive session to discuss an individual employee's performance evaluation, pursuant to the non-elected personnel exemption, KSA 75-4319(b)
- f) Mayor Pro Tem Agenda
- g) City Council Agenda

VII. Information & Communications (No Action Required)

VIII. Adjourn

City Council Meeting
September 18, 2017
7:00 p.m. Regular Meeting



Mayor Ward opened the meeting at 7:00 p.m. with the pledge of allegiance. Council members present were Jim Truesdell, Curtis Oroke, Andy Gilner, Kara Reed, and Chris Donnelly. Also in attendance were City Manager George Brajkovic, Assistant City Manager Jamie Shockley, and City Attorney Shannon Marciano.

Approval of Minutes and Consent Agenda

- Mr. Gilner moved to approve the minutes from the September 5, 2017 council meeting. Ms. Reed seconded. All ayes. Motion carried.
- Mr. Gilner moved to approve the consent agenda. Ms. Reed seconded. All ayes. Motion carried.

Proclamation

- Mayor Ward read a proclamation, declaring the months of September and October as “United Way Months” in Tonganoxie.

Open Agenda

- Mayor Ward made a statement regarding the proposed Tyson plant south of city limits, and eliminated himself from future discussions regarding Tyson to allay concerns of a potential conflict of interest with his employer’s representation of Tyson Foods. Mayor Ward asked Mayor Pro Tem Kara Reed to preside over the open agenda portion of the meeting.
- Ms. Reed opened the open agenda portion of the meeting explained the rules for decorum when speaking during open agenda and requested that everyone state their name and address for the record before making any comments. Each person will be given three minutes to speak.
- Rocky Himpel, 122 S Village Terrace, spoke in opposition to the Tyson project.
- John Dressler, 15371 206th Street, spoke in opposition to the Tyson project.
- Andy Pierson, 2150 Hidden Valley, spoke in favor of the Tyson project.
- Stephanie Boice, 2171 Valley View Drive, spoke in opposition to the Tyson project.
- Tabatha Regehr, 21874 Parallel, spoke in favor of the Tyson project.

- Scott Reynolds, 23225 207th Street, spoke in opposition to the Tyson project.
- Jamie Lawson, 1831 Finch, spoke in opposition to the Tyson project.
- Kent Porter, 1980 Tonganoxie Road, spoke in opposition to the Tyson project.
- Deborah Skeet, 15731 222nd street, spoke in opposition to the Tyson project.
- John Conrad, 499 13th Street, spoke in opposition to the Tyson project.
- BA Skeet, 15731 222nd Street, spoke in opposition to the Tyson project.
- David Bennett, 1414 E 2nd Street, spoke in opposition to the Tyson project.
- Scott Elliot, 17581 Leavenworth Road, spoke in opposition to the Tyson project.
- Robin Bales, 22609 Hemphill Road, spoke in opposition to the Tyson project.
- Cheryl Hamilton, 2716 E. Hickory Court, spoke in opposition to the Tyson project.
- Brian Morley, 23947 Chieftain Road, spoke in opposition to the Tyson project.
- Keith L, 20549 Evans Road, spoke in opposition to the Tyson project.
- Dennis Bixby, 704 East Street, spoke in opposition to the Tyson project.
- Cindi Benson, 803 N Willow Point, spoke in opposition to the Tyson project.
- David Compton, 17320 Blue Moon Lane, spoke in opposition to the Tyson project.
- Bob Alterman, 23151 207th Street, spoke in opposition to the Tyson project.
- Jill Claude, 1181 S. Delaware Street, spoke in opposition to the Tyson project.
- Kevin Finch, 1778 214th Street, spoke in opposition to the Tyson project.
- Wes Baker, 18632 208th Street, spoke in opposition to the Tyson project.
- Dan Harlan, 24736 Leavenworth Road, spoke in opposition to the Tyson project.
- Steve Ashley, 1201 Delaware Drive, spoke in opposition to the Tyson project.
- Mary Gergick, 21610 Kansas Avenue, spoke in opposition to the Tyson project.
- Karen Sherrill, 25206 Duncan Drive, spoke in opposition to the Tyson project.
- Dennis Bishop, 800 N. Oak Terrace, spoke in opposition to the Tyson project.

- Howie Brewington, 20260 Parallel Road, spoke in opposition to the Tyson project.
- Zachary Stoltenberg, 430 Washington Street, spoke in opposition to the Tyson project.
- JoAnn Farb, 1958 E. 850 Road, Lecompton, spoke in opposition to the Tyson project.
- Gina Zesiger, 250 Rawlings Drive, spoke in opposition to the Tyson project.
- Bob Bender, 21335 187th Street, spoke in opposition to the Tyson project.
- Ms. Reed thanked everyone for their comments and then called for a 10 minute recess.

New Business

Resolution 09-17-01: Defining the boundaries of the City of Tonganoxie, as required by KSA 12-517

- Mr. Gilner moved to approve the resolution. Mr. Donnelly seconded. All ayes. Motion carried.

City Council Agenda

- Mr. Donnelly stated that he appreciated so many residents coming to the meeting to express their concerns about the proposed Tyson project, and said he believes it is time to forget Tyson and move on to something that is a better fit for the community.
- Mr. Gilner thanked everyone for expressing their opinion and also stated that after hearing from the public, he believes it is time to say no to Tyson and move on.
- Mr. Oroke and Mr. Truesdell also stated that they are opposed to the proposed Tyson facility.
- Mr. Donnelly asked to sponsor a resolution at the next council meeting on October 2 to express the council's opposition
- Ms. Reed said that she was not ready, this evening, to express her position on the proposed facility, as she has had people both for and against the project reach out to her, and she wants those who are in favor and against the project to have a safe place to voice those concerns. She added she would state her position when the resolution is voted on during the October 2 meeting, once she believes she's had adequate time to hear from people on both ends of the spectrum.

Mr. Gilner moved to adjourn. Ms. Reed seconded. All ayes. Motion carried.



City of Tonganoxie, KS

Check Report

By Check Number

Date Range: 09/15/2017 - 09/28/2017

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
0015	ALL SEASONS CAR WASH	09/21/2017	Regular	0.00	119.00	41960
0018	ALLTECH MECHANICAL LLC	09/21/2017	Regular	0.00	428.90	41961
0046	BAY BRIDGE ADMINISTRATORS, LLC	09/21/2017	Regular	0.00	303.76	41962
0840	BAYSINGERS STORE	09/21/2017	Regular	0.00	236.91	41963
0051	BG CONSULTANTS INC	09/21/2017	Regular	0.00	6,989.50	41964
0056	BLUE CROSS AND BLUE SHIELD	09/21/2017	Regular	0.00	26,793.23	41965
0057	BLUE TARP FINANCIAL, INC.	09/21/2017	Regular	0.00	202.96	41966
0059	BOARD OF PUBLIC UTIL.-WATER	09/21/2017	Regular	0.00	18,071.66	41967
0750	BOSS MECHANICAL CONTRACTOR	09/21/2017	Regular	0.00	435.85	41968
0077	CARAWAY PRINTING CO., INC.	09/21/2017	Regular	0.00	55.00	41969
0099	CITY OF LEAVENWORTH	09/21/2017	Regular	0.00	1,010.00	41970
0115	CONRAD FIRE EQUIPMENT, INC.	09/21/2017	Regular	0.00	55.34	41971
0189	FIRST STATE BANK & TRUST	09/21/2017	Regular	0.00	2,957.25	41972
0813	FREESTATE ELECTRIC COOPERATIVE	09/21/2017	Regular	0.00	1,572.00	41973
0205	GALL'S LLC	09/21/2017	Regular	0.00	485.92	41974
0596	GEOFF SONNTAG	09/21/2017	Regular	0.00	400.00	41975
0224	HAMM QUARRIES & LANDFILL	09/21/2017	Regular	0.00	551.25	41976
0229	HAYNES EQUIPMENT CO	09/21/2017	Regular	0.00	927.20	41977
0330	KANSAS GAS SERVICE	09/21/2017	Regular	0.00	148.94	41978
0877	KARA REED	09/21/2017	Regular	0.00	368.42	41979
0381	LADD SERVICE COMPANY	09/21/2017	Regular	0.00	28.47	41980
0426	LV COUNTY SHERIFF OFFICE	09/21/2017	Regular	0.00	495.00	41981
0857	MIDCONTINENT COMMUNICATIONS	09/21/2017	Regular	0.00	1,223.09	41982
0491	OLATHE WINWATER WORKS	09/21/2017	Regular	0.00	1,250.00	41983
0500	OREILLY AUTO PARTS	09/21/2017	Regular	0.00	402.80	41984
0514	PITNEY BOWES, INC.	09/21/2017	Regular	0.00	135.24	41985
0542	QUILL	09/21/2017	Regular	0.00	423.09	41986
0555	RICOH USA, INC.	09/21/2017	Regular	0.00	149.40	41987
0578	SECURITY BENEFIT	09/21/2017	Regular	0.00	588.32	41988
0579	SECURITY BENEFIT - 457	09/21/2017	Regular	0.00	2,419.23	41989
0585	SIGNIFICANT DIGITS, INC.	09/21/2017	Regular	0.00	350.00	41990
0594	SMITHEREEN PEST CONTROL	09/21/2017	Regular	0.00	125.00	41991
0874	TERESA BASTRON	09/21/2017	Regular	0.00	19.55	41992
0876	TONGANOXIE BUSINESS ASSOCIATION	09/21/2017	Regular	0.00	1,000.00	41993
0631	TONGANOXIE CHAMBER OF COMMERCE	09/21/2017	Regular	0.00	1,200.00	41994
0875	TONY MILLER	09/21/2017	Regular	0.00	200.00	41995
0644	UNITED LABORATORIES	09/21/2017	Regular	0.00	294.48	41996
0671	WESTAR ENERGY	09/21/2017	Regular	0.00	2,518.64	41997
0775	WINTERGREEN CORPORATION	09/21/2017	Regular	0.00	2,255.36	41998
0684	WIRENUTS	09/21/2017	Regular	0.00	785.50	41999

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	68	40	0.00	77,976.26
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	68	40	0.00	77,976.26

Fund Summary

Fund	Name	Period	Amount
998	Gen Fund-Pooled Cash	9/2017	77,976.26
			<u>77,976.26</u>

RESOLUTION NO. 10-17-01

A RESOLUTION RELATED TO THE TYSON FOODS POULTRY COMPLEX, ALSO KNOWN AS “PROJECT SUNSET”, PROPOSED FOR LEAVENWORTH COUNTY, KANSAS

WHEREAS, on September 5, 2017, Tyson Foods announced their desire to build a new \$320 million poultry complex in Leavenworth County, Kansas, on property within close proximity of the city limits of the City of Tonganoxie, Kansas (the “Site”); and

WHEREAS, the City of Tonganoxie, Kansas, generally encourages and supports economic development in Leavenworth County, Kansas, and recognizes the need to support additional growth and related public infrastructure improvements within Leavenworth County; and

WHEREAS, the Tonganoxie City Council, at its regular City Council meeting on September 5, 2017, and at its regular City Council meeting on September 18, 2017, and through emails, letters and social media, was presented with overwhelming public opposition to the proposed Tyson Foods Poultry Complex; and

WHEREAS, the Tonganoxie City Council has not been presented with any actionable City Council agenda items related to the proposed Tyson Foods Poultry Complex, including the extension of City sanitary sewer to the proposed Tyson Foods Poultry Complex, and has not taken any action on any items related to the Tyson Foods Poultry Complex; and

WHEREAS, the Tonganoxie City Council has been presented with and has gathered enough information to make a determination that it is not in the best interest of the City of Tonganoxie for the proposed Tyson Foods Poultry Complex to locate on the Site; and

WHEREAS, the Tonganoxie City Council encourages the Leavenworth County Commission to determine that it is not in the best interest of the City for the proposed Tyson Foods Poultry Complex to locate on the Site; and

WHEREAS, the Tonganoxie City Council does not support the extension of City sanitary sewer to the proposed location of the Tyson Foods Poultry Complex.

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

Section 1. That the Tonganoxie City Council does not support the development of the proposed Tyson Foods Poultry Complex on the Site, within close proximity of the Tonganoxie city limits.

Section 2. That the Tonganoxie City Council encourages the Leavenworth County Commission to adopt a resolution expressing its opposition to the development of the proposed Tyson Foods Poultry Complex on the Site, within close proximity of the Tonganoxie city limits.

Section 3. That the Tonganoxie City Council does not support the extension of City sanitary sewer to the proposed location of the Tyson Foods Poultry Complex.

Section 4. That this resolution shall become effective upon passage.

ADOPTED by the Governing Body this 2nd day of October, 2017.

SIGNED by the Mayor this 2nd day of October, 2017.

SEAL

Kara Reed, Mayor Pro Tem

ATTEST:

Patricia C. Hagg, City Clerk

APPROVED AS TO FORM:

Shannon M. Marcano, City Attorney

City of Tonganoxie, Kansas

Recommendations for Issuance of Bonds

\$1,950,000 General Obligation Refunding Bonds, Series 2017A

The Council has under consideration the issuance of bonds to refund two outstanding City bond issues. This document provides information relative to the proposed issuance.

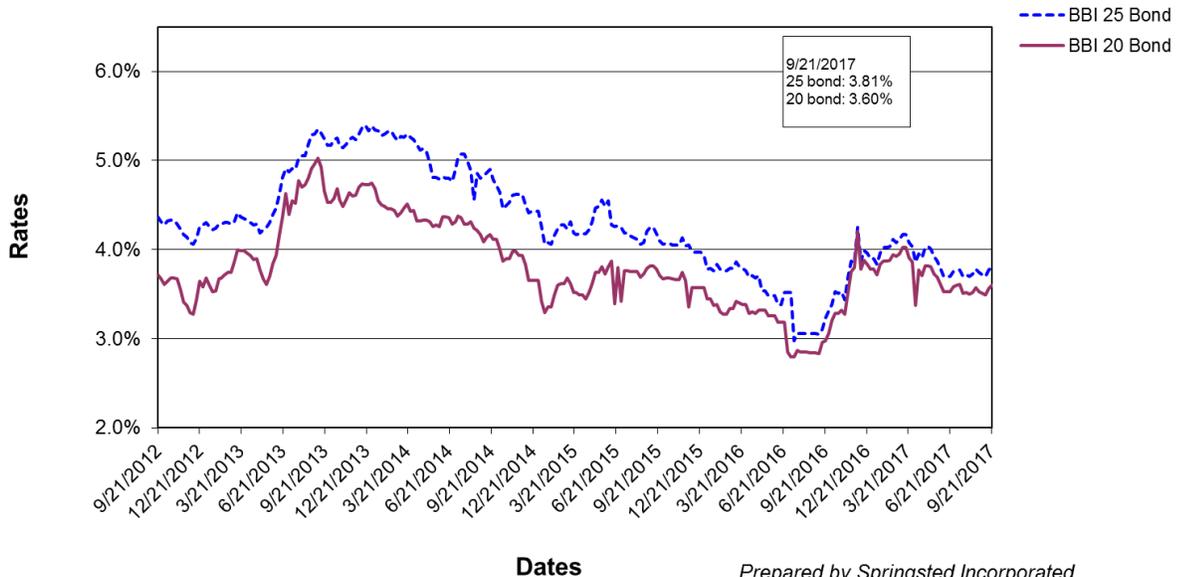
KEY EVENTS: The following summary schedule includes the timing of some of the key events that will occur relative to the bond issuance.

October 2, 2017	Council sets sale date and terms
Week of October 23, 2017	Rating conference is conducted
November 6, 2017, 10:30 a.m.	Competitive bids are received
November 6, 2017, 7:00 p.m.	Council considers award of the Bonds
November 21, 2017	Proceeds are received
January 1, 2018	Redeem the 2007A Bonds
September 1, 2019	Redeem the 2009A Bonds

RATING: An application will be made to Moody's Investors Service (Moody's) for a rating on the Bonds. The City's general obligation debt is currently rated "A2" by Moody's.

THE MARKET: Performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high grade municipal bonds in the 20th year for general obligation bonds (the BBI 20 Bond Index) and the 30th year for revenue bonds (the BBI 25 Bond Index). The following chart illustrates these two indices over the past five years.

BBI 25-bond (Revenue) and 20-bond (G.O.) Rates for 5 Years Ending 9/21/2017



Prepared by Springsted Incorporated

POST ISSUANCE COMPLIANCE:

The issuance of the Bonds will result in post-issuance compliance responsibilities. The responsibilities are in two primary areas: i) compliance with federal arbitrage requirements and ii) compliance with secondary disclosure requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as this issue has been structured. Post-issuance compliance responsibilities for this tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Under certain circumstances any “excess earnings” will need to be paid to the IRS to maintain the tax-exempt status of the Bonds. Any interest earnings on gross bond proceeds or debt service funds should not be spent until it has been determined based on actual facts that they are not “excess earnings” as defined by the IRS Code.

There is an exemption from rebate for a municipality that issues \$5 million or less of tax-exempt obligations in a calendar year. Since the City does not expect to issue more than \$5 million in tax-exempt obligations in 2017, the Bonds will be exempt from rebate.

Regardless of whether the issue qualifies for an exemption from the rebate provisions, yield restriction provisions will apply to the debt service fund and should be monitored on an ongoing basis.

The City contracts with a third party to provide arbitrage compliance services and will continue that practice regarding the Bonds.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City to commit to providing the information needed to comply under a continuing disclosure agreement.

Springsted currently provides continuing disclosure services to the City and will work with the City to include the Bonds under the existing Agreement for Municipal Advisor Services.

SUPPLEMENTAL INFORMATION AND BOND RECORD:

Supplementary information will be available to staff including detailed terms and conditions of sale, comprehensive structuring schedules and information to assist in meeting post-issuance compliance responsibilities.

Upon completion of the financing, a bond record will be provided that contains pertinent documents and final debt service calculations for the transaction.

PURPOSE:

Proceeds of the Bonds will be used as follows:

- To refund the September 1, 2018 through 2022 maturities of the City's General Obligation Bonds, Series 2007A, dated October 15, 2007 (the “2007A Bonds”); outstanding in the aggregate principal amount of \$990,000. This refunding transaction is being conducted as a current refunding in which the proceeds will be used within 90 days of issuance to redeem the 2007A Bonds (the “Current Refunding Portion”).
- To refund the September 1, 2020 through 2029 maturities of the City's General Obligation Bonds, Series 2009A, dated April 1, 2009 (the “2009A Bonds”); outstanding in the aggregate principal amount of the \$830,000. The September

1, 2018 and 2019 maturities in the aggregate principal amount of \$130,000 are not callable. This refunding transaction is being conducted as a partial advance refunding as further detailed below under Security and Source of Payment (the "Partial Advance Refunding Portion").

Together the 2007A Bonds and 2009A Bonds are referred to as the "Prior Bonds".

These refunding transactions are being undertaken to provide interest cost savings to the City.

Proceeds of the 2007A Bonds financed the City's public works building.

Proceeds of the 2009A Bonds financed multiple main trafficway improvements.

AUTHORITY:

The Bonds are being issued pursuant to K.S.A. 10-427 *et. seq.* and the Bond Resolution to be adopted by the City on October 2, 2017.

**SECURITY AND
SOURCE OF
PAYMENT:**

The Bonds will be general obligations of the City 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 City.

Current Refunding Portion – on January 1, 2018 (the call date of the 2007A Bonds), the City will use the proceeds of the Current Refunding Portion of the Bonds to redeem the September 1, 2018 through 2022 maturities of the 2007A Bonds.

Partial Advance Refunding Portion – at settlement the portion of the proceeds related to the Partial Advance Refunding Portion of the Bonds will be placed into an escrow account with a major bank and invested in United States government securities. The proceeds together with the earnings, will be used to make the interest payments due on the callable maturities of the 2009A Bonds through their call date of September 1, 2019. On the call date, the escrow will prepay and redeem the callable maturities of the 2009A Bonds. The City will continue making the principal and interest payments on the non-refunded maturities (September 1, 2018 and 2019) of the 2009A Bonds.

The City will make their first levy for the Bonds in 2017 for collection in 2018. Each year's collection of taxes will be used to pay the debt service requirements in the collection year.

**STRUCTURING
SUMMARY:**

In consultation with the City, the Bonds have been structured with the same term as the Prior Bonds with principal repayment structured to provide upfront savings to the extent possible and approximately the same debt service level as the Prior Bonds thereafter.

Based on current market conditions, these refunding transactions are projected to result in the following savings.

Current Refunding Portion – projected savings of \$27,145 in 2018, resulting in total future value savings of approximately \$33,502, with a net present value savings of \$33,427.

Partial Advance Refunding Portion – total projected savings through 2020 of \$59,225, resulting in total future value savings of approximately \$80,061, with a net present value savings of \$75,941.

These estimates are net of the costs associated with the refunding.

**SCHEDULES
ATTACHED:**

Schedules attached include:

- Refunding Summary
- Debt Service Comparison by portion (Current Refunding Portion and Partial Advance Refunding Portion)
- Debt Service schedules for the Bonds as a whole and by purpose
- Debt Service to Maturity and to Call by portion
- Escrow Fund Cashflow for the Partial Advance Refunding Portion

**RISKS/SPECIAL
CONSIDERATIONS:**

The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

**SALE TERMS AND
MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Bonds maturing on or after September 1, 2027 may be prepaid at a price of par plus accrued interest on or after September 1, 2026.

Bank Qualification: The City does not expect to issue more than \$10 million in tax-exempt obligations that count against the \$10 million limit for this calendar year; therefore, the Bonds are designated as bank qualified.

**FEDERAL
CONSIDERATIONS
AND/OR
REQUIREMENTS:**

Under federal tax law, an advance refunding transaction such as the Partial Advance Refunding Portion of the Bonds may not be advance refunded using tax-exempt bonds. However, if market conditions permit, a current refunding of the Partial Advance Refunding portion of the Bonds can be done at or after the call date.

Tax-exempt advance refunding transactions have more restrictive federal arbitrage limitations than current refunding transactions as they pertain to the escrow account. Pursuant to the sale of the Bonds, a verification agent will be retained by the City to confirm that the refunding escrow for the Partial Advance Refunding Portion of the Bonds is in compliance with federal yield restrictions and will also verify that the escrow account satisfies its cash flow requirements.

\$1,950,000

City of Tonganoxie, Kansas

General Obligation Refunding Bonds, Series 2017A

Current Refunding of Series 2007A and Partial Advance Refunding of Series 2009A

Refunding Summary

Dated 11/21/2017 | Delivered 11/21/2017

	Current Ref Portion - 2007A	Partial Adv Ref Portion - 2009A	Issue Summary
Sources Of Funds			
Par Amount of Bonds.....	\$1,040,000.00	\$910,000.00	\$1,950,000.00
Total Sources.....	\$1,040,000.00	\$910,000.00	\$1,950,000.00
Uses Of Funds			
Deposit to Net Cash Escrow Fund.....	1,002,735.00	884,559.93	1,887,294.93
Costs of Issuance.....	26,133.33	22,866.67	49,000.00
Total Underwriter's Discount (0.600%).....	6,240.00	5,460.00	11,700.00
Rounding Amount.....	4,891.67	(2,886.60)	2,005.07
Total Uses.....	\$1,040,000.00	\$910,000.00	\$1,950,000.00
Flow of Funds Detail			
State and Local Government Series (SLGS) rates for.....		9/07/2017	9/07/2017
Date of OMP Candidates.....			
Primary Purpose Fund Solution Method.....	Gross Funded	Net Funded	Net Funded
Total Cost of Investments.....	\$1,002,735.00	\$884,559.93	\$1,887,294.93
Interest Earnings @ 1.163%.....	-	19,090.07	19,090.07
Total Draw s.....	\$1,002,735.00	\$903,650.00	\$1,906,385.00
Issues Refunded And Call Dates			
2007A GO Bonds.....	1/01/2018		
2009A GO Bonds.....		9/01/2019	
PV Analysis Summary (Net to Net)			
Net PV Cashflow Savings @ 1.775%(Bond Yield).....	28,535.20	78,827.24	107,362.44
Contingency or Rounding Amount.....	4,891.67	(2,886.60)	2,005.07
Net Present Value Benefit.....	\$33,426.87	\$75,940.64	\$109,367.51
Net PV Benefit / \$1,820,000 Refunded Principal.....	3.376%	9.149%	6.009%
Net PV Benefit / \$1,950,000 Refunding Principal.....	3.214%	8.345%	5.609%
Bond Statistics			
Average Life.....	2.951 Years	7.465 Years	5.057 Years
Average Coupon.....	1.4301593%	1.9454118%	1.7850684%
Net Interest Cost (NIC).....	1.6334902%	2.0257913%	1.9037097%
Bond Yield for Arbitrage Purposes.....	1.7749241%	1.7749241%	1.7749241%
True Interest Cost (TIC).....	1.6384012%	2.0254283%	1.9014160%
All Inclusive Cost (AIC).....	2.5371983%	2.3995316%	2.4439679%

\$1,950,000

City of Tonganoxie, Kansas

General Obligation Refunding Bonds, Series 2017A

Current Refunding of Series 2007A and Partial Advance Refunding of Series 2009A

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/01/2018	174,010.00	69,777.50	243,787.50	294,807.50	51,020.00
09/01/2019	239,145.00	67,437.50	306,582.50	326,842.50	20,260.00
09/01/2020	321,520.00	-	321,520.00	337,185.00	15,665.00
09/01/2021	337,537.50	-	337,537.50	341,562.50	4,025.00
09/01/2022	337,970.00	-	337,970.00	340,147.50	2,177.50
09/01/2023	103,010.00	-	103,010.00	103,110.00	100.00
09/01/2024	101,525.00	-	101,525.00	104,885.00	3,360.00
09/01/2025	104,950.00	-	104,950.00	106,365.00	1,415.00
09/01/2026	103,192.50	-	103,192.50	107,540.00	4,347.50
09/01/2027	101,387.50	-	101,387.50	103,400.00	2,012.50
09/01/2028	99,440.00	-	99,440.00	104,215.00	4,775.00
09/01/2029	102,350.00	-	102,350.00	104,750.00	2,400.00
Total	\$2,126,037.50	\$137,215.00	\$2,263,252.50	\$2,374,810.00	\$111,557.50

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	111,557.50
Gross PV Debt Service Savings.....	107,362.44
Net PV Cashflow Savings @ 1.775%(Bond Yield).....	107,362.44
Contingency or Rounding Amount.....	2,005.07
Net Future Value Benefit.....	\$113,562.57
Net Present Value Benefit.....	\$109,367.51
Net PV Benefit / \$391,175.77 PV Refunded Interest.....	27.959%
Net PV Benefit / \$2,057,362.44 PV Refunded Debt Service.....	5.316%
Net PV Benefit / \$1,820,000 Refunded Principal.....	6.009%
Net PV Benefit / \$1,950,000 Refunding Principal.....	5.609%

Refunding Bond Information

Refunding Dated Date.....	11/21/2017
Refunding Delivery Date.....	11/21/2017

\$1,040,000

City of Tonganoxie, Kansas
General Obligation Refunding Bonds, Series 2017A
Current Refunding Portion - 2007A Bonds

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
09/01/2018	161,060.00	161,060.00	188,205.00	27,145.00
09/01/2019	222,495.00	222,495.00	222,580.00	85.00
09/01/2020	229,870.00	229,870.00	230,360.00	490.00
09/01/2021	236,900.00	236,900.00	237,467.50	567.50
09/01/2022	233,565.00	233,565.00	233,887.50	322.50
Total	\$1,083,890.00	\$1,083,890.00	\$1,112,500.00	\$28,610.00

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	28,610.00
Gross PV Debt Service Savings.....	28,535.20
Net PV Cashflow Savings @ 1.775%(Bond Yield).....	28,535.20
Contingency or Rounding Amount.....	4,891.67
Net Future Value Benefit.....	\$33,501.67
Net Present Value Benefit.....	\$33,426.87
Net PV Benefit / \$118,431.79 PV Refunded Interest.....	28.225%
Net PV Benefit / \$1,058,265.07 PV Refunded Debt Service.....	3.159%
Net PV Benefit / \$990,000 Refunded Principal.....	3.376%
Net PV Benefit / \$1,040,000 Refunding Principal.....	3.214%

Refunding Bond Information

Refunding Dated Date.....	11/21/2017
Refunding Delivery Date.....	11/21/2017

\$910,000

City of Tonganoxie, Kansas
General Obligation Refunding Bonds, Series 2017A
Partial Advance Refunding Portion - 2009A Bonds(Callable Maturities)

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/01/2018	12,950.00	69,777.50	82,727.50	106,602.50	23,875.00
09/01/2019	16,650.00	67,437.50	84,087.50	104,262.50	20,175.00
09/01/2020	91,650.00	-	91,650.00	106,825.00	15,175.00
09/01/2021	100,637.50	-	100,637.50	104,095.00	3,457.50
09/01/2022	104,405.00	-	104,405.00	106,260.00	1,855.00
09/01/2023	103,010.00	-	103,010.00	103,110.00	100.00
09/01/2024	101,525.00	-	101,525.00	104,885.00	3,360.00
09/01/2025	104,950.00	-	104,950.00	106,365.00	1,415.00
09/01/2026	103,192.50	-	103,192.50	107,540.00	4,347.50
09/01/2027	101,387.50	-	101,387.50	103,400.00	2,012.50
09/01/2028	99,440.00	-	99,440.00	104,215.00	4,775.00
09/01/2029	102,350.00	-	102,350.00	104,750.00	2,400.00
Total	\$1,042,147.50	\$137,215.00	\$1,179,362.50	\$1,262,310.00	\$82,947.50

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	82,947.50
Gross PV Debt Service Savings.....	78,827.24
Net PV Cashflow Savings @ 1.775%(Bond Yield).....	78,827.24
Contingency or Rounding Amount.....	(2,886.60)
Net Future Value Benefit.....	\$80,060.90
Net Present Value Benefit.....	\$75,940.64
Net PV Benefit / \$272,743.98 PV Refunded Interest.....	27.843%
Net PV Benefit / \$999,097.37 PV Refunded Debt Service.....	7.601%
Net PV Benefit / \$830,000 Refunded Principal.....	9.149%
Net PV Benefit / \$910,000 Refunding Principal.....	8.345%

Refunding Bond Information

Refunding Dated Date.....	11/21/2017
Refunding Delivery Date.....	11/21/2017

\$1,950,000

City of Tonganoxie, Kansas

General Obligation Refunding Bonds, Series 2017A

Current Refunding of 2007A Bonds & Partial Advance Refunding of 2009A Bonds

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/01/2018	150,000.00	1.150%	24,010.00	174,010.00
09/01/2019	210,000.00	1.250%	29,145.00	239,145.00
09/01/2020	295,000.00	1.350%	26,520.00	321,520.00
09/01/2021	315,000.00	1.450%	22,537.50	337,537.50
09/01/2022	320,000.00	1.550%	17,970.00	337,970.00
09/01/2023	90,000.00	1.650%	13,010.00	103,010.00
09/01/2024	90,000.00	1.750%	11,525.00	101,525.00
09/01/2025	95,000.00	1.850%	9,950.00	104,950.00
09/01/2026	95,000.00	1.900%	8,192.50	103,192.50
09/01/2027	95,000.00	2.050%	6,387.50	101,387.50
09/01/2028	95,000.00	2.200%	4,440.00	99,440.00
09/01/2029	100,000.00	2.350%	2,350.00	102,350.00
Total	\$1,950,000.00	-	\$176,037.50	\$2,126,037.50

Yield Statistics

Bond Year Dollars.....	\$9,861.67
Average Life.....	5.057 Years
Average Coupon.....	1.7850684%
Net Interest Cost (NIC).....	1.9037097%
True Interest Cost (TIC).....	1.9014160%
Bond Yield for Arbitrage Purposes.....	1.7749241%
All Inclusive Cost (AIC).....	2.4439679%

IRS Form 8038

Net Interest Cost.....	1.7850684%
Weighted Average Maturity.....	5.057 Years

\$1,040,000

City of Tonganoxie, Kansas
General Obligation Refunding Bonds, Series 2017A
Current Refunding Portion - 2007A Bonds

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/01/2018	150,000.00	1.150%	11,060.00	161,060.00
09/01/2019	210,000.00	1.250%	12,495.00	222,495.00
09/01/2020	220,000.00	1.350%	9,870.00	229,870.00
09/01/2021	230,000.00	1.450%	6,900.00	236,900.00
09/01/2022	230,000.00	1.550%	3,565.00	233,565.00
Total	\$1,040,000.00	-	\$43,890.00	\$1,083,890.00

Yield Statistics

Bond Year Dollars.....	\$3,068.89
Average Life.....	2.951 Years
Average Coupon.....	1.4301593%
Net Interest Cost (NIC).....	1.6334902%
True Interest Cost (TIC).....	1.6384012%
Bond Yield for Arbitrage Purposes.....	1.7749241%
All Inclusive Cost (AIC).....	2.5371983%

IRS Form 8038

Net Interest Cost.....	1.4301593%
Weighted Average Maturity.....	2.951 Years

\$910,000

City of Tonganoxie, Kansas
General Obligation Refunding Bonds, Series 2017A
Partial Advance Refunding Portion - 2009A Bonds (Callable Maturities)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/01/2018	-	-	12,950.00	12,950.00
09/01/2019	-	-	16,650.00	16,650.00
09/01/2020	75,000.00	1.350%	16,650.00	91,650.00
09/01/2021	85,000.00	1.450%	15,637.50	100,637.50
09/01/2022	90,000.00	1.550%	14,405.00	104,405.00
09/01/2023	90,000.00	1.650%	13,010.00	103,010.00
09/01/2024	90,000.00	1.750%	11,525.00	101,525.00
09/01/2025	95,000.00	1.850%	9,950.00	104,950.00
09/01/2026	95,000.00	1.900%	8,192.50	103,192.50
09/01/2027	95,000.00	2.050%	6,387.50	101,387.50
09/01/2028	95,000.00	2.200%	4,440.00	99,440.00
09/01/2029	100,000.00	2.350%	2,350.00	102,350.00
Total	\$910,000.00	-	\$132,147.50	\$1,042,147.50

Yield Statistics

Bond Year Dollars.....	\$6,792.78
Average Life.....	7.465 Years
Average Coupon.....	1.9454118%
Net Interest Cost (NIC).....	2.0257913%
True Interest Cost (TIC).....	2.0254283%
Bond Yield for Arbitrage Purposes.....	1.7749241%
All Inclusive Cost (AIC).....	2.3995316%
IRS Form 8038	
Net Interest Cost.....	1.9454118%
Weighted Average Maturity.....	7.465 Years

\$965,000

City of Tonganoxie, Kansas
General Obligation Bonds, Series 2007A
Public Works Building

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
11/21/2017	-	-	-	-	-	-	-
01/01/2018	585,000.00	7,530.83	592,530.83	-	-	-	-
03/01/2018	-	-	-	-	-	11,296.25	11,296.25
09/01/2018	-	-	-	75,000.00	3.750%	11,296.25	86,296.25
03/01/2019	-	-	-	-	-	9,890.00	9,890.00
09/01/2019	-	-	-	115,000.00	3.800%	9,890.00	124,890.00
03/01/2020	-	-	-	-	-	7,705.00	7,705.00
09/01/2020	-	-	-	125,000.00	3.850%	7,705.00	132,705.00
03/01/2021	-	-	-	-	-	5,298.75	5,298.75
09/01/2021	-	-	-	135,000.00	3.900%	5,298.75	140,298.75
03/01/2022	-	-	-	-	-	2,666.25	2,666.25
09/01/2022	-	-	-	135,000.00	3.950%	2,666.25	137,666.25
Total	\$585,000.00	\$7,530.83	\$592,530.83	\$585,000.00	-	\$73,712.50	\$658,712.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	11/21/2017
Average Life.....	3.017 Years
Average Coupon.....	3.8918949%
Weighted Average Maturity (Par Basis).....	3.017 Years
Weighted Average Maturity (Original Price Basis).....	3.017 Years

Refunding Bond Information

Refunding Dated Date.....	11/21/2017
Refunding Delivery Date.....	11/21/2017

\$755,000

City of Tonganoxie, Kansas
General Obligation Bonds, Series 2007A
Redeem Series 2007A Temp Note

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
11/21/2017	-	-	-	-	-	-	-
01/01/2018	405,000.00	5,204.17	410,204.17	-	-	-	-
03/01/2018	-	-	-	-	-	7,806.25	7,806.25
09/01/2018	-	-	-	75,000.00	3.750%	7,806.25	82,806.25
03/01/2019	-	-	-	-	-	6,400.00	6,400.00
09/01/2019	-	-	-	75,000.00	3.800%	6,400.00	81,400.00
03/01/2020	-	-	-	-	-	4,975.00	4,975.00
09/01/2020	-	-	-	80,000.00	3.850%	4,975.00	84,975.00
03/01/2021	-	-	-	-	-	3,435.00	3,435.00
09/01/2021	-	-	-	85,000.00	3.900%	3,435.00	88,435.00
03/01/2022	-	-	-	-	-	1,777.50	1,777.50
09/01/2022	-	-	-	90,000.00	3.950%	1,777.50	91,777.50
Total	\$405,000.00	\$5,204.17	\$410,204.17	\$405,000.00	-	\$48,787.50	\$453,787.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	11/21/2017
Average Life.....	2.877 Years
Average Coupon.....	3.8899619%
Weighted Average Maturity (Par Basis).....	2.877 Years
Weighted Average Maturity (Original Price Basis).....	2.877 Years

Refunding Bond Information

Refunding Dated Date.....	11/21/2017
Refunding Delivery Date.....	11/21/2017

\$1,350,000

City of Tonganoxie, Kansas
General Obligation Bonds, Series 2009A

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
03/01/2018	-	18,412.50	18,412.50	-	-	18,412.50	18,412.50
09/01/2018	-	18,412.50	18,412.50	-	3.600%	18,412.50	18,412.50
03/01/2019	-	18,412.50	18,412.50	-	-	18,412.50	18,412.50
09/01/2019	830,000.00	18,412.50	848,412.50	-	3.750%	18,412.50	18,412.50
03/01/2020	-	-	-	-	-	18,412.50	18,412.50
09/01/2020	-	-	-	70,000.00	3.900%	18,412.50	88,412.50
03/01/2021	-	-	-	-	-	17,047.50	17,047.50
09/01/2021	-	-	-	70,000.00	4.050%	17,047.50	87,047.50
03/01/2022	-	-	-	-	-	15,630.00	15,630.00
09/01/2022	-	-	-	75,000.00	4.200%	15,630.00	90,630.00
03/01/2023	-	-	-	-	-	14,055.00	14,055.00
09/01/2023	-	-	-	75,000.00	4.300%	14,055.00	89,055.00
03/01/2024	-	-	-	-	-	12,442.50	12,442.50
09/01/2024	-	-	-	80,000.00	4.400%	12,442.50	92,442.50
03/01/2025	-	-	-	-	-	10,682.50	10,682.50
09/01/2025	-	-	-	85,000.00	4.500%	10,682.50	95,682.50
03/01/2026	-	-	-	-	-	8,770.00	8,770.00
09/01/2026	-	-	-	90,000.00	4.600%	8,770.00	98,770.00
03/01/2027	-	-	-	-	-	6,700.00	6,700.00
09/01/2027	-	-	-	90,000.00	4.650%	6,700.00	96,700.00
03/01/2028	-	-	-	-	-	4,607.50	4,607.50
09/01/2028	-	-	-	95,000.00	4.700%	4,607.50	99,607.50
03/01/2029	-	-	-	-	-	2,375.00	2,375.00
09/01/2029	-	-	-	100,000.00	4.750%	2,375.00	102,375.00
Total	\$830,000.00	\$73,650.00	\$903,650.00	\$830,000.00	-	\$295,095.00	\$1,125,095.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	11/21/2017
Average Life.....	7.621 Years
Average Coupon.....	4.5357544%
Weighted Average Maturity (Par Basis).....	7.621 Years
Weighted Average Maturity (Original Price Basis).....	7.621 Years

Refunding Bond Information

Refunding Dated Date.....	11/21/2017
Refunding Delivery Date.....	11/21/2017

\$910,000

City of Tonganoxie, Kansas
General Obligation Refunding Bonds, Series 2017A
Partial Advance Refunding Portion - 2009A Bonds (Callable Maturities)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
11/21/2017	-	-	-	0.93	-	0.93
03/01/2018	15,412.00	1.040%	2,999.69	18,411.69	18,412.50	0.12
09/01/2018	12,942.00	1.200%	5,470.79	18,412.79	18,412.50	0.41
03/01/2019	13,063.00	1.230%	5,349.96	18,412.96	18,412.50	0.87
09/01/2019	843,142.00	1.250%	5,269.63	848,411.63	848,412.50	-
Total	\$884,559.00	-	\$19,090.07	\$903,650.00	\$903,650.00	-

Investment Parameters

Investment Model [PV, GIC, or Securities].....	Securities
Default investment yield target.....	Bond Yield
Cash Deposit.....	0.93
Cost of Investments Purchased with Bond Proceeds.....	884,559.00
Total Cost of Investments.....	\$884,559.93
Target Cost of Investments at bond yield.....	\$876,658.83
Actual positive or (negative) arbitrage.....	(7,901.10)
Yield to Receipt.....	1.2479932%
Yield for Arbitrage Purposes.....	1.7749241%
State and Local Government Series (SLGS) rates for.....	9/07/2017

RESOLUTION NO. 10-17-02

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017A, OF THE CITY OF TONGANOXIE, KANSAS.

WHEREAS, the City of Tonganoxie, 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	2007A	October 15, 2007	2018 to 2022	\$990,000
General Obligation Bonds	2009A	April 1, 2009	2020 to 2029	830,000

; and

WHEREAS, the Governing Body of the Issuer (the “Governing Body”) hereby selects the firm of Springsted Incorporated, Kansas City, Missouri (the “Municipal Advisor”), as municipal advisor for one or more series of general obligation bonds of the Issuer to be issued in order to provide funds to refund the Refunded Bonds; and

WHEREAS, the Issuer desires to authorize the Municipal 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 Municipal Advisor and Gilmore & Bell, P.C., Wichita, Kansas, the Issuer’s bond counsel (“Bond Counsel”), in conjunction with the Clerk, 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.

BE IT RESOLVED BY THE CITY OF TONGANOXIE OF THE CITY OF TONGANOXIE, KANSAS, AS FOLLOWS:

Section 1. There is hereby authorized to be offered for sale the Issuer’s General Obligation Refunding Bonds, Series 2017A (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 delivered to the Governing Body at its meeting to be held on the sale date referenced in the Notice of Bond Sale, at which meeting the Governing Body shall review such bids and award the sale of the Bonds or reject all proposals.

Section 2. The Mayor and Assistant City Manager in conjunction with the Municipal Advisor and Bond Counsel are hereby authorized to cause to be prepared a Preliminary Official Statement relating to the Bonds (the “Preliminary Official Statement”), 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 Clerk, in conjunction with the Municipal Advisor and Bond Counsel, is hereby authorized and directed to give notice of said bond sale 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 Assistant City Manager 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, City Manager, Assistant City Manager, Clerk and the other officers and representatives of the Issuer, the Municipal Advisor 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; (b) provide for notice of redemption of the Refunded Bonds; and (c) purchase or subscribe for the securities to be deposited in the escrow for a portion of the Refunded Bonds.

Section 7. 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 Governing Body on October 2, 2017.

(SEAL)

Mayor

ATTEST:

Clerk

EXHIBIT A

**CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL**

To:

Re: \$1,950,000* City of Tonganoxie, Kansas, General Obligation Refunding Bonds, Series 2017A

The undersigned are the duly acting Mayor and Assistant City Manager of the City of Tonganoxie, 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 TONGANOXIE, KANSAS

By: _____
Title: Mayor

By: _____
Title: Assistant City Manager

City of Tonganoxie, Kansas
General Obligation Refunding Bonds, Series 2017A
September 19, 2017

September 1, 2017							October 1, 2017							November 1, 2017						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
					1	2	1	2	3	4	5	6	7				1	2	3	4
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30		

December 1, 2017							January 1, 2018							February 1, 2018						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
					1	2		1	2	3	4	5	6					1	2	3
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24
24	25	26	27	28	29	30	28	29	30	31				25	26	27	28			
31																				

Schedule of Events		
Date	Event	Responsible Party
September 15, 2017	Request for Official Statement Information sent to City Staff.	Springsted
September 20, 2017	Finalize Bond structure.	Springsted
September 26, 2017	Sale Recommendations and Bond Resolution delivered to City.	Springsted Gilmore & Bell
September 29, 2017	Information forwarded to Springsted for preparation of the Preliminary Official Statement.	City Staff
October 2, 2017	City Council considers Resolution authorizing the Bond sale.	City Council
October 10, 2017	Rough draft of Preliminary Official Statement sent out to City Staff and Gilmore & Bell for review.	Springsted
October 16, 2017	Final comments to Springsted on Preliminary Official Statement draft.	City Staff Gilmore & Bell
October 16, 2017	Draft of Bond Resolution provided to Springsted (to be included in the information sent to the rating agency.)	Gilmore & Bell
October 17, 2017	Posting of Preliminary Official Statement and application for rating forwarded to rating agency.	Springsted
Week of October 23, 2017	Rating conference.	Moody's City Staff Springsted
October 30, 2017	Form of Bond Resolution delivered to the City.	Gilmore & Bell
Est. November 2, 2017	Receipt of rating.	Moody's

Schedule of Events		
Date	Event	Responsible Party
November 6, 2017	Sale and consideration of award of the Bonds by City.	City Springsted
November 7, 2017	Draft closing documents are circulated for review.	Gilmore & Bell
November 13, 2017	Distribution of Final Official Statement.	Springsted
November 21, 2017	Settlement of the Bonds; receipt of Bond proceeds.	City Staff Gilmore & Bell Springsted
November 21, 2017	Call notice for 2007A Bonds to be sent to DTC.	Gilmore & Bell
January 1, 2018	Redemption date of the 2007A Bonds.	

NOTICE OF BOND SALE

\$1,950,000*

CITY OF TONGANOXIE, KANSAS

**GENERAL OBLIGATION REFUNDING BONDS
SERIES 2017A**

(GENERAL OBLIGATION BONDS PAYABLE
FROM UNLIMITED AD VALOREM TAXES)

Bids. Written and electronic (as explained below) bids for the purchase of the above-referenced bonds (the “Bonds”) of the City of Tonganoxie, Kansas (the “Issuer”) herein described will be received on behalf of the undersigned Clerk 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 10:30 a.m. applicable Central Time (the “Submittal Hour”), on

MONDAY, NOVEMBER 6, 2017

(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 by the Governing Body of the Issuer (the “Governing Body”) at its meeting to be held at 7:00 p.m. on the Sale Date. 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 21, 2017 (the “Dated Date”), and will become due in principal installments on September 1 in the years as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2018	\$150,000	2024	\$ 90,000
2019	210,000	2025	95,000
2020	295,000	2026	95,000
2021	315,000	2027	95,000
2022	320,000	2028	95,000
2023	90,000	2029	100,000

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 March 1 and September 1 in each year, beginning on September 1, 2018 (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, the required size of the refunding escrow created for bonds to be

refunded (the “Refunded Bonds”), and the offering prices specified by the Successful Bidder. 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 September 1 in the years 2027, and thereafter, will be subject to redemption and payment prior to maturity on September 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. 10-427 *et seq.*, as amended, and an ordinance and a resolution adopted by the Governing Body (collectively, the "Bond Resolution") for the purpose of refunding a portion of certain outstanding bonds of the Issuer. 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. Written bids must be made on forms which may be procured from the Clerk or the Municipal Advisor and shall be addressed to the undersigned, and marked "Proposal for General Obligation Refunding Bonds, Series 2017A." Written bids submitted by facsimile should not be preceded by a cover sheet and should be sent only once to **(651) 223-3046**. Confirmation of receipt of facsimile bids may be made by contacting the Municipal 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 Municipal Advisor shall not be responsible for failure of transmission of facsimile or delivery by mail or in person of any bid. ***Any bidder desiring to have the Municipal Advisor assist in the delivery of such bidder's bid should provide pertinent bidding information to the Municipal Advisor not later than 30 minutes prior to the Submittal Hour on the Sale Date.***

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%; and (c) no supplemental interest payments will be considered; and (d) each interest rate specified shall be a multiple of 1/100 or 1/8 of 1%. The initial price to the public for each maturity must be 98.0% or greater. No bid for less than ***99.4%*** 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 discount, if any, 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 \$39,000 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 Municipal Advisor ***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 1:30 p.m. applicable Central Time on the Sale Date*** (wire transfer information may be obtained from the Municipal Advisor at the addresses set forth below).

Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to the Municipal Advisor at the email address set forth below, including the following information: (a) notification that a wire transfer has been made and (b) the amount of the wire transfer. Checks submitted for Deposits by unsuccessful bidders will be returned in the same manner received on the Sale Date. 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 or discount, 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 Municipal 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 award of the Bonds is predicated upon the Issuer achieving a certain level of savings in conjunction with the Refunded Bonds, such amount to be solely determined by the Issuer.

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 outstanding general obligation bonds of the Issuer are rated “A2” by Moody's Investors Service. The Issuer has applied to said rating agency 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 21, 2017** (the “Closing Date”), to DTC for the account of the Successful Bidder or at such bank or trust company in the contiguous United States of America as may be specified by the Successful Bidder, or elsewhere at the expense 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 October __, 2017, “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 Clerk or from the Municipal 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 2017 is as follows:

Equalized Assessed Valuation of	
Taxable Tangible Property	\$[_____]
Tangible Valuation of Motor Vehicles (2016).....	[_____]
Equalized Assessed Tangible Valuation	
for Computation of Bonded Debt Limitations	\$[_____]

The total general obligation indebtedness of the Issuer as of the Dated Date, including the Bonds being sold, is \$9,335,000.

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 Municipal Advisor at the addresses set forth below:

DATED: October 2, 2017.

CITY OF TONGANOXIE, KANSAS
By: Patty Hagg, Clerk

Issuer Address – Written Bid Delivery Address:

321 S. Delaware, P.O. Box 326
Tonganoxie, Kansas 66086
Attn: Patty Hagg, Clerk
Phone No.: (913) 845-2620
Fax No.: (913) 845-9760
Email: phagg@tonganoxie.org

Municipal Advisor –Facsimile Bid and Good Faith Deposit Delivery Address:

Springsted Incorporated, Attn: Bond Services
380 Jackson Street, Suite 300
St. Paul, Minnesota 55101-2887
Phone No. (651) 223-3000
Fax No. (651) 223-3046
Email: bond_services@springsted.com

OFFICIAL BID FORM
 PROPOSAL FOR THE PURCHASE OF CITY OF TONGANOXIE, KANSAS
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017A

TO: Patty Hagg, Clerk
 City of Tonganoxie, Kansas

November 6, 2017

For \$1,950,000* principal amount of General Obligation Refunding Bonds, Series 2017A, of the City of Tonganoxie, Kansas, to be dated November 21, 2017, as described in the Notice of Bond Sale dated October 2, 2017 (the "Notice"), said Bonds to bear interest as follows:

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>	<u>Stated Maturity</u> <u>September 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Initial Offering Price</u>
2018	\$150,000	_____ %	_____ %	2024	\$ 90,000	_____ %	_____ %
2019	210,000	_____ %	_____ %	2025	95,000	_____ %	_____ %
2020	295,000	_____ %	_____ %	2026	95,000	_____ %	_____ %
2021	315,000	_____ %	_____ %	2027	95,000	_____ %	_____ %
2022	320,000	_____ %	_____ %	2028	95,000	_____ %	_____ %
2023	90,000	_____ %	_____ %	2029	100,000	_____ %	_____ %

* 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 \$1,950,000*.00
 Less Discount (not to exceed 0.60%) - _____
 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 purchase Municipal Bond Insurance from: [Assured] [AGM] [BAM] [_____]. Circle one or complete blank.
- The Bidder elects to have the following Term Bonds:

Maturity Date	Years	Amount*
September 1, ____	_____ to _____	\$ _____
September 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 \$39,000 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.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Bonds.

Submitted by: _____

(LIST ACCOUNT MEMBERS ON REVERSE)

By: _____
 Telephone No. (____) _____

ACCEPTANCE

Pursuant to action duly taken by the Governing Body of the City of Tonganoxie, Kansas, the above proposal is hereby accepted on November 6, 2017.

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. Written bids may be filed with the Municipal Advisor, Springsted Incorporated, Attn: Bond Services, 380 Jackson Street, Suite 300, St. Paul, Minnesota 55101-2887, Fax No. (651) 223-3046, Email: bond_services@springsted.com, or electronic bids may be submitted via **PARITY**[®], at or prior to 10:30 a.m., Central Time, on November 6, 2017. Any bid received after such time will not be accepted or shall be returned to the bidder.