

(Published in the *Miami County Republic* on February 22, 2023)

ORDINANCE NO. 3198

AN ORDINANCE OF THE CITY OF PAOLA, KANSAS, AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES A, 2023, IN THE PRINCIPAL AMOUNT OF \$7,570,000, FOR THE PURPOSE OF FINANCING THE COSTS OF CAPITAL IMPROVEMENTS IN THE CITY, REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY, AND PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AUTHORIZING RELATED DOCUMENTS AND ACTIONS; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the governing body of the City of Paola, Kansas (the "City") adopted Ordinance No. 3181 on October 12, 2021, which authorized (a) (i) the construction, reconstruction, remodeling, replacement, and additions to the City's public swimming pool facilities, known as the Paola Family Pool, including but not limited to maintenance and preservation of the existing pool facilities and enhancement and improvement of the pool facilities, all pursuant to K.S.A. 12-1736 *et seq.*, as amended (the "Public Building Act"), (ii) the construction, reconstruction, remodeling, replacement, and making additions to the recreational structures and facilities located in Wallace Park, and all things necessary and related thereto, pursuant to the Public Building Act, (iii) the construction of stabilization improvements to the dam at City owned Lake Miola, which serves the City's drainage system as a regional catchment pool, and all things necessary and related thereto, pursuant to K.S.A. 12-617 *et seq.* (the "Drainage Act") and Article 12, Section 5 of the Kansas Constitution (the "Home Rule Amendment") (collectively, the "Project"); (b) authorized the payment of costs of the Project by issuance of general obligation bonds of the City; and (c) payment of the costs of issuing the Bonds; and

WHEREAS, the City has previously issued its General Obligation Refunding Bonds, Series 2014 (the "Series 2014 Bonds") and is authorized by K.S.A. 10-427 *et seq.*, as amended (the "Refunding Act"), to issue general obligation bonds of the City for the purpose of refunding a portion of the interest on the Series 2014 Bonds; and

WHEREAS, in order to provide an orderly plan of finance for the City, it is desirable and in the best interest of the City and its inhabitants to refund a portion of the interest on the 2014 Bonds payable on March 1, 2023 at a cost of \$5,000, which cost is allocable to the Bonds defined herein; and

WHEREAS, the City is authorized by the Public Building Act, the Drainage Act, the Home Rule Amendment, the Refunding Act and K.S.A. 10-101 to 10-125, inclusive, as supplemented and amended (the "Bond Act"), to issue, sell and deliver its general obligation bonds for the purpose of providing financing for the costs of the Project, redeeming Temporary Notes of the City issued to temporarily finance costs of the Project, and refunding a portion of the interest on the 2014 Bonds; and

WHEREAS, the governing body determines it necessary and appropriate to authorize and provide for the issuance of such general obligation bonds for the purpose of providing the necessary funds for the purposes described; and to specify the terms, details, form and conditions of the general obligation bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF PAOLA, KANSAS:

SECTION 1. Authorization of the Bonds. General Obligation Bonds, Series A, 2023, of the City of Paola, Kansas (the "City") in the total principal amount of \$7,570,000.00 (the "Bonds") are authorized to be issued for the purpose of providing funds to (i) pay a portion of the costs of the Project (as defined above), (ii) refund and redeem the City's General Obligation Temporary Notes, Series 2022 (the "2022 Notes"), (iii) refund a portion of the interest for the 2014 Bonds (as defined above) and (iv) pay the costs of issuing the Bonds.

SECTION 2. Security for the Bonds. The Bonds are general obligations of the City payable as to 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. The full faith, credit and resources of the City are pledged to secure the payment of the principal of and the interest on the Bonds as the same severally become due and payable. The governing body of the City covenants that it shall annually make provision for the payment of the principal of and the interest on the Bonds as and when the same become due and payable by levying and collecting the necessary ad valorem taxes upon all of the taxable tangible property located within the territorial limits of the City, in such amounts as are necessary to provide for such annual payment.

SECTION 3. Terms, Details and Conditions of the Bonds. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to maturity thereof, and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in a resolution hereafter adopted by the governing body of the City (the "Resolution"). This Ordinance and the Resolution shall be read together as a single document authorizing and describing terms of the Bonds.

SECTION 4. Designation of Paying Agent and Bond Registrar; Issuer/Agent Agreement. Pursuant to K.S.A. 10-620 *et seq.*, the governing body of the City elects to have the provisions of the Kansas Bond Registration Law apply to the Bonds and designates and appoints the Treasurer of the State of Kansas, Topeka, Kansas, as the Bond Registrar and Paying Agent for the Bonds (the "Paying Agent"). The terms, conditions and provisions under which the Paying Agent will perform its duties are set forth in an Agreement between Issuer and Paying Agent dated as of March 1, 2023 (the "Issuer/Agent Agreement"). The form and text of the Issuer/Agent Agreement are approved and accepted by the governing body, and all of the covenants, duties and responsibilities therein to be performed by and on behalf of the City are declared to be the covenants, duties and responsibilities of the City as though fully set forth at this place. The Mayor and City Clerk are authorized to execute and deliver the Issuer/Agent

Agreement for and on behalf of the City. The Issuer/Agent Agreement is incorporated in and made a part of this Ordinance as though fully set forth at this place; provided however, the inclusion of the Issuer/Agent Agreement in the publication of this Ordinance shall not be required.

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

The taxes above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as other general ad valorem taxes of the City are levied and collected, shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent. The proceeds derived from said taxes shall be deposited in the Series A, 2023 Principal and Interest Account, as defined in the Resolution.

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

SECTION 6. Tax Covenants. The governing body of the City covenants that so long as any of the Bonds remain outstanding and unpaid, no use will be made of the proceeds thereof which, if such use had been reasonably expected on the date of issuance and delivery, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 103(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”); and that it will comply with all applicable requirements of Section 148 of the Code and the rules and regulations of the United States Treasury Department issued thereunder for so long as any of the Bonds remain outstanding and unpaid. The governing body further covenants to take all such action in its power as may be required from time to time in order to ensure the continued tax-exempt status of the interest on the Bonds, and to comply with all provisions of the Code, as the same be amended, and any applicable Rules and Regulations of the United States Treasury Department thereunder.

SECTION 6. Authorization of Official Statement; Continuing Disclosure. The governing body of the City ratifies and confirms its prior approval of the form and content of the “deemed final” Preliminary Official Statement dated February 3, 2023 and the use of the final Official Statement in the reoffering of the Bonds by Raymond James & Associates, Inc., Leawood, Kansas, as Original Purchaser is approved and authorized; and the Mayor is authorized to execute and the City Clerk to attest the Official Statement on behalf of the City. The City covenants and agrees to provide continuing disclosure as required by Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR part 240, §240.15c2-12) and as set forth in the Continuing Disclosure Undertaking submitted to the governing body with this Ordinance. The Mayor is authorized to execute and the City Clerk to attest the Continuing Disclosure Undertaking on behalf of the City.

SECTION 7. Designation as Qualified Tax-Exempt Obligations. The governing body of the City designates the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code.

SECTION 8. Further Authority. The City and its officers, agents and employees are authorized and directed to, take such actions, expend such moneys and execute such other documents, certificates and instruments as may be necessary or desirable in order to carry out and comply with this Ordinance and to give effect to the transactions contemplated hereby, including final certificates required to be included in the official Transcript of Proceedings relating to the authorization and issuance of the Bonds, all without further action by the governing body.

SECTION 9. Severability. If any section, paragraph, clause, or provision of this Ordinance is, for any reason, held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any remaining provisions of this Ordinance.

SECTION 10. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

SECTION 11. Effective Date. This Ordinance shall be in force and take effect from and after its adoption and approval and its publication one time in the City’s official newspaper.

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ADOPTED AND APPROVED by the governing body of the City of Paola, Kansas on
February 14, 2023.

CITY OF PAOLA, KANSAS



By Leigh House
Leigh House, Mayor

ATTEST:

By Stephanie Marler
Stephanie Marler, City Clerk

EXCERPT OF MINUTES

The governing body of the City of Paola, Kansas, met in regular session at the usual meeting place in the City on February 14, 2023, at 6:00 P.M. Mayor Leigh House presided, and all members of the governing body were present as follows: Dave Smail, Deborah Hayes, Kathy Peckman & LeAnne Shields.

and the following members were absent: None

An Ordinance was presented to the governing body entitled:

AN ORDINANCE OF THE CITY OF PAOLA, KANSAS, AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES A, 2023, IN THE PRINCIPAL AMOUNT OF \$7,570,000, FOR THE PURPOSE OF FINANCING THE COSTS OF CAPITAL IMPROVEMENTS IN THE CITY, REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY, AND PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AUTHORIZING RELATED DOCUMENTS AND ACTIONS; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

The Ordinance was considered and discussed, and upon the motion of Council Member Smail, seconded by Council Member Peckman, the Ordinance was adopted by a majority vote of the governing body. The Ordinance was assigned No. 3198.

A resolution was presented to the governing body entitled:

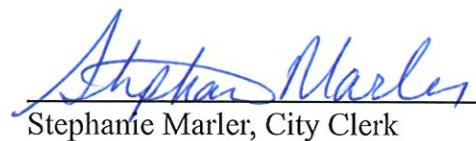
A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES A, 2023, IN THE PRINCIPAL AMOUNT OF \$7,570,000, OF THE CITY OF PAOLA, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 3198 OF THE CITY; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

The Resolution was considered and discussed; and on motion of Council Member Peckman, seconded by Council Member Smail, the Resolution was adopted by a majority vote of all members present. The Resolution was assigned No. 2023-005.

CITY CLERK'S
CERTIFICATION OF EXCERPT OF MINUTES

I certify that the foregoing is a true and correct Excerpt of Minutes of the February 14, 2023 meeting of the governing body of the City of Paola, Kansas.




Stephanie Marler

Stephanie Marler, City Clerk