

COUNCIL ACTION FORM

Meeting Date: February 13, 2020

Staff Contact: Ryan Denk, City Attorney

Agenda Item: General Obligation Bonds - Go To Market Resolution

Background / Description of Item:

The proposed resolution represents the next step in financing the street and storm water improvements that were outlined with the new 0.5% special sales tax measure that the Westwood voters approved via a mail-in ballot on May 1, 2018, and then were constructed this past year. Proceeds from the sale of a final general obligation improvement bonds will be utilized to pay off the temporary financing notes that was secured in February of 2019 per Westwood resolution no. 71-2019. The temporary note proceeds were utilized to pay for the on-going construction costs of the infrastructure improvements that were completed in summer and fall of 2019.

This resolution will authorize to offer at competitive public sale the Issuer's General Obligation Bonds, Series 2020A (the "Bonds") as described in the Summary Notice of Bond Sale, which will be prepared by Bond Counsel in conjunction with the Municipal Advisor and appropriate staff and other officials. (the "Notice of Bond Sale").

The resolution authorizes that a Preliminary Official Statement relating to the Bonds will be prepared. It also dictates that a Summary Notice of Bond sale will be published in a newspaper of general circulation in Johnson County, Kansas, and the *Kansas Register*, and information items will be distributed regarding the Notice of Bond Sale and Preliminary Official Statement to prospective purchasers of the Bonds.

Bidding for the final bond sale is slated to take place on Thursday, March 12, 2020. The Governing Body at its March 2020 meeting will review the bids and award the sale of the Bonds at that time.

Staff Recommendation:

Pass resolution no. _____ authorizing the offering for sale of General Obligation Improvement Bonds, Series 2020A, of the City of Westwood, Kansas.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2020A, OF THE CITY OF WESTWOOD, KANSAS.

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

<u>Project Description</u>	<u>Ord. No.</u>	<u>Authority (K.S.A.)</u>	<u>Authorized Amount</u>
Stormwater Improvements	997	12-631r <i>et seq.</i>	\$660,000
Main Trafficway Improvements	997	12-685 <i>et seq.</i>	<u>3,490,000</u>
		Total	\$4,150,000

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

<u>Series</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>
2019A	March 21, 2019	April 1, 2020	\$3,365,000

; and

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

WHEREAS, the City Council of the Issuer (the “Governing Body”) has selected the firm of Baker Tilly Municipal Advisors, LLC, Saint Paul, Minnesota (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 permanently finance the Improvements and to retire the Notes; 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., Kansas City, Missouri, the Issuer’s bond counsel (“Bond Counsel”), in conjunction with the City Clerk and other officers and representatives of the Issuer 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 GOVERNING BODY OF THE CITY OF WESTWOOD, KANSAS, AS FOLLOWS:

Section 1. There is hereby authorized to be offered for sale the Issuer’s General Obligation Improvement Bonds, Series 2020A (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 City Clerk, 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 City Clerk, in conjunction with the Municipal Advisor and Bond Counsel, is hereby authorized and directed to give notice of said bond sale by publishing a summary notice of bond sale not less than 6 days before the date of the bond sale in a newspaper of general circulation in Johnson County, Kansas, and the *Kansas Register* and by distributing copies of the Notice of Bond Sale and Preliminary Official Statement to prospective purchasers of the Bonds. Proposals for the purchase of the Bonds shall be submitted upon the terms and conditions set forth in the Notice of Bond Sale, and awarded or rejected in the manner set forth in the Notice of Bond Sale.

Section 4. For the purpose of enabling the purchaser of the Bonds (the "Purchaser") to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Mayor and City Clerk 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 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, and (b) make provision for payment and/or redemption of the Notes from proceeds of the Bonds and other available funds.

Section 7. This Resolution shall be in full force and effect from and after its adoption.

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ADOPTED by the Governing Body on February 13, 2020.

(SEAL)

David E. Waters, Mayor

ATTEST:

Frederick L. Sherman, City Clerk

EXHIBIT A
CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL

February __, 2020

_____, _____

Re: Approximately \$3,520,000 City of Westwood, Kansas, General Obligation Improvement Bonds, Series 2020A

The undersigned are the duly acting Mayor and City Clerk of the City of Westwood, 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 WESTWOOD, KANSAS

By: _____
Title: David E. Waters, Mayor

By: _____
Title: Frederick L. Sherman, City Clerk