

City of Lawrence, Kansas Recommendations for Issuance of Bonds

\$4,010,000 General Obligation Improvement Bonds, Series 2019-A
(the "Bonds")

\$28,540,000 General Obligation Temporary Notes, Series 2019-I
(the "Notes")

(together, the "Obligations")

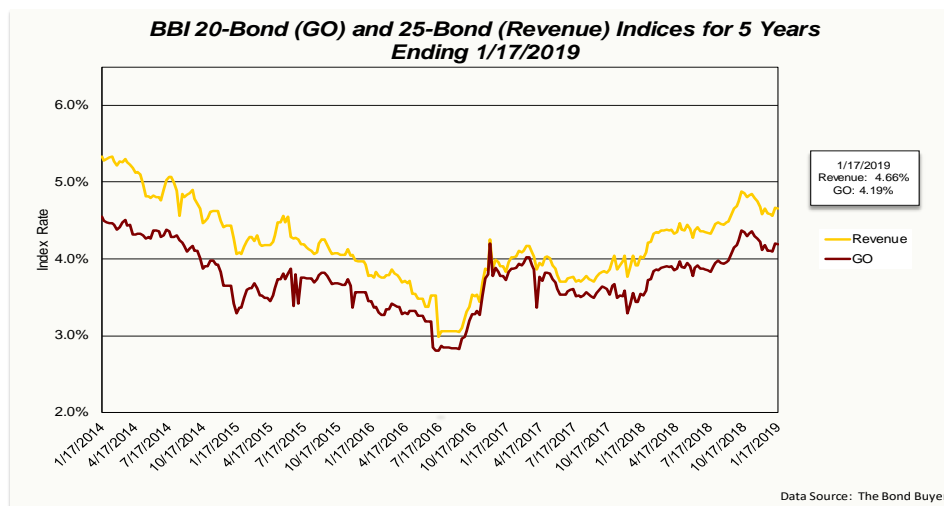
The City Commission has under consideration the issuance of Obligations to fund various infrastructure and facility improvement projects as identified by the City. This document provides information relative to the proposed issuance.

KEY EVENTS: The following summary schedule includes the timing of some of the key events that will occur relative to the Bond and Notes issuances.

February 5, 2019	City Commission sets sale date and terms
February 14 to 18 time frame	Rating conference is conducted
Week of February 25, 2019	Rating received
March 5, 2019, 10:00 a.m.	Competitive bids are received
March 5, 2019, 5:45 p.m.	City Commission considers award of Obligations
March 26, 2019	Proceeds received

RATING: An application will be made to Moody's Investors Service (Moody's) for ratings on the Obligations. The Commission's general obligation debt is currently rated 'Aa1' by Moody's. The Notes are expected to be assigned the highest quality short-term rating of "MIG 1".

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 rated Aa2 by Moody's or AA by S&P (the BBI 20-Bond GO Index) and the 30th year for revenue bonds rated A1 by Moody's or A+ by S&P (the BBI 25-Bond Revenue Index). The following chart illustrates these two indices over the past five years.



POST ISSUANCE COMPLIANCE:

The issuance of the Obligations 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 these issues have 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 Obligations. 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.

The arbitrage rules provide for spend-down exceptions for proceeds that are spent within either a 6-month, 18-month or, for certain construction issues, a 24-month period each in accordance with certain spending criteria. Proceeds that qualify for an exception will be exempt from rebate. These exceptions are based on actual expenditures and not based on reasonable expectations, and expenditures, including any investment proceeds will have to meet the spending criteria to qualify for the exclusion.

The City expects to meet 18-month spending exception with respect to Bonds.

The City expects to meet 24-month spending exception with respect to Notes.

Regardless of whether the issues qualify for an exemption from the rebate provisions, yield restriction provisions will apply to Bond and Note proceeds (including interest earnings) unspent after three years and the debt service fund throughout the term of the Bonds. These moneys should be monitored until the Obligations are retired.

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 both arbitrage and continuing disclosure services to the City. Springsted will work with City staff to include the Obligations under the existing Agreement for Municipal Advisor Services.

SECURITY:

The Obligations are a general obligation of the City payable as to both principal and interest 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.

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 financings, a bond record will be provided that contains pertinent documents and final debt service calculations for the transactions.

**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 issues once the price and interest rates are set on the day of sale.

Prepayment Provisions:

Bonds maturing on or after September 1, 2028 may be prepaid at a price of par plus accrued interest on or after September 1, 2027.

The Notes may be prepaid at a price of par plus accrued interest on or after May 1, 2020.

Bank Qualification: The City is issuing more than \$10 million in tax-exempt obligations in 2019; therefore the Obligations are not designated as bank qualified.

Premium bidding: Any excess proceeds generated as original issue premium and/or unused underwriter discount will be used to reduce the size of the borrowings.

**RISKS/SPECIAL
CONSIDERATIONS:**

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

The Notes have been structured assuming premium pricing based on current market conditions; however, the actual market conditions on the day of sale are likely to be different. As a result, the principal amount of the Notes could be higher or lower than what is presented here.

\$4,010,000 General Obligation Improvement Bonds, Series 2019-A

Description of Issue

PURPOSE:	Proceeds of the Bonds will be used to finance a portion of the City's share of the Humane Society building and various other capital improvements that were completed in 2018 or are expected to be put into service in 2019. The Humane Society portion of the Bonds represents the City's grant of \$2,500,000 to fund a portion of the \$7,500,000 Humane Society project.
AUTHORITY:	The Bonds are being issued pursuant to K.S.A. 10-101 <i>et seq.</i> , K.S.A. 10-620 <i>et seq.</i> , Charter Ordinance No. 28 of the City, Charter Ordinance No. 40 of the City and Article 12, Section 5 of the Constitution of the State of Kansas, all as amended and supplemented.
SOURCE OF PAYMENT:	The Bonds will be payable from tax levies. The City will certify taxes beginning in 2019 for collection in 2020, which are expected to be sufficient to make the debt service payments on the Bonds.
STRUCTURING SUMMARY:	In consultation with the City, the Bonds have been structured with three purposes over various terms of 20, 10 and five years, each with approximately level annual debt service. The list of projects to be financed, their amounts and respective repayment terms are as follows:

Project	Financed Amount	Term of Repayment (Years)
Humane Society	\$2,500,000	20
Downtown Canopy	350,000	10
Arts Center Roof	110,931	10
Indoor Aquatics Center	111,430	5
Community Building Renovations	100,349	5
South Park Playground	94,683	5
City Hall Fire Alarm Panel and General	93,800	5
One Stop Shop	180,000	5
Arts Center Boilers	115,131	5
Traffic Calming	235,342	5

SCHEDULES ATTACHED: Schedules attached include a sources and uses of funds, and estimated debt service requirements for the issue as a whole and by purpose, given the current interest environment.

\$28,540,000 General Obligation Temporary Notes, Series 2019-I

Description of Issue

PURPOSE: Proceeds of the Notes will be used to finance various capital improvements, expected to be placed in service in 2019 or 2020.

AUTHORITY: The Notes are being issued pursuant to K.S.A. 10-101 *et seq.*, particularly including K.S.A. 10-123, K.S.A. 10-620 *et seq.*, K.S.A. 12-685 *et seq.*, Charter Ordinance No. 40 of the City, Charter Ordinance No. 46 of the City and Article 12, Section 5 of the Constitution of the State of Kansas, all as amended and supplemented.

SOURCE OF PAYMENT: Semiannual interest payments on the Notes beginning on November 1, 2019 will be made from available City funds and future tax levy collections. The Notes are expected to be redeemed on or prior to maturity with the issuance of long-term general obligation bonds and/or other available resources of the City. The long-term bonds will be payable from tax levies.

STRUCTURING SUMMARY: In consultation with City staff, the Notes have been structured with a single maturity date of May 1, 2021.

The estimated interest rate applied to the structuring of the Notes is based on current market condition and assumes a reoffering premium. The underwriter will take their compensations from the reoffering premium and any remaining excess will be used to reduce the principal amount of the Notes.

SCHEDULES ATTACHED: Schedules attached include a sources and uses of funds, pricing summary and estimated debt service requirements, given the current interest environment.

\$4,010,000

City of Lawrence, Kansas
General Obligation Improvement Bonds, Series 2019-A
ISSUE SUMMARY

Total Issue Sources And Uses

Dated 03/26/2019 | Delivered 03/26/2019

	20-Year Humane Society Building	10-Year Financings	5-Year Financings	Issue Summary
Sources Of Funds				
Par Amount of Bonds.....	\$2,580,000.00	\$475,000.00	\$955,000.00	\$4,010,000.00
Total Sources.....	\$2,580,000.00	\$475,000.00	\$955,000.00	\$4,010,000.00
Uses Of Funds				
Deposit to Project Construction Fund.....	2,500,000.00	460,931.00	930,735.00	3,891,666.00
Costs of Issuance.....	52,861.63	5,634.02	11,327.35	69,823.00
Total Underwriter's Discount (0.900%).....	23,220.00	4,275.00	8,595.00	36,090.00
Rounding Amount.....	3,918.37	4,159.98	4,342.65	12,421.00
Total Uses.....	\$2,580,000.00	\$475,000.00	\$955,000.00	\$4,010,000.00

\$4,010,000

City of Lawrence, Kansas
General Obligation Improvement Bonds, Series 2019-A
ISSUE SUMMARY

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/26/2019	-	-	-	-	-
03/01/2020	-	-	104,026.80	104,026.80	-
09/01/2020	285,000.00	2.050%	55,895.00	340,895.00	444,921.80
03/01/2021	-	-	52,973.75	52,973.75	-
09/01/2021	340,000.00	2.150%	52,973.75	392,973.75	445,947.50
03/01/2022	-	-	49,318.75	49,318.75	-
09/01/2022	345,000.00	2.200%	49,318.75	394,318.75	443,637.50
03/01/2023	-	-	45,523.75	45,523.75	-
09/01/2023	345,000.00	2.300%	45,523.75	390,523.75	436,047.50
03/01/2024	-	-	41,556.25	41,556.25	-
09/01/2024	355,000.00	2.400%	41,556.25	396,556.25	438,112.50
03/01/2025	-	-	37,296.25	37,296.25	-
09/01/2025	165,000.00	2.450%	37,296.25	202,296.25	239,592.50
03/01/2026	-	-	35,275.00	35,275.00	-
09/01/2026	165,000.00	2.550%	35,275.00	200,275.00	235,550.00
03/01/2027	-	-	33,171.25	33,171.25	-
09/01/2027	170,000.00	2.650%	33,171.25	203,171.25	236,342.50
03/01/2028	-	-	30,918.75	30,918.75	-
09/01/2028	170,000.00	2.700%	30,918.75	200,918.75	231,837.50
03/01/2029	-	-	28,623.75	28,623.75	-
09/01/2029	180,000.00	2.800%	28,623.75	208,623.75	237,247.50
03/01/2030	-	-	26,103.75	26,103.75	-
09/01/2030	130,000.00	2.850%	26,103.75	156,103.75	182,207.50
03/01/2031	-	-	24,251.25	24,251.25	-
09/01/2031	130,000.00	3.250%	24,251.25	154,251.25	178,502.50
03/01/2032	-	-	22,138.75	22,138.75	-
09/01/2032	135,000.00	3.350%	22,138.75	157,138.75	179,277.50
03/01/2033	-	-	19,877.50	19,877.50	-
09/01/2033	140,000.00	3.450%	19,877.50	159,877.50	179,755.00
03/01/2034	-	-	17,462.50	17,462.50	-
09/01/2034	145,000.00	3.500%	17,462.50	162,462.50	179,925.00
03/01/2035	-	-	14,925.00	14,925.00	-
09/01/2035	150,000.00	3.550%	14,925.00	164,925.00	179,850.00
03/01/2036	-	-	12,262.50	12,262.50	-
09/01/2036	155,000.00	3.600%	12,262.50	167,262.50	179,525.00
03/01/2037	-	-	9,472.50	9,472.50	-
09/01/2037	160,000.00	3.700%	9,472.50	169,472.50	178,945.00
03/01/2038	-	-	6,512.50	6,512.50	-
09/01/2038	170,000.00	3.750%	6,512.50	176,512.50	183,025.00
03/01/2039	-	-	3,325.00	3,325.00	-
09/01/2039	175,000.00	3.800%	3,325.00	178,325.00	181,650.00
Total	\$4,010,000.00	-	\$1,181,899.30	\$5,191,899.30	-

Yield Statistics

Bond Year Dollars.....	\$37,241.53
Average Life.....	9.287 Years
Average Coupon.....	3.1736058%
Net Interest Cost (NIC).....	3.2705138%
True Interest Cost (TIC).....	3.2435059%
Bond Yield for Arbitrage Purposes.....	3.1259268%
All Inclusive Cost (AIC).....	3.4758178%

IRS Form 8038

Net Interest Cost.....	3.1736058%
Weighted Average Maturity.....	9.287 Years

2019-A GO Imp Bonds 2019- | Issue Summary | 1/21/2019 | 8:04 AM

\$2,580,000

City of Lawrence, Kansas
General Obligation Improvement Bonds, Series 2019-A
20-Year Humane Society Building

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/26/2019	-	-	-	-	-
03/01/2020	-	-	73,453.40	73,453.40	-
09/01/2020	70,000.00	2.050%	39,467.50	109,467.50	182,920.90
03/01/2021	-	-	38,750.00	38,750.00	-
09/01/2021	105,000.00	2.150%	38,750.00	143,750.00	182,500.00
03/01/2022	-	-	37,621.25	37,621.25	-
09/01/2022	105,000.00	2.200%	37,621.25	142,621.25	180,242.50
03/01/2023	-	-	36,466.25	36,466.25	-
09/01/2023	105,000.00	2.300%	36,466.25	141,466.25	177,932.50
03/01/2024	-	-	35,258.75	35,258.75	-
09/01/2024	110,000.00	2.400%	35,258.75	145,258.75	180,517.50
03/01/2025	-	-	33,938.75	33,938.75	-
09/01/2025	115,000.00	2.450%	33,938.75	148,938.75	182,877.50
03/01/2026	-	-	32,530.00	32,530.00	-
09/01/2026	115,000.00	2.550%	32,530.00	147,530.00	180,060.00
03/01/2027	-	-	31,063.75	31,063.75	-
09/01/2027	120,000.00	2.650%	31,063.75	151,063.75	182,127.50
03/01/2028	-	-	29,473.75	29,473.75	-
09/01/2028	120,000.00	2.700%	29,473.75	149,473.75	178,947.50
03/01/2029	-	-	27,853.75	27,853.75	-
09/01/2029	125,000.00	2.800%	27,853.75	152,853.75	180,707.50
03/01/2030	-	-	26,103.75	26,103.75	-
09/01/2030	130,000.00	2.850%	26,103.75	156,103.75	182,207.50
03/01/2031	-	-	24,251.25	24,251.25	-
09/01/2031	130,000.00	3.250%	24,251.25	154,251.25	178,502.50
03/01/2032	-	-	22,138.75	22,138.75	-
09/01/2032	135,000.00	3.350%	22,138.75	157,138.75	179,277.50
03/01/2033	-	-	19,877.50	19,877.50	-
09/01/2033	140,000.00	3.450%	19,877.50	159,877.50	179,755.00
03/01/2034	-	-	17,462.50	17,462.50	-
09/01/2034	145,000.00	3.500%	17,462.50	162,462.50	179,925.00
03/01/2035	-	-	14,925.00	14,925.00	-
09/01/2035	150,000.00	3.550%	14,925.00	164,925.00	179,850.00
03/01/2036	-	-	12,262.50	12,262.50	-
09/01/2036	155,000.00	3.600%	12,262.50	167,262.50	179,525.00
03/01/2037	-	-	9,472.50	9,472.50	-
09/01/2037	160,000.00	3.700%	9,472.50	169,472.50	178,945.00
03/01/2038	-	-	6,512.50	6,512.50	-
09/01/2038	170,000.00	3.750%	6,512.50	176,512.50	183,025.00
03/01/2039	-	-	3,325.00	3,325.00	-
09/01/2039	175,000.00	3.800%	3,325.00	178,325.00	181,650.00
Total	\$2,580,000.00	-	\$1,031,495.90	\$3,611,495.90	-

Yield Statistics

Bond Year Dollars.....	\$30,985.83
Average Life.....	12.010 Years
Average Coupon.....	3.3289274%
Net Interest Cost (NIC).....	3.4038649%
True Interest Cost (TIC).....	3.3873003%
Bond Yield for Arbitrage Purposes.....	3.1259268%
All Inclusive Cost (AIC).....	3.6067809%

IRS Form 8038

Net Interest Cost.....	3.3289274%
Weighted Average Maturity.....	12.010 Years

2019-A GO Imp Bonds 2019- | 20-Year Humane Society Bu | 1/21/2019 | 8:04 AM

\$475,000

City of Lawrence, Kansas
General Obligation Improvement Bonds, Series 2019-A
10-Year Financings

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/26/2019	-	-	-	-	-
03/01/2020	-	-	10,801.42	10,801.42	-
09/01/2020	40,000.00	2.050%	5,803.75	45,803.75	56,605.17
03/01/2021	-	-	5,393.75	5,393.75	-
09/01/2021	45,000.00	2.150%	5,393.75	50,393.75	55,787.50
03/01/2022	-	-	4,910.00	4,910.00	-
09/01/2022	45,000.00	2.200%	4,910.00	49,910.00	54,820.00
03/01/2023	-	-	4,415.00	4,415.00	-
09/01/2023	45,000.00	2.300%	4,415.00	49,415.00	53,830.00
03/01/2024	-	-	3,897.50	3,897.50	-
09/01/2024	45,000.00	2.400%	3,897.50	48,897.50	52,795.00
03/01/2025	-	-	3,357.50	3,357.50	-
09/01/2025	50,000.00	2.450%	3,357.50	53,357.50	56,715.00
03/01/2026	-	-	2,745.00	2,745.00	-
09/01/2026	50,000.00	2.550%	2,745.00	52,745.00	55,490.00
03/01/2027	-	-	2,107.50	2,107.50	-
09/01/2027	50,000.00	2.650%	2,107.50	52,107.50	54,215.00
03/01/2028	-	-	1,445.00	1,445.00	-
09/01/2028	50,000.00	2.700%	1,445.00	51,445.00	52,890.00
03/01/2029	-	-	770.00	770.00	-
09/01/2029	55,000.00	2.800%	770.00	55,770.00	56,540.00
Total	\$475,000.00	-	\$74,687.67	\$549,687.67	-

Yield Statistics

Bond Year Dollars.....	\$2,924.51
Average Life.....	6.157 Years
Average Coupon.....	2.5538490%
Net Interest Cost (NIC).....	2.7000272%
True Interest Cost (TIC).....	2.7072424%
Bond Yield for Arbitrage Purposes.....	3.1259268%
All Inclusive Cost (AIC).....	2.9235795%

IRS Form 8038

Net Interest Cost.....	2.5538490%
Weighted Average Maturity.....	6.157 Years

\$955,000

City of Lawrence, Kansas
General Obligation Improvement Bonds, Series 2019-A
5-Year Financings

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/26/2019	-	-	-	-	-
03/01/2020	-	-	19,771.98	19,771.98	-
09/01/2020	175,000.00	2.050%	10,623.75	185,623.75	205,395.73
03/01/2021	-	-	8,830.00	8,830.00	-
09/01/2021	190,000.00	2.150%	8,830.00	198,830.00	207,660.00
03/01/2022	-	-	6,787.50	6,787.50	-
09/01/2022	195,000.00	2.200%	6,787.50	201,787.50	208,575.00
03/01/2023	-	-	4,642.50	4,642.50	-
09/01/2023	195,000.00	2.300%	4,642.50	199,642.50	204,285.00
03/01/2024	-	-	2,400.00	2,400.00	-
09/01/2024	200,000.00	2.400%	2,400.00	202,400.00	204,800.00
Total	\$955,000.00	-	\$75,715.73	\$1,030,715.73	-

Yield Statistics

Bond Year Dollars.....	\$3,331.18
Average Life.....	3.488 Years
Average Coupon.....	2.2729398%
Net Interest Cost (NIC).....	2.5309565%
True Interest Cost (TIC).....	2.5409523%
Bond Yield for Arbitrage Purposes.....	3.1259268%
All Inclusive Cost (AIC).....	2.9052363%

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Net Interest Cost.....	2.2729398%
Weighted Average Maturity.....	3.488 Years

\$28,540,000

City of Lawrence, Kansas
General Obligation Temporary Notes, Series 2019-I

Sources & Uses

Dated 03/26/2019 | Delivered 03/26/2019

Sources Of Funds

Par Amount of Bonds.....	\$28,540,000.00
Reoffering Premium.....	261,141.00

Total Sources..... \$28,801,141.00

Uses Of Funds

Deposit to Project Construction Fund.....	28,600,000.00
Total Underwriter's Discount (0.500%).....	142,700.00
Costs of Issuance.....	54,238.00
Rounding Amount.....	4,203.00

Total Uses..... \$28,801,141.00

\$28,540,000

City of Lawrence, Kansas
General Obligation Temporary Notes, Series 2019-I

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
05/01/2021	Serial Coupon	3.000%	2.150%	28,540,000.00	100.915%	c 2.548%	05/01/2020	100.000%	28,801,141.00
Total		-	-	-	\$28,540,000.00	-	-	-	\$28,801,141.00

Bid Information

Par Amount of Bonds.....	\$28,540,000.00
Reoffering Premium or (Discount).....	261,141.00
Gross Production.....	\$28,801,141.00
Total Underwriter's Discount (0.500%).....	\$(142,700.00)
Bid (100.415%).....	28,658,441.00
Total Purchase Price.....	\$28,658,441.00
Bond Year Dollars.....	\$59,854.72
Average Life.....	2.097 Years
Average Coupon.....	3.0000000%
Net Interest Cost (NIC).....	2.8021192%
True Interest Cost (TIC).....	2.7937088%

\$28,540,000

City of Lawrence, Kansas
General Obligation Temporary Notes, Series 2019-I

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
03/26/2019	-	-	-	-
11/01/2019	-	-	511,341.67	511,341.67
05/01/2020	-	-	428,100.00	428,100.00
11/01/2020	-	-	428,100.00	428,100.00
05/01/2021	28,540,000.00	3.000%	428,100.00	28,968,100.00
Total	\$28,540,000.00	-	\$1,795,641.67	\$30,335,641.67

Yield Statistics

Bond Year Dollars.....	\$59,854.72
Average Life.....	2.097 Years
Average Coupon.....	3.0000000%
Net Interest Cost (NIC).....	2.8021192%
True Interest Cost (TIC).....	2.7937088%
Bond Yield for Arbitrage Purposes.....	2.1500177%
All Inclusive Cost (AIC).....	2.8874639%
IRS Form 8038	
Net Interest Cost.....	2.5404634%
Weighted Average Maturity.....	2.097 Years