

CITY COMMISSION AGENDA MEMO
April 24, 2008

FROM: Rina Neal, Trust Accountant

MEETING: May 6, 2008

SUBJECT: Set Bond Sale Date/First Reading of Bond Ordinance

PRESENTER: Bernie Hayen, Director of Finance

BACKGROUND

The City of Manhattan sells general obligation bonds twice a year. Proceeds from the bonds are used to finance projects which have been completed and for which project costs are known. Bond proceeds will be used to pay off outstanding temporary notes.

On March 4, 2008, the City Commission approved a special assessment ordinance levying \$16,582,695 in project improvement costs, of which \$14,431,551 will be apportioned to the benefit districts (property owners) and \$2,151,144 to the City-at-large. Listed below are the thirty-nine (39) public improvement districts included in the May bond issue:

- Grand Mere Village – Street (ST0528);
- Stone Pointe Addition, Unit One, Phase One – Sanitary Sewer (SS0605) and Street (ST0611);
- Western Hills Addition, Unit Thirteen – Street (ST0604);
- Kimball Townhomes – Street (ST0622);
- Daisy Meadow Subdivision – Sanitary Sewer (SS0620), Street (ST0624), and Water (WA0623);
- Eureka Addition – Sanitary Sewer (SS0607) and Water (WA0610);
- Four Winds Village, Block Two – Sanitary Sewer (SS0601), Street (ST0603), and Water (WA0602);
- Prairie Lakes Addition, Unit Three – Sanitary Sewer (SS0617) and Water (WA0619);
- Stone Pointe Addition, Unit One, Phase Two – Sanitary Sewer (SS0614), Street (ST0617), and Water (WA0616);
- Cedar Glen Addition – Stormwater (SM0602), Sanitary Sewer (SS0615), and Water (WA0617);
- Grand Vista Addition, Unit One – Sanitary Sewer (SS0519), Street (ST0527), and Water (WA0520);

- Grand Mere Vanesta, Unit Two – Sanitary Sewer (SS0623) and Water (WA0627);
- Lee Mill Heights Addition, Unit Three – Stormwater (SM0604), Sanitary Sewer (SS0622), Street (ST0626), and Water (WA0625);
- Miller Ranch Addition, Unit Three, Phase Two – Sanitary Sewer (SS0610) and Water (WA0612);
- Stone Pointe Addition, Unit Two – Sanitary Sewer (SS0624) and Water (WA0628);
- Heritage Square – US-24 Improvements & Traffic Signals (ST0702);
- Heritage Square – External Waterline (WA0614); and
- Heritage Square South P.U.D. – Sanitary Sewer (SS0612), Street (ST0616), and Water (WA0613).

Property owners in the thirty-nine (39) benefit districts were given until April 4, 2008, to pay their special assessments early and receive a 1.50% discount off the bond fees. Special assessments in the amount of \$664,596 less the discount were paid off by that date. Special assessment project costs that were not paid by that date are included in the May bond issue. There were several projects with City-at-large costs that are able to be funded by City funds and forego bonding. These amounted to \$529,094 less the 1.50% discount for early payoff. The projects, amounts and source of funding are as follows: **General Fund:** Western Hills Addition, Unit Thirteen – Street (ST0604) - \$15,633; Lee Mill Heights Addition, Unit Three – Street (ST0626) - \$49,995; **Water Fund:** Eureka Addition – Water (WA0610) - \$76,774; Stone Pointe Addition, Unit One, Phase Two – Water (WA0616) - \$10,694; Lee Mill Heights Addition, Unit Three – Water (WA0625) - \$10,091; and Stone Pointe Addition, Unit Two – Water (WA0628) - \$10,792; and **Wastewater Fund:** Eureka Addition – Sanitary Sewer (SS0607) - \$65,820; Prairie Lakes Addition, Unit Three – Sanitary Sewer (SS0617) - \$47,726; and Stone Pointe Addition, Unit Two – Sanitary Sewer (SS0624) - \$16,569. In addition, Pottawatomie County agreed to contribute \$225,000 of the total City share of \$450,000 towards the Heritage Square – US-24 Improvements & Traffic Signals (ST0702) project.

The May bond issue will include \$13,766,954 in costs to the property owners and \$1,622,050 in costs to the City-at-large. Of the City-at-large costs, \$703,566 is related to Grand Mere Village – Street (ST0528); \$225,000 is related to Heritage Square – US-24 Improvements and Traffic Signals (ST0702); and \$693,484 is related to Heritage Square – External Waterline (WA0614).

DISCUSSION

On May 6, 2008, the City Commission will need to consider a resolution setting the date to sell \$15,385,000 in general obligation bonds (Series 2008-A) for thirty-nine (39) special assessment projects. The City Commission will also consider first reading of an ordinance selling \$15,385,000 in general obligation bonds for Series 2008-A.

FINANCING

The City will sell these bonds, Series 2008-A, on May 20, 2008. These bonds will be used to pay off the outstanding temporary notes for all special assessment projects. The special assessment portion will be amortized over 20 years. Special assessments paid by the property owners will be used to pay the principal and interest on the special assessment portion of the bonds.

The City share of Grand Mere Village – Street (ST0528) will be bonded over 10 years, with the debt service payments funded by the Bond and Interest Fund. The City share of Heritage Square – US-24 Improvements and Traffic Signals (ST0702) will be bonded over 10 years, with the debt service payments funded by the Bond & Interest Fund. The City share of Heritage Square – External Waterline (WA0614) will be bonded over 10 years, with the debt service payments funded by the Water Fund.

On May 20, 2008, City Administration will inform the City Commission about the results of the bond sale scheduled for May 20, 2008, as well as notify the City Commission about the bond's rating.

ALTERNATIVES

It appears the Commission has the following alternatives concerning the issue at hand. The Commission may:

1. Approve Resolution No. 050608-B setting May 20, 2008, as the date to sell \$15,385,000 in general obligation bonds (Series 2008-A) and approve first reading of an ordinance issuing \$15,385,000 in general obligation bonds.
2. Do not approve the resolution setting the date for the bond sale nor the first reading of the bond ordinance.
3. Table the request.

RECOMMENDATION

City Administration recommends approval of first reading of the proposed bond issue and approval of the proposed resolution. Approval will permit City Administration, bond counsel, and the City's financial advisor to proceed with coordinating and organizing the bond sale, which will take place on May 20, 2008.

POSSIBLE MOTION

Approve Resolution No. 050608-B setting May 20, 2008, as the date to sell \$15,385,000 in general obligation bonds (Series 2008-A) and approve first reading of an ordinance issuing \$15,385,000 in general obligation bonds for 39 public improvement districts.

RN

Enclosures:

1. Proposed Resolution setting bond sale date
2. Proposed Bond Ordinance
3. Bond Calculations for Series 2008-A Bonds
4. Map of Special Assessment Districts
5. Bond Schedule

RESOLUTION NO. 050608-B

RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION BONDS, SERIES 2008-A, OF THE CITY OF MANHATTAN, KANSAS.

WHEREAS, the City of Manhattan Kansas (the "Issuer"), has heretofore authorized certain internal improvements described as follows (the "Improvements"):

<u>Project Description</u>	<u>Res No.</u>	<u>Authority (K.S.A.)</u>	<u>Amount</u>
Grand Mere Village (ST0528)	041806-D	12-6a01 <i>et seq.</i>	\$1,954,350.38
Stone Pointe Addition, Unit 1 (SS0605)	062006-H	12-6a01 <i>et seq.</i>	434,818.70
Stone Pointe Addition, Unit 1 (ST0611)	062006-J	12-6a01 <i>et seq.</i>	1,566,759.23
Western Hills Addition, Unit 13 (ST0604)	062006-B	12-6a01 <i>et seq.</i>	298,349.08
Kimball Townhomes, Street (ST0622)	101706-B	12-6a01 <i>et seq.</i>	295,858.71
Daisy Meadow Subdivision - Sanitary Sewer (SS0620)	121906-L	12-6a01 <i>et seq.</i>	198,224.43
Daisy Meadows - Street (ST0624)	121906-K	12-6a01 <i>et seq.</i>	249,407.63
Daisy Meadows - Water (WA0623)	121906-M	12-6a01 <i>et seq.</i>	135,310.30
Eureka Addition - Sanitary Sewer (SS0607)	091906-C	12-6a01 <i>et seq.</i>	131,639.20
Eureka Addition - Water (WA0610)	012307-G	12-6a01 <i>et seq.</i>	153,548.10
Four Winds Village Block 2 - Sanitary Sewer (SS0601)	022106-E	12-6a01 <i>et seq.</i>	303,190.79
Four Winds Village Block 2 - Street (ST0603)	022106-G	12-6a01 <i>et seq.</i>	584,008.54
Four Winds Village Block 2 - Water (WA0602)	022106-F	12-6a01 <i>et seq.</i>	77,938.39
Prairie Lakes Addition Unit 3 - Sanitary Sewer (SS0617)	121906-N	12-6a01 <i>et seq.</i>	502,374.54
Prairie Lakes Addition Unit 3 - Water (WA0619)	121906-Q	12-6a01 <i>et seq.</i>	178,140.80
Stone Pointe Addition Unit 1, Phase 2 - Sanitary Sewer (SS0614)	090506-F	12-6a01 <i>et seq.</i>	161,897.37
Stone Pointe Addition Unit 1, Phase 2 - Street (ST0617)	090506-E	12-6a01 <i>et seq.</i>	757,647.19
Stone Pointe Addition Unit 1, Phase 2 - Water (WA0616)	090506-G	12-6a01 <i>et seq.</i>	152,772.48
Cedar Glenn Addition (SM0602)	032007-B	12-6a01 <i>et seq.</i>	985,644.04
Cedar Glenn Addition (SS0615)	032007-D	12-6a01 <i>et seq.</i>	323,162.42
Cedar Glenn Addition (WA0617)	032007-C	12-6a01 <i>et seq.</i>	140,782.16
Grand Vista Addition, Unit 1, Phase 1 (SS0519)	030607-C	12-6a01 <i>et seq.</i>	218,985.80
Grand Vista Addition, Unit 1, Phase I	030607-A	12-6a01 <i>et seq.</i>	167,437.77

(ST0527)			
Grand Vista Addition, Unit 1, Phase I (WA0520)	030607-B	12-6a01 <i>et seq.</i>	38,962.43
Grand Mere Vanesta, Unit 2 – Sanitary Sewer (SS0623)	121906-G	12-6a01 <i>et seq.</i>	200,114.59
Grand Mere Vanesta, Unit 2 – Water (WA0627)	121906-H	12-6a01 <i>et seq.</i>	125,926.82
Lee Mill Heights Addition, Unit 3 – Storm Sewer (SM0604)	121906-D	12-6a01 <i>et seq.</i>	112,974.25
Lee Mill Heights Addition, Unit 3 – Sanitary Sewer (SS0622)	121906-F	12-6a01 <i>et seq.</i>	220,920.30
Lee Mill Heights Addition, Unit 3 – Street (ST0626)	121906-C	12-6a01 <i>et seq.</i>	370,335.60
Lee Mill Heights Addition, Unit 3 – Water (WA0625)	121906-E	12-6a01 <i>et seq.</i>	109,684.75
Miller Ranch Addition, Unit 3, Phase 2 – Sanitary Sewer (SS0610)	070307-B	12-6a01 <i>et seq.</i>	350,466.27
Miller Ranch Addition, Unit 3, Phase 2 – Water (WA0612)	070307-C	12-6a01 <i>et seq.</i>	147,224.71
Stone Pointe Addition, Unit 2 – Sanitary Sewer (SS0624)	012307-C	12-6a01 <i>et seq.</i>	487,310.10
Stone Pointe Addition, Unit 2 – Water (WA0628)	012307-E	12-6a01 <i>et seq.</i>	239,822.59
Heritage Square (US 24 Improvements & Traffic Signals) (ST0702)	121807-K	12-6a01 <i>et seq.</i>	1,333,371.27
Heritage Square (External Waterline) (WA0614)	121807-I	12-6a01 <i>et seq.</i>	1,250,647.65
Heritage Square (Internal Sanitary Sewer) (SS0612)	121807-G	12-6a01 <i>et seq.</i>	200,896.24
Heritage Square (Internal Streets) (ST0616)	121807-J	12-6a01 <i>et seq.</i>	1,190,244.97
Heritage Square (Internal Waterline) (WA0613)	121807-H	12-6a01 <i>et seq.</i>	<u>231,543.98</u>
Total			\$16,582,694.57

; and

WHEREAS, the Issuer desires to issue its general obligation bonds in order to permanently finance the costs of such Improvements and to retire the Issuer's Temporary Notes which were issued to temporarily finance a portion of the costs of the Improvements; and

WHEREAS, the Issuer desires to cause to be prepared an 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 MANHATTAN, KANSAS, AS FOLLOWS:

Section 1. The Issuer is hereby authorized to offer at competitive public sale \$15,385,000 principal amount of General Obligation Bonds, Series 2008-A (the “Bonds”) as described in the Notice of Bond Sale, which is hereby approved in substantially the form presented to the governing body this date.

Section 2. The Official Statement is hereby approved in substantially the form presented to the governing body this date, with such changes or additions as the Mayor and Director of Finance shall deem necessary and appropriate, and such officials and other representatives of the Issuer are hereby authorized to use such document in connection with the public sale of the Bonds.

Section 3. The Director of Finance, in conjunction with Springsted Incorporated, St. Paul, Minnesota ("Financial Advisor") and Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel"), is hereby authorized and directed to give notice of said bond sale by publishing a summary of the Notice of Bond Sale not less than 6 days before the date of the bond sale in a newspaper of general circulation in Riley & Pottawatomie Counties, Kansas, and the *Kansas Register* and by distributing copies of the Notice of Bond Sale and Official Statement to prospective purchasers of the Bonds. Bids for the purchase of the Bonds shall be submitted upon the terms and conditions set forth in said Notice of Bond Sale, and shall be delivered to the governing body at its meeting to be held on such date, at which meeting the governing body shall review such bids and shall award the sale of the Bonds or reject all bids.

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 Exchange Commission (the “Rule”), the appropriate officers of the Issuer are hereby authorized: (a) to approve the form of said Official Statement, and to execute a “Certificate Deeming Official Statement Final” as approval of the 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 certain national repositories and the Municipal Securities Rulemaking Board, as applicable; (c) 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 and Addendum to Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(3) and (4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board; and (d) 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 Mayor, Director of Finance and the other officers and representatives of the Issuer, the Financial Advisor and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the public sale of the Bonds. Such officials are also directed and authorized to make provision for payment and/or redemption of the following described temporary notes of the Issuer from proceeds of the Bonds and other available funds:

<u>Series</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Amount</u>	<u>Redemption Date</u>
2006-04	09/15/2006	06/15/2008	\$7,725,000	\$4,120,000	\$ 3,955,000	06/15/2008
2006-06	12/15/2006	12/15/2008	2,030,000	295,000	295,000	06/15/2008
2007-01	03/15/2007	12/15/2008	7,665,000	5,850,000	3,400,000	06/15/2008
2007-02	06/15/2007	06/15/2009	4,320,000	4,320,000	1,830,000	06/15/2008
2007-03	09/15/2007	06/15/2009	4,640,000	4,640,000	1,570,000	06/15/2008

2007-04	12/15/2007	12/15/2009	8,130,000	8,130,000	735,000	06/15/2008
2008-01	03/15/2008	12/15/2009	5,165,000	5,165,000	<u>3,615,000</u>	06/15/2008
<i>Total</i>					<i>\$15,400,000</i>	

Section 6. This Resolution shall be in full force and effect from and after its adoption.

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ADOPTED by the governing body on May 6, 2008.

(SEAL)

Mayor

ATTEST:

Clerk

ORDINANCE NO. _____

OF

THE CITY OF MANHATTAN, KANSAS

PASSED

MAY 20, 2008

\$15,385,000
GENERAL OBLIGATION BONDS
SERIES 2008-A

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$15,385,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2008-A, OF THE CITY OF MANHATTAN, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the City is a city of the first class, duly created, organized and existing under the Constitution and laws of the State; and

WHEREAS, pursuant to K.S.A. 12-6a01 *et seq.*, as amended, and other provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, the governing body of the City has caused the following improvements (the "Improvements") to be made in the City, to-wit:

Project Description	Res No.	Amount
Grand Mere Village (ST0528)	041806-D	\$1,954,350.38
Stone Pointe Addition, Unit 1 (SS0605)	062006-H	434,818.70
Stone Pointe Addition, Unit 1 (ST0611)	062006-J	1,566,759.23
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Prairie Lakes Addition Unit 3 - Sanitary Sewer (SS0617)	121906-N	502,374.54
Prairie Lakes Addition Unit 3 - Water (WA0619)	121906-Q	178,140.80
Stone Pointe Addition Unit 1, Phase 2 - Sanitary Sewer (SS0614)	090506-F	161,897.37
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Stone Pointe Addition Unit 1, Phase 2 - Water (WA0616)	090506-G	152,772.48
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Cedar Glenn Addition (SS0615)	032007-D	323,162.42
Cedar Glenn Addition (WA0617)	032007-C	140,782.16

Grand Vista Addition, Unit 1, Phase 1 (SS0519)	030607-C	218,985.80
Grand Vista Addition, Unit 1, Phase I (ST0527)	030607-A	167,437.77
Grand Vista Addition, Unit 1, Phase I (WA0520)	030607-B	38,962.43
Grand Mere Vanesta, Unit 2 – Sanitary Sewer (SS0623)	121906-G	200,114.59
Grand Mere Vanesta, Unit 2 – Water (WA0627)	121906-H	125,926.82
Lee Mill Heights Addition, Unit 3 – Storm Sewer (SM0604)	121906-D	112,974.25
Lee Mill Heights Addition, Unit 3 – Sanitary Sewer (SS0622)	121906-F	220,920.30
Lee Mill Heights Addition, Unit 3 – Street (ST0626)	121906-C	370,335.60
Lee Mill Heights Addition, Unit 3 – Water (WA0625)	121906-E	109,684.75
Miller Ranch Addition, Unit 3, Phase 2 – Sanitary Sewer (SS0610)	070307-B	350,466.27
Miller Ranch Addition, Unit 3, Phase 2 – Water (WA0612)	070307-C	147,224.71
Stone Pointe Addition, Unit 2 – Sanitary Sewer (SS0624)	012307-C	487,310.10
Stone Pointe Addition, Unit 2 – Water (WA0628)	012307-E	239,822.59
Heritage Square (US 24 Improvements & Traffic Signals) (ST0702)	121807-K	1,333,371.27
Heritage Square (External Waterline) (WA0614)	121807-I	1,250,647.65
Heritage Square (Internal Sanitary Sewer) (SS0612)	121807-G	200,896.24
Heritage Square (Internal Streets) (ST0616)	121807-J	1,190,244.97
Heritage Square (Internal Waterline) (WA0613)	121807-H	<u>231,543.98</u>
<i>TOTAL</i>		<i>\$16,582,694.57</i>

WHEREAS, all legal requirements pertaining to the Improvements have been complied with, and the governing body of the City now finds and determines that the total cost of the Improvements (including interest on temporary notes of the City and issuance costs of the Bonds) and related expenses are at least \$16,582,694.57 (with \$14,431,550.65 of said cost to be paid by the owners of the property within the City benefited by the Improvements and with \$2,151,143.92 of said cost to be paid by the City at large), and that the owners of the property benefited by the Improvements have paid \$664,596.27 in cash into the City Treasury on account of the Improvements and there is \$533,098.30 available in the City Treasury to pay part of said cost, leaving \$15,385,000 to be paid for by the issuance of general obligation bonds; and

WHEREAS, the governing body of the City is authorized by law to issue general obligation bonds of the City to pay a portion of the costs of the Improvements; and

WHEREAS, none of such general obligation bonds heretofore authorized have been issued and the City proposes to issue \$15,385,000 of its general obligation bonds to pay a portion of the costs of the Improvements; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF MANHATTAN, KANSAS, AS FOLLOWS:

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms in this Ordinance shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural

and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Act" means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.* and K.S.A. 12-6a01 *et seq.*, all as amended and supplemented from time to time.

"Bond and Interest Fund" means the Bond and Interest Fund of the City for its general obligation bonds.

"Bond Resolution" means the resolution to be adopted by the governing body of the City prescribing the terms and details of the Bonds and making covenants with respect thereto.

"Bonds" means the City's General Obligation Bonds, Series 2008-A, in the aggregate principal amount of \$15,385,000, and dated June 1, 2008, authorized by this Ordinance.

"City" means the City of Manhattan, Kansas.

"Clerk" means the duly appointed and acting Clerk of the City or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations proposed or promulgated thereunder of the United States Department of the Treasury.

"Improvements" means the improvements referred to in the preamble to this Ordinance.

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

"Ordinance" means this Ordinance authorizing the issuance of the Bonds.

"State" means the State of Kansas.

Section 2. Authorization of the Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2008-A, of the City in the principal amount of \$15,385,000, for the purpose of providing funds to: (a) pay costs of issuance of the Bonds; and (b) retire interim financing issued to finance the Improvements.

Section 3. Security for the Bonds. The Bonds shall be general obligations of the City payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of the Improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The balance of the principal and interest on the Bonds is payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

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

subject to the provisions, covenants and agreements set forth in a resolution hereafter adopted by the governing body of the City.

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 and/or assessments upon all of the taxable tangible property within the City in the manner provided by law.

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

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

Section 6. Tax Covenants. The City covenants and agrees that (a) it will comply with all applicable provisions of the Code, including Code § 103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Bonds; and (b) it will not use or permit the use of any proceeds of Bonds or any other funds of the City, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Bonds. The City will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future law, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

Section 7. Further Authority. The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 8. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 9. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City and publication in the official City newspaper.

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PASSED by the governing body of the City on May 20, 2008 and signed by the Mayor.

(SEAL)

Mayor

ATTEST:

Clerk

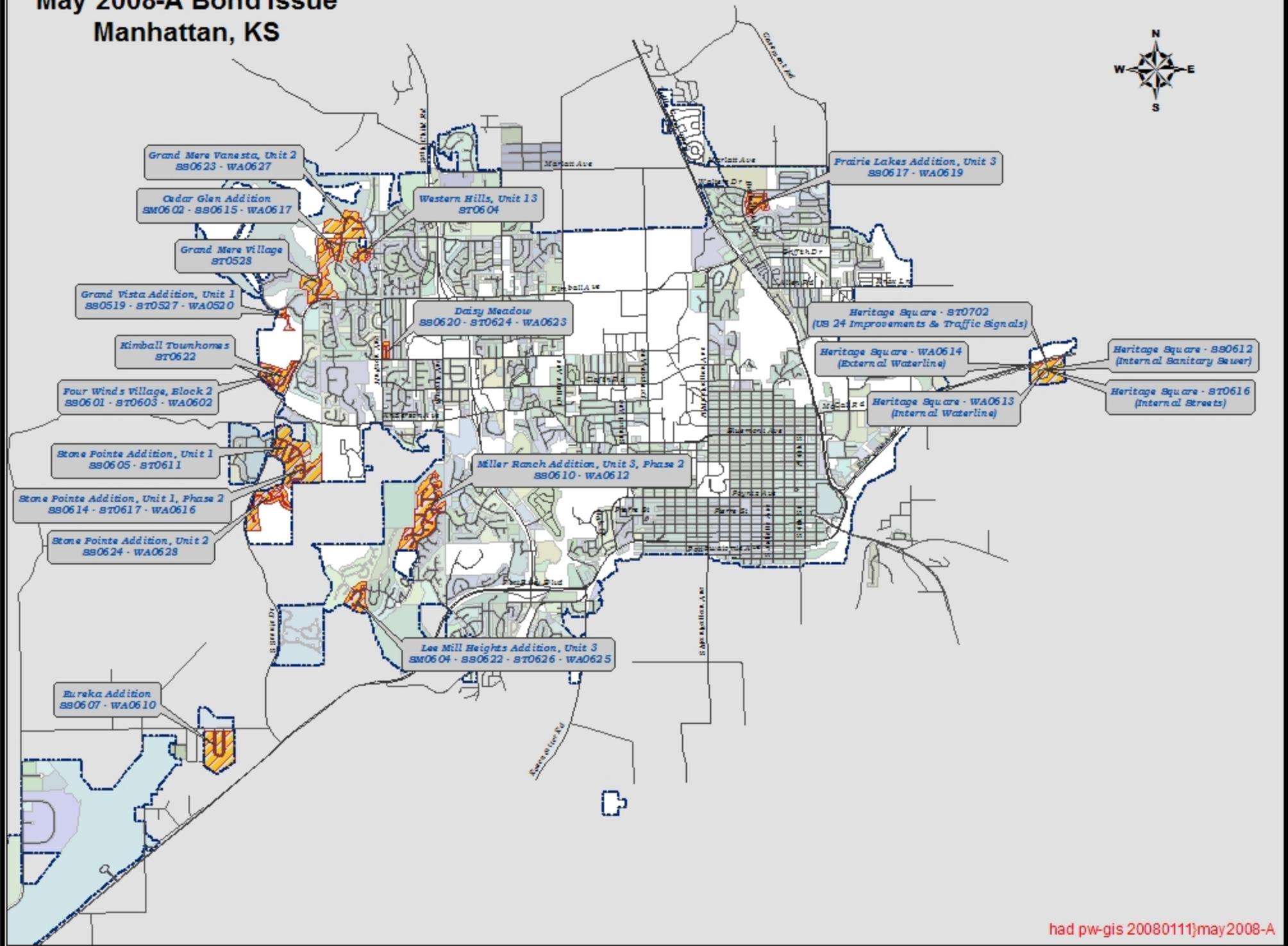
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Bond Projection - Special Assessment Bond Issue May 2008-A

Project No.	Project	Temp Note Amount	Add'l Revenue	Payments To Be Made	Cash Balance 04/04/08	06/15/08 Interest To Be Paid	Total Project Cost Before Bonding and Discount Fee
ST0528	Grand Mere Village	\$ 1,949,000	\$ -	\$ -	\$ 133,141	\$ 35,569	\$ 1,851,428
SS0605	Stone Pointe Addition, Unit 1	423,000	-	-	2,351	7,720	428,369
ST0611	Stone Pointe Addition, Unit 1	1,293,000	-	-	(226,922)	23,597	1,543,520
ST0604	Western Hills Addition, Unit 13	290,000	15,402	-	1,369	5,293	278,522
ST0622	Kimball Townhomes	294,000	-	-	7,692	5,163	291,470
SS0620	Daisy Meadow	197,000	-	-	16,081	3,516	184,435
ST0624	Daisy Meadow	256,000	-	-	28,512	4,570	232,058
WA0623	Daisy Meadow	134,000	-	-	10,494	2,392	125,898
SS0607	Eureka Addition	121,000	64,843	-	(6,527)	2,160	64,843
WA0610	Eureka Addition	152,000	75,635	-	3,443	2,713	75,635
SS0601	Four Winds Village, Block 2	287,000	-	-	(6,571)	5,123	298,694
ST0603	Four Winds Village, Block 2	513,000	-	-	(53,189)	9,157	575,346
WA0602	Four Winds Village, Block 2	79,000	-	-	3,628	1,410	76,782
SS0617	Prairie Lakes Addition, Unit 3	498,000	47,018	-	11,966	8,889	447,905
WA0619	Prairie Lakes Addition, Unit 3	176,000	-	-	3,643	3,142	175,498
SS0614	Stone Pointe Addition, Unit 1, Phase 2	158,000	-	-	1,324	2,820	159,496
ST0617	Stone Pointe Addition, Unit 1, Phase 2	684,000	-	-	(50,200)	12,209	746,409
WA0616	Stone Pointe Addition, Unit 1, Phase 2	146,000	10,535	-	(1,900)	2,606	139,971
SM0602	Cedar Glen Addition	932,000	-	-	(22,248)	16,776	971,024
SS0615	Cedar Glen Addition	333,000	-	-	20,625	5,994	318,369
WA0617	Cedar Glen Addition	140,000	-	-	3,826	2,520	138,694
SS0519	Grand Vista Addition, Unit 1	211,000	-	-	(940)	3,798	215,738
ST0527	Grand Vista Addition, Unit 1	174,000	-	-	12,170	3,132	164,962
WA0520	Grand Vista Addition, Unit 1	40,000	-	-	2,336	720	38,385
SS0623	Grand Mere Vanesta, Unit 2	199,000	-	-	7,301	5,448	197,146
WA0627	Grand Mere Vanesta, Unit 2	81,000	-	-	(40,842)	2,217	124,059
SM0604	Lee Mill Heights Addition, Unit 3	109,000	-	-	685	2,984	111,299
SS0622	Lee Mill Heights Addition, Unit 3	218,000	-	-	6,324	5,968	217,643
ST0626	Lee Mill Heights Addition, Unit 3	355,000	49,254	-	(136)	9,718	315,601
WA0625	Lee Mill Heights Addition, Unit 3	111,000	9,941	-	5,981	3,039	98,116
SS0610	Miller Ranch Addition, Unit 3, Phase 2	347,000	-	-	11,231	9,499	345,268
WA0612	Miller Ranch Addition, Unit 3, Phase 2	148,000	-	-	7,011	4,052	145,041
SS0624	Stone Pointe Addition, Unit 2	496,000	16,323	-	23,665	8,432	464,445
WA0628	Stone Pointe Addition, Unit 2	238,000	10,632	-	5,452	4,046	225,962
ST0702	Heritage Square (US 24 Improvements & Traffic Signals)	1,321,000	225,000	1,898	16,310	7,100	1,088,688
WA0614	Heritage Square (External Waterline)	689,000	-	990	10,034	3,703	683,659
SS0612	Heritage Square South (Internal Sanitary Sewer)	199,000	-	286	2,328	1,070	198,027
ST0616	Heritage Square South (Internal Steets)	1,180,000	-	1,695	15,248	6,343	1,172,790
WA0613	Heritage Square South (Internal Waterline)	227,000	-	326	347	1,220	228,199
TOTAL SPECIAL ASSESSMENTS		\$ 15,398,000	\$ 524,583	\$ 5,194	\$ (34,955)	\$ 245,827	\$ 15,159,393
TOTAL TO BE BONDED		\$ 15,398,000	\$ 524,583	\$ 5,194	\$ (34,955)	\$ 245,827	\$ 15,159,393

Temporary notes to be paid	\$ 15,398,000
Payments to be made	5,194
Interest to be paid	245,827
Less: Cash Balance	(34,955)
Additional Revenue	524,583
Sub-Total	15,159,393
Bonding Fees(Attorney Fees)	33,170
Financial Advisor	42,963
Bond Rating Fees	18,000
Legal Publications	5,000
Official Statement Printing	2,500
Arbitrage Calculation	4,000
Paying Agent Fees	5,325
Miscellaneous Fees	121
Sub-Total	111,079
Discount Fees	114,529
TOTAL BOND ISSUE 2008A	\$ 15,385,000

May 2008-A Bond Issue Manhattan, KS



**TIME TABLE - GENERAL OBLIGATION BOND ISSUE
SERIES 2008A (May 2008)**

Projects and spreadsheets from Engineering, which should include a map of each benefit district and a city map showing location of each project	Friday, December 28, 2007
Breakdown completed by Finance Department	Friday, January 4, 2008
Set date for Public Hearing on Special Assessments Send letters to property owners on Wednesday, January 23. Send notice to Mercury on Wednesday, January 23. Notice should be published on Friday, January 25.	Tuesday, January 22, 2008
Hold Public Hearing First Reading of Special Assessment Ordinance	Tuesday, February 5, 2008
Second Reading of Special Assessment Ordinance Send letters to property owners and have Deputy City Clerk send ordinance to Mercury on Wednesday, March 5. Ordinance should be published on Sunday, March 9.	Tuesday, March 4, 2008
Special Payoffs by (30 days from date letter sent)	Friday, April 4, 2008
Final Bond Numbers due	Friday, April 4, 2008
Send Special Assessment Proceedings to Bond Counsel	Friday, April 4, 2008
Set date for Bond Sale by Resolution/First Reading of Bond Ordinance	Tuesday, May 6, 2008
Send Notice of Bond Sale for Publication on Thursday, May 8	Wednesday, April 30, 2008
Send letters calling Temporary Notes early for bond issue if applicable	Friday, May 9, 2008
Second Reading of Ordinance/Bond Sale	Tuesday, May 20, 2008
Send Ordinance for publication on Sunday, May 25	Wednesday, May 21, 2008
Bond Closing on Bonds	Monday, June 9, 2008