

(Published in *The Saint Francis Herald* on _____, 2016 and _____, 2016)

**NOTICE OF BOND ELECTION
CHEYENNE COUNTY, KANSAS**

Pursuant to action taken by the Board of County Commissioners of Cheyenne County, Kansas (the "County"), notice is hereby given to the qualified electors of the County that a special question election has been called and will be held on August 2, 2016, for the purpose of submitting to the qualified electors of the County the following proposition:

Shall the following Resolution Become Effective?

Resolution No. 2016-3 of the Cheyenne County, Kansas, Public Building Commission declaring it necessary for the Cheyenne County, Kansas, Public Building Commission to construct and equip improvements to an existing nursing home and construct and equip a new assisted living facility to be leased to Cheyenne County, Kansas; to issue revenue bonds in an amount not to exceed \$5,000,000 for the purpose of paying all or a portion of the costs thereof and related reserves and financing costs; and providing for the giving of notice of said intention.

To vote in favor of any question submitted on this ballot, darken the oval to the left of the word "Yes."
To vote against it, darken the oval to the left of the word "No."

☐ YES
☐ NO]

The polls will open at 7:00 o'clock A.M. and will close at 7:00 o'clock P.M., on August 2, 2016, the election day. The voting places in the County, and the area each voting place will serve, will be as follows:

[TO BE INSERTED BY COUNTY CLERK]

The election will be conducted by the officers and/or persons provided by law for holding elections, and the method of voting will be by ballot. Registered voters are eligible to vote by advance voting ballot upon application to the County Clerk at the address set forth below pursuant to K.S.A. 25-1117 *et seq.*

ADDITIONAL INFORMATION

Pursuant to the authority of K.S.A. 12-1757 *et seq.* (the "Act"), the Board of County Commissioners (the "Board") of Cheyenne County, Kansas (the "County") has heretofore created the Cheyenne County,

Kansas Public Building Commission, a municipal corporation of the State of Kansas (the "PBC"). Pursuant to the Act, the PBC has the authority to issue revenue bonds to finance the construction, reconstruction, equipping and furnishing of certain public buildings and facilities to be leased to governmental agencies and certain nonprofit corporations. The Board, pursuant to Resolution No. 15-20 (the "County Resolution"), has heretofore deemed it advisable to construct and equip improvements to an existing nursing home and construct and equip a new assisted living facility for lease to the County (the "Project"). The County Resolution also requested that the PBC issue revenue bonds in an amount not to exceed \$5,000,000 to finance the costs of the Project and related reserves and financing costs and declared an intent of the County to enter into a lease or lease-purchase agreement (the "Lease Agreement") with the PBC to provide for the source of repayment of the debt service on the PBC revenue bonds and other expenses.

Pursuant to the Act, the PBC adopted Resolution No. 2016-3 (the "PBC Resolution") which deemed and declared to be necessary, based on a request of the County, to acquire, develop, construct, equip and finance the Project, and to issue revenue bonds of the PBC in an amount of not to exceed \$5,000,000 (the "PBC Bonds") in order to finance the costs of the Project and related reserves and financing costs. The PBC Bonds are revenue bonds payable solely and only from the rentals received by the PBC from the Lease Agreement entered into with the County pursuant to the Act. The Lease Agreement is not subject to the Kansas "cash-basis" and "budget" laws; the County is obligated to make rental payments to the PBC pursuant to the Lease Agreement from whatever source of revenues is legally available to the County, which may include the levy of ad valorem taxes, if necessary. Pursuant to the Act, the PBC Resolution was published once a week for two consecutive weeks in the official newspaper of the County, and provided that if within thirty (30) days after the publication thereof, a petition in opposition to the same, signed by not less than five (5%) percent of the electors of the County, is filed with the County Clerk, the Board shall submit the question of the effectiveness of the PBC Resolution and the issuance of the Bonds to the voters of the County at an election called for such purpose or at the next general election. The County Clerk has certified that a petition in opposition to the PBC Resolution was filed in the County Clerk's office within the time prescribed by the Act and was signed by not less than five (5%) percent of the electors of the County. In accordance with the requirements of the Act, the Board authorized a special question election to be held on August 2, 2016.

The Project will be constructed on an existing site owned by the County located at 820 South Denison in St. Francis. The skilled nursing facility will provide 35 nursing home beds in 11 private rooms and 12 semi-private rooms. Renovations to the skilled nursing facility will include new ADA accessible restrooms in the rooms, new energy efficient windows and wall heating and cooling units. The new assisted living facility will be 10,985 square feet comprised of nine (9) single units that are 500 square feet each and one (1) double assisted living unit that is 815 square feet, a common kitchen area for all residents, living room areas, laundry, game/activity room, office space and storage.

On August 2, 2011, a county-wide election approved the collection of a six mill levy for the purpose of creating a special fund to be used in acquiring land for the building of a home for the aged, for the enlargement of or addition to the home already established and for the equipping, repairing, remodeling and furnishing such home. Collection of the six (6) mill levy began on January 1, 2014. The County is obligated to make rental payments under the Lease Agreement, which will in turn be used to pay principal and interest on the PBC Bonds. The County projects that the existing six (6) mill levy will be sufficient to pay the projected rental payments under the Lease Agreement. If such is the case, no additional ad valorem taxation will be required for the County to make the rental payments pursuant to the Lease Agreement.

The following additional information is provided by the County with respect to compliance with the provisions of K.S.A. 10-120a and K.S.A. 12-6,122. This information has been obtained from sources deemed reliable by the County. Certain portions of this information is based upon projections. No assurances can be given that these projections will be accurate as of the date of issuance of the Bonds due to changing market conditions, any changes in assessed valuation of the County and other matters unknown or unavailable at this

time. The projected rates of property taxation to be used to pay the principal of and interest on the Bonds are based upon the current assessed valuation of the County, the assumed principal repayment schedule and the average interest rates from recent bond issues for similar types of financings, all as shown below.

Projected Summary of Project Costs

<i>Sources of Funds</i>		<i>Uses of Funds</i>	
Bonds to be Issued (not to exceed)	\$5,000,000	Project Costs (including asbestos abatement)	\$4,169,955
Interest Earnings	[_____]	Professional services (including architectural/engineering fees)	305,387
		Interest During Construction	[_____]
		Issuance Expenses (including attorney fees, printing costs, rating agency fees, financial advisor fees, underwriting fees and other miscellaneous expenses)	[_____]
Total	\$[_____]	Total	\$[_____]

Projected Summary of Bond Issue Repayments

Principal payments over [____] years	Average Interest Rate	[____]%
Total Interest Cost to Maturity \$[_____]	Assessed Valuation (2015)	\$[_____]
Average Annual Principal and Interest Payments after Project completion		\$[_____]
Estimated Average Annual Revenues from existing six (6) mill levy		\$[_____]
Portion of Average Annual Principal and Interest Payments anticipated to be paid from existing six (6) mill levy		\$[_____]
Portion of Average Annual Principal and Interest Payments anticipated to be paid from operation of Project		\$0
Balance of Average Annual Principal and Interest Payments anticipated to be paid from County funds		\$[_____]
Mill levy requirement in excess of existing six (6) mill levy to pay Balance of Average Annual Principal and Interest Payments anticipated to be paid from County funds		[_____] Mills

The election officer conducting the election will be the County Clerk of Cheyenne County, Kansas, whose address is Cheyenne County Courthouse, 212 Washington Street, St. Francis, Kansas 67756.

DATED: _____, 2016.

(Seal)

Deb Lindsten, County Clerk
Cheyenne County, Kansas

