

ORDINANCE NO. S-20-07

OF

THE CITY OF COFFEYVILLE, KANSAS

PASSED

AUGUST 25, 2020

**TAXABLE GENERAL OBLIGATION
ELECTRIC UTILITY SYSTEM REFUNDING BONDS
SERIES 2020-B**

ORDINANCE NO. S-20-07

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF TAXABLE GENERAL OBLIGATION ELECTRIC UTILITY SYSTEM REFUNDING BONDS, SERIES 2020-B, OF THE CITY OF COFFEYVILLE, KANSAS, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING ELECTRIC UTILITY SYSTEM REVENUE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; PROVIDING, IF NECESSARY 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; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Coffeyville, Kansas (the "Issuer"), owns and operates an electric utility system (the "System"), and has heretofore issued and has outstanding bonds that financed or refinanced improvements to the System (the "System Indebtedness"); and

WHEREAS, the City is authorized under the provisions of the Act, to issue and sell revenue bonds for the purpose of paying all or part of the cost of the acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement of the System, provided that the principal of and interest on such revenue bonds shall be payable solely from the Net Revenues derived by the City from the operation of the System; and

WHEREAS, the City heretofore issued and has Outstanding the Refunded Bonds and is authorized by K.S.A. 10-427 *et seq.* and K.S.A. 10-1201 *et seq.* to issue general obligation refunding bonds of the City for the purpose of refunding the Refunded Bonds; and

WHEREAS, the City heretofore adopted Resolution No. No. R-20-47 declaring it advisable to refund the Refunded Bonds, said resolution being published in accordance with such statutory provisions with no sufficient protest petition being filed against said refunding; and

WHEREAS, the principal amount of the proposed Series 2020-B Bonds does not exceed the maximum principal amount of the bonds described in Resolution No. No. R-20-47; and

WHEREAS, the total cost to the City on the Series 2020-B Bonds is less than the remaining interest cost to the City on the Refunded Bonds, and the anticipated revenues of the System are expected to be sufficient to retire the Series 2020-B Bonds; and

WHEREAS, in order to reduce debt service requirements of the City for certain years, to release the Issuer from certain burdensome covenants and restrictions relating to the Refunded Bonds, to restructure the debt payments on the Refunded Bonds and to provide an orderly plan of finance for the City, it has become desirable and in the best interest of the City and the System to refund the Refunded Bonds; and

WHEREAS, in addition to the Refunded Bonds, the City has Outstanding System Indebtedness comprised of the Series 2011-A Bonds and the Series 2015-B Bonds, which constitute Parity Bonds, and the Series 2013-A Bonds and the Series 2018-A Bonds, which constitute Subordinate Lien Bonds; and

WHEREAS, the resolutions authorizing such Outstanding System Indebtedness provides that the City may issue Additional Bonds upon the satisfaction of certain conditions; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2020-B Bonds, such terms and conditions will be satisfied.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF COFFEYVILLE, 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. 10-427 *et seq.*, K.S.A. 10-620 *et seq.*, and K.S.A. 10-1201 *et seq.*, all as amended and supplemented from time to time.

“Additional Bonds” means any bonds secured by the Revenues hereafter issued pursuant to the Bond Resolution.

“Additional Obligations” means any leases or other obligations of the Issuer payable from the Revenues, other than the Bonds.

“Bond Resolution” means collectively the Series 2011-A Bond Resolution, the Series 2013-A Supplemental Resolution, the Series 2015 Supplemental Resolution, the Series 2018-A Supplemental Resolution, the Series 2020-A Supplemental Resolution and any other supplemental resolution to be adopted by the governing body of the Issuer prescribing the terms and details of any Additional Bonds.

“Bonds” means collectively the Series 2011-A Bonds, Series 2013-A Bonds, the Series 2015-B Bonds, the Series 2018-A Bonds, the Series 2020-B Bonds, and any other Additional Bonds.

“City” means the City of Coffeyville, Kansas.

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

“Expenses” means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Revenue Bonds and depreciation and amortization charges during the period of determination), determined in accordance with generally accepted accounting principles, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, paying agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, for System operation, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the City not related to the operation of the System and transfers into the Debt Service Reserve Accounts and Depreciation and Replacement Account provided for in the Bond Resolution.

“Fiscal Year” means the twelve month period ending on December 31.

“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.

“Net Revenues” means, for the period of determination, all Revenues less all Expenses.

“Ordinance” means this Ordinance authorizing the issuance of the Bonds.

“Parity Bonds” means the Outstanding Series 2011-A Bonds, the Series 2015-B Bonds, and any Additional Bonds hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Series 2011-A and Series 2015-B Bonds with respect to the Net Revenues.

“Parity Obligations” means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

“Parity Resolution” means the Series 2011-A Bond Resolution, the Series 2015 Supplemental Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

“Refunded Bonds” means the Series 2015-B Bonds maturing in the years 2026 to 2042, inclusive, in the aggregate principal amount of \$38,300,000.

“Refunded Bonds Redemption Date” means June 1, 2025.

“Refunded Bonds Resolution” means the ordinance and resolution which authorized the Refunded Bonds.

“Revenue Fund” means the Electric Utility System Revenue Fund referred to in the Bond Resolution.

“Revenues” means all income and revenues derived and collected by the City from the operation and ownership of the System, including investment and rental income, net proceeds from business interruption insurance, transfers from the Surplus Account to the Revenue Fund of Net Revenues derived in a prior Fiscal Year and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Indebtedness, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

“Series 2011-A Bonds” means the Issuer's Electric Utility System Revenue Bonds, Series 2011-A, dated December 28, 2011.

“Series 2011-A Bond Resolution” means collectively the Issuer's Ordinance No. S-11-13 and Resolution No. R-11-117, which authorized the Series 2011-A Bonds and any Additional Bonds.

“Series 2013-A Bonds” means the Issuer's General Obligation Electric Utility System Refunding Bonds, Series 2013-A, dated December 3, 2013.

“Series 2013-A Supplemental Resolution” means collectively Ordinance No. S-13-06 and Resolution No. R-13-98 which authorized the Series 2013-A Bonds and amended and supplemented the Series 2011-A Bond Resolution.

“Series 2015-B Bonds” means the Issuer's Electric Utility System Revenue Bonds, Series 2015-B, dated June 25, 2015.

“Series 2015 Supplemental Resolution” means collectively Ordinance No. S-15-05 and Resolution No. R-15-68 which authorized the Series 2015-B Bonds and amended and supplemented the Series 2011-A Bond Resolution.

“Series 2018-A Bonds” means the Issuer's Taxable General Obligation Electric Utility System Refunding Bonds, Series 2018-A, dated June 19, 2018.

“Series 2018-A Supplemental Resolution” means collectively Ordinance No. S-18-02 and Resolution No. R-18-41 which authorized the Series 2018-A Bonds and amended and supplemented the Series 2011-A Bond Resolution.

“Series 2020-B Bonds” means the Issuer's Taxable General Obligation Electric Utility System Refunding Bonds, Series 2020-B, authorized pursuant to the Series 2020-B Supplemental Resolution.

“Series 2020-B Supplemental Resolution” means collectively Ordinance No. S-20-07 and Resolution No. R-20-60 which authorized the Series 2020-B Bonds and amended and supplemented the Series 2011-A Bond Resolution.

“State” means the State of Kansas.

“Subordinate Lien Bonds” means collectively the Series 2013-A Bonds, the Series 2018-A Bonds, the Series 2020-B Bonds, and any Additional Bonds or Additional Obligations payable from the Revenues on a subordinate lien basis to any Parity Bonds and Junior Lien Obligations, and which constitute general obligations of the City.

“System” means the electric generating plants and all appurtenances thereto, the electric distribution system, and the electric street lighting system, now serving the City and its inhabitants and others, together with all extensions and improvements thereto hereafter made or acquired by the City.

“System Indebtedness” means collectively all Bonds and all Additional Obligations.

Section 2. Authorization of the Series 2020-B Bonds. There shall be issued and hereby are authorized and directed to be issued the Taxable General Obligation Electric Utility System Refunding Bonds, Series 2020-B, of the City in the principal amount of \$41,010,000, for the purpose of providing funds to: (a) refund the Refunded Bonds; (b) pay Costs of Issuance; and (c) pay a portion of the interest on the Series 2020-B Bonds.

Section 3. Security for the Series 2020-B Bonds. The Series 2020-B Bonds shall be general obligations of the City payable from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Series 2020-B Bonds. The interest on the Series 2020-B Bonds to and including Refunded Bonds Redemption Date shall be primarily payable from the proceeds of certain United States government securities and cash held in an escrow fund. The City shall establish sufficient rates, fees and charges for use of the System to provide for payment of the Expenses and the repayment on the Series 2020-B Bonds. If said Net Revenues are not sufficient to provide for the payment of the principal of and interest on the Series 2020-B Bonds, the City shall levy taxes as set forth in *Section 5* hereof. The covenants and agreements of the City contained herein and in the Series 2020-B Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2020-B Bonds, all of which

Series 2020-B Bonds shall be of equal rank and without preference or priority of one Series 2020-B Bond over any other Series 2020-B Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Series 2020-B Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Ordinance. Pursuant to the terms of the Bond Resolution, the City will reserve the right to issue Additional Bonds which are prior in lien on said Net Revenues to the lien of the Series 2020-B Bonds and/or on the same lien status as the Series 2020-B Bonds upon the satisfaction of certain terms and conditions set forth in the Bond Resolution.

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 Series 2020-B as the same become due.

Section 4. Terms, Details and Conditions of the Series 2020-B Bonds. The Series 2020-B 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 the Bond 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, to the extent necessary, make provision for the payment of principal of, premium, if any, and interest on the Series 2020-B Bonds as the same become due by levying and collecting the necessary taxes upon all of the 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 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 Series 2020-B 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 are not collected in time to pay the principal of or interest on the Series 2020-B 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.

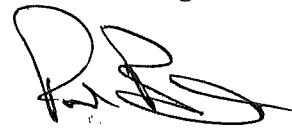
Section 6. Further Authority. The Mayor, Finance Director, City Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance to make 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 7. Governing Law. This Ordinance and the Series 2020-B Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8. 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 August 25, 2020 and **SIGNED** by the Mayor by direction of the governing body, the Mayor being absent from the meeting.

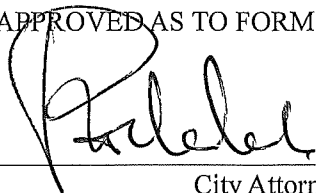


Mayor



City Clerk

APPROVED AS TO FORM ONLY.



City Attorney

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